

# KANGA POTASH

KANGA  
POTASH

Corporate Presentation | January 2024

## Huge resource with exceptional characteristics



- Two licenses with c. 25B tonnes of potash resources in the Republic of Congo
- Ultra thick carnallite seams of +/- 210m (mineable)
- Scalability on a huge resource with + 30 years LOM



## Superb logistics and proximity to key potash markets



- Plant and solution mining on the Atlantic coast (ex mine = FOB)
- Long and expensive logistics to the port of export being avoided
- Shortest shipping time to Brazilian and African markets from the Republic of Congo on the West coast of Africa

## Competitive costs



- Attractive CAPEX<sup>1)</sup>: \$457m (600K tpa)
- Globally lowest FOB cash cost: \$66/ton<sup>1)</sup> (600k tpa), potentially down to \$54/ton<sup>3)</sup> (2,4M tpa scenario)
- Low sustaining CAPEX: cavern life is in excess of 20 years per well

## Robust and compelling economics



- 600K tpa<sup>1)</sup>: post tax NPV(12.2, nom) \$501m, post-tax IRR 22.3%, average EBITDA of \$139m/pa at full capacity<sup>2)</sup>
- 2.4M tpa<sup>3)</sup>: tax NPV(12.2, nom) \$2.0bn, post-tax IRR 21.3% and an av. EBITDA of \$618m p.a. at full capacity<sup>2)</sup>

## Project at pre-construction phase



- \$46m invested over the last 7 years to develop the project
- MoUs signed for the off-take of 100% of the designated production
- Detailed term sheet signed with gas supplier
- 12-18 months to FID requiring c. \$20m to complete FEED workstreams

## Regulatory approvals



- Kanga mining convention signed (August 2023)
- Kanga mining exploitation license granted (June 2022)
- ESIA Certificate of Conformity (2021)
- All surface rights secured by decrees (2020)

## Strategically attractive to partners



- Private equity groups
- Strategic groups (fertiliser producers and off-takers)
- Financiers (e.g., banks, debt funds)
- Pre-qualified EPC groups that could arrange up to 85% debt finance

### Notes

- 1) As per DFS (2020), sales price av. blended at \$288 per ton MOP
- 2) Nominal, MOP sales price av. blended at \$288 per ton MOP
- 3) As per PFS, stand-alone case

## Shareholders and Senior Management - Wealth of Experience in Africa and the Republic of Congo



**Stéphane A. RIGNY**  
SMI (shareholder)  
Executive Chairman

- Founder and CEO of SARMIN Holdings Inc. in 2014
- Over 20 years of professional experience in originating, structuring, funding and developing industrial and natural resource projects in the ROC as well as many other Africa countries



**Achim STRAUSS**  
Kanga Potash  
CEO

- Over 25 years of experience in large-scale project management and potash business/exploration development
- Formerly Vice President Engineering & Development of a TSX listed potash junior
- Managed the another carnallite solution mining potash asset from inception to project finance in the ROC



**Engin ADIGUZEL**  
Kanga Potash  
CFO

- Over 20 years of experience in financial management positions in services and natural resources sectors
- Successfully managed accounting, compliance and reporting functions of oil & gas joint ventures in Africa
- Certified Management Accountant (USA)



**Rudolph DE BRUIN**  
AMED Funds (shareholder)  
Partner

- Founding Partner of AMED Funds and majority shareholder of Kanga Potash
- Rudolph focused his career on acquiring and developing mineral exploration and mining projects in Africa
- Advocate at the Pretoria Bar



**Luke Knight**  
AMED Funds  
Director Portfolio  
Management

- Joined AMED Funds as a director responsible for portfolio monitoring
- Luke brings a wealth of experience in the management of exploration and development projects in Africa
- In the mining sector with a focus on South America and Africa since 1997



**Dr Mathurin ENAMA MENGONG**  
NewCo Mining SA (Kanga)  
Origins Exploration Congo

- PhD in Geology with over 20 years of mining and minerals experience
- Manages ROC subsidiaries NewCo Mining SA and Origins Exploration Congo SA
- Maintains relations with ROC authorities on various levels



Strong support from three shareholders since the project's inception with \$46m invested to date

## AMED Funds (Luxembourg)

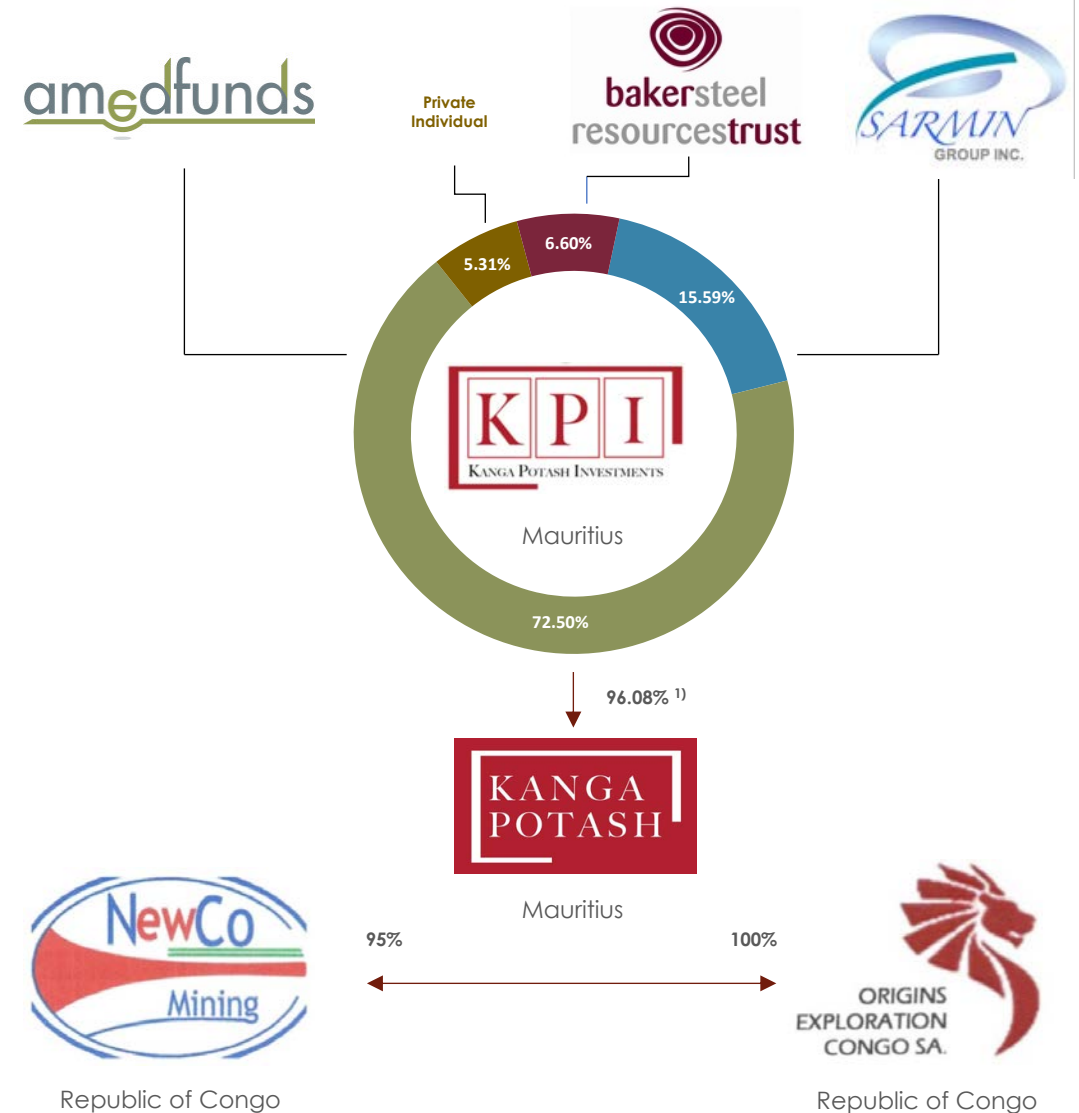
- Private equity group focussed on developing Tier 1 mining assets
- Geographical focus on Sub-Saharan Africa
- 13 mining assets in the portfolio at various stages of development (from exploration to production) and across multiple commodities (incl. copper, gold, bauxite, fluorspar, mineral sand, iron ore, fertilisers and building materials)

## SARMIN Group Inc. (Barbados)

- SGI is a Barbados based private equity investment company focusing on the development of high value- added resources, infrastructure and energy projects in Africa

## Baker Steel Resources Trust (Guernsey)

- LSE-listed investment company, investing predominantly in unlisted companies and specialist listed opportunities in the natural resources sector



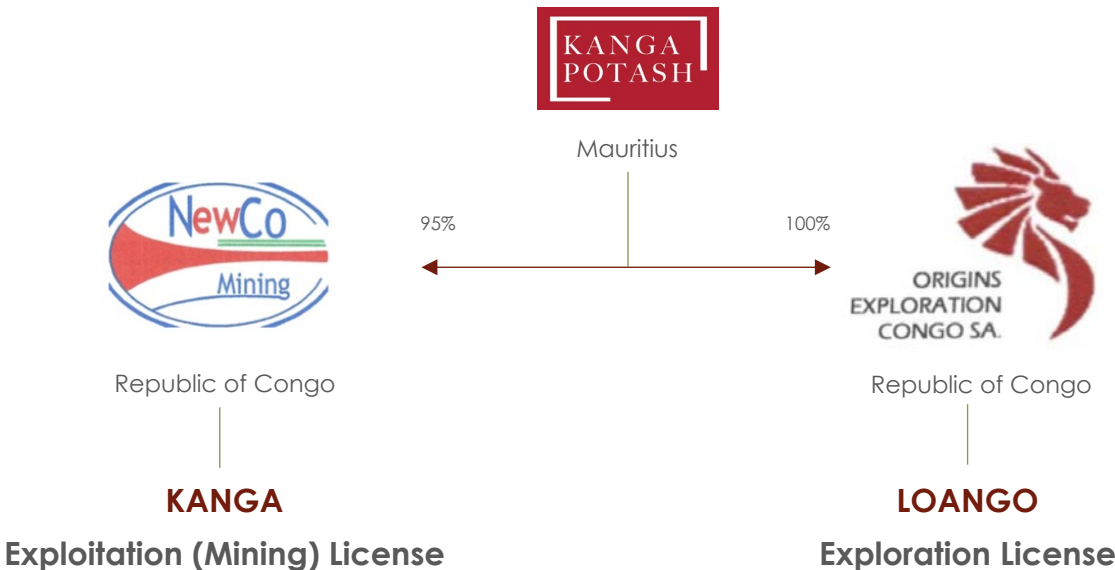
## Kanga Potash holds two potash licenses via two local operating companies

