
CIRCUM MINERALS LIMITED

DANAKIL POTASH PROJECT

ETHIOPIA



March 2019

CIRCUMMINERALS.COM



PROJECT HIGHLIGHTS



MINE DEVELOPMENT READY

- Production of SOP can start in 2021
- Trial mining successfully completed using proven technology
- Excellent quality sample product already refined
- Phased mine development enables production flexibility

INFRASTRUCTURE ESTABLISHED

- Large amounts of capital already invested in project related infrastructure by governments
- Power and water supply ensured
- Port to project links in final development phase

ETHIOPIA'S BEST POTASH PROJECT

- Over 100 years' mineral resources
- Thick shallow layering enables low capital and production costs
- Strong government support for project
- Industry leading operating cost position for both SOP and MOP

POTASH MARKETS

- Excellent location to access potash markets in Africa, India, China, Asia and the rest of the world
- Potash demand expected to grow significantly as world food requirements increase
- Uniquely positioned to produce both SOP and MOP

PROJECT AT A GLANCE

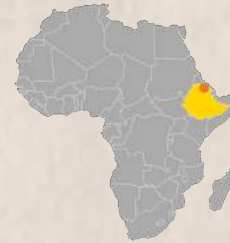
Location:	Northern Ethiopia
License Area:	365 km ²
Resource:	4.9 BT @ 18% KCl
Products:	SOP & MOP
Mining:	Solution mining
Process:	Solar evaporation
Production Phase 1:	0.75 MT pa SOP
Production Phase 2:	0.75 MT pa SOP additional
Production Phase 3:	1.00 MT pa MOP additional
Production Phase 4:	1.00 MT pa MOP additional
Social Development:	Community Development Funding Agreement
Capex Costs¹:	US\$ 1 billion
Expansion:	Expandable to meet growing demand

1. Phase I only, approximate

PROJECT OVERVIEW



Project	Danakil (100% owned by Circum Minerals)
Location	<ul style="list-style-type: none"> - Danakil Basin of Ethiopia; - 600 km by road to the Tadjoura Port in Djibouti; - Recent agreements with Eritrea opens the possibility of shipping via Eritrean Ports at a fraction of current costs.
Product	- SOP + MOP
Reserves / Resources¹	<ul style="list-style-type: none"> - 454 Mt @ 24% KCl; - 4.9 Bt @ 18% KCl; - 15-30m seam thickness (thickest among peer group).
Mining & Processing	<ul style="list-style-type: none"> - Solution Mining; - Solar Evaporation; - 200t of product (SOP + MOP) already produced by a test well.
Infrastructure	<ul style="list-style-type: none"> - Reliable Infrastructure; - Main port facility completed; - Abundant Water supply;
Status	<ul style="list-style-type: none"> - Fully permitted (mining license granted, ESIA approved) construction ready; - Original DFS completed in 2015 and further optimized in 2016; - Latest optimized DFS focussed on 750 ktpa of SOP (Phase 1) completed in June 2018, with lower capital costs.



Development Plan	<ul style="list-style-type: none"> - Build the Project in 4 Phases; - 2 Phases each of 0.75 Mtpa of SOP and 2 Phases each of 1 Mtpa of MOP; - Phase 1 to commence construction in 2019 and production by 2021; - Sequencing of Phases 2-4 can be adjusted to suit market demand.
Equity Process	- Currently seeking capex investments from a strategic partner
Debt Process	<ul style="list-style-type: none"> - Forming a lenders group comprising a combination of DFI's and commercial banks - Seeking MIGA and ECA guarantees and PRI
Sales Book	<ul style="list-style-type: none"> - MOU's for sale of over half of total of both SOP and MOP - Converting to bankable offtake agreements

