

GROUP II EXPLORATION GMBH

KSS: KUPFERSCHIEFER SHALLOW PROJECT



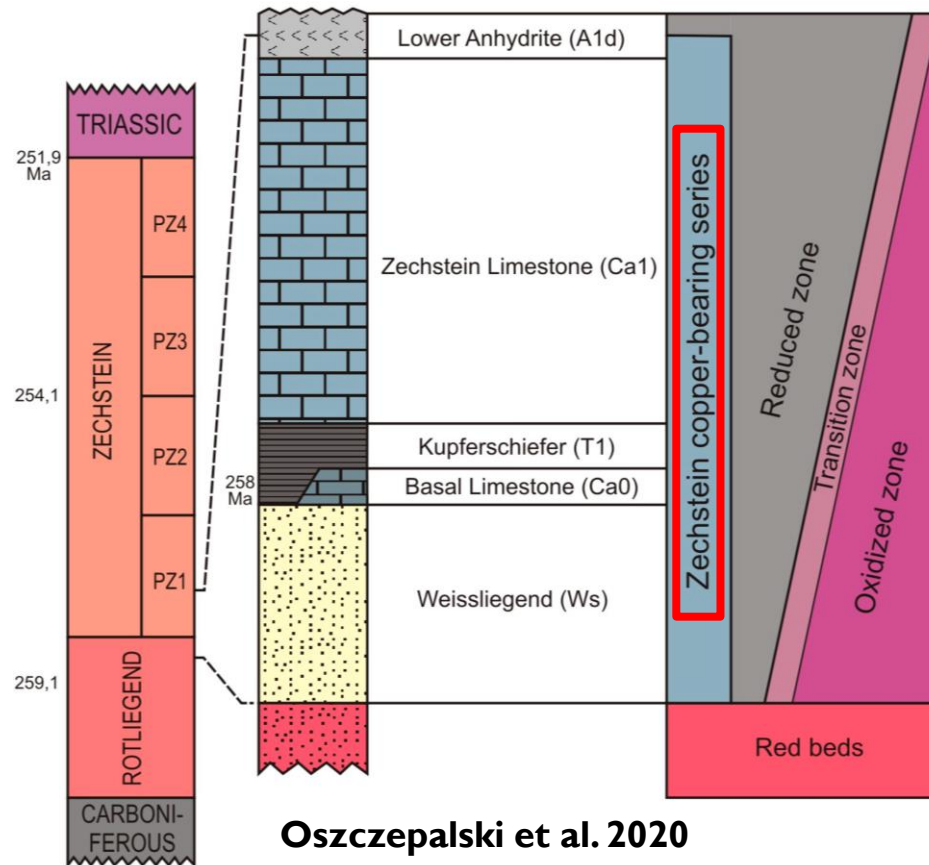
A UNIQUE COPPER-SILVER OPPORTUNITY IN A TIER I JURISDICTION IN THE HEART OF EUROPE'S CAR INDUSTRY