### NewCo Mining SA

- ROC operating company and exclusive holder of the **Kanga Exploitation** license
- Kanga Potash owns 95% of NewCo Mining SA
- 5% are held by NewCo Mining Mauritius

### Origins Exploration Congo SA

- ROC operating company and exclusive holder of the **Loango Exploration** license
- Kanga Potash owns 100% of Origins Exploration Congo SA



## Kanga Mining Convention

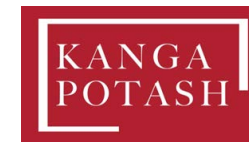
### Favourable and Stable Mining Jurisdiction with strong support of the Government

#### Main convention parameters:

- The Kanga Mining Convention was signed on 18 August 2023
- Ratification by the ROC Parliament will follow during H2 2023
- ROC Government receives a 10% free-carry in KP's operating company
- Anticipated Taxes
  - Corporate income tax rate:  
Production up to Y5 : 0% ; Y6-10: 7.5%, Y11+: 15%
  - Capital gains tax: 0%
  - Withholding tax: 0%
- Tax holidays until Date of Commercial Production and some tax exemption for the full duration of the convention (WHT)
- Tax losses can be carried forward up to 5 years after tax holidays
- VAT and customs duties are exempted during construction
- During Construction, reduced tax on import of goods (IT tax and Community Tax)
- Very favourable customs regime during Production Phase
- Export of the product: exemption on all taxes (incl. VAT) and duties
- Mining royalty for the State : 3% on net sales revenues
- Double Tax Treaty ("DTT") between Mauritius and the ROC

see ANNEXURE for further details

### Kanga Potash's operating company was incorporated in April 2023



85%

10% free carry

5%



Kanga Potash has developed the project to pre-construction in just 7 years

## 2016 – 2020

- Project initiation (2016)
- Development of a comprehensive **geological model** (2016)
- Assessment of potential exploration drilling areas (December 2016 to January 2017)
- **Exploration drilling programme** (May to September 2017)
- Confirmation of geological and solution mining parameters (June 2017)
- **Pre-Feasibility Study** completed on a range of production scenarios (2018)
- Preparation and kick-off of **Definitive Feasibility Study** workstreams (2019)
- **Surface rights** for plant, solution mining area and linear infrastructure corridor secured (March 2020)
- **Definitive Feasibility Study** completed on 600,000 tpa production module (October 2020)

## 2021 – 2023

- **ESIA Certificates of Conformity** (March 2021)
- **Loango** exploration license 1<sup>st</sup> renewal (March 2022)
- **Term sheet** signed for the **supply of natural gas** (May 2022)
- **Kanga Mining Exploitation** license granted (June 2022)
- Incorporation of **Societe d`Exploitation de Kanga Potasses** ("SEPK")
- **Kanga Mining Convention** signed (18 August 2023)
- **ESIA Certificates of Conformity** extended for incorporation of SEPK (April 2023)
- DUP extension for surface rights received
- Application submitted for the 2<sup>nd</sup> renewal of the Loango permit (December 2023)
- **Marketing and Off-take Letter of Intent**s from reputable trading companies for 100% of Kanga's MOP production

## KANGA and LOANGO are the only license areas in the ROC covering ultra-thick seams

### KANGA

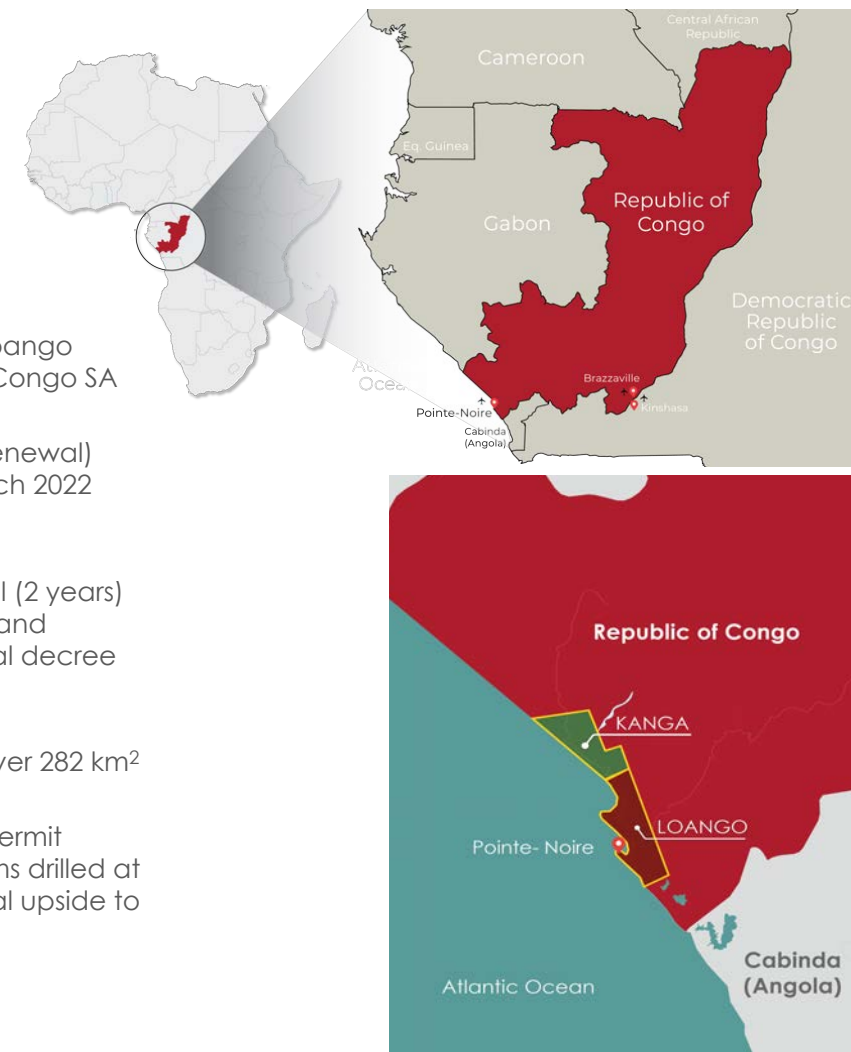
#### Exploitation License and Mining Convention

- The Kanga Mining Convention was signed on 18 August 2023 with the ratification by the ROC parliament anticipated in Q1 2024
- Kanga Potash owns 95% of the Kanga license holder NewCo Mining SA
- Mining Exploitation license was granted on 17 June 2022 by the ROC Council of Ministers
- License area covers 320 km<sup>2</sup> with only c. 3-7 km<sup>2</sup> required for 600K to 2.4M tpa production

### LOANGO

#### Exploration License

- Kanga Potash owns 100% of the Loango license holder Origins Exploration Congo SA
- Loango's renewal for 2 years (1<sup>st</sup> renewal) received by formal decree in March 2022 with a surface area of 352 km<sup>2</sup>
- The application for the 2<sup>nd</sup> renewal (2 years) was submitted in December 2023 and expected to be received by formal decree in March 2024
- Loango's new license area will cover 282 km<sup>2</sup>
- The Northern part of the Loango permit shows a continuation of thick seams drilled at Kanga and is a significant potential upside to Kanga Project



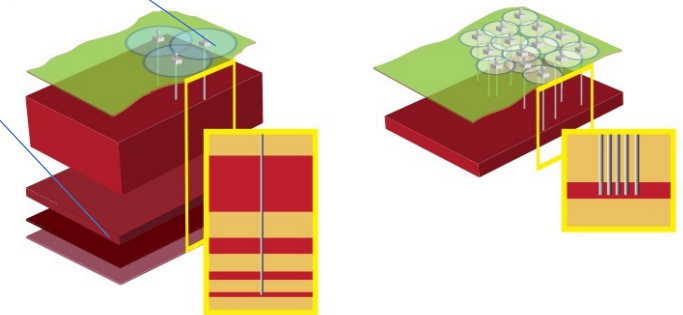
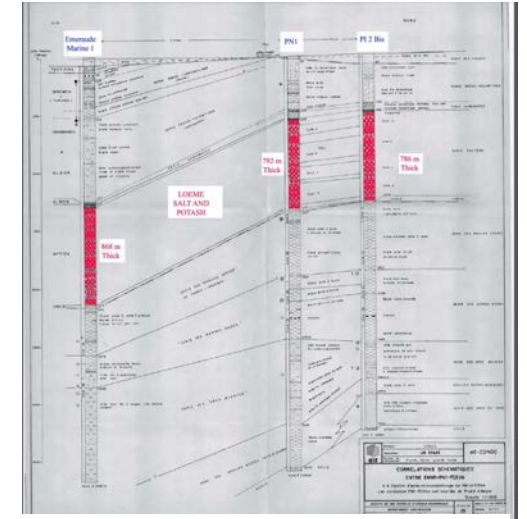
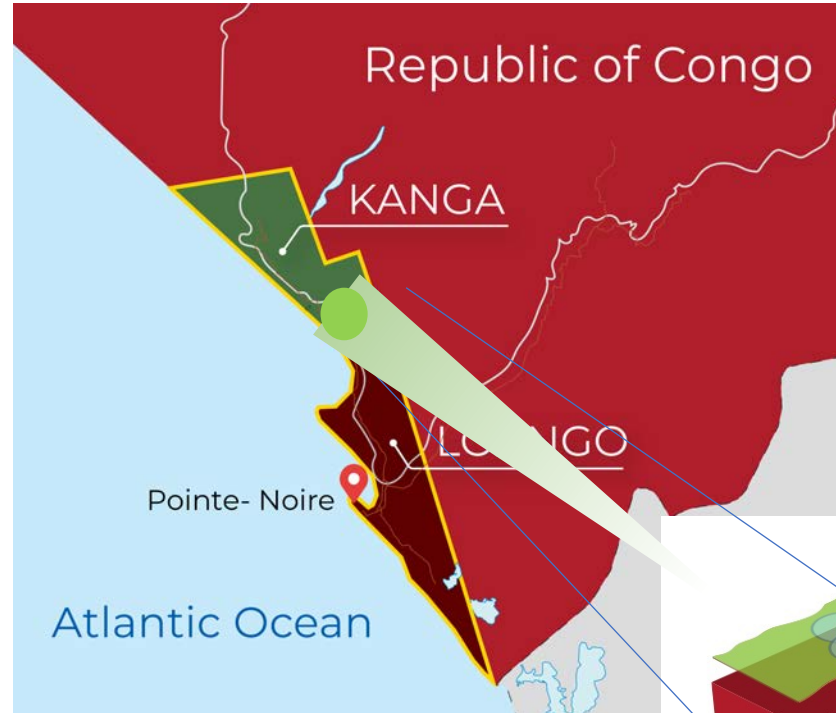
Source: Company



