

# Potash in Poland - a compelling and significant opportunity



# K2O Potash Corp. Ltd.

September 2024

**KCl Mining and MOP Fertilizer Production**

with Geothermal Heat-Electricity  
and CO2/H2 Storage



# K2O Potash Investment Highlights

1. Two recently granted concessions No. 1 Otyń-Nowa Sól and No. 2 Kozuchów-Zielona Góra, in June and July, with estimated resources of 900mT Potash Salts, more than 300mT of KCl, equivalent of MOP, in Western Poland
2. K2O Potash Corp. Ltd. will soon lodge a third Licence application with the Ministry of Climate and Environment with a fourth application to be lodged later in 2024, additional 2.5bT of Potash Salts.
3. Robust geological understanding of regional geology and potash salt distribution combined with the availability of historic exploration and discovery data including drilling and 2D and 3D seismic
4. Currently no other Potash players in Poland – with four granted Licences, K2O will control a significant portion of all known Potash deposits in this country
5. 4 wells will be drilled in 2025 with pre-testing of potash salts leaching, brines to be transported locally to chemical company in Western Poland for further testing to produce MOP
6. The mining method will be Solution Mining with massive advantages over underground Potash mine developments – speed, much lower costs, much earlier production
7. Plan to drill 4 additional wells to establish full set of leaching/solution mining drilled wells pairs (4 Mining Production Sets - MPS) in 2026

# ESG as primary focus of K2O Potash Corp

## Environment

- Use when possible, electric engine drilling rigs, during operations
- Permanent monitoring of natural environment during operations
- Working mostly on state-owned lands, precisely avoiding environmentally sensitive areas

## Society

- Muriate of Potash (MOP) production in the region of developed/prevaling farming
- Supporting local communities by geothermal heat/electricity production
- Friendly relationships with local communities already familiar with exploration drilling and production from several previous works in the area
- Sponsorship planned for local cultural and sport activity

## Governance

- Safety first in all that we do
- Transparent, Risk, Audit-based Operations
- Full data safety management based on leading IT
- World best modern technologies and personnel involvement
- Maintain confidence-based relations with concession authority and other public bodies

# Corporate and Financing Structure

## CORPORATE STRUCTURE

<b>K2O shares on issue</b>	<b>21,755,010</b> mainly at A\$0.10 per share
<b>Current capital raising</b>	<b>5,439,000</b> shares at A\$0.552 per share, <b>20% of company; August 2024</b> (plus free options 5,439,000 options 1:1 exercisable at A\$0.70 per share for 3 years)
<b>Shares post capital raise</b>	<b><u>27,194,010</u></b>
<b>Options on Issue</b>	<b>19,000,000</b> exercisable at A\$0.25 in 2028 and 2029

## September 2024 CAPITAL RAISING TRANSACTION SUMMARY

<b>Issuer:</b>	K2O Potash Corp Ltd
<b>Offer Type:</b>	Placement of fully paid shares
<b>Number of Shares</b>	5,439,000
<b>Offer Price</b>	A\$0.552 per share
<b>Capital Raising</b>	Up to A\$3m plus oversubscriptions
<b>Offer Restrictions</b>	Offer to Sophisticated investors as defined in section 708 (8) of the Corporations Act and Professional investors as defined in section 708 (11) of the Corporations Act. Allocation will be at the the discretion of the Company.

## USE OF FUNDS

The Company needs to undertake the following activities in 2024, prior to any drilling of confirmation wells followed by pairs of Production wells.

- Establish an office in Warsaw – we already own 3 Polish subsidiaries with bank accounts.
- Complete the preparation of detailed budgets and Business Plan for the significant funding required to commence drilling of confirmatory and production wells. These significant funds likely from global PE firm(s) and to be secured in 2H 2024.
- Technical studies to prepare for drilling.
- Appoint additional Board Members to support fund raising efforts and overall establishment of the Company plus several senior Polish executives.
- Acquire the 3D seismic data from the Oil and Gas companies, who have also drilled historical wells in the Concession area.
- Various applications with the Ministry.
- Commence JORC assessment with global experts in resource estimation.



# Experienced Board

## **Michael Beer Executive Chairman**

Michael commenced his career as a Chartered Accountant with Price Waterhouse Coopers. He has had detailed hands on experience with Mine development, including Olympic Dam (South Australia), Fosterville (Victoria) and Indee (WA), now part of De Grey Mining.

He has worked internationally with British Petroleum (BP) in financial roles.

Mr Beer was MD of the company which discovered and built Indee, a gold project in the remote Pilbara region of WA.

Mr Beer runs his own Corporate Advisory business assisting many Resources companies with advisory and capital raisings.

## **Justyn Stedwell Non-Executive Director**

Justyn is a professional Director and Company Secretary.

His experience has been gained in the following sectors:

- mining and exploration,
- biotechnology,
- agriculture,
- information technology,
- telecommunications.

Justyn has very strong corporate, finance and investor relations experience.

## **Frank Cannavo Non-Executive Director**

Mr Cannavo is an experienced public company director and entrepreneur with significant business and investment experience across a number of industries, including mining and natural resources. He has a strong network of investors and industry contacts throughout the Asia-Pacific region and has extensive experience in capital raising, investments and initial public offerings. Mr Cannavo has been instrumental in assisting several listed and unlisted companies achieve their growth strategies through the raising of capital and the acquisition of assets.