1. Including Reserves
2. Full installed capacity

DELIVERED AND POTENTIAL INFRASTRUCTURE



Port In Djibouti	Tadjoura Port was completed in June 2017, and is 600km by road from Circum.
Port in Eritrea	Eritrean Ports are becoming an option in the medium term. Massawa Port is currently operational and 250km from Circum. New port development is proposed at either Marsa Fatuma or Anfile Bay approx. 90km from Circum.
Power	New Government built powerline transmitting 180MW to a Dallol substation will be completed in 2020.
Roads	A 130km paved road from Mekele to the Danakil Basin has been built by the Government. A dedicated potash haulage road to Tadjoura Port is being built and will be completed by 2020.
Water	Circum has 4 saturated alluvial fans at shallow depths, covering more than 60km ² . These have been extensively drilled and undergone aquifer stress testing, confirming that they hold sufficient brine reserves.

The map illustrates the geographical context of the Circum project, situated in the northern part of Ethiopia. It shows the proximity to the Eritrean coast and the Red Sea. Key infrastructure elements highlighted include the proposed road network connecting Mekele to the coast and the existing railway line from Addis Ababa. The map also identifies several ports in Eritrea, including Massawa, Marsa Fatuma, Anfile Bay, Assab, and Tadjoura, providing a comprehensive overview of the regional logistics and infrastructure landscape.

LICENSE AREA RESERVES & RESOURCES

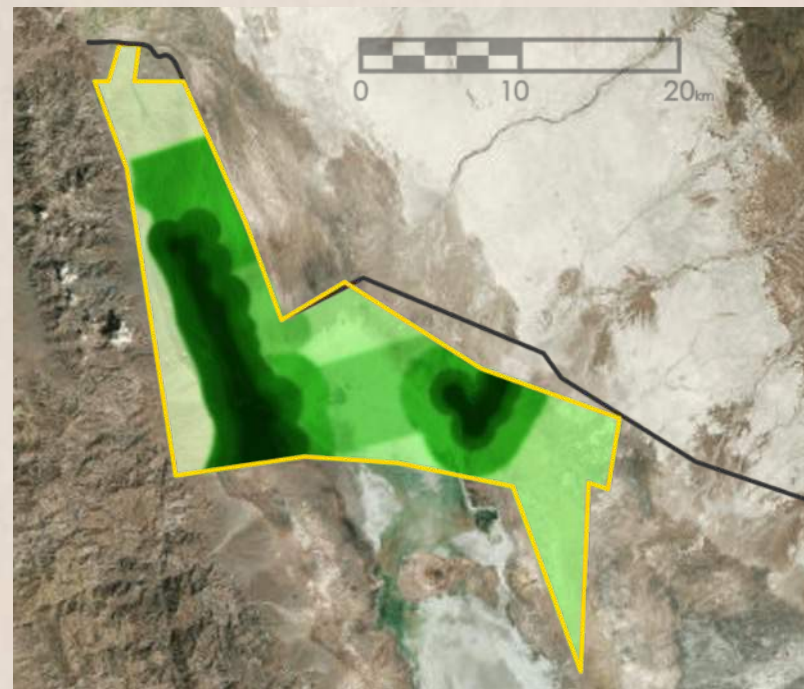


MINERAL RESOURCE – SOP AND MOP

	Tonnage (Mt)	KCI (%)	KCI (Mt)
Measured	1,229.9	18.8	231.7
Indicated	1,603.8	18.3	294.1
Measured & Indicated	2,833.7	18.6	525.8
Inferred	2,098.5	17.5	366.5
Total MI&I	4,932.2	18.1	892.3

MINERAL RESERVE – SOP AND MOP

Total Proven	191	23.7	45
Total Probable	263	23.8	63
Total P&P	454	23.7	108



- Circum's License area is 365 km²
- Resource of 4.9Bt @18.1% KCI is amongst the largest defined Potash resources in the world
- 2D Seismics over the entire lease suggests a total deposit of 12-14Bt

MI&I RESOURCES ARE AMONGST THE LARGEST IN THE WORLD FOR POTASH

SOP

RESERVES & RESOURCES



- SOP is used on high-value crops like fruits, vegetables, nuts, tea, coffee and tobacco
- SOP improves crop yields and food quality including the colour, taste and shelf life of produce
- SOP makes plants more resilient to drought, frost, insects and disease
- Global market for SOP is ~ 7 million tonnes per year

