



September 2008  
Corporate Presentation

Private and Confidential



# Forward Looking Statements



CONGOPOTASHCOMPANY

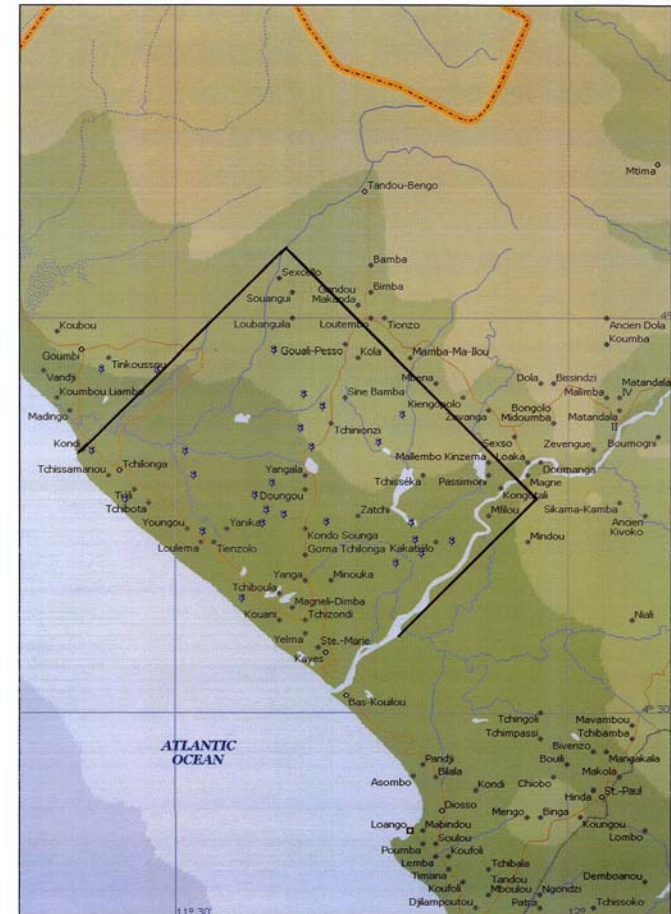
This presentation may include certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical fact, that address reserve potential, exploration drilling, mining activities and events or developments that the Corporation expects, are forward-looking statements. Although the Corporation believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, mining and exploration results, continued availability of capital and financing and general economic, market or business conditions. You are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

# Company Overview



CONGOPOTASHCOMPANY

- Congo Potash Company Ltd. (CPC) is a private potash exploration company registered in Montreal with exploration properties in the Republic of Congo (ROC)
- Strategic land position in the Congo basin
  - The company controls two concessions for the North Kouilou Project, which consists of 2,135 km<sup>2</sup> (exploration permit) and 1,097 km<sup>2</sup> (exclusive/research permit) in the “Tchizalamou” area of Kouilou, northwest of the Kouilou River
- CPC’s production plan:
  - Phase 1: 500,000tpa KCl
  - Phase 2: 1,000,000tpa KCl



Kouilou (Tchizalamou) Potash Resource - Existing Drill Hole Map  
— Prorogation du permis du 5-3-65 CMA Report April 2008

Microsoft © Encarta © 2007. © 1993-2006 Microsoft Corporation. All rights reserved.

# Recent Developments



CONGOPOTASHCOMPANY

## ✓ Strategic Alliance with Drilling Company

- A strategic alliance with an experienced drilling company that will provide equipment and services at a substantial cost advantage and access to a substantial drill hole database to help direct the exploration and development programs

## ✓ License Assignment Finalized

- Finalization of the assignment of the Tchizalamou license to a 100% subsidiary of Congo Potash



## Opportunity to Capitalize on Robust Potash Fundamentals

### Large, Strategic and Prospective Land Package

- North Kouilou Project, a 3,232 km<sup>2</sup> land package on trend from MagMinerals' Kouilou development project, the successful Congo potash focused subsidiary of MagIndustries
- The "Tchizalamou" area of Kouilou, northwest of the Kouilou River is a relatively underdeveloped, but geologically significant region

### Close Proximity to Tide Water with Lower Energy and Operating Costs

- 45 km from the Pointe-Noire port (best deep water port in West-Central Africa)
- Advanced road system
- Abundant natural gas resource for energy supply
- Abundant water supply for solution mining operations

Strong Value Creation

### Cost and Time Advantages

- Solution mining provides a shorter timeline to production with lower capital requirement relative to conventional mining
- Shortest shipping distance to key Brazilian and African markets

