

# Republic of the Congo

October 2021



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All Mineral Resource and Ore Reserves are reported in accordance with the JORC Code (2012 edition). Numbers are rounded to the appropriate decimal place. Rounding 'errors' may be reflected in the "totals". The Kola Mineral Resource Estimate was reported 6 July 2017 in an announcement titled 'Updated Mineral Resource for the High -Grade Kola Deposit'. It was prepared by Competent Person Mr. Garth Kirkham, P.Geo., of Met-Chem division of DRA Americas Inc., a subsidiary of the DRA Group, and a member of the Association of Professional Engineers and Geoscientists of British Columbia. The Dougou carnallite Mineral Resource estimate was reported on 9 February 2015 in an announcement titled 'Elemental Minerals Announces Large Mineral Resource Expansion and Upgrade for the Dougou Potash Deposit'. It was prepared by Competent Persons Dr. Sebastiaan van der Klauw and Ms. Jana Neubert, senior geologists and employees of ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH and members of good standing of the European Federation of Geologists. The Dougou Extension sylvinite Mineral Resource Estimate is reported herein. Ms. Vanessa Santos, P.Geo. of Agapito Associates Inc., for the Exploration Results and Mineral Resources. Ms. Santos is a licensed professional geologist in South Carolina (Member 2403) and Georgia (Member 1664), USA, and is a registered member (RM) of the Society of Mining, Metallurgy and Exploration, Inc. (SME, Member 04058318). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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## Country highlights

- ⌢ Developed offshore Oil & Gas industry with a history of investment from international companies
- ⌢ Government seeking new industries to diversify from oil reliance. Government openly supportive of mining. Mining code in line with Francophone Africa
- ⌢ Bilateral investment treaty with the UK
- ⌢ Joined the EITI in 2007 (Extractive Industry Transparency Initiative) and is fulfilling the broader objective of the EITI requirement
- ⌢ President Denis: Sassou-Nguesso
- ⌢ Prime Minister: Clement Mouamba
- ⌢ Population 5.3 million
- ⌢ Language: French
- ⌢ Literacy: 80%
- ⌢ GDP \$29.39 billion (2017 est.)
- ⌢ Exports \$4.193 billion (2017 est.)

Source: <https://www.cia.gov/the-world-factbook/about/copyright-and-contributors/>

## Economy

- ⤵ July 2021: RoC and China announce MOU for national development plan 2022-2026
- ⤵ Congo's largest export partners are China (53.8%), Angola (6.2%), and Gabon (5.7%)
- ⤵ Oil accounts for over 90% of Congolese exports and 80% of government revenue
- ⤵ 4<sup>th</sup> largest Sub-Saharan producer:
- ⤵ Production 340,000bopd
- ⤵ 1 Refinery in-country with 2<sup>nd</sup> \$600m refinery under construction
- ⤵ Oil firms operating in RoC include:
  - Total since 1968 (French)
  - Perenco E&P (Anglo-French)
  - Eni since 1968 (Italian)
  - Chevron Overseas (USA)

### Republic of Congo building \$600-million refinery

**POINTE-NOIRE, February 24, 2021** – Republic of Congo has launched construction of a USD 600-million refinery set to transform the country's downstream landscape.

Located near the city of Pointe-Noire, the Atlantic Petrochemical Refinery is expected to address the country's fuel shortage problem, with a capacity of 110,000 bpd once complete. It will also diversify Congolese exports away from crude oil.



*ENI's Nené Marine Field*

## Electricity And Gas Supply Infrastructure In Place

- ⑦ New gas turbine power station with current capacity of 484MW (expanded from 314 Mw in 20019) situated at Pointe Noire, which is approximately 60km from the Kola project site
- ⑦ Power station operated by CEC a joint venture between ENI and Congolese Government
- ⑦ ENI own and operate onshore gas processing plant at Mboundi, which is approximately 75km from the Kola project
- ⑦ 356 million Mm<sup>3</sup> of processed natural gas is available to Kore Potash over 33 years of project life



*Pic of “the Congo power station” taken from Eni’s website:*

<https://www.eni.com/en-IT/operations/congo-energy-access-project.html>



## Brazzaville – First-Class Infrastructure



- Maya Maya airport opened in 2010 at a cost of US\$160 million. A second phase was completed in 2013.
- 13 airlines operate national and international flights, including to Pointe-Noire and Paris



Paris

Less than 8 hours direct

Brazzaville



8-hour drive along a modern highway

Pointe-Noire

- The recently-built four-lane N1 highway links Brazzaville and Pointe-Noire
- The N1 was inaugurated in 2016 at a cost of €2 billion as part of an agreement between the RoC and China



## Brazzaville – First-Class Infrastructure



*The '15 August 1960' Bridge*



*Downtown Brazzaville's skyline*



*Downtown Brazzaville*



*Looking over the Congo River towards Kinshasa*



## Pointe-Noire – First-Class Infrastructure



- ③ Antonio Agostinho Neto International Airport serves the city of Pointe-Noire
- ③ The airport is in the city itself, and is 3 kilometres inland from the Atlantic coast
- ③ 10 airlines operate national and international flights, including to Brazzaville and Paris



- ③ The road from Pointe-Noire to the Mine Site is tarmacked up to the town of Madingo Keyes. There is then a gravel road from Madingo Keyes to the Site. The total journey is around 2 hours.
- ③ Pointe-Noire has a deep-water port facilitating international container and bulk shipping, and provides access to vessels of up to -15m draught.