POLISH KUPFERSCHIEFER: EUROPE'S LARGEST COPPER PRODUCER

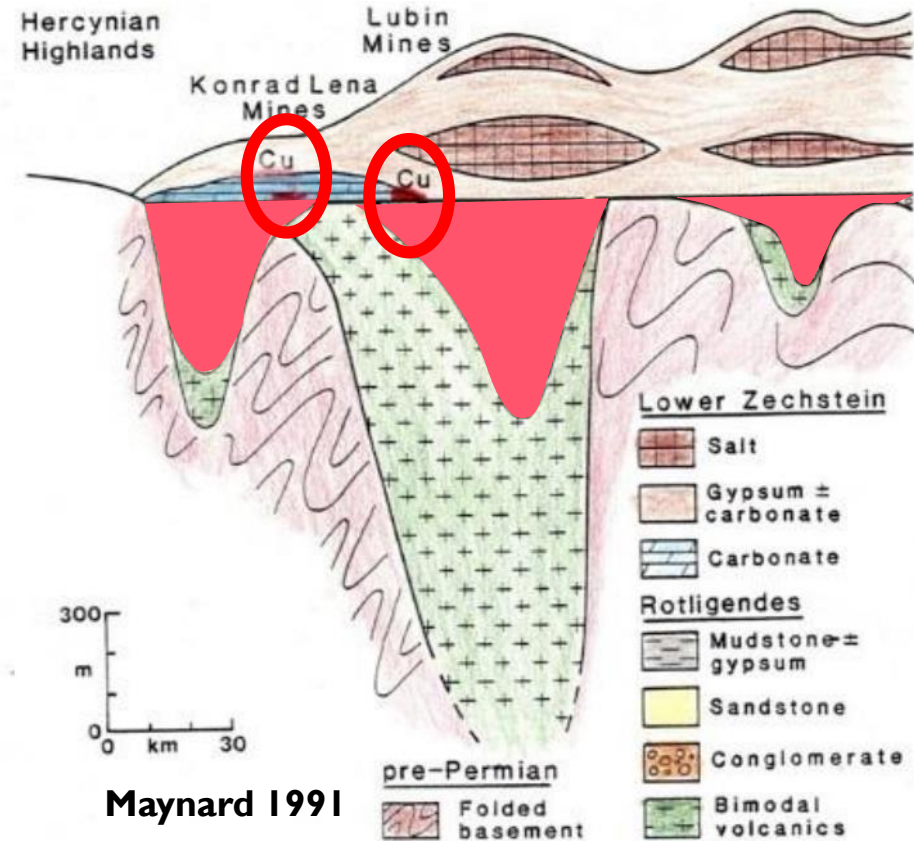
- Total resource: $\approx 1900 \text{ Mt}$
- Average copper grade: $1.1 - 2.2 \% \text{ Cu}$
- Average silver grade: $40 - 60 \text{ g/t Ag}$
- Depth of economic deposits: $700 - 1600 \text{ m}$
- Min. economic thickness: $> 0.80 \text{ m}$
- Annual copper production: $> 380 \text{ kt Cu}$
- Annual silver production: $> 35 \text{ Moz Ag}$
- Annual gold production: $10 - 30 \text{ koz Au}$
- KGHM's revenue in 2019: $> 4.0 \text{ B\$}$
- Ross *Beaty*-backed Miedzi Copper Corp:
→ **850 Mt @ 1.25 % Cu and 43 g/t Ag**