MINERAL RESOURCE¹ – SOP

	Tonnage (Mt)	KCI* (%)	KCI* (Mt)
Measured	809.7	16.0	129.7
Indicated	1,095.1	15.9	173.9
Measured & Indicated	1,904.8	15.9	303.6
Inferred	1,559.9	15.7	245.1
Total MI&I	3464.7	15.8	548.7

MINERAL RESERVE¹ – SOP

Total Proven	98	23.8	23
Total Probable	150	23.8	36
Total P&P	248	23.8	59

1. 43-101 Compliant | 2. * KCI equivalent

MOP

RESERVES & RESOURCES



- MOP is the most commonly used fertilizer in the world
- Used extensively on carbohydrate crops like wheat, corn and potatoes
- Chloride content is not ideal for sensitive crops
- World demand is ~ 65 million tonnes per year

MINERAL RESOURCE – MOP

	Tonnage (Mt)	KCI (%)	KCI (Mt)
Measured	420.2	24.3	101.9
Indicated	508.7	23.6	120.3
Measured & Indicated	928.9	23.9	222.2
Inferred	538.6	22.6	121.5
Total M&I	1,467.5	23.4	343.7

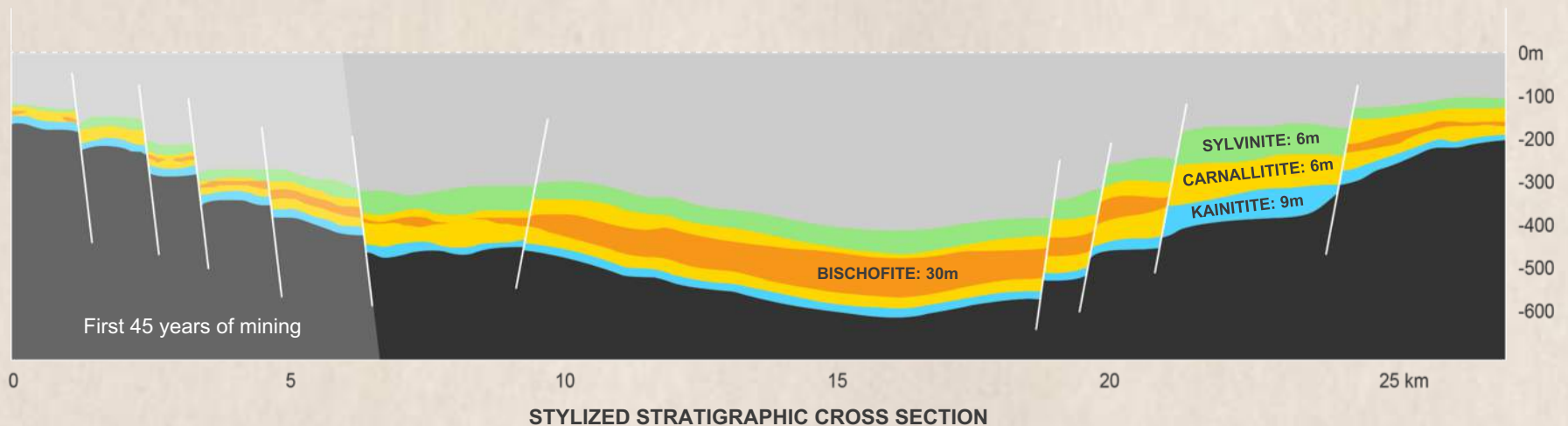
MINERAL RESERVE – MOP

Total Proven	93	23.6	22
Total Probable	112	23.8	27
Total P&P	206	23.7	49

BASIN STRATIGRAPHY



- 2D seismically proven over entire license area, with layering continuous across the basin
- Mining can start at under 100m depth
- Where the package is narrow, can use one process to extract Sylvinitite, Carnallitite and Kainitite
- Where Bischofite separates the units, SOP and MOP can be mined separately
- Average depth of deposit for first 20 years of mining is 200m



SHALLOW MINING POSSIBLE

COMPLETED SOLUTION TEST MINING



Circum has completed 12 months of test mining, proving both SOP and MOP can be extracted separately from the same well, when divided by a Bischofite layer.