### Strong Management

- Significant mining experience in Africa
- Strategic relationships with drilling company and local partners allows for a greater understanding of the geological and geopolitical landscapes of the Republic of Congo



# Management and Directors

- Directors

## Jean-Claude Gonneau, President and Director

- Currently a Managing Director and Managing Partner with Duet Asset Management, a London based company managing in excess of US\$1.8 billion
- Over 25 years of capital markets experience with various senior management roles for the European and cross-border operations of CSFB, DLJ and SG Cowen
- Has served on the boards of several listed Canadian companies

## Anton Rosenberg, CA, Director

- Managing Director of Claymore Capital Pty Limited, a boutique investment bank based in Sydney
- 25 years of diverse corporate experience, which includes business advisory, corporate reconstructions, project management, strategy, financial modelling, negotiation, syndication, debt funding and capital raising
- Industry experience includes mining, agriculture and agricultural services

## Hugh Callaghan, Non-Executive Director

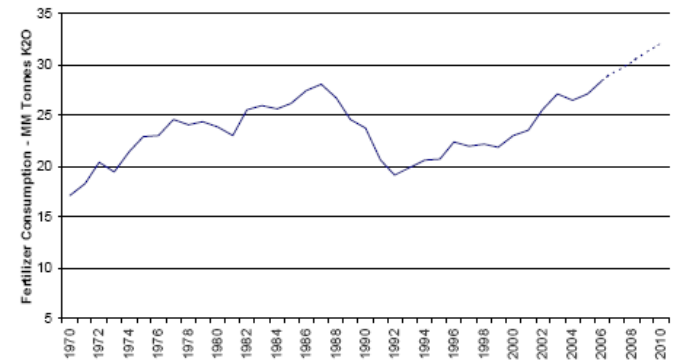
- Previously Founder and Managing Director of Riversdale Mining Ltd. (ASX:RIV) from June 04 to August 06
- Previous to that, Mr. Callaghan held a range of positions within Rio Tinto Plc, Xstrata Plc and Goldfields
- Extensive experience in the commercial development of mining businesses focused on commodities ranging from base metals to potash



# Robust Market Fundamentals

- Potassium (potash) is one of three nutrients essential for plant growth
  - Plays a fundamental role in global agriculture by increasing crop yields, quality, resistance to pests and disease and by replacing nutrients in the soil
- Fertilizer usage has grown at a steady rate of 2.8% per year over the past ten years
  - 95% of potash production is used in agricultural fertilizer
- Surging demand
- Growth in potash demand is driven by:
  - Changing dietary habits in emerging countries (increased meat consumption)
  - Income growth
  - Steady population growth
  - Increasing demand for biofuels
  - Shrinking arable land
- Over the past five years, potash demand increased by an average 4.8% per year
  - Projected to grow at a rate of 3.4% annually over the next five years

Potash Fertilizer Nutrient Consumption (K<sub>2</sub>O)



Source: IFA

**Potash has no commercially viable substitute as a potassium fertilizer source**

# Overview of the Republic of Congo



CONGOPOTASHCOMPANY

- Stable, mining friendly government
  - An independent specialist risk consultancy firm called Control risks ([www.control-risks.com](http://www.control-risks.com)) has cited the ROC as one of the lowest risk countries in Africa
- Community support for mining
- Advanced potash, magnesium and forestry projects located in the Republic of Congo (ROC)
- Major multinational companies operating for approximately 30 years (including TOTAL, Chevron-Texaco and Exxon-Mobile)
- Land mass the size of England with low population density (< 4 million people)





# Overview of the Republic of Congo



CONGOPOTASHCOMPANY

- The ROC economy is a mixture of subsistence agriculture and an industrial sector based largely on oil and support services
- Natural resources include potash, iron ore, petroleum, wood, lead, zinc, uranium, phosphates, natural gas and hydropower are the mainstay of the ROC economy, providing a major share of government revenues and exports
- GDP growth rate has averaged 5% annually over the recent past
- ROC government supports the development of a private diversified mining sector

## Mining Royalties and Taxes

- During production, royalties are due to the ROC government:
  - a 3% levy on the production of the mine calculated at the export price
  - a 2% export duty on the market value of the product to be exported
- Corporate 30% tax on the earnings of the company

# History of Potash Mining in the ROC



CONGOPOTASHCOMPANY

- 1959: Potash discovered in the course of oil exploration in the Kouilou South area
- 1960 – 1970: Mines Domaniales de Potasse d'Alsace drilled 60,000m (88 holes) and discovered the Holle sylvinite deposit
- 1964: Compagne des Potasses du Congo created. Production of ~3Mt potash from 1969 to 1977 by conventional mining (room and pillar)