# Advisors

## Dr. Chris Gilchrist

Holds a BSc in Minerals Engineering University of Birmingham and a PhD School of Mechanical Engineering, University of the Witwatersrand, Johannesburg. He is a Chartered Engineer and a Fellow of the IMMM. Over 40 years experience in the minerals industry in various mineral types. MD of Cleveland Potash (UK) and South Harz Potash (Germany) focused on potash and salt production is regarded as an international expert in the field. Has contributed to projects in numerous countries advising leading consultancies AMC, Micon, SRK, Scott Wilson, Royal Haskoning and acted as QP on Uralkali-Silvinit merger and Uralkali LSE listing. Was DeBeers Mine Director.

## Dr. Michał M. Zywiecki

M.Sc. (Stratigraphy and Exploration, Faculty of Geology at the University of Warsaw, Poland), Ph.D. (Geochemistry and Petroleum Geology, Scottish Universities Research and Reactor Centre-University of Glasgow, Glasgow with Faculty of Geology University of Warsaw, Poland). Michał runs private company PetroleFinder LLC, focused on mineral and oil and gas exploration and development projects. Michał was a Member of State Resource Committee and Geological Council at the Ministry of Climate and Environment, Poland. Michał was successfully running OG Petroleum Consulting company (projects, up to \$600 millions per, for ConocoPhillips, Chevron, and Shell between many more), and was senior executive for Dallas-based, Texas, conventional and unconventional oil and gas companies.

## Antoni Tomasz Minkiewicz

Attorney-at-law, based in Warsaw, Poland. Retired partner of CMS, with more than thirty years of experience in the mineral and energy sectors. He advised on licensing and permitting matters, JV agreements, field service contracts, EPC contracts, off-take agreements and other matters related to exploration, development and production of hydrocarbons, coal and other minerals, and well as to underground storage of fuels, and to development of energy generation and chemical facilities. His clients included Chevron, ConocoPhillips, ExxonMobil, Gaz-System, LOTOS Group, PGNiG, Orlen Group, and CalEnergy.

# Companies



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# Market Opportunity



# Potash Demand

Belarus and Russia, normally producing around 30% of the World's Potash, have been diverted to new geographical markets, which has resulted in changing supply dynamics from the remaining producers. There is currently no end in sight to this issue.

In response, Potash prices of MOP have increased from US\$275/t (contract, 2021) to US\$590/t (contract, 2022), with spot prices in many locations of circa US\$1000/t. However, the price has recently fallen back to US\$330/t.

However, MOP prices in Poland are on the level of US\$429.11-478.23/t – 06.09.2024

The location of potash deposits in Poland close to market is a key advantage, for the existing local market, because of the cost to transport a bulk commodity over long distances and the carbon dioxide emissions associated with this transportation.

Poland has substantial potash deposits arising from the eastwards extension of the Permian age, Zechstein Sea.