TARGETING ANALYSIS BASED ON POLISH COPPER MINES



Oszczepalski et al. 2020

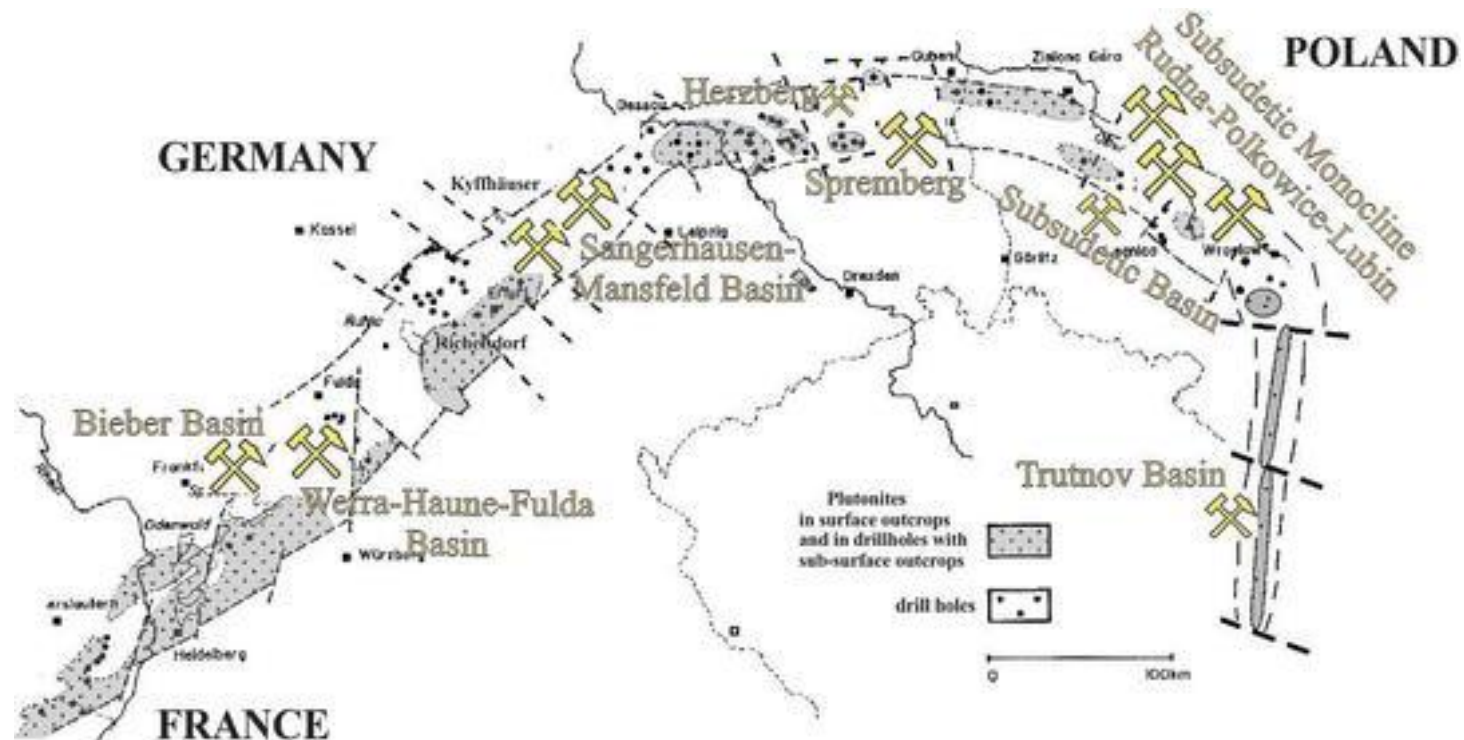


Maynard 1991

- Rotliegend basin architecture and thickness is critical for targeting economic Kupferschiefer

CENTRAL EUROPEAN KUPFERSCHIEFER

- Historic mining of Kupferschiefer across central Europe since the 12th century
- Extent of Zechstein basin does not provide a reliable exploration vector towards economic Kupferschiefer deposits
- Economic Kupferschiefer is always associated with Rotliegend basin margins
 - **Kupferschiefer beyond the Rotliegend basin is uneconomic**
- KSS license area covers the northwestern margin of a major Rotliegend basin