Circum can also mine selectively, mining either the SOP rich kainitite layers, or the MOP rich sylvinite layers.

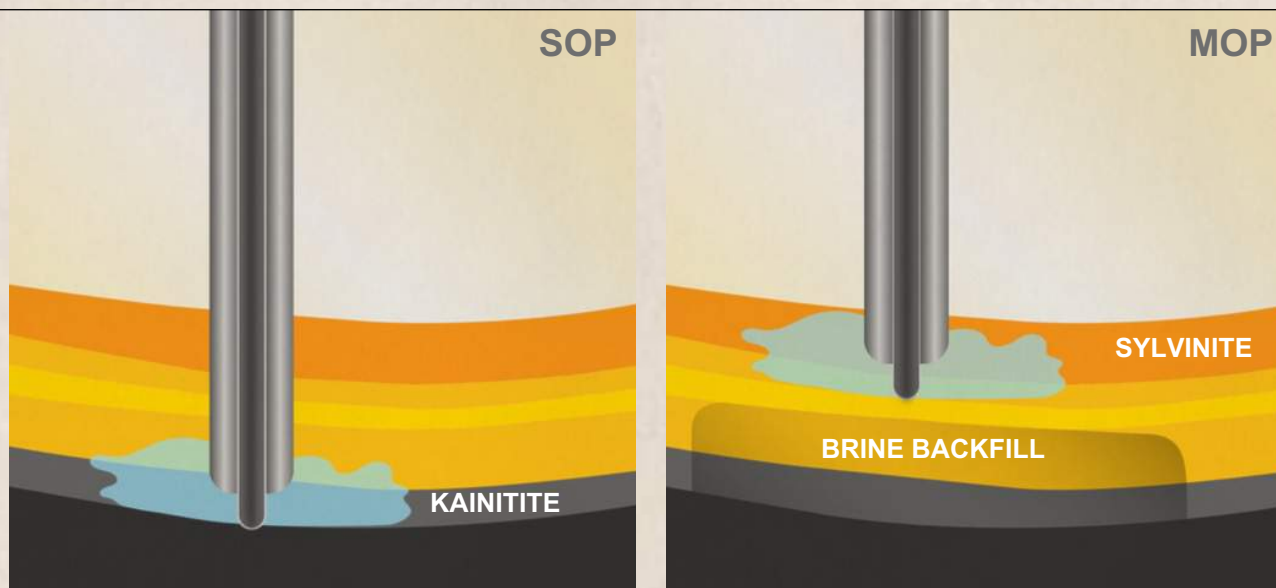
Circum has produced over 200 tons of raw potash salts of both SOP and MOP.

These raw salts have been refined to final products for market test purposes.

Excellent, high-quality products have received Organic certification.

Solution mining is simple,
quick, safe and easily scalable.

Environmentally friendly – a
natural process essentially
recycling locally occurring
brine waters and generating no
visible waste.



SOLAR EVAPORATION



Solar evaporation is ideal for the regional climate where temperatures are frequently in the 40-50°C range.

Environmentally friendly, requiring no artificial energy, and simulates the natural process of surface water evaporating in this region.

Brine dissolved in the underground caverns is pumped into lined ponds. Water evaporates from the ponds leaving a crystal salt crop.

This salt is harvested and sent to the plant to be refined into either SOP.

Excess brines are pumped back underground - essentially recycling locally occurring brine waters and generating no visible waste.

Large flat ponds do not visually detract from the extensive flat landscape, and are easy to rehabilitate.