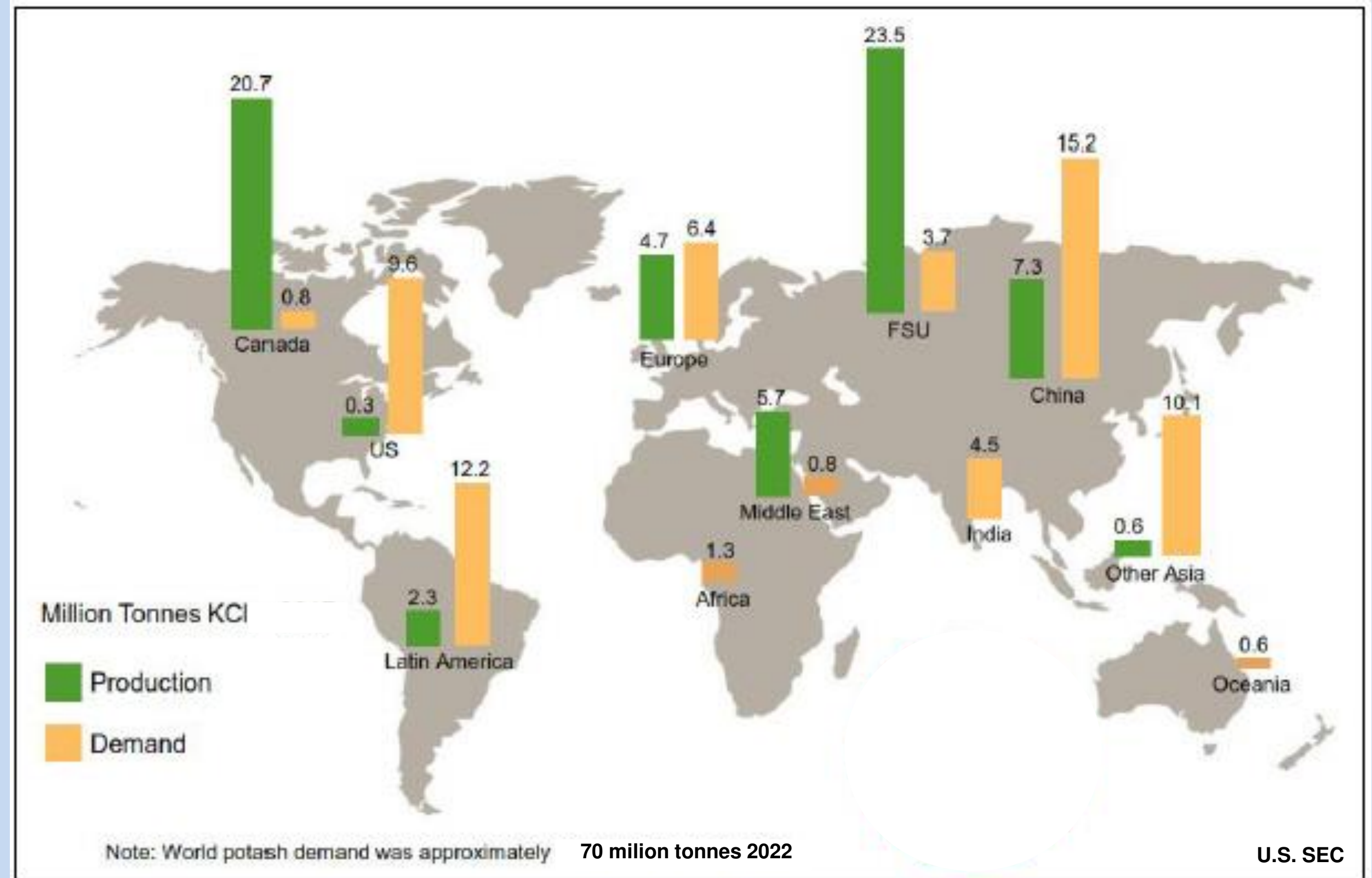


# Potash Salts Market

## MOP

Supply Gap for Europe  
= 1.2 million tonnes/year  
before Conflict

Big Problems of MOP Supply  
from Belarus and Russia  