**Proven Potash Basin:** From 1969 to 1977 the Congo produced and exported c. 7m tons of MOP

**World's only known and proven  
"SUPER SEAMS" are held by Kanga Potash**

- Kanga Potash Project: in the heart of the Congo Coastal Potash Basin
- World's Largest Near Development Basin: several evaporate cycles identified and studied - deposits of huge amounts of potash
- Kanga Potash acquired a petroleum and potash database from more than thirty wells drilled
- Detailed Proprietary Geological model developed by AMED Funds and ERCOSPLAN identified and subsequently proved Kanga Potash's mineable SUPER SEAMS of more than 210m thick as existing only on Kanga Potash's licenses



## Exploration results confirm the Kanga license has largest ultra thick potash seams' sequence known to date

### Overall mineable thickness in excess of 210 meters

67.7% av. carnallite grade (KCl 18.2 % eqv.)<sup>1)</sup> compared to other solution mining projects featuring only c. 15-40m

### 602m of core (HQ) samples from all exploration wells

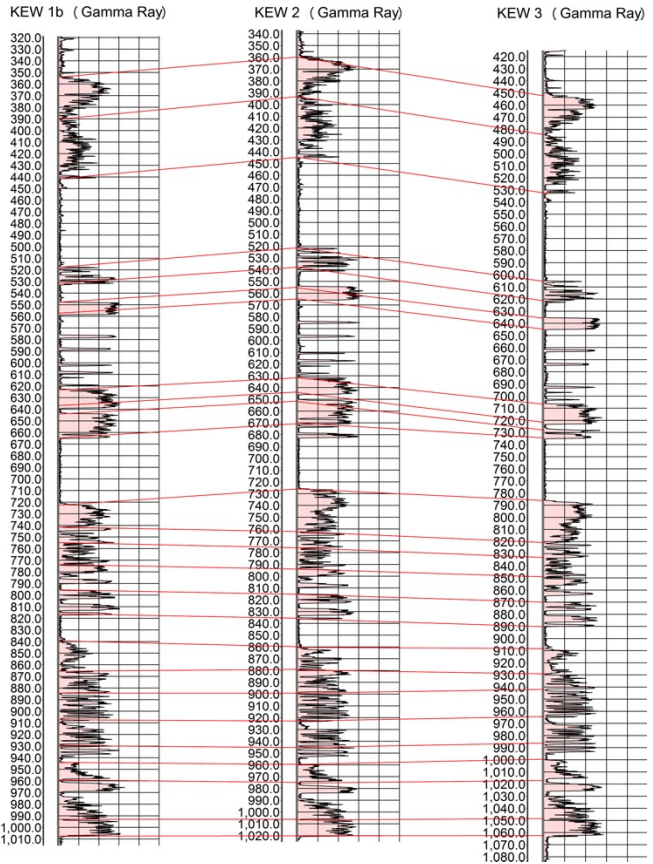
Core samples in accordance with NI 43-101 requirements during the PFS phase (2017-2018) confirm geological and solution mining parameters

### Assays from all exploration wells confirm results

- Excellent correlation between all exploration holes and historic reference wells showing flat lying, continuous potash seams
- 13 mining horizons identified between 300 and 1100 meters from surface

### Reduced sustaining capital costs

Caverns operate with >20-year life



Source: ERCOSPLAN, company data  
1) DFS results

# RESOURCE & RESERVE STATEMENT

The largest carnallite deposit discovered (2017)  
c. 12Bt of resources at Kanga plus a further c. 13Bt at Loango

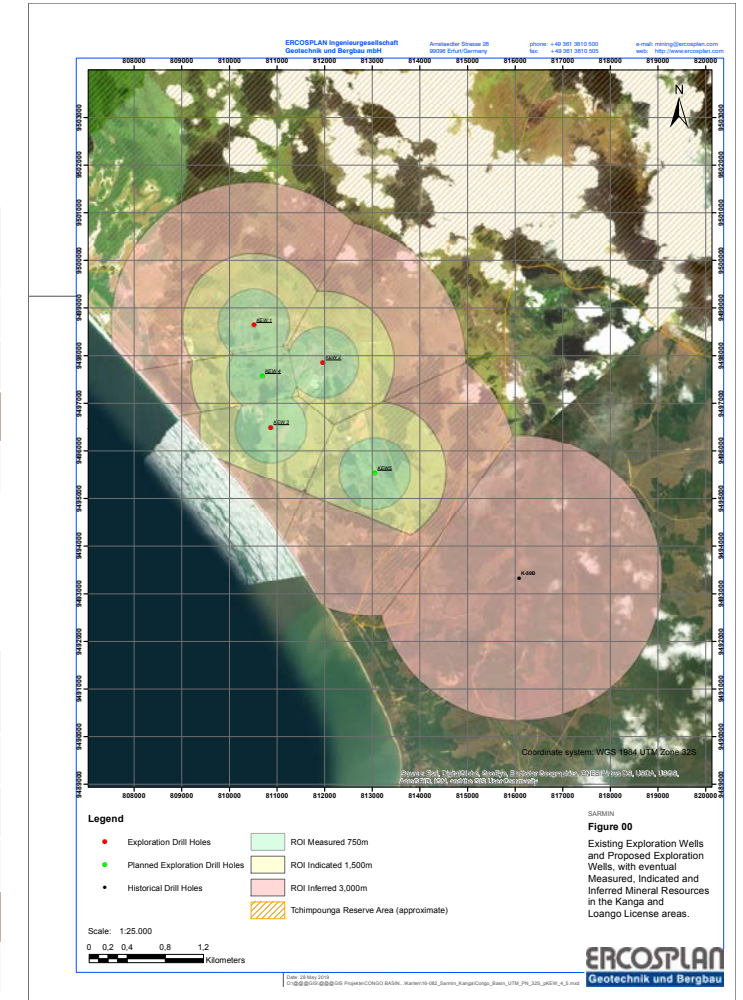
## Kanga - Mineral Resource MOP (NI 43-101 compliant)

	Carnallitite tonnes	Av. Carnallite content (%)	Av. KCl content (%)	KCl tonnes	LoM years
Indicated	4.730 B	63.8	17.1	0.810 B	
Inferred	7.160 B	61.4	16.7	1.180 B	
<b>Total (I&amp;I)</b>	<b>11.890 B</b>			<b>1.990 B</b>	
Probable Reserve (600K tpa), DFS	131 M	67.7	18.2	24 M	40

## Loango - Mineral Resource MOP (NI 43-101 compliant)

	Carnallitite tonnes	Av. Carnallite content (%)	Av. KCl content (%)	KCl tonnes
Indicated (KEW3)	0.217 B	61.0	16.4	0.035 B
Inferred (KEW2, KEW3) <sup>1)</sup>	2.218 B	62.7	16.8	0.373 B
Inferred (K59B)	10.968 B	59.9	16.1	1.763 B
<b>Total (Inferred)<sup>2)</sup></b>	<b>13.403 B</b>			<b>2.171 B</b>
Probable Reserve	16.1 M	61.9	16.6	2.7 M

1) Inferred and indicated resource estimate is based on 3 exploration wells KEW 1B, KEW 2 and KEW 3  
2) Inferred and indicated resource estimate is based on 3 exploration wells KEW 1B, KEW 2 and KEW 3 and historic well K59



Source: ERCOSPLAN



Drilling one more well will enable MOP production of at least 600,000 tpa from Measured Resources area alone

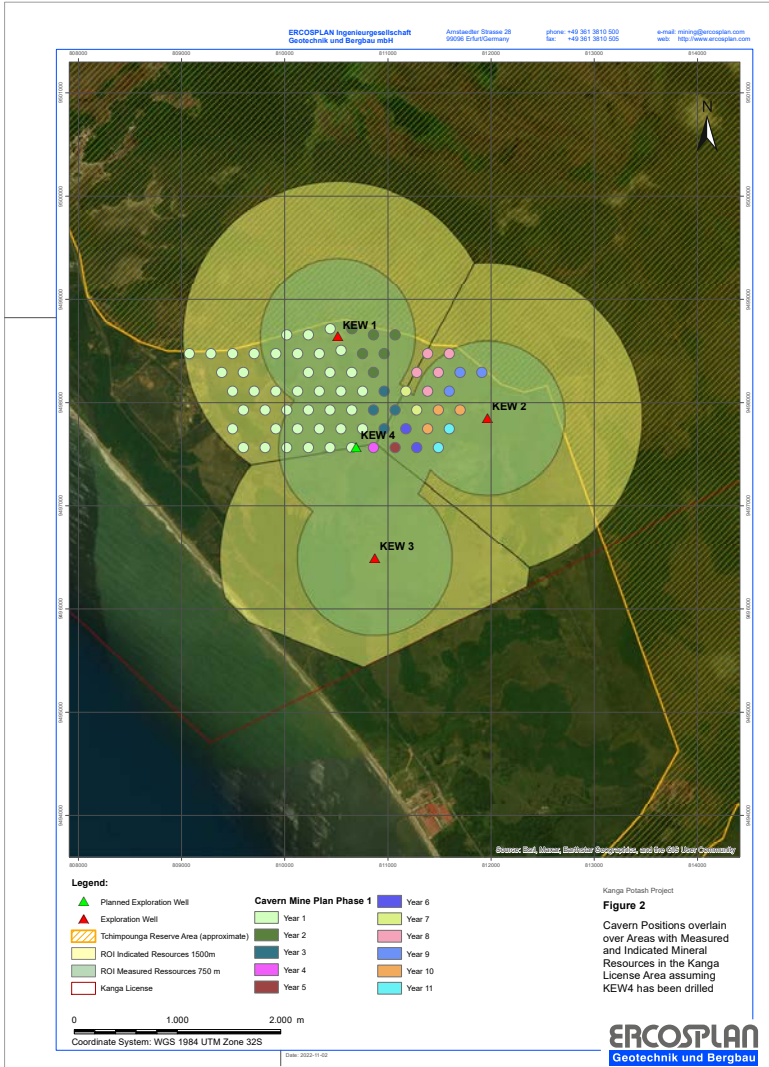
Kanga - Mineral Resource MOP (NI 43-101 compliant)  
 Summary of Measured Resource<sup>1)</sup> considering four Exploration Wells