**CPC will use modern technology to exploit potash resources using solution mining**

# CPC's Time and Cost Advantages



CONGOPOTASHCOMPANY

- Excellent infrastructure and access to port
  - Approx 50km by sealed road to Point Noire
  - US\$40/t freight advantage to Brazilian markets at long term freight rates
  - A railway passes adjacent to the property and runs from Point Noire to Brazzaville
- Access to low cost energy
  - The onshore and offshore oil industry in the ROC currently flares the natural gas associated with oil production as there is no infrastructure to contain or distribute it and there is no established local market. Due to the abundance of this resource, the price paid by local users of natural gas is expected to be a small fraction of the price paid in North America
- Extensive regional exploration database
  - 1960 – 1970: 88 drill holes (including 22 underground) over approximately 60,000 m





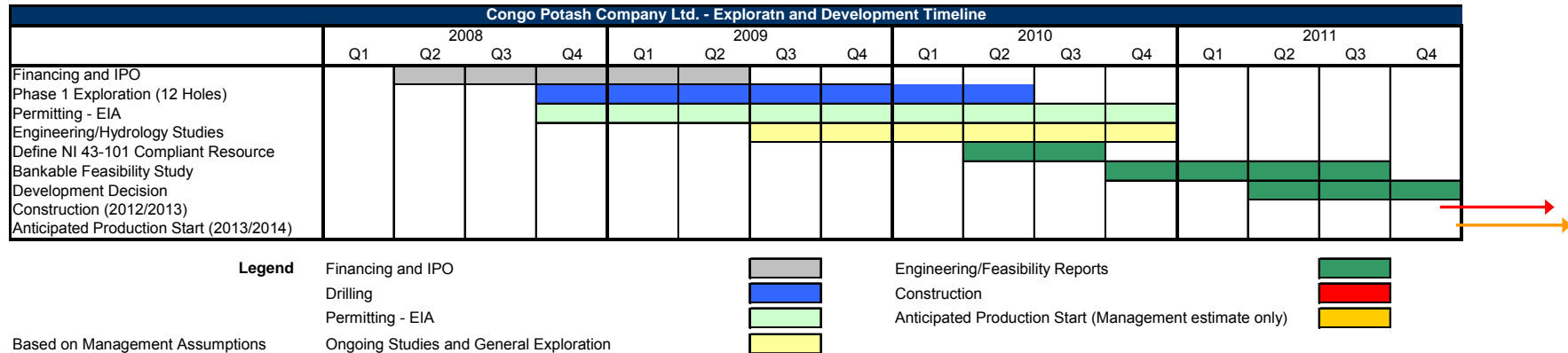
# CPC's Solution Mining Process

- Solution mining is a commonly used method for potash mining
- Will lower start-up capex by between US\$300M – US\$500M since no shaft is required
- Reduced time to production (1.0 – 1.5 years sooner than conventional mining)
- Operating costs are typically higher than conventional mining as natural gas makes up a significant component of operating costs
  - CPC will be able to capitalize on the abundant supply of low cost natural gas and water in the ROC to reduce operating costs

# Timeline to Production



- 2008/2009 objectives
  - Complete financing and going public transaction
  - Begin Phase 1 drilling program
  - Permitting and general regional exploration and evaluation will be ongoing
  - There is significant potential to compress this timeline by undertaking some functions in parallel



# Comparable Company Analysis



CONGOPOTASHCOMPANY

- Valuation metrics for fertilizer related companies have increased significantly due to supply/demand fundamentals. Demand in the sector is being driven by the rising need to improve crop yields and price increases for many raw materials

Producing Fertilizer Companies								
Symbol	Currency	Share Price <sup>(1)</sup>	Market Cap.	EV <sup>(1)</sup>	Potash/Phosphate			
					Mine Location	Mining Method (Planned)		
Potash Corp. of Saskatchewan, Inc.	POT-N	USD	\$162.13	\$41,289	\$42,353	Saskatchewan	Conventional/Solution	
Mosaic Co.	MOS-N	USD	\$91.95	\$29,972	\$30,511	Florida/Saskatchewan	Conventional/Solution	
CF Industries Holdings, Inc.	CF-N	USD	\$122.76	\$5,139	\$4,337	na	na	
Agrium Inc.	AGU-T	CAD	\$84.35	\$9,865	\$9,149	Saskatchewan	Conventional	
The Scotts Miracle-Gro Co.	SMG-N	USD	\$29.52	\$2,260	\$3,889	na	na	
Terra Industries Inc.	TRA-N	USD	\$42.13	\$2,771	\$2,510	na	na	
Hanfeng Evergreen Inc.	HF-T	CAD	\$8.76	\$519	\$518	na	na	
Migao Corporation	MGO-T	CAD	\$6.09	\$243	\$227	na	na	

