Brief description and summary Saxony Minerals & Exploration AG

A unique Cash Flow producing Mine for 30 years.

1. Introduction

Management: locally and internationally

experienced and connected

Supervisory board

- **Thomas Reissner**
  Founder and Chairman Pyral AG
  Former CEO of two mining companies in Canada
  Diploma in Business (Nürnberg), Law (Freiburg)

- **Dr. Horst Richter**
  Former Minister of Geology and Mining of the GDR
  Shareholder G.E.O.S. GmbH
  Dipl.-Geol. Bergakad. Freiberg, PhD Economy

- **Jan Richter**
  Managing Director G.E.O.S GmbH
  Dipl.-Geol. Bergakad. Freiberg
  BBA, TU Chemnitz

- **Volker Kauder**
  Member of the German House of Parliament
  Former Chairman CDU/CSU fraction
  Law University of Freiburg

Management

- **Dr.-Ing. Klaus Grund**
  Member of the Board Planning & Strategy
  Deputy Mine Director "Reiche Zeche"
  Senior management SDAG Wismut
  Surveyor, Dr. Geology

- **Rolf Staudenmaier**
  Member of the Board
  Project Management
  Logistic expert

Shareholder

- Thomas Reissner (64 %)
- Horst Richter (7 %)
- Jan Richter (7 %)
- Remaining Shareholders (22 %)

Core assets: Mine Pöhla – Ore Mountain near Schwarzenberg

- Proven critical resources of ore: Tungsten, Fluorite, Tin
- Outlook to be expected:
  Revenue per year: 118 Mio. € (> 2029)
  Mining costs per year: 40 Mio. €
  Net earnings (profit) per year: 78 Mio. € (2029)

2. History of Mine

1957-1966 Development by Wismut
1974-1988 Exploration for tin and tungsten by GDR, Wismut

Key exploratory services:

> 125.000 m surface drilling of narrow mashed holes

> 16 km existing tunnel length (adits)

> 165.000 m³ horizontal / vertical exploration

Development costs at nowadays prices: 180 Mill. € (windfall profit)

Existing infrastructure in place: road, electricity, water

Reserves and resources according to NI 43-101 Report*:

Tungsten (cutoff grade: 0,1%)			
	Ore	Grade	Concentrate
Measured	3656 (Kt)	0,48%	17.549 t
Indicated	1547 (Kt)	0,44%	6.807 t
LTM Price APT: 35.000 $/to.			
Fluorite (cutoff grade 10%)			
Measured	2232 (Kt)	55%	1.227.600 t
Indicated	4859 (Kt)	15%	728.850 t
LTM Price Fluorite: 97%: 560 $/to.			
Tin (cutoff grade 0,1%)			
Measured	5280 (Kt)	0,35%	18.480 t
Indicated	5301 (Kt)	0,34%	18.023 t
LTM Price Tin 99%: 33.000 $/to.			
Total:			3.151 Mrd. $

* Dr. Wolf-Dietrich Bock, Dipl.-Geol., 2qualified person" according to standard NI43-101

Plus over 400 Mill. $ in inferred resources being recovered after.

SWOT Analysis SME

Strengths:	**Weaknesses**:
• Experienced management • Substantial hidden reserves under GAAP with historic investments and licenses • High average tungsten content • Cost efficiency through two cost-bearing products • Attractive CAPEX scope due to existing infrastructure	• Volatility of commodity prices
Opportunities:	**Risks**:
• Positive market outlook for critical resources • Tin deposits in Pöhla • Exploration fields in Saxony with critical resources	• Potential delays until go-live • Substantial and parallel drop in resource prices • Unexpected discovery of new deposits with quick go-live of production

3. Milestones achieved within 11 years

05/2012 Permit for *„Bewilligungsfeld Pöhla" granted* by Mining agency of Saxony

05/2014 Own exploration drillings as confirmation

12/2016 Start of shaft 1 of Pöhla mine („exploration shaft ")

05/2019 Target depth of shaft 1 of 180 m in deposit 4 reached Mining of sufficient raw ore for processing plant

10/2019 Pilot processing confirms tungsten and fluorite correspond to international quality

01/2020 Starting Mine permitting

05/2023 Mining agency of Saxony confirms the permit of mining license in spring 2024, confirmation that all mining applications are complete.