	Carnallite (M tonnes)	Av. Carnallite content (%)	Av. KCl content (%)	KCl (M tonnes)
KEW 1B	404	65.1	17.5	71
KEW 2	563	65.4	17.5	99
KEW 3	362	61.4	16.5	60
KEW 4 (during FEED)	454	63.2	17.0	77
Total (average)	1,783	63.9	17.1	307

Source: ERCOSPLAN

- To achieve 600,000 tpa MOP production over a Life of Mine of 30 years all required caverns<sup>2)</sup> (c. 70 single well caverns) can be placed within the area of Measured Resources
- The remaining Measured Resource area can be used for future expansions
- The Measured Resource will increase with each additional well drilled within the radius of influence

1) Measured resource estimate is based on a fourth exploration well summing the same geology as identified for the other 3 exploration wells  
 Inferred and indicated resource estimate is based on 3 exploration wells KEW 1B, KEW 2 and KEW 3  
 2) see Map legend: only those wells up to Y10 will be required for 600K tpa MOP production



## Kanga Potash can offer a range of attractive production options

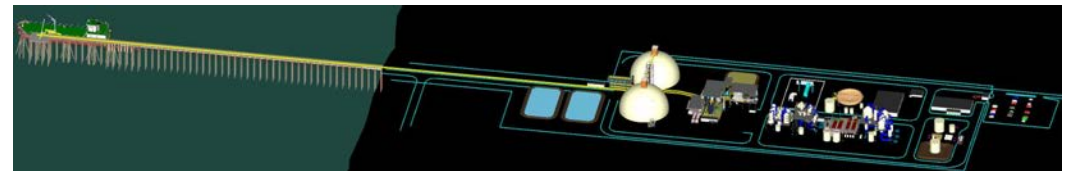
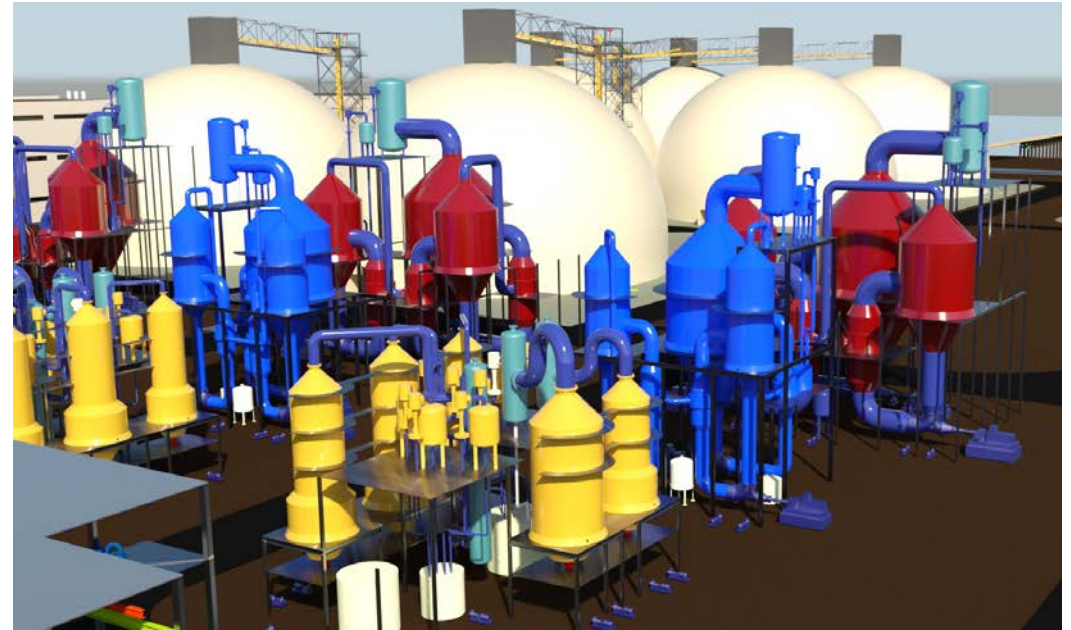
- Comprehensive **Pre-Feasibility Study** (2018) and a **Definitive Feasibility Study** (2020) in accordance with **NI 43-101** requirements
- Flexibility to start the project with a small scale, low CAPEX production and adapt to market demands by scaling upwards through series of expansion projects
- Extensive trade-off studies determined the most economic project configuration with the optimum evaporator/crystallisation module size being 600,000 tpa
- As a result, the PFS and DFS studied **4 capacity** scenarios:

**Four robust stand-alone scenarios** reaching nameplate capacity in a **single** phase:

- 400,000 tpa (PFS)
- **600,000 tpa (DFS)**
- 800,000 tpa (PFS)
- 2,400,000K tpa (PFS)

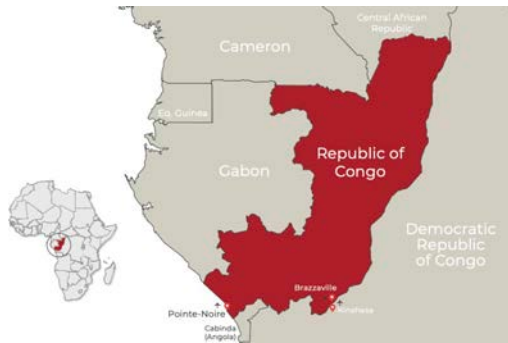
**Two phased scenarios potentially funded from cash flow** reaching nameplate capacity in **several** phases starting with 400K tpa

- 800K tpa in 2 phases (2 x 400,000 tpa, PFS)
- 2,4M tpa in 3 phases (adding another 1.6M tpa, PFS)





## A unique location in immediate proximity to the shore and a short distance to natural gas



- The project site is located c. 32 km north of the main economic hub of Pointe Noire
- The production facilities will be in immediate proximity to the Atlantic ocean
- Kanga Potash will operate its own transshipment jetty
- Access to local natural gas over life of mine via a dedicated 33km long gas pipeline connecting to existing infrastructure
- The environmental footprint is very small with only up to 3km<sup>2</sup> of mining surface area required for an annual production of 600,000 tpa over life of mine

Since completion of the DFS (2020) new bulk port and export logistics have been initiated by the ROC State offering strategic export alternatives for Kanga Potash

## Option A

*KP owned transshipment jetty (as per 2020 DFS)*

- KP operates a dedicated export jetty to load Ocean Going Vessels (OGV) c. 6 km offshore
- This solution will represent the option of the lowest OPEX
- Optionally, a BOO model of the transshipment logistics will be pursued



## Option B

*New Port in the SEZ*

- Chinese **CRBC** signed an agreement (2023) with the ROC state to develop a new deep sea port in the Special Economic Zone (SEZ) in Pointe Indienne
- The SEZ is located c. 15 km from KP's plant site
- KP would load MOP onto barges at KP's jetty and run barges to the SEZ
- The SEZ port will accommodate vessels of up to 50,000 dwt (17m draught)

## Option C

*New Multi-Purpose Port within PAPN*

- A U.A.E group signed an agreement (2023) with the ROC state to develop a new multi-purpose terminal (MPT) within the existing port area of PAPN in Pointe Noire
- The MPT will be located c. 30 km from KP's plant site
- KP would load bulk MOP onto barges at KP's jetty and run barges to the MPT
- The MPT will accommodate bulk products and load vessels of up to 50,000 dwt (17m draught)



## Kanga Potash has finalized a term sheet with a major O&G service provider

### The negotiations of Gas Supply Agreement are progressing

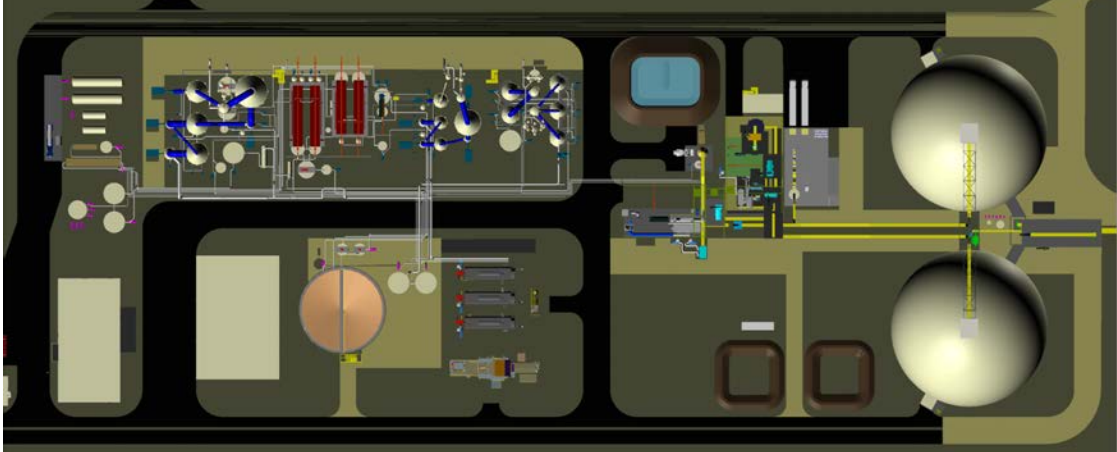
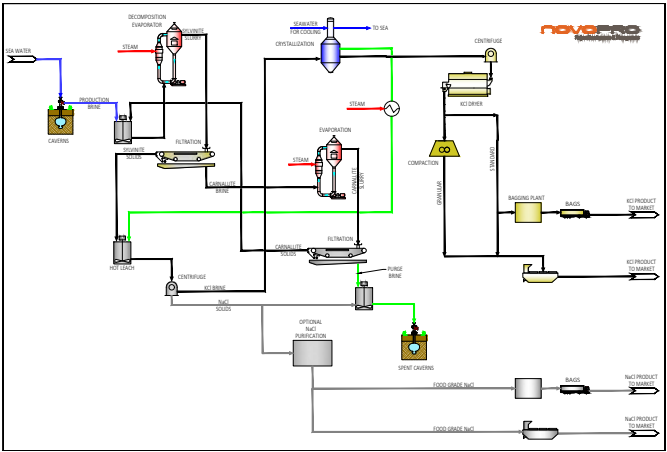
- The ROC Government has decided to contribute its portion of gas, as provided for in the production sharing agreements, towards domestic economic development
- Sufficient gas quantities are available from different gas sources for all production scenarios, this gas is currently being flared by the designated O&G provider
- Technical specifications, gas properties and battery limits are confirmed and agreed
- Gas Supply Agreement (GSA) under review by O&G provider
- GSA expected to be signed in Q1 2024
- Management negotiated a similar gas supply agreement for another potash deal in the ROC in 2008