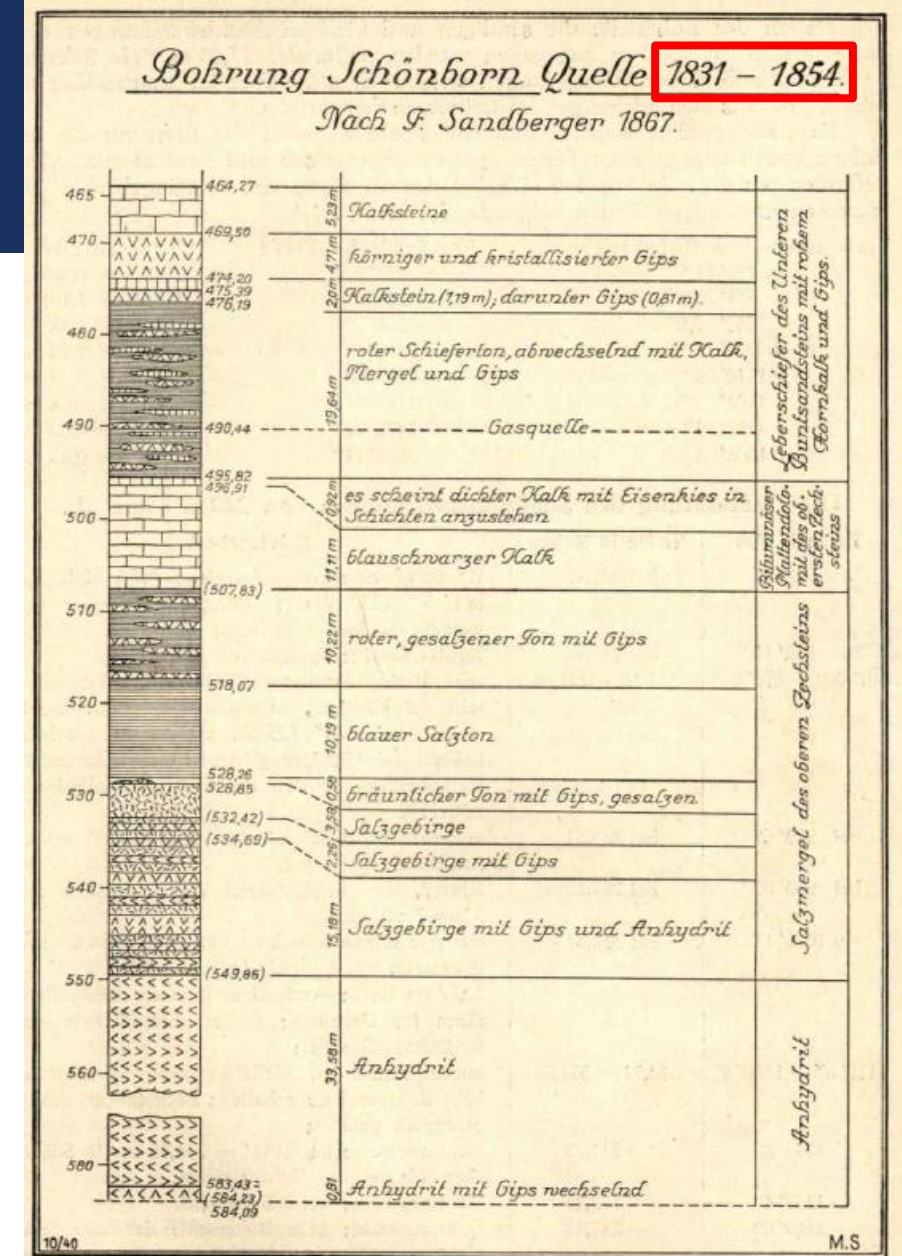


KSS: UNIQUE DATABASE

- Identification and digitisation of 320 deep historic drill collars covering 40,000 km² in central Germany
- Retrieval and digitisation of 295 historic drill hole logs dating back to as early as 1831
- Retrieval and digitisation of approx. 2475 historic assays from 84 drill holes mostly from the 1980s

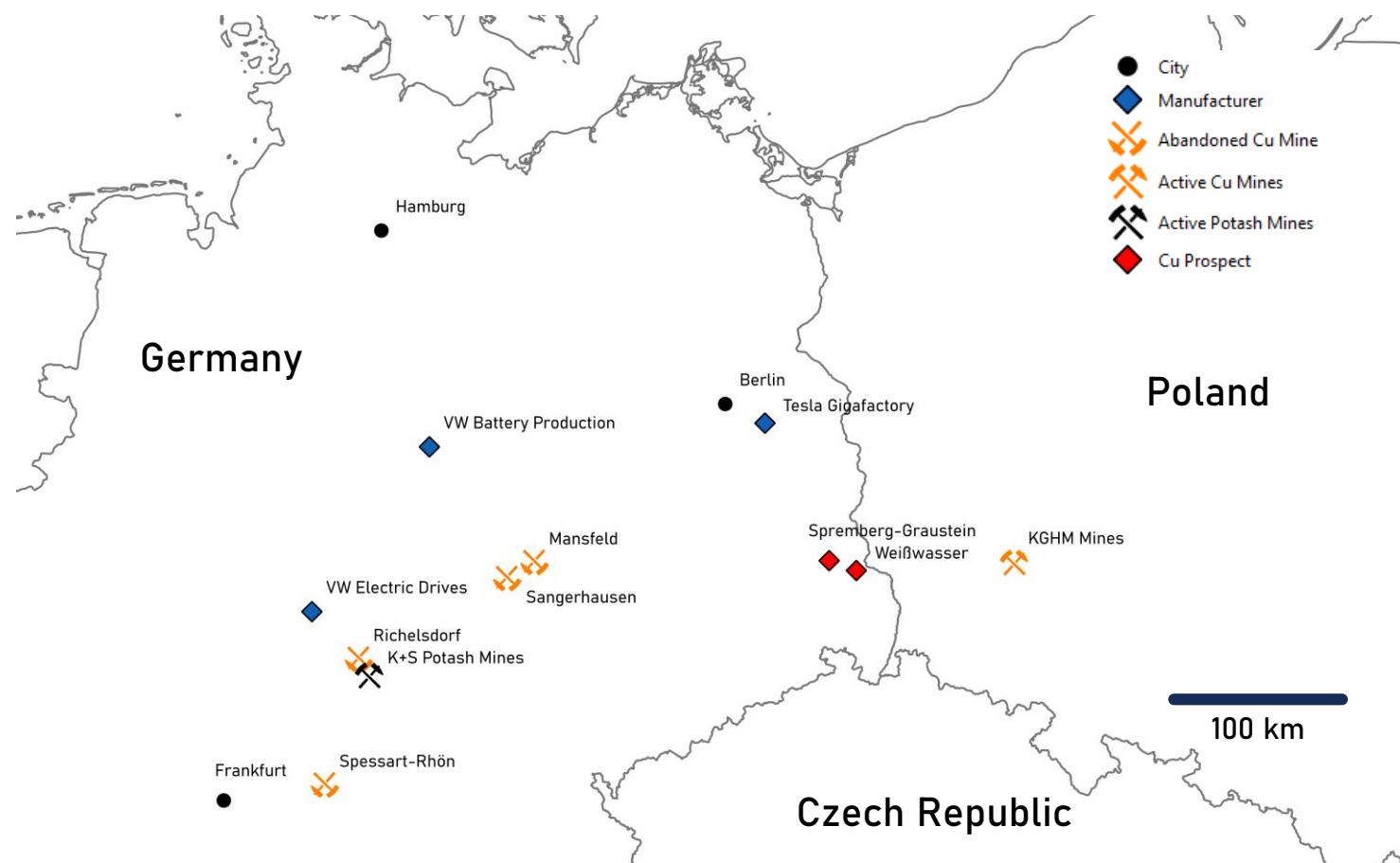
HoleID	From	To	Interval (m)	Cu (%)
Ro23	365.48	367.58	2.10	2.7
Ro18	209.50	211.00	1.50	3.7
Ro19	339.50	342.00	2.50	1.7
Ro22	436.26	439.40	3.14	1.2
Ro15	285.86	289.31	3.45	1.0