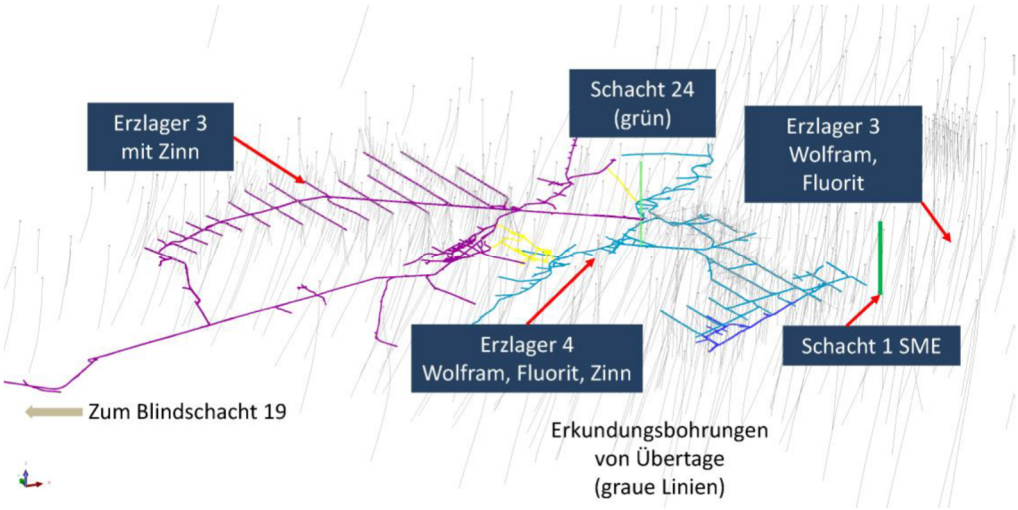
09/2024 Final receipt of mining permit, first company in Germany after war.

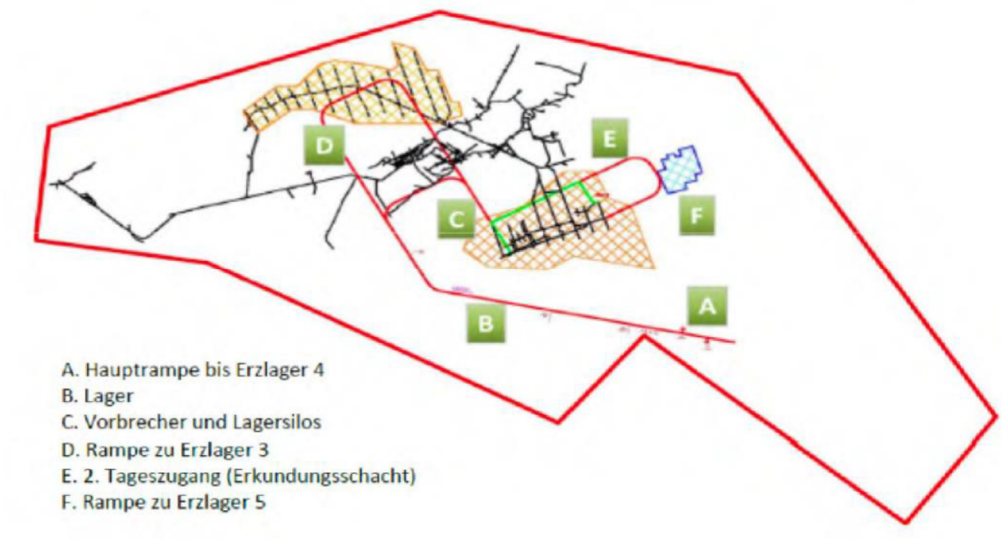
- Starting to build the ramp: March 2026 till December 2027
- Producing main operational plan 3 months, September – December 2028
- Upscaling processing plant: September 2026 till September 2027
- Begin official production: 2029