# Pointe-Noire – First-Class Infrastructure



*New Port Authority*



*Aéroport International Augustinho Neto*



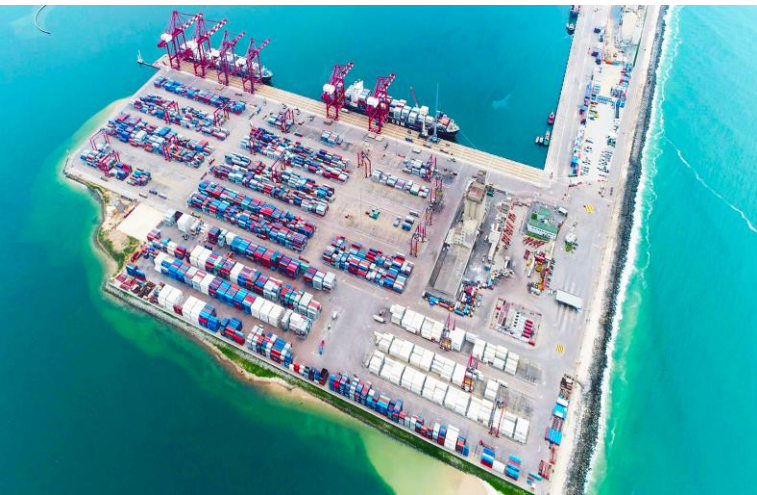
*Gare de Pointe-Noire*



*Pointe-Noire City*

# Pointe-Noire Port Upgrades

- Between 2011 and 2013 Pointe-Noire's deep-water port was upgraded
- The rehabilitation work focused on the renovation and upgrading of the main infrastructure of the port and its adaptation to developments in containerized traffic, offering a draught of -15 m



## Work included:

- Deepening of the channel to allow for larger vessels
- Expanding the area for container storage and protecting the area with slope protection works
- Installing a breakwater to deflect current away from the entrance channel and to act as a sand trap, extending the dredging interval in the channel from 2 to 5 years
- Extending the quay length and the upgrading of the current container quay

# Mining in RoC

## ➤ Nascent mining industry

### ➤ Private sector delineated globally significant deposits

- Potash (LSE, JSE, ASX Kore Potash and Kanga Potash)
- Phosphate (LSE Kropz plc)
- Iron Ore
- Gold
- Copper

## ➤ Mature oil and gas industry

- ENFI and Total have large investments
- Multiple international companies producing oil and gas from off shore platforms
- Onshore gas processing by ENFI

## A History of Kore in RoC

The Group focuses solely on conducting potash exploration activities exclusively in the ROC at the Sintoukola Project.

2009

The ESIA for the Kola Project is approved and the mining licence granted, following a 2012 PFS for 2 Mta production.

2013

A total of US\$95m is raised from a combination of existing shareholders, the State General Reserve Fund (SGRF), the Sovereign Wealth Fund in Oman and New York-listed Sociedad Quimica y Minera (SQM), to further progress the Sintoukola Project.

2016

The government of the ROC approves and signs the Mining Convention which governs the conditions of construction, operation and mine closure of the Kola Mining Licence and Dougou Mining Licence.

2017

A new exploration permit, covering an area of 294.4km<sup>2</sup> (Sintoukola 2), is awarded to the Company, adjoining the Dougou Mining Licence.

2018



## Mining Convention

- Mining Convention voted into law following ratification by the Parliament of the Republic of the Congo
- Mining royalty of 3% of Ex mine market value
- Reduced taxation rates following an initial tax holiday



*Accommodation  
on-site*

- The Congolese Government is supportive of the development of Kore's projects in the Sintoukola District
- They have demonstrated this through the approval of the required permits, including the Mining Convention which sets out the fiscal framework for all Kola and Dougou developments, the Kola and Dougou ESIA and Environmental permits and the Kola land acquisition process

## Favourable Asset Location

- ③ The geographical location of the Permit is extremely beneficial both in-country and globally, and simplifies the logistics required for both the construction and operation phases
- ③ The farthest part is situated 35km from the coast and 90km from Pointe-Noire, the second largest city in the RoC
- ③ Pointe-noire is a fully operational deep-water port
- ③ Multiple iron ore projects under development