*composited



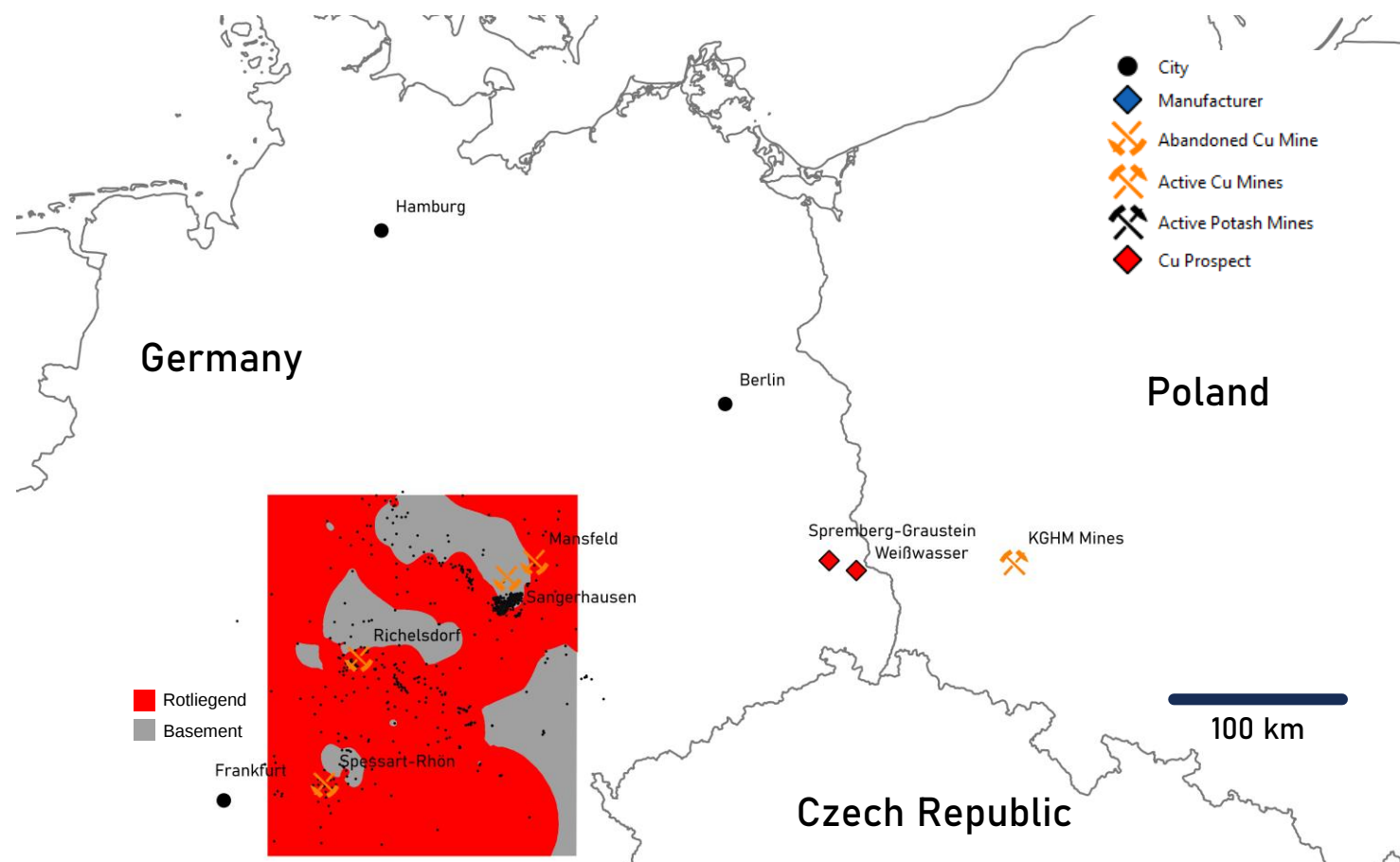
TARGETING CONSTRAINTS

- 3D modelling of Kupferschiefer horizon across central Germany covering 3 states
 - Depth of target horizon: < 500 m
- In-depth review of critical controls on Kupferschiefer-hosted Cu mineralisation across Central Europe, in particular Poland