into Europe





# Potash Salts Solution Mining Conditions in Poland

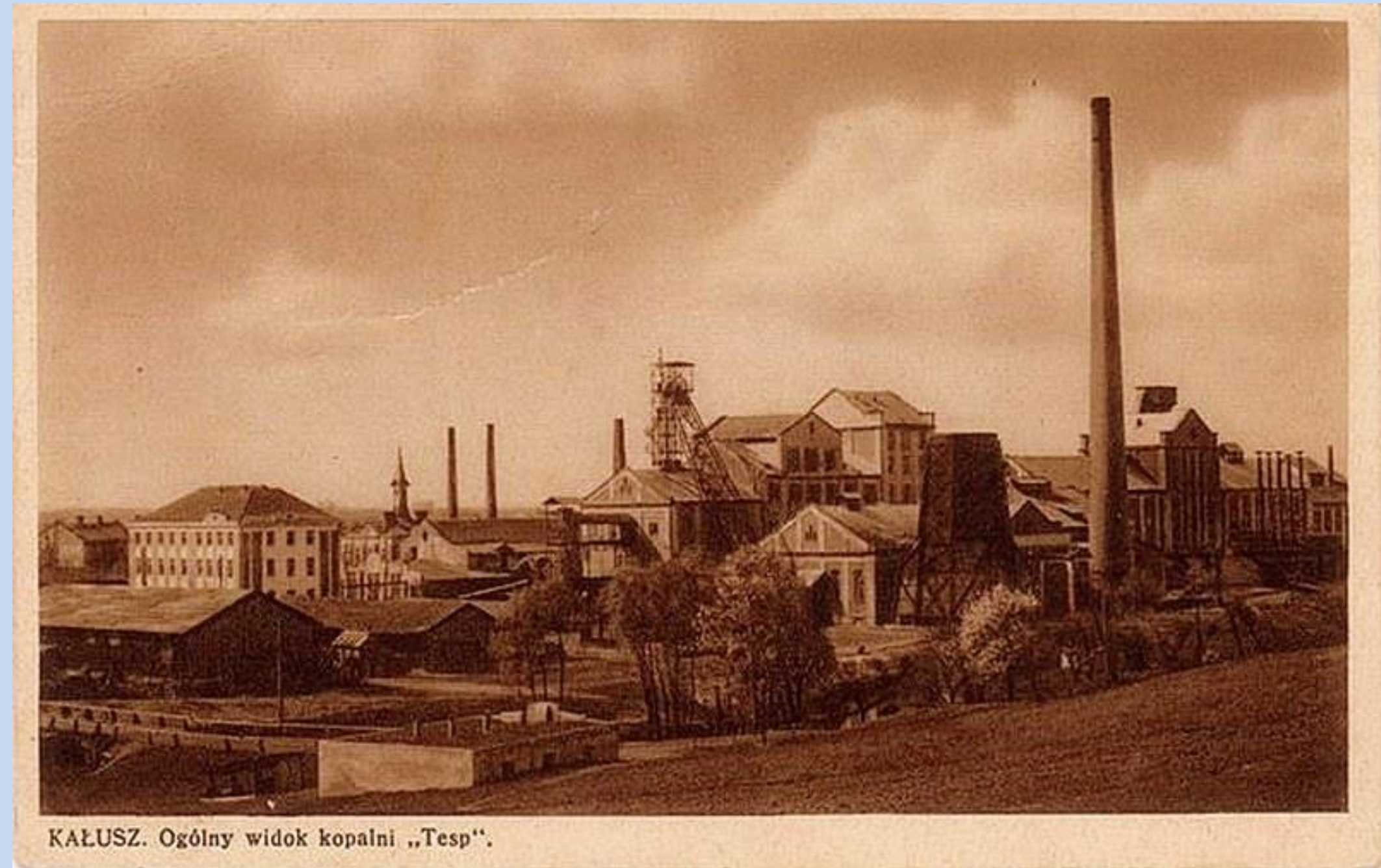
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# Potash Operational Conditions in Poland