Fertilizer Development Companies									
Symbol	Currency	Share Price <sup>(1)</sup>	Market Cap.	EV <sup>(1)</sup>	Potash/Phosphate				
					Mine Location	Mining Method (Planned)	Production Start	Production Rate (Mt/year)	
MagIndustries Corp.	MAA-V	CAD	\$1.21	\$198	\$207	ROC	Solution	2011	0.6
Athabasca Potash Inc.	API-T	CAD	\$3.80	\$140	\$96	Saskatchewan	Conventional	2013 <sup>(2)</sup>	2.0 <sup>(2)</sup>
Phoscan Chemical Corp.	FOS-V	CAD	\$0.68	\$50	\$33	Ontario	Conventional	na	0.4
Potash One Inc	KCL-V	CAD	\$1.93	\$48	\$35	Saskatchewan	Solution	2010	2.0
Western Potash Corp.	WPX-V	CAD	\$0.56	\$30	\$26	Manitoba	na	na	na
Spur Ventures Inc.	SVU-T	CAD	\$0.50	\$25	\$0	China	Conventional	na	na
<b>Congo Potash Company Ltd.</b>						<b>ROC</b>	<b>Solution</b>	<b>2013</b>	<b>0.5</b>

(1) Prices as at September 15, 2008

(2) Street Research

Source: Capital IQ, Company Reports, Canaccord Research (estimates for Hanfeng and Migao)

# Project Sensitivity



CONGOPOTASHCOMPANY

## Congo Potash DCF Sensitivities

- At a 14% discount rate, CPC's project has an NAV of US\$170M
- NAV increases dramatically to US\$332M as the discount rate is lowered to 12% with reduction in production risk
  - As CPC advances through resource definition and then development, we expect to see a significant upward re-rating in value

CapEx/Op Cost	NAV (US\$) @ 14% DCF		
	\$80	\$100	\$120
80%	\$349,770,476	\$299,884,466	\$248,827,139
90%	\$289,813,102	\$238,524,207	\$186,138,273
100%	\$221,710,790	\$169,754,175	\$122,636,999
110%	\$160,298,671	\$107,070,477	\$52,831,839
120%	\$97,977,094	\$43,542,390	-\$11,823,115

CapEx/Dsct Rate	NAV (US\$)		
	12%	14%	16%
80%	\$473,618,603	\$299,884,466	\$178,514,596
90%	\$407,298,450	\$238,524,207	\$121,748,135
100%	\$332,090,084	\$169,754,175	\$58,785,256
110%	\$264,379,418	\$107,070,477	\$780,532
120%	\$195,766,222	\$43,542,390	-\$58,002,099

CapEx/LT KCI \$	NAV (US\$) @ 14% DCF		
	\$300	\$450	\$600
80%	-\$86,441,995	\$299,884,466	\$673,928,436
90%	-\$154,497,404	\$238,524,207	\$615,280,852
100%	-\$223,249,606	\$169,754,175	\$551,425,547
110%	-\$290,724,603	\$107,070,477	\$487,194,975
120%	-\$360,859,499	\$43,542,390	\$422,601,229

	DCF Comparison	
	Mag Minerals	Congo Potash
Est. Prod. Start	Q1/2011	2013/2014
Production (tpa)	0.6 mm (up to 1.2 mm)	0.6 mm (up to 1.2 mm)*
LOM	25 - 30 Years	25 - 30 Years
LT KCI Price (\$)	\$450	\$450
Tax Rate	30%	30%
CapEx (\$M) <sup>(1)</sup>	\$723	\$900
OpEx (\$/t)	\$85	\$100
Discount Rate	12%	14%
Grade	17.35%	16.00%
NAV (\$M)	\$703	\$170
IRR	18.4%	17.5%

\*Assumes additional expansion

(1) Capex for Phase 1 shown. Capex for Phase 2 approximately \$500M for Mag and \$700M for Congo Potash

# Summary



CONGOPOTASHCOMPANY

- Large land package in a prospective potash mining region
- Capitalize on robust potash market demand and supply fundamentals
- In place infrastructure with direct access to port for shipping
- Potential for low cost production through solution mining method and access to inexpensive natural gas
- Attractive valuation relative to peers
- Experienced team with strategic relationships to expedite development