 - Importance of Rotliegend sediments for economic Kupferschiefer mineralisation
 - High prospectivity along Rotliegend basin margins
 - Architecture and thickness of Rotliegend basin derived from 3D model
 - Intersections of major crustal lineaments



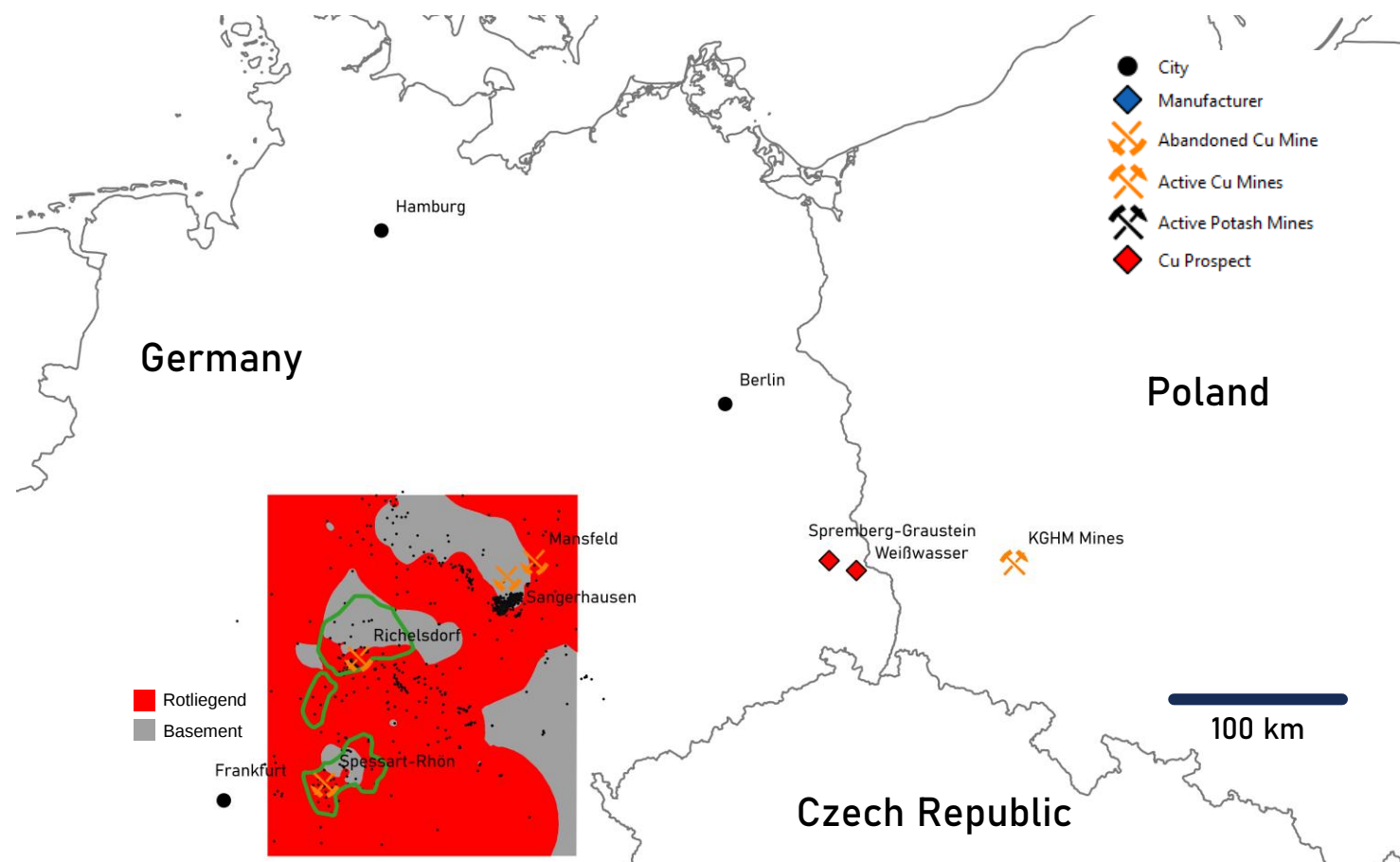
TARGETING (I)