Source: Company, Novopro

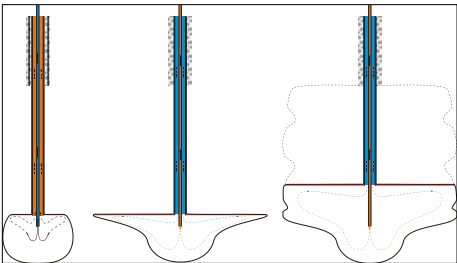
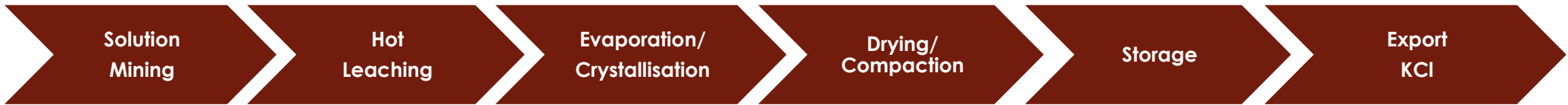
- Kanga new gas pipeline
- Existing gas pipeline

## A clean, proven, and efficient processing method



Source:Novopro

### Main process steps



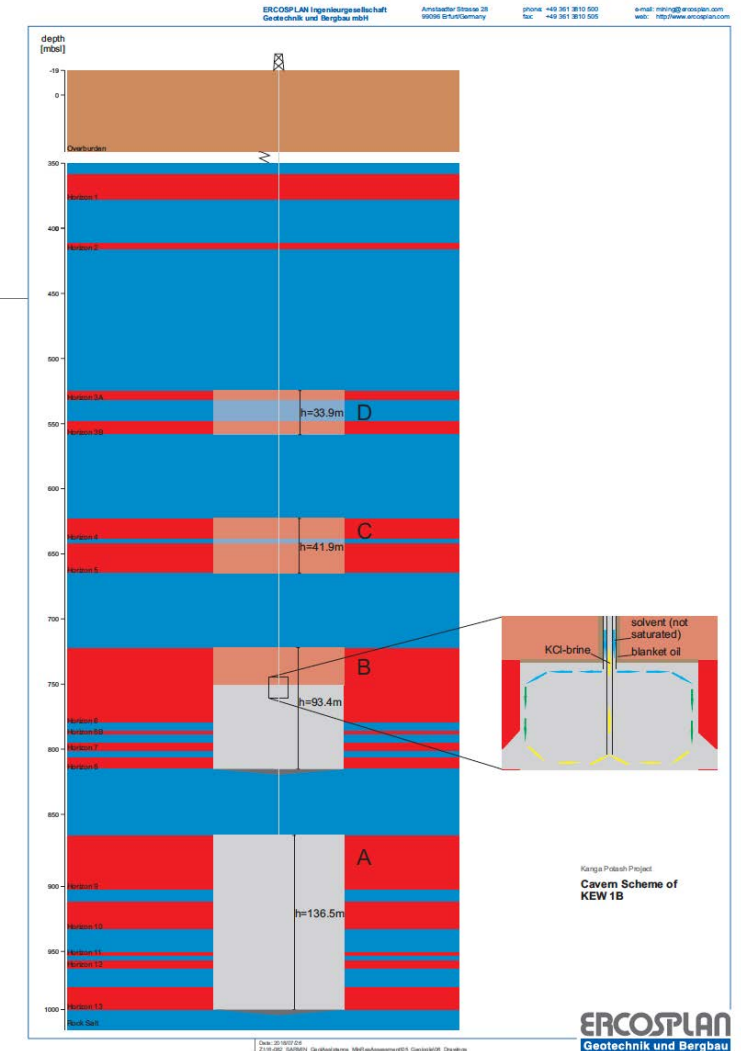
The mining and processing methods are proven, well-known, with different operating plants utilising the same methodologies around the world



## Solution mining is a proven and state-of-the-art mining technology used worldwide

- There are 6 operational potash plants worldwide successfully using solution mining technology
- An industrial scale carnallite solution mining operation (c.120K tpa) has been operational at Kehmstedt, Germany, since the 1990s. It is a former pilot plant where carnallite solution mining was implemented and put into commercial production. The production cannot exceed c. 100,000 tpa MOP due to  $MgCl_2$  discharge limitations into rivers set by local authorities
- These discharge limitations do not exist for Kanga as the salt effluents can be pumped back into the ocean
- The solution mining of multiple potash seams is a standard operation at
  - MOSAIC's Belle Plaine Operation (since early 1962), and
  - K+S' Bethune operation (since 2017) in Saskatchewan, Canada
- NUTRIEN's Patience Lake operation in Saskatchewan, Canada, and the Intrepid H+B Mine operation are based on flooded conventional mines
- The INTREPID Moab, USA, operation mines horizontal caverns in sylvinite

- The solution mining concept considers hot leaching of the carnallite using single well caverns with a planned radius of 40-50 m, controlled by an active hydrocarbon blanket
- Hot solvent is injected down the wells at approximately 95°C and production brine flows upward at approximately 75°C
- The concept plans to develop at each well, caverns in four levels, these are from Horizons 9 to 13, Horizons 6A to 8, Horizon 4 and 5, Horizons 3A and 3B
- Each cavern level will start development with preparation leaching in the rock salt below the carnallite seams
- Rock salt interlayers present between the carnallite sub-horizons will be leached through when their thickness is below 2 m to develop the cavern upward





# ENVIRONMENTAL AND SOCIAL GOVERNANCE (ESG)



## 4 QUALITY EDUCATION



**Investment in local education** by e.g., providing scholarships at the University of Brazzaville.

## 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



- The Kanga Project will be one of the **country's largest industrial projects**, an important step in diversification.
- **Access to local natural gas** has over life of mine via a dedicated 33km long gas pipeline.

## 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



- Potash is an **eco-friendly fertilizer** with no CO<sub>2</sub> or N<sub>2</sub>O released upon application.
- Geographically located close to key potash markets, **reducing carbon footprint and transport routes** and times.

## 2 ZERO HUNGER



Fertilizer is pivotal to ensuring **food security**, a global strategic imperative.

## 5 GENDER EQUALITY



Obligations of a work environment that utilises the **contributions of employees with diverse backgrounds**.

## 10 REDUCED INEQUALITIES



**Local employment commitments** with mid and long-term local job creation during construction and operation for multi-decade mine life.

## 13 CLIMATE ACTION



Immediate proximity to the Atlantic Ocean, where the project will use seawater and up to **75% less water usage per tonne than conventional mining methods**.

## 3 GOOD HEALTH AND WELL-BEING



Ensure the **necessary people, training, procedures and resources** for the safe undertaking of work.

## 8 DECENT WORK AND ECONOMIC GROWTH



Creation of up to **c. 800 jobs** annually during 30-month construction period and employment of **c.290 permanent staff**.

## 11 SUSTAINABLE CITIES AND COMMUNITIES



Contracts supporting **regional economies** and strengthening local relationships.

## 15 LIFE ON LAND



- **Environmental footprint is very small** with only up to 3 - 7km<sup>2</sup> of mining surface area.
- **No relocation of people** as the carnallite seams will be solution mined within an uninhabited area.

## Responsible management: community and environment

### ESIA Certificates of Conformity

Received in March 2021

Extended in 2023

Base line studies completed in 2019/2020

### No issues of concern

In relation to the physical, biological or socio-economical environments have been identified to date

### Project will use sea water

No use of fresh water sources and up to 75% less water usage per tonne than conventional mining methods

### No relocation of people

Carnallite seams will be solution mined within an uninhabited area

### Small physical footprint

The project requires a very small surface area of c. 3 – 7 km<sup>2</sup> over 30 years Life of Mine  
No tailings will be stored on surface.

### Community development and stakeholder engagement

Creation of up to c. 800 jobs annually during 30-months construction period and employment of c. 290 permanent staff (600K tpa module)



## Kanga’s aims to start construction in 2024 and commercial production in 2027



### FEED (“Front End Engineering Design”) to Final Investment Decision / Early Works

- Undertake FEED with selected EPC Contractor
- Finalise key agreements
- Finalise construction finance
- Negotiate binding product off-take agreements
- Commence early works (e.g., drilling of first commercial production wells)

### Construction

- General Contractor with EPC packages, e.g., wet plant (crystallization/evaporation), dry plant, storage, power plant and steam generation, jetty, export logistics, linear infrastructure, etc.
- Kanga Potash may decide to manage production well drilling and cavern development
- Build-up of O&M team
- Training programme

### Commissioning and Ramp up

- Commissioning
- Gradual production increase to full name plate capacity

### Commercial Production and expansion(s)

- Commencement of MOP production at name plate capacity
- Enhanced revenue streams by adding by-product packages such as the production of food grade table salt and bischofite
- Phased expansions

## More people... More food... **More potash**

Potash is a vital link in the global food supply chain.  
Kanga Potash utilizes innovative, sustainable production methods.