MINING PLAN - OVERVIEW



Mining has been designed to be modular, ensuring maximum mining flexibility.

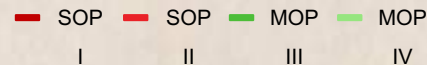
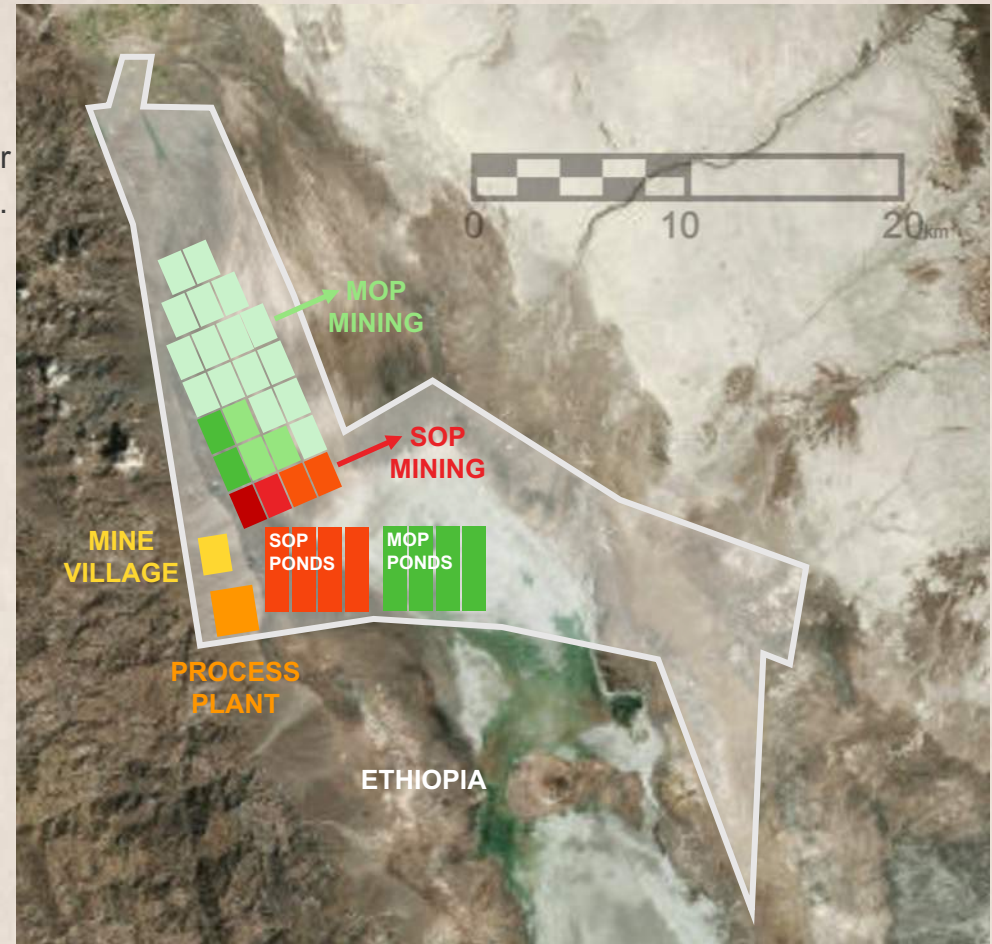
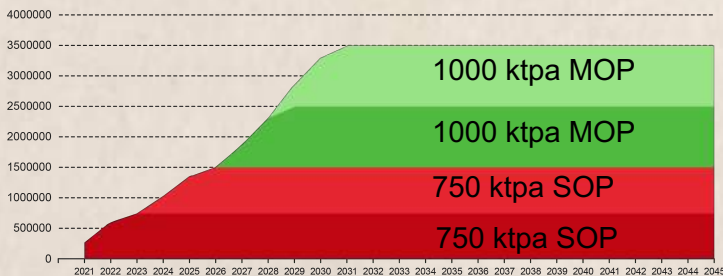
The first phase is SOP production, and thereafter either a second SOP phase can be added, or an MOP phase. Currently 4 modules are planned.