Historically, Poland in the country territory (now western Ukraine), in the 1920's and 1930's, had several Potash Salt Mines, mostly MOP, Underground Mines of Stebna, Hołyn and Kałusz areas, with Evaporation/Crystallization Facilities.

Annual production in this period circa 352k tonnes per annum.



KAŁUSZ. Ogólny widok kopalni „Tesp“.

**Kałusz Potash Salts Mine's  
Evaporation/Crystallization Facility**



# Potash Operational Conditions in Poland

## Low Risk Operational Conditions

- *Poland has the biggest Solution Mining experiences in Europe, active Rock Salt Solution Mine, and active Elemental Sulfur Solution Mines (drilled 15 thousand wells, produced 150 mT)*
- *On Potash Licence Areas in Poland, friendly local administration and citizens, farmers support K2O's operational plans (several personal meetings)*

## Low Risk Potash Processing and MOP Product Selling Conditions

- *3 active Rock Salt Evaporation/Crystallization Facilities in Poland, to adapt for MOP production*
- *800,000 tonnes/year of MOP demand in Poland (with no recent production in the country)*
- *Road, railway, and Baltic Sea ports infrastructure in place to cover European and World markets*



# Project Overview

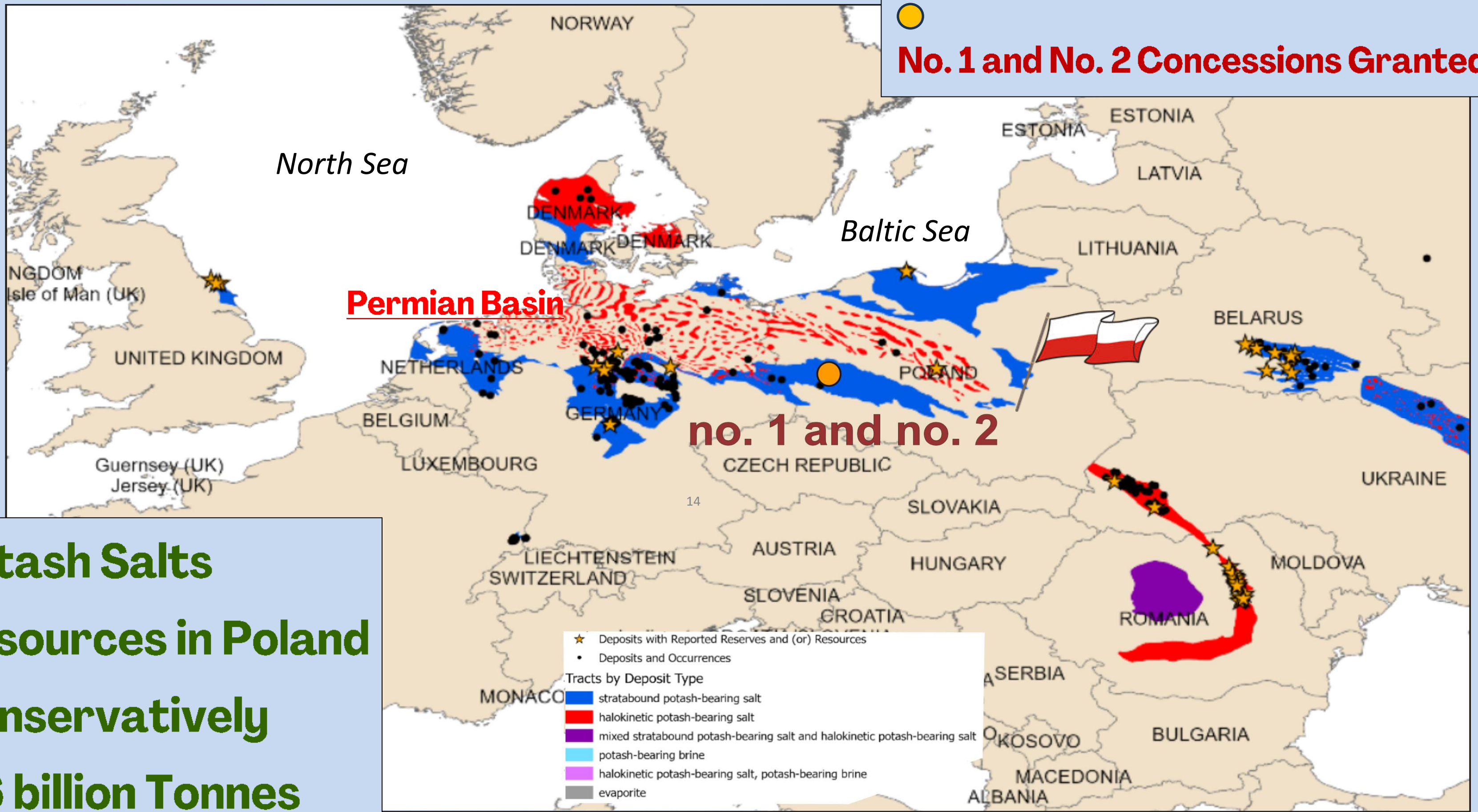
# Appraisal and Resource Model

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# Potash Deposits in Europe

**No. 1 and No. 2 Concessions Granted**



**Potash Salts Resources in Poland Conservatively 3.6 billion Tonnes**

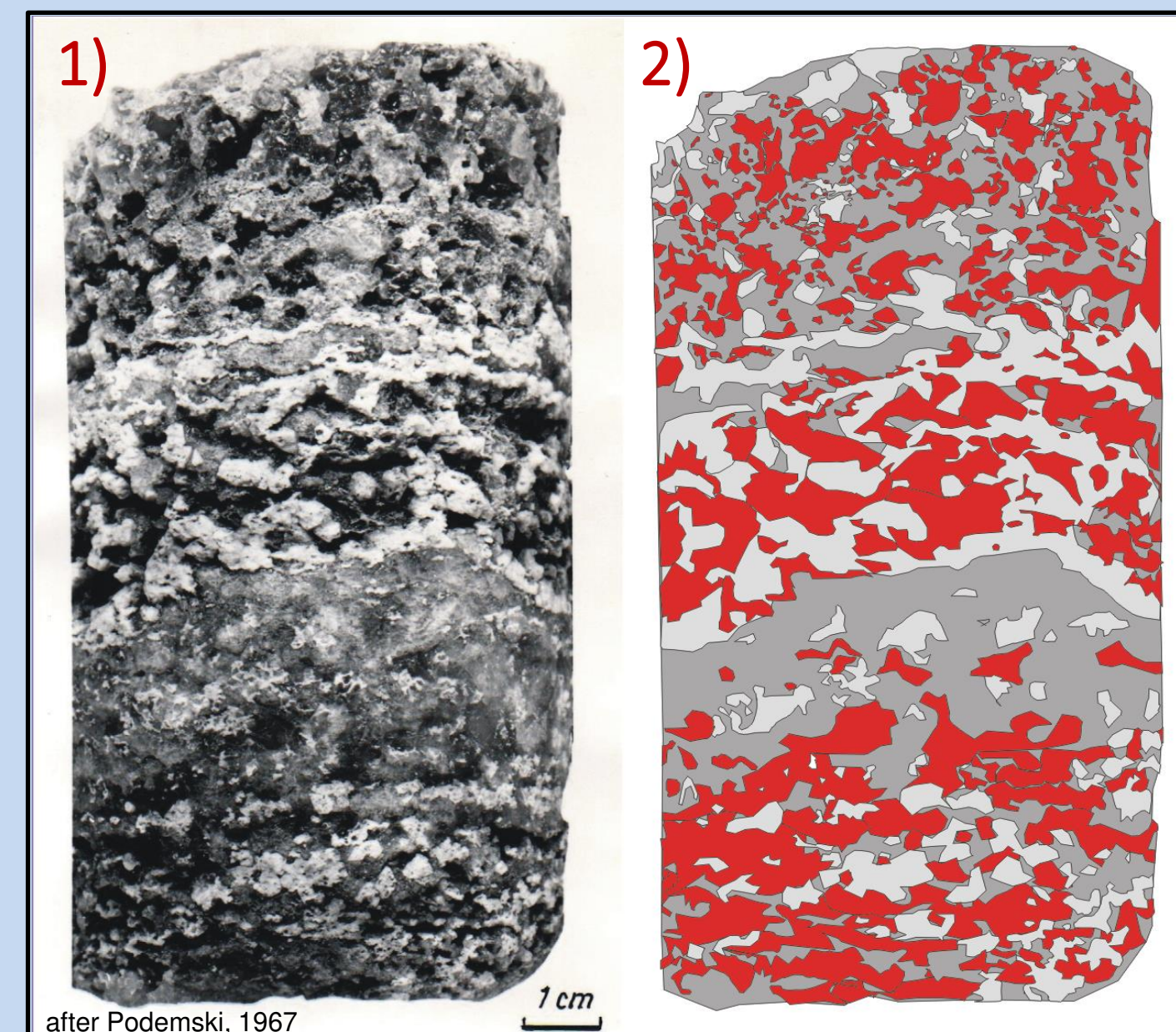
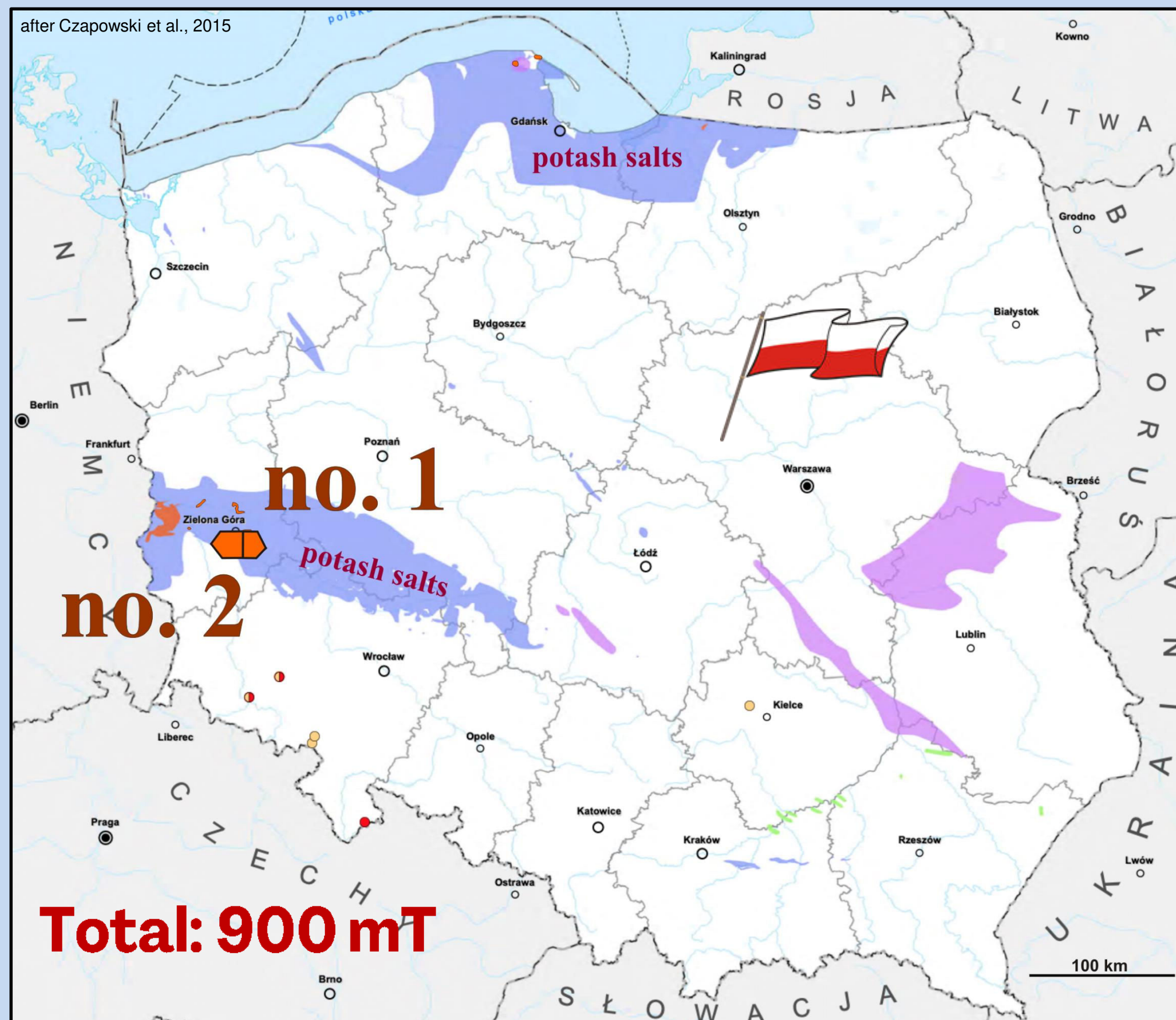
modified after USGS and SRK Consulting