**Less Arable Land**  
**-14%**

Reduced arable land per capita drives the need for increased productivity

+



**Population Growth**

The United Nations projects that global population will reach 9.7 billion people in 2050

+



**Changing Diet**  
**+63%**

Protein per capita is increasing from 80g to 130g per day. Urbanization, higher income, etc. are driving diets to higher valued crops

=



**More KCI**

Fertilizer and scientific applications of fertilizer are key instruments to deliver higher productivity and yields

Source: public domain

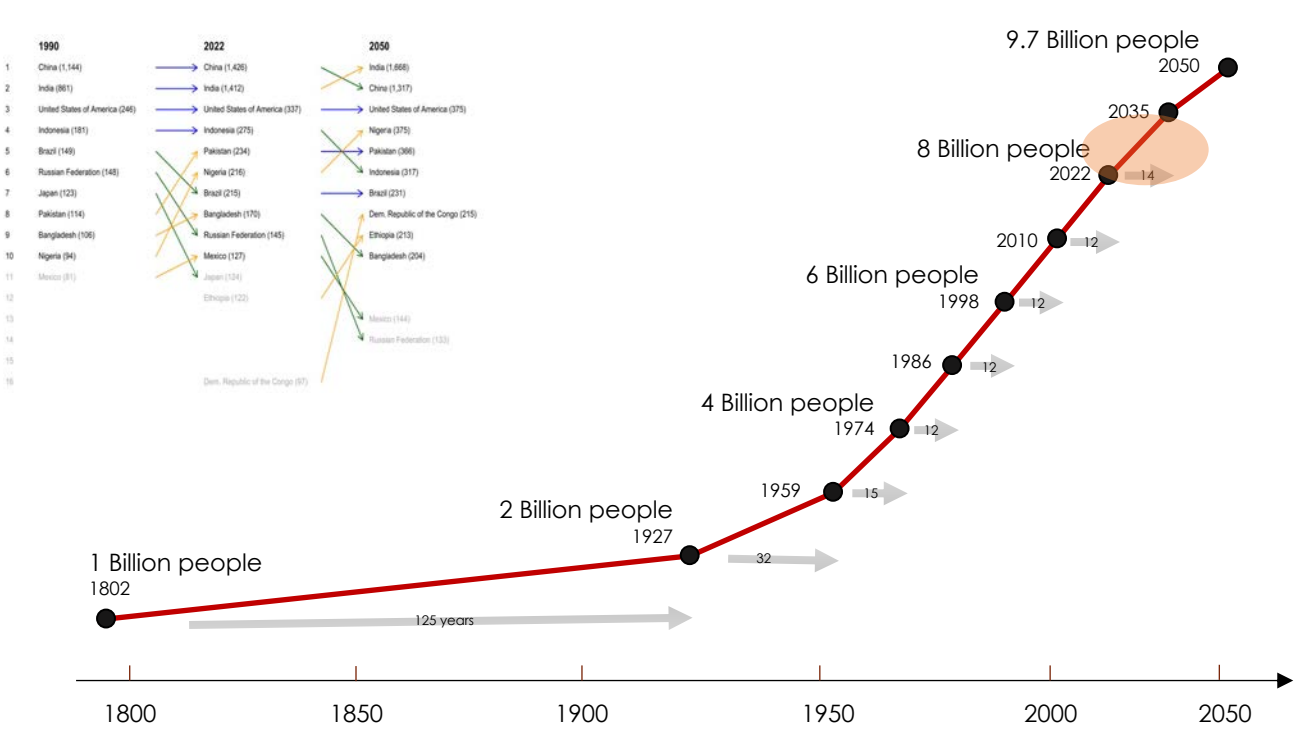
# Population Growth ... More food... More potash

The world reached a new milestone: in November 2022 the world population reached the threshold of 8 billion people and thus doubled in less than 50 years.



Population growth is mainly due to improved medical health care, sanitary conditions and agriculture yields. Consequently reduced infant mortality and higher life expectancy resulted. The International Institute for Applied System Analysis (IIASA) and the Institute for Heath Metrics and Evaluations project that the global population could reach **9.4. to 9.7 billion people in this century**

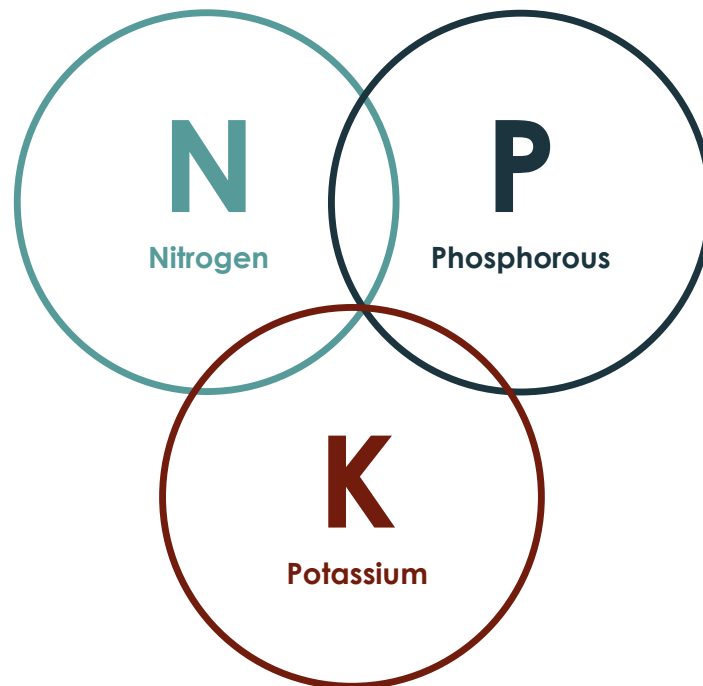
Source: public domain



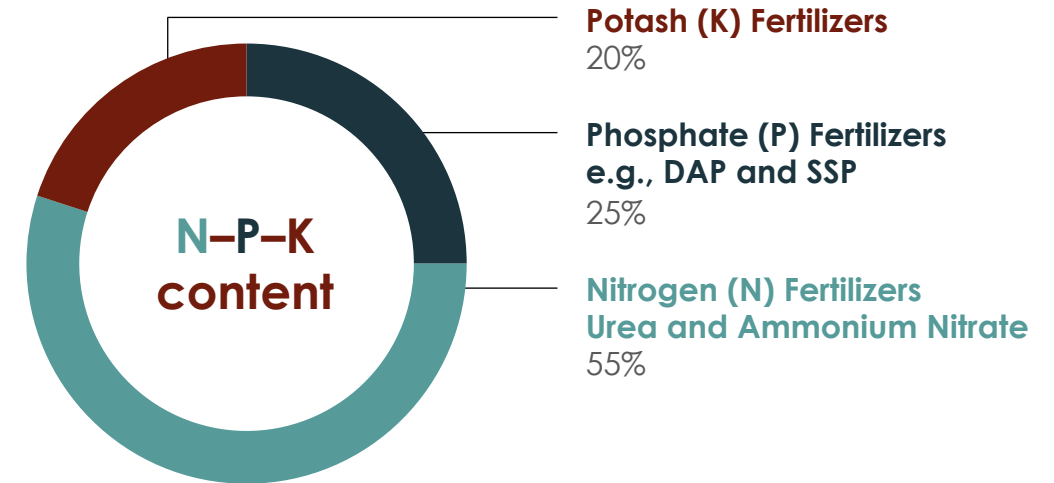


Potassium (K) is one of the 3 principle components of fertilizer labelled by their **N – P – K** content

Potassium Chloride or MOP (Muriate of Potash) is a main and most economic essential source of Potassium Nutrient



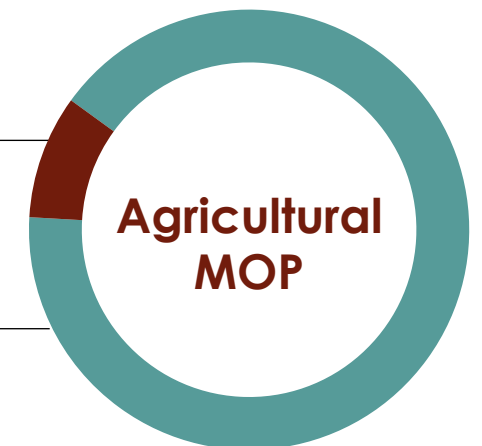
Source: Company data, public domain



DAP Diammonium Phosphate, SSP Single Super Phosphate

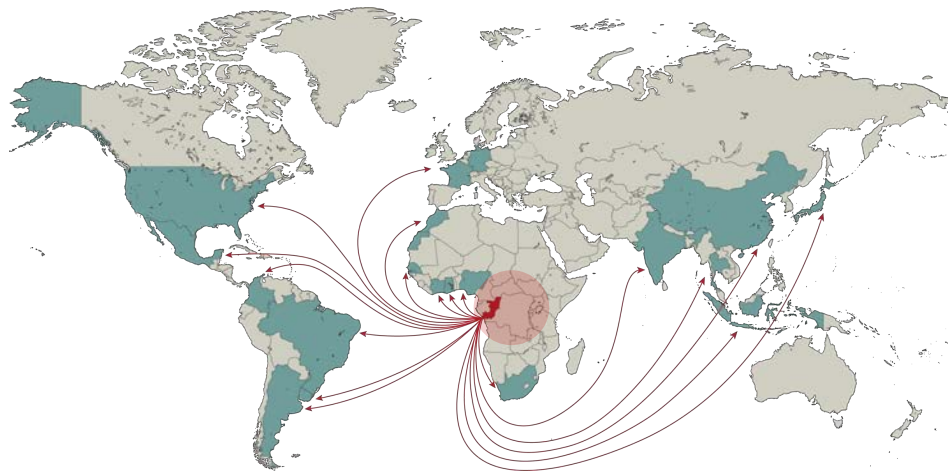
Industrial MOP >99% KCl, white, other  
10%

Agricultural MOP  
Standard and Granular red or white  
90%



## China, Brazil and Africa provide future growth areas for potash demand

### Kanga Potash's Market Drivers by Region



	Dist. / Time to port	Sailing time to Brazil	Nautical miles
<b>Kanga Potash</b>	0 km	8-10 days	c. 3,800
<b>Russia</b>	~1,700 km ~2-3 days	26-29 days	7,541 – 8,982
<b>Germany</b>	+/-350 km ~ 7-10 hrs	25-28 days	6,575 – 8,017
<b>Canada</b>	~1,750 km ~3 days	31-34 days	8,645 – 9,843

#### Africa

- Morocco offers potential in Northern Africa
- Growing demand in e.g., South Africa, Ivory Coast, Nigeria, Senegal and Ghana will be important markets for potash with good sales opportunities and short export routes
- NPK blending hubs along Africa's West coast can be easily reached with significant cost advantages

#### North, Central and South America

- Brazil is due to grow over 2-3% and is a target for off take with the short shipping route of 8 to 10 days straight sailing from the ROC thus avoiding long transport distances that other producers require
- Brazil is expected to reach c. 13m tons MOP by 2025 (11.8m tons, 2021)
- Growing demand in e.g., Argentina, Columbia, Mexico and Uruguay could be further important markets

#### China

Kanga Potash may provide a new source of high-grade MOP to China,

#### India and Southeast Asia

Kanga Potash may provide a new source of high-grade MOP to India and Southeast Asia

## Potential Other Products

Kanga Potash's resource contains bischofite (magnesium chloride) and halite (NaCl-salt) which will be mined out during the solution mining process along with the carnallite (from which Kanga Potash will produce KCl). The valorisation of its process by-product offers additional opportunity adding further value to the project.