- Rotliegend extent (including thickness, shown later) defined in the 3D geological model



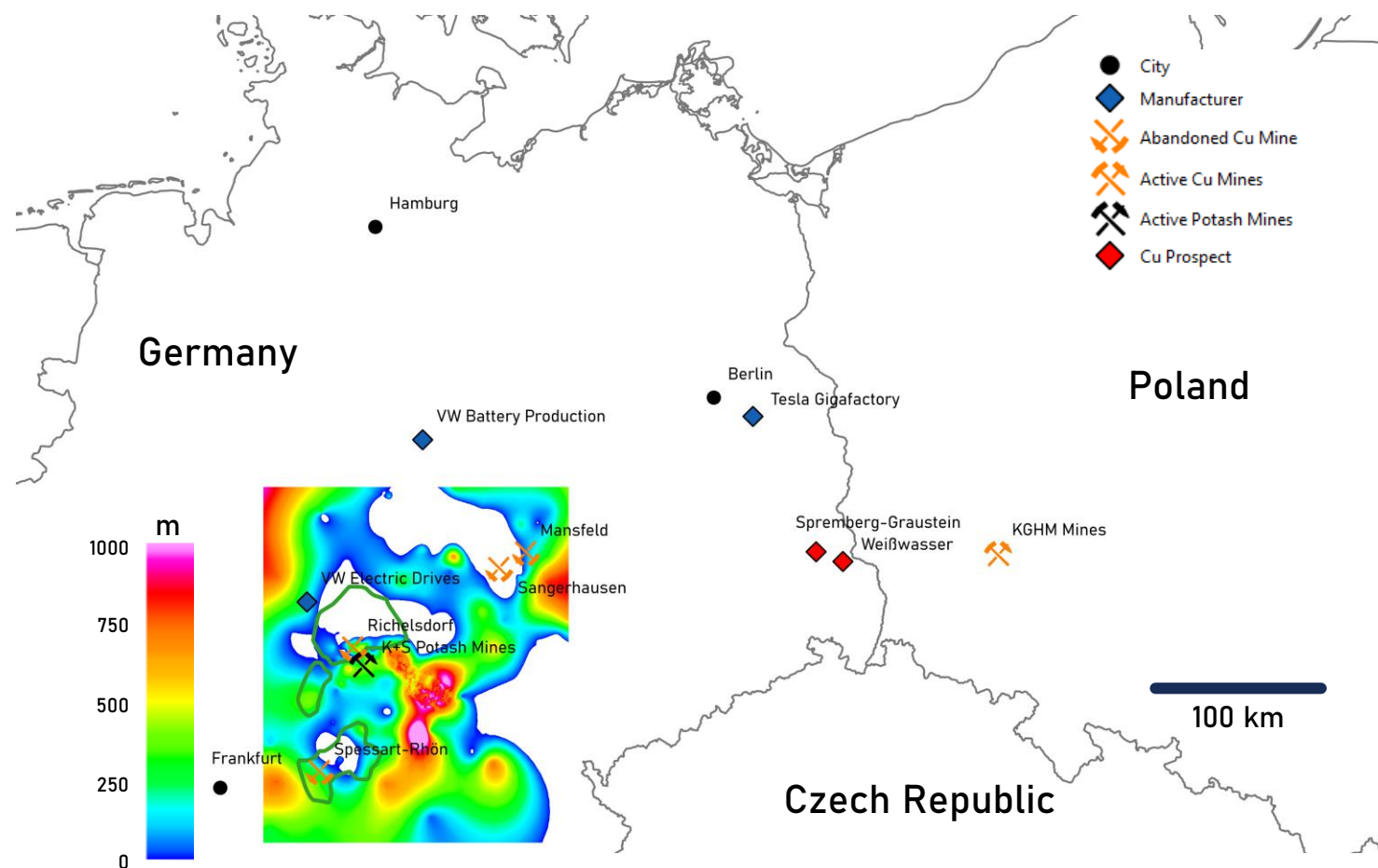
TARGETING (2)