Further modules and expansions can be added when desired, so the company can rapidly increase production to suit anticipated market demand.

Estimated Milestones for Phase I

- Construction starts - 2019
- Estimated production - 2021
- Full production - 2022

PRODUCTION VOLUMES



APPROVED LICENSES



- Circum Minerals complied with all the requirements of the Ethiopian National Government and then applied for a large scale mining License over the area Circum had explored.
- After reviewing the project details, the Ministry of Mines approved a mining license which is valid for 20 years, and thereafter is renewable in 10 year increments, in perpetuity.
- Circum also undertook a full ESIA to national and IFC standards, which complies with Equator Principles.
- Following full public disclosure and extensive stakeholder meetings, Circum in conjunction with their consultants, developed an Environmental Management Plan (EMP) for the project.
- The EMP has been approved by the Ethiopian Authorities and is valid for an initial 10 year period, whereafter it can be renewed upon application.
- Circum is working in conjunction with the Government and local representatives on the development of a Community Development Program which focusses on water provision, health and education facilities.



ETHIOPIAN ECONOMY



- Ethiopian economy is expected to grow at 8.1% in 2018¹
- Ethiopia is the fourth largest economy in sub-Saharan Africa - predicted to be third by 2025
- Average annual GDP growth rate of 10% over the past decade
- One of the top African countries for FDI inflow – US\$3 billion² in 2016
- FDI derived mainly from investments in infrastructure and manufacturing
- Large-scale government investment under the Growth and Transformation Plan
- Establishing Ethiopia as a regional export hub, including extensive rail links to Djibouti
- Addis Ababa is already an established regional aviation hub
- Stable political and economic environment with low crime rates
- Governmental economic reform includes privatization of state enterprises and rationalization of government regulation
- Ethiopia is moving towards being a modern market economy



MARKETING PLAN & SALES BOOK



- Circum has secured MOU's for the sale of more than the entire Phase I production of SOP.
- These cover a wide range of territories from America to China and India.
- The securing of these MOU's demonstrates strong demand for the product and indicates that a sales book for the entire production can be built.
- The next step is to convert the MOU's into bankable offtake agreements.
- Circum are targeting offtake partners in the premium market and key considerations include potential for equity participation, reputable off-takers which provide lenders comfort over the final product and its uptake and track record in the fertilizer industry.



CURRENT PROJECT STATUS



CIRCUM HAS COMPLETED

- All exploration including seismics over the license area
- Trial mining
- Refined samples produced and certified
- Infrastructure development on track
- Water resources identified
- 20 year mining license in place
- Environmental and operating permits agreed
- Market studies show attractive potash fundamentals
- Community development projects fully funded

LATEST DEVELOPMENTS

- Restructured management team to focus on financing
- Optimised DFS in 2018, adopting a modular approach with SOP first, easily expandable
- Reduced upfront capital requirements significantly
- Marketing program in progress – finalising offtake agreements to enable lender security
- Raising debt financing with a leading debt arranger
- Sourcing a strategic partner for cornerstone capex
- Investigating closer port opportunities for long term project improvements



CONCLUSION

- Circum's Danakil project is truly a world class, *"tier one"*, fully permitted, 100% owned, construction ready potash project with significant modular development optionality.
- In response to the changing market dynamics and volatile investment climate, Circum has optimised its DFS in 2018 and adopted a modular approach with low upfront capital requirements.
 - **Modular approach offers significant upside and flexibility**
- In light of the ongoing significant investment in regional infrastructure by the Ethiopian and Djibouti governments, and an improving political climate in Ethiopia, Circum is developing a flexible financing strategy to fund the construction of the project.
- Circum together with its advisors has launched a formal process aimed at bringing in new capital for the development of Phase 1 of the project.
 - **The Company is fully flexible and open to different investment structures**

A **WORLD-CLASS** PROJECT

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