### Food Grade Table Salt (NaCl)

- **NaCl** was considered a waste product which would be left in the return brine and pumped back to depleted caverns or the ocean in accordance with regulatory approvals obtained by the authorities in line with best practices
- **Food grade table salt** can be produced as **99.4% to 99.7% NaCl**
- The additional NaCl quantities demonstrate a significant value add



### Bischofite ( $\text{MgCl}_2 \times 6\text{H}_2\text{O}$ )

- Magnesium is important for the human body, animals and crops
- $\text{MgCl}_2$  effluent quantities can be redirected to produce **bischofite flakes** (47%), or
- **Liquid bischofite** could be produced as magnesium chloride solution (32%) in bulk quantities



### Magnesium Metal (pure Mg (99.9%) or Mg Alloys)

- From a portion of the  $\text{MgCl}_2$  effluent stream a significant amount of magnesium alloys and/or pure magnesium metal could be produced:
  - ❑ Pure magnesium ingots (99.9%)
  - ❑ Magnesium alloy ingots



## Kanga Potash has received significant interest from renowned fertilizer companies since 2021

### Letters of Intent

#### European Trading Cpy.

- 100% of Kanga's MOP production (backed by bank letter)
- Main target market: Brazil
- Target: Bankable marketing agreement

#### North African Fertilizer Trading Cpy.

- 50,000 tpa MOP
- In house consumption
- Target: Bankable off-take agreement

#### Asian Trading Cpy.

**Fortune 500 company, USD100bn+ trading revenues**

- 100% of Kanga's MOP production
- Main target markets: Brazil, Africa and SE Asia
- Target: Bankable Take or Pay off-take
- Interest in food grade NaCl by-product<sup>1)</sup>

#### Chinese Trading Cpy.

**Leading Chinese trading company**

- 100% of Kanga's MOP production
- Target: Bankable Take or Pay off-take

### Expression of Interest

#### Fertilizer Strategic

- Main target markets being Brazil and Africa
- Bankable Take or Pay off-take

#### Strategic African Fertilizer Strategic

- Main target market being Brazil, Africa, North America and Europe
- Bankable Take or Pay off-take

#### European Fertilizer Trading Company

- Main target market being Brazil, North America and Europe
- Bankable marketing agreement



## Robust economics at every scenario with a large range of optionality despite conservative price assumptions (DFS and PFS)

	600K tpa (DFS) <sup>1)</sup>	400K tpa (PFS) <sup>2)</sup>		800K tpa (PFS) <sup>2)</sup>		2.4M tpa (PFS) <sup>2)</sup>	
	Stand-Alone	Stand-alone	Phased	Stand-alone	Phased	Stand-alone	Phased
OPEX <sup>1)</sup> \$/ton MOP, FOB	65.5	73.5	75.5	63.9	65.7	53.5	54.6
Sustaining Capital \$/t	9.6	10.6	5.3	9.4	5.9	9.8	4.5
Incremental CAPEX \$/M	---	336	359	610	265	1,605	995
Total CAPEX, \$/M	457	336	359	610	624	1,605	1,619
post tax NPV(12.2) <sup>4)</sup> , \$M	501	237	225	572	527	1,957	920
post tax IRR <sup>4)</sup> , %	22.3	18.4	17.8	19.6	20.4	21.3	21.4
EBITDA <sup>4)</sup> , \$m p.a.	139	90	90	190	183	618	400

Source: Company data, SIDUS. Novopro

### Notes

- OPEX based on: natural gas price of \$50/1000Nm3 (eqv. \$ 1.22 per MMBTU), assumption based on 2020 DFS, gas price not agreed yet with gas supplier. Also includes plant closure costs, excluding royalties, over 30 years LOM
- CAPEX, OPEX and sustaining Capital are expressed in real terms (2020)
- CAPEX, OPEX and sustaining Capital are expressed in real terms (2018)
- Based on Standard MOP FOB price avg. 2025-2035: \$297/ton (PFS), \$282/ton (DFS)

## Robust financial returns on Kanga's initial BASE CASE scenario – 600,000 tpa MOP production

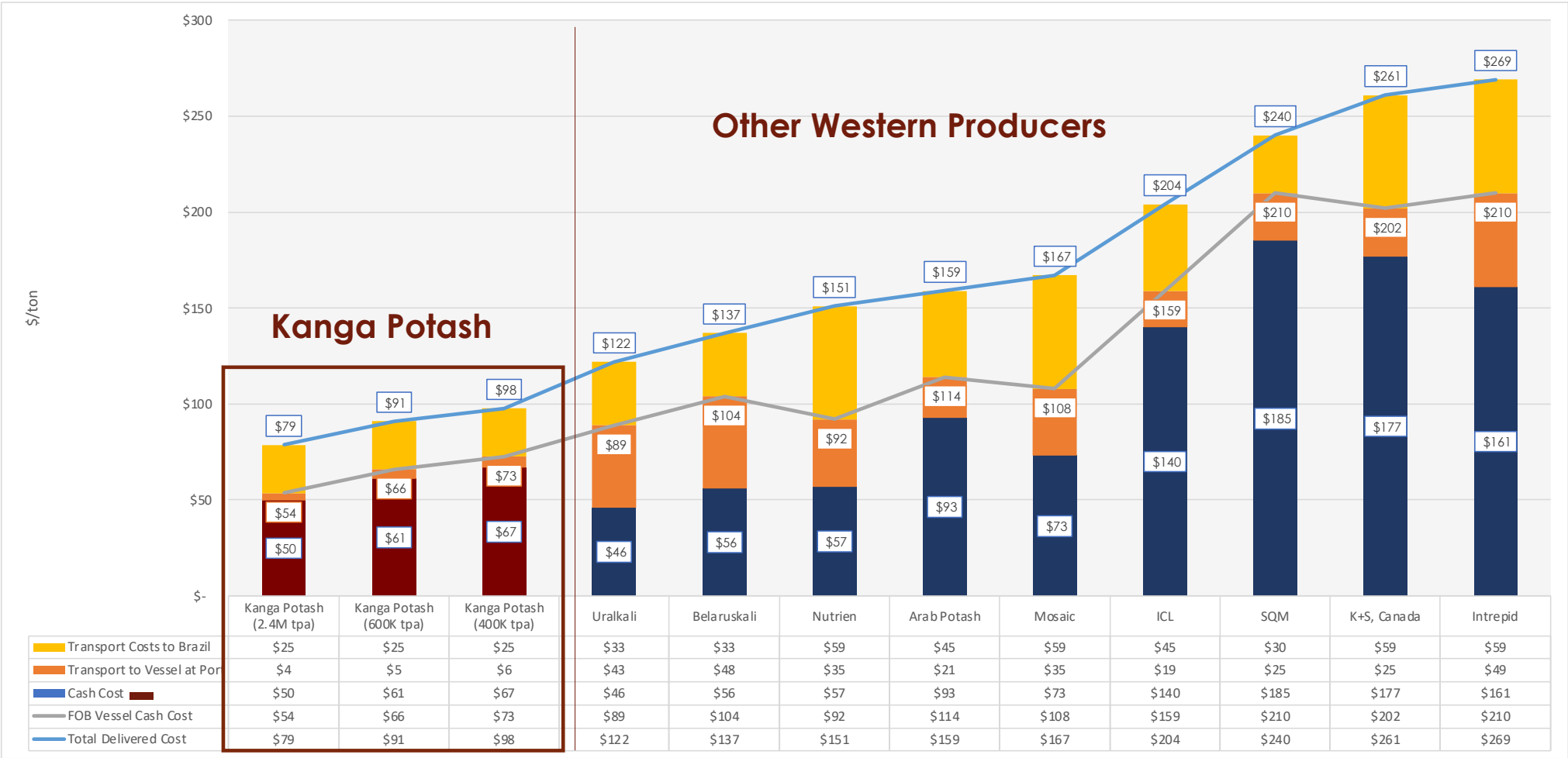
Total Capacity	600,000 tpa MOP			
Start of Construction / Production	2024 / 2026			
OPEX , \$ per ton KCI, FOB (2020 real)	66.5			
CAPEX, \$M (2020, real)	457			
FOB LoM avg. blended MOP Price, \$/t (real)	327 <sup>1)</sup>	330 <sup>2)</sup>	396 <sup>3)</sup>	650 <sup>4)</sup>
post-tax Project NPV (12.2 nom), \$M	527	564	821	1,862
post-tax Project IRR, % (nom.)	23.5	24.7	29.5	44.5
EBITDA, \$m p.a. (nom.)	137	138	173	321

- KP's Base Case financial model is based on the 2020 DFS assumptions for capex and costs (including gas prices, not agreed yet with supplier) and updated with most recent MOP prices, including a 2% constant inflation rate both on revenues and costs
- Four different scenarios have been considered:
  - Third party marketing study<sup>1)</sup>
  - Last 3-years (2021-2023) rolling average<sup>2)</sup>
  - Peer group pricing assumptions<sup>3)</sup>