Essential key factors:

- More than 16 Mill € invested capital
- First successful mining and processing confirmation
- Finishing definitive feasibility study
- Results pilot processing plant: WO3 75%, CaF2 98%

4. Mine planning





5. Processing plant

- Crushing (< 200 mm)
- Presorting in 3 categories
- Sorting via x-ray
- Gravimetric sorting via spiral separator
- Flotation of scheelite, Cassiterite
- Dewatering of products
- Drying of products via new infrared procedure, developed by SME AG

6. Laboratory

Analysis based on mineralogical, metallurgical and chemical methods.

- Microwave analysis
- ICP-OES
- RFA
- Photometric
- Microscope
- Redox potential electrical conductivity

7. Pro Forma calculation

Intended annual production: 400.000 to.

Tungsten about 1200 to. p.a. ≅ 47 Mio. € Revenue

Fluorite about 43.000 to. p.a. ≅ 30 Mio € Revenue

Tin about 1.200 to. p.a. ≅ 41 Mio € Revenue

Total ≅ 118 Mio. € Revenue p.a.

OPEX costs p.a. 40 Mio. €

Net earnings (profit) p.a. 78 Mio. €

For more than 20 years accumulated profit expectation: > 1,0 Bill. €

CAPEX

(Ramp building, upscaling processing mining equipment): 25 Mio. €

Working capital: 15 Mio. €

Capital needs, total: 40 Mio. €

Pay back capital: < 2 years

8. Competition / worldwide production tungsten

8.1 China: 88.000 to. 93%

8.2 Vietnam: 4.000 to. 4,2%

8.3 Spain: 1.200 to. 1,2%

8.4 Mittersill: 1.200 to. (Consumed by Sandvik, 1,2%)

Total ≅ 94.400 to.

9. Competition / worldwide production fluorite

9.1 China: 4 Mio. To. 67%

9.2 Mexico: 1,5 Mio. To. 25%

9.3 Rest of world: 0,5 Mio. To. 8%

10. Competition / worldwide production tin

10.1 China: 200.500 to. 60%

10.2 Indonesia: 72.400 to. 22%

10.3 Myanmar: 40.000 to. 12%

10.4 Peru/Brazil: 12.000 to. 4%

11. SME AG – Focus on supply – critical base metals

- SME AG – Focus on supply critical base metals
- Tungsten is mainly controlled by China

  There are only 2 producing mines in the world as of today other than China:

  - Nui Phao (Vietnam)
  - BHW Mittersill, Austria, owned by Sandvik
  - Barruecopardo is marginal, in small volume producing
  - Los Santos, Spain is marginal with low volume
  - Panasqueira mine is depleted

- Fluorite

  Use for hydrofluoric acid. This is produced for metal fluoroborate (silicum wafer semiconductors, electronic devices)

  - Calcium fluoroborate (aluminum alloys)
  - Glass industries
  - Activities for consumer goods

  Annual production volume: 6 Mio. To.

- Tin
  - 60% demand for soldering process
  - Demand as chemical application and alloy metal
  - Considerable increase in demand due to renewable energy (battery) application.
  - Strong monopoly in Indonesia, no export from concentrates any more. Value chain must be developed within country.
  - No tin refinery in western countries
  - Big scarcity of tin concentrates to be expected the next coming years.

12. Target for raising of funds

12.1 Strategic investor to acquire majority of the company (78,1%)

40 Mio. € for investment and working capital purposes

12.2 Debenture/ equity investor for financing the required investment capital

20 Mio. € equity financing

20 Mio. € Debt financing (KfW)

13. Summery

- SME AG is a ready to mine company for tungsten, fluorite and tin.
- The base metal is getting more and more scare. Countries controlling the metals: China, Indonesia with more and more restriction to export.
- The mine Pöhla is highly explored with well-known proven reserves.
- The return of capital is less than 2 years.
- The accumulated return over 20 years is more than 1,0 Bill. €.
- The majority owners intend to sell their shareholdings before being diluted into minority to a strategic investor, taking over the company via buy out.