# No. 1 Otyń – Nowa Sól Concession

# No. 2 Kozuchów – Zielona Góra Concession

K2O Potash Corp. Ltd.  
Western Poland



- 1) Well core sample of potash salts – Sylvinites from the concession area, archival;
- 2) Drawing of photo 1) highlighting potash mineral Sylvite - orange, with Halite - grey; Potash Salts horizon is 24.5 meters thick there.



## Modern Technologies/Profits Strategy

- 1. 3D seismic attributes processing for Visualisation of Potash Salts Resources Bodies (very modern technique from oil industry),**
- 2. Drilling horizontal wells stages for wide resource recognition,**
- 3. Converting drilled horizontal wells into Potash Salts leaching operations,**
- 4. Produced brines to be sent to existing-friendly facilities for MOP production with sales achieved in a short period of time.**
- 5. Fast converting of mined out wells into Geothermal Heat-Electricity Facility,**
- 6. Post Salt-Leaching Caverns/Pore Spaces for CO<sub>2</sub>/H<sub>2</sub> Storage.**



# Project Overview

## KCl production by Solution Mining

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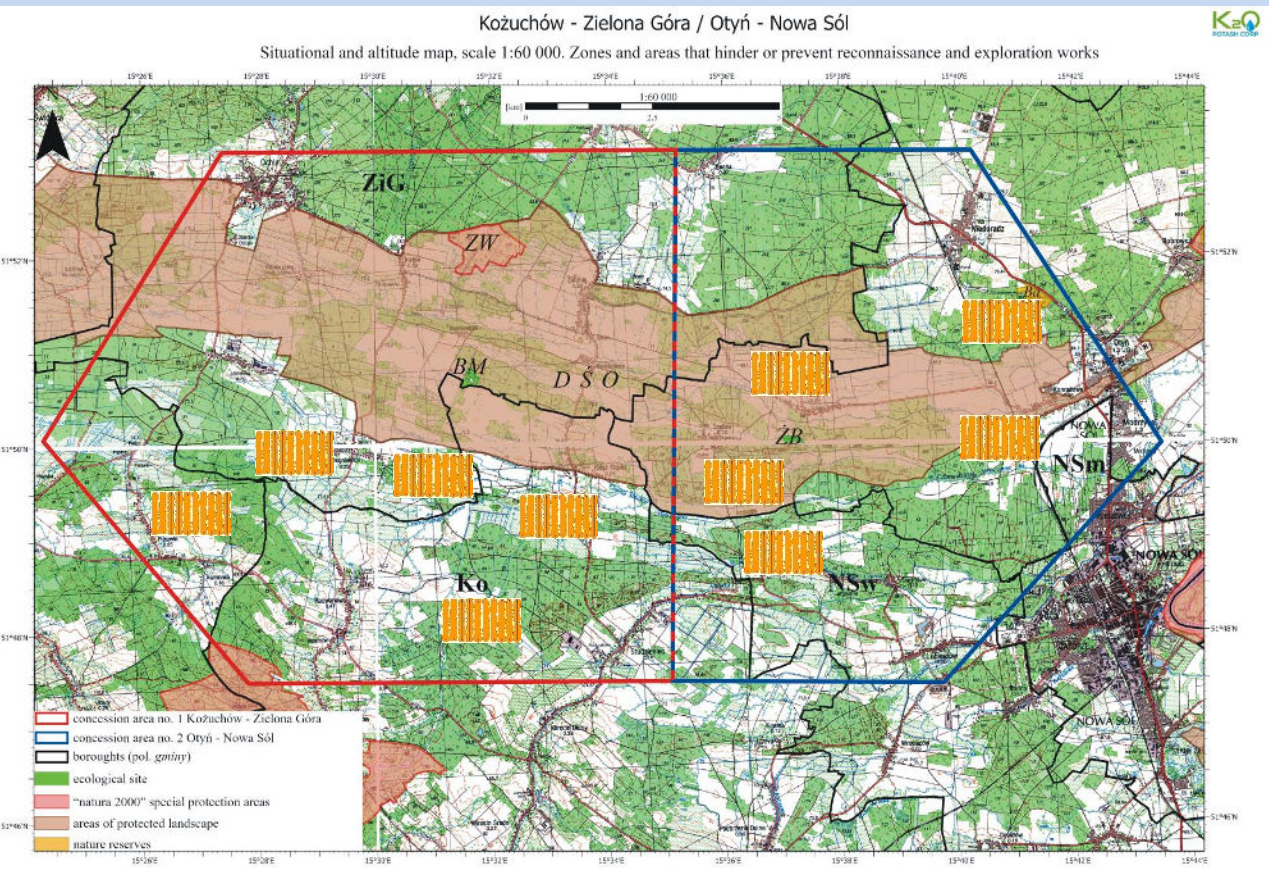
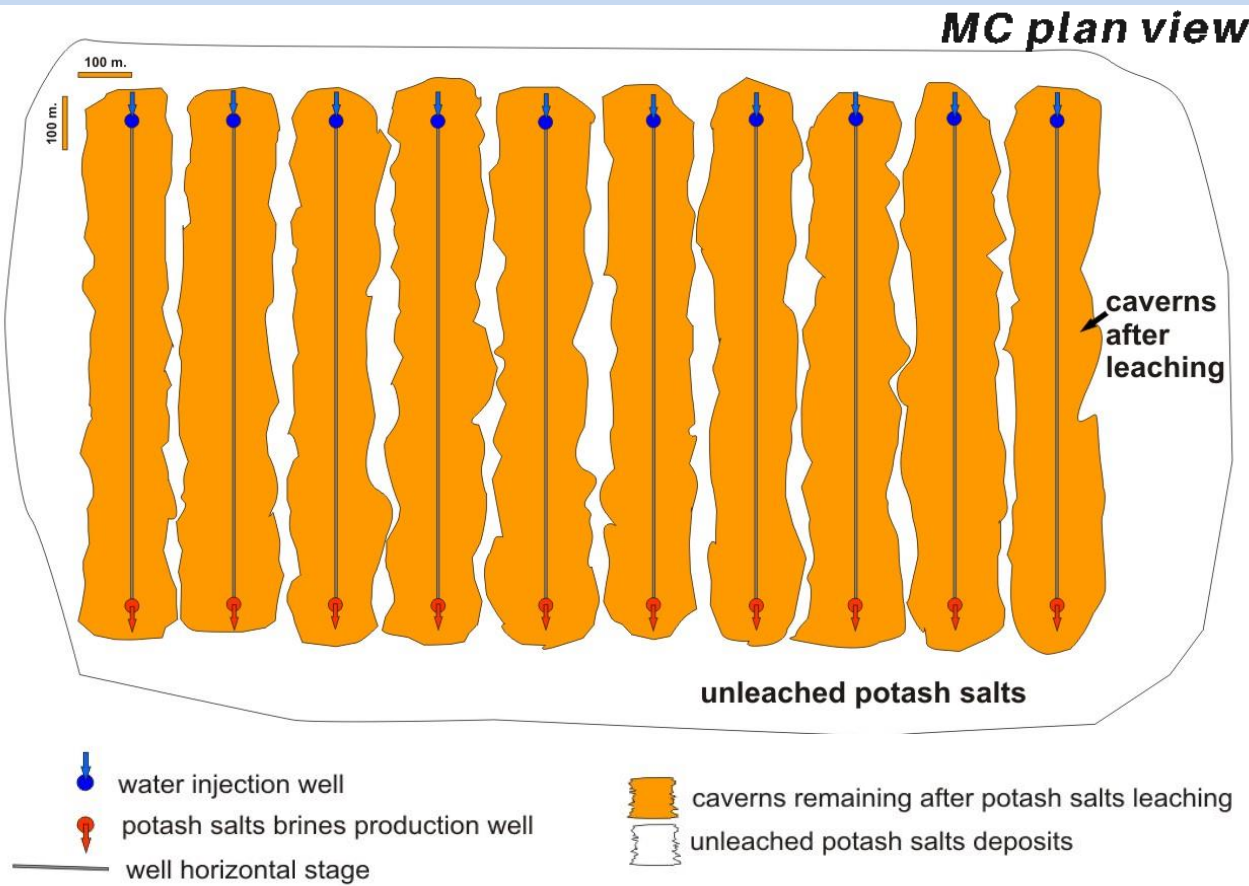
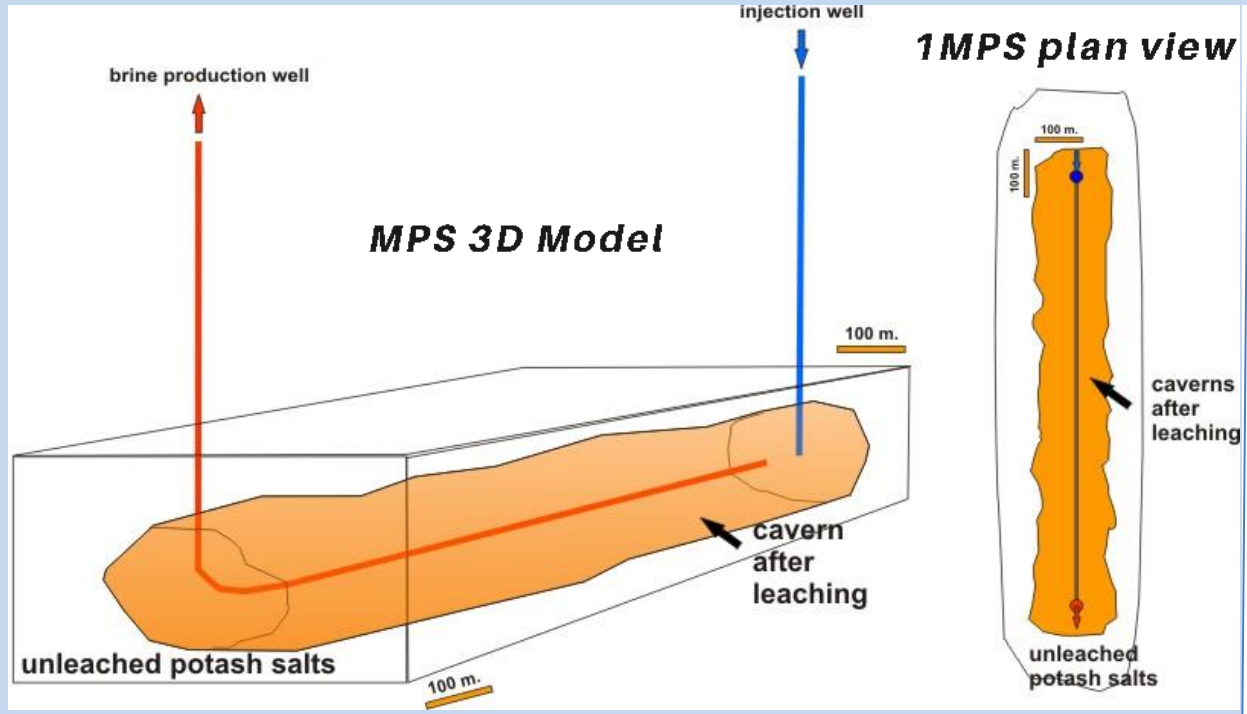


# CONVERTING FROM DRILLING TO SOLUTION MINING CONCEPT

**MINING PRODUCTION SET (MPS) CONCEPT**  
**1 Set is 2 wells**

**MINING PRODUCTION CELL 20 wells set (MC) on 1 concession CONCEPT**  
**10 injection and 10 brine production wells**

**5 MINING PRODUCTION CELLS (MC) CONCEPT**  
**100 wells per concession**



**4 MPS, 2 MPS per concession**

**4 wells per concession**  
**Production Testing**  
**and First Solution Mining**

**1 Mining Production Cell (MC) = 20 wells**

**from 2 Wells Production Set (MPS), to develop**  
**5 Mining Production Cells (MC) and more**



# MOP Fertilizer (KCl) Production

contact information

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