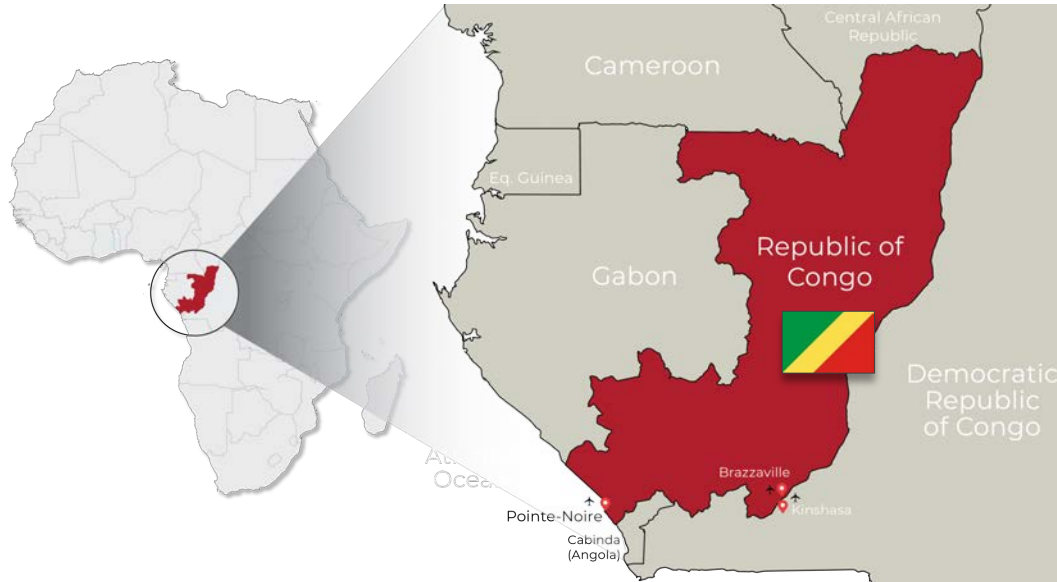
### Notes

1. Base case scenario, based on market study provided by KP marketing consultant
2. 3-years rolling average scenario as of Feb. 2022, assuming \$25/t freight rate Point Noire – Brazil and \$40/t Point Noire – Southeast Asia
3. Price simulation based on peer group pricing assumptions including Kore Potash, Emmerson and Highfield Resources, assuming \$25/t freight rate Pointe Noire – Brazil, and \$40/t granular vs standard premium
4. Company selected scenario based on October 2022 pricing

Kanga Potash will deliver MOP potash at higher netbacks than existing producers to the e.g., strategic Brazilian market or any other potash markets



## The Kanga Project will be one of the country's largest industrial projects, an important step in diversification



- The Republic of Congo (ROC) is a small and relatively sparsely populated country of +/-5.4 million inhabitants (2021) in Central Africa
- The current President of the Republic of the Congo, His Excellency Denis Sassou Nguesso, was elected in March 2021 following democratic elections; the next elections will be held in 2026
- The Project is particularly important to the ROC, as currently the oil sector is the pillar of the ROC economy, accounting for c. 80% of fiscal revenue, c. 40% of GDP and over 80% of export earnings
- The government's policy is focused on political reform and economic diversification
- The Republic of the Congo became a full member of OPEC in June 2018

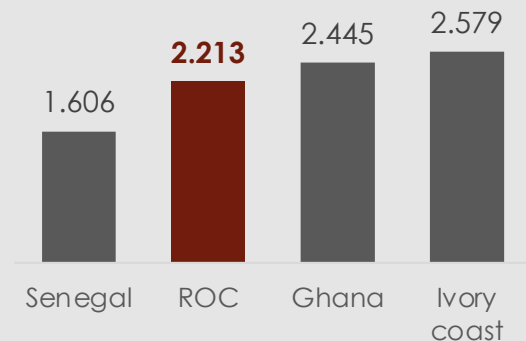
### international groups with strong presence in the ROC



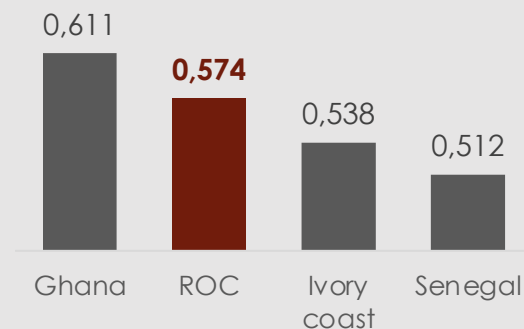
Source: Company data, public domain



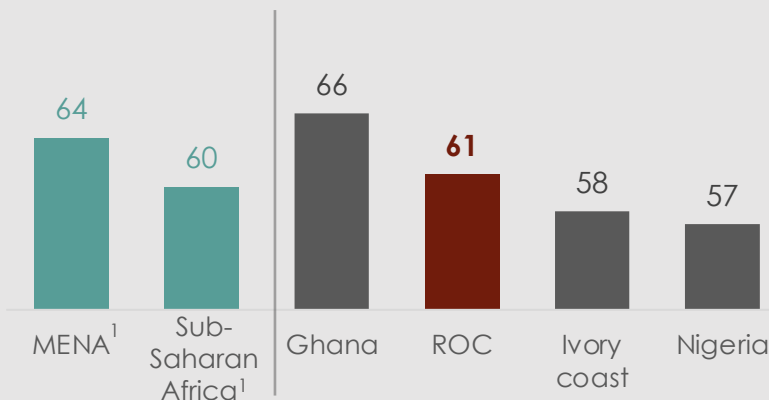
**GDP of ROC and select regional countries (in \$ 2021)**



**HDI of ROC and select regional countries (2020)**



**Regional Political Risk score of ROC and select regional countries and areas (2020)**



(1) Average

## Economy

- The ROC and China announced a MOU for national development plan 2022-2026 in June 2021
- ROC's largest export partners are China (53.8%), Angola (6.2%), and Gabon (5.7%)
- The ROC is the 4<sup>th</sup> largest Oil & Gas Sub-Saharan producer with 340,000 bpd
- A 2<sup>nd</sup> refinery is under construction for \$600m CAPEX

## Natural Gas Infrastructure

- New gas turbine power station with current capacity of 484MW (expanded from 314MW in 2019) situated at D'Jeno south of Pointe Noire
- ENI's owned and operated valve station near the village of Mengo is only 33km from Kanga Potash's processing plant via a dedicated corridor
- Treated process gas is available to Kanga Potash Life of Mine and beyond

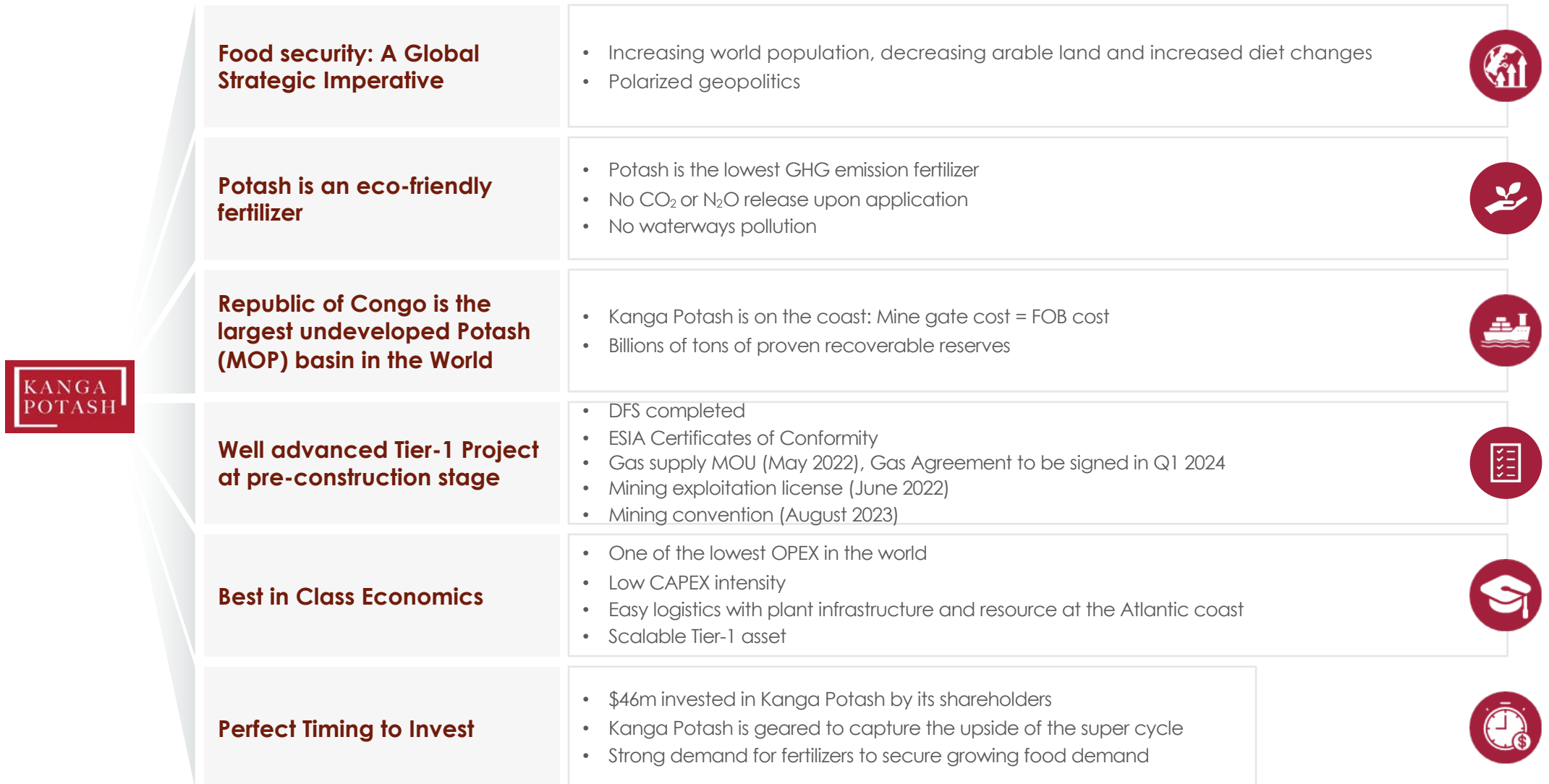
## Other Infrastructure

### Brazzaville

- The Maya Maya airport was rebuilt in 2010 with a 2<sup>nd</sup> phase completed in 2013
- Various airlines operate national and international flights, including to Pointe Noire
- The recently built N1 highway (2016) links Brazzaville and Pointe Noire; the N1 was inaugurated at a cost of €2B

### Pointe Noire

- Antonio Agostinho Neto International Airport serves the city of pointe Noire
- Pointe Noire has a deep-water port facilitating international container and bulk shipping, and provides access to vessels of up to 15m draught



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