- Depth constraint eliminates most of the central German Kupferschiefer basin (green polygons delineate target areas that are at depths < 500 m)



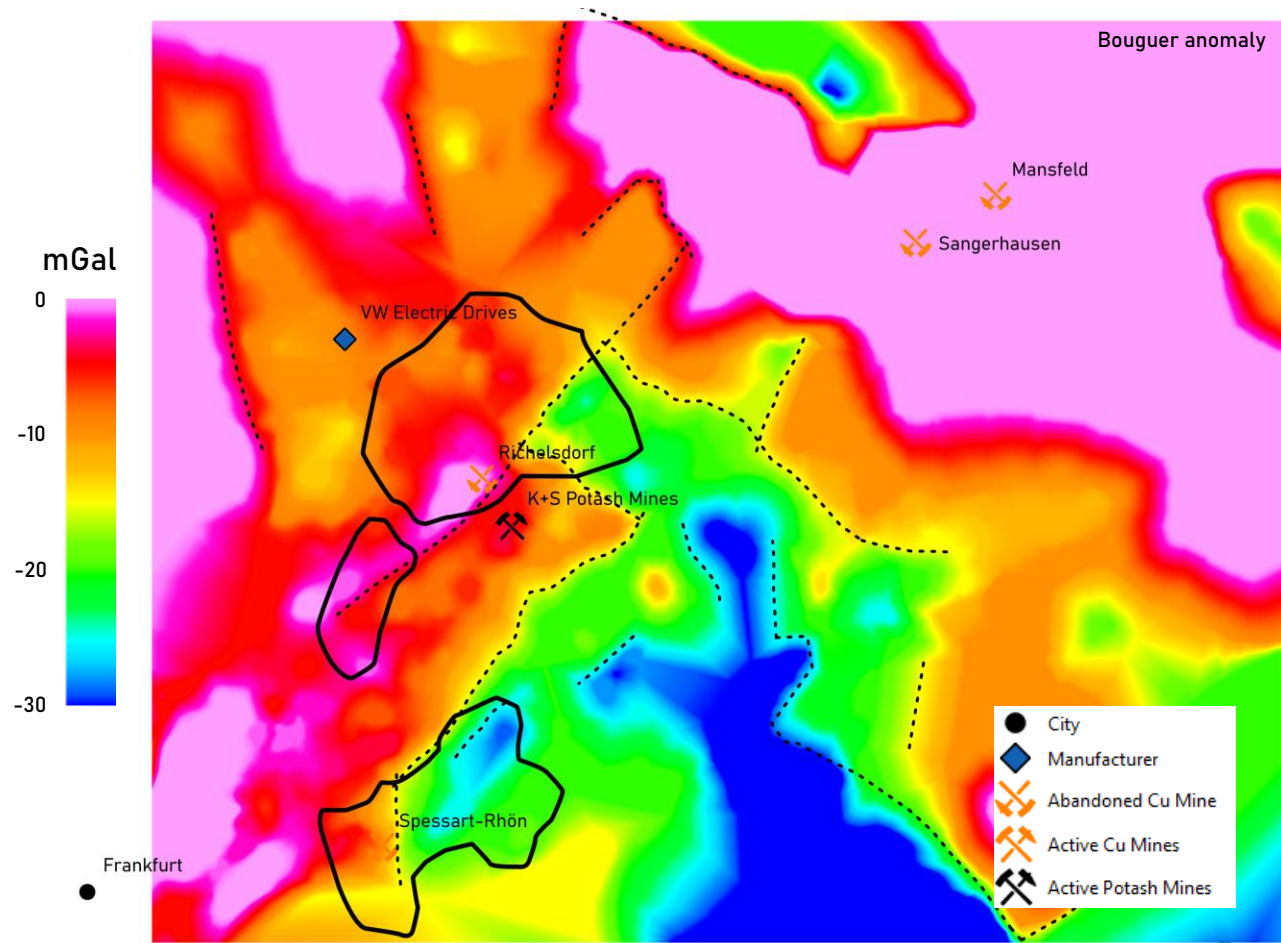
TARGETING (3)

- Rotliegend basin architecture and thickness derived from 3D model
→ Rotliegend thickness of up to 1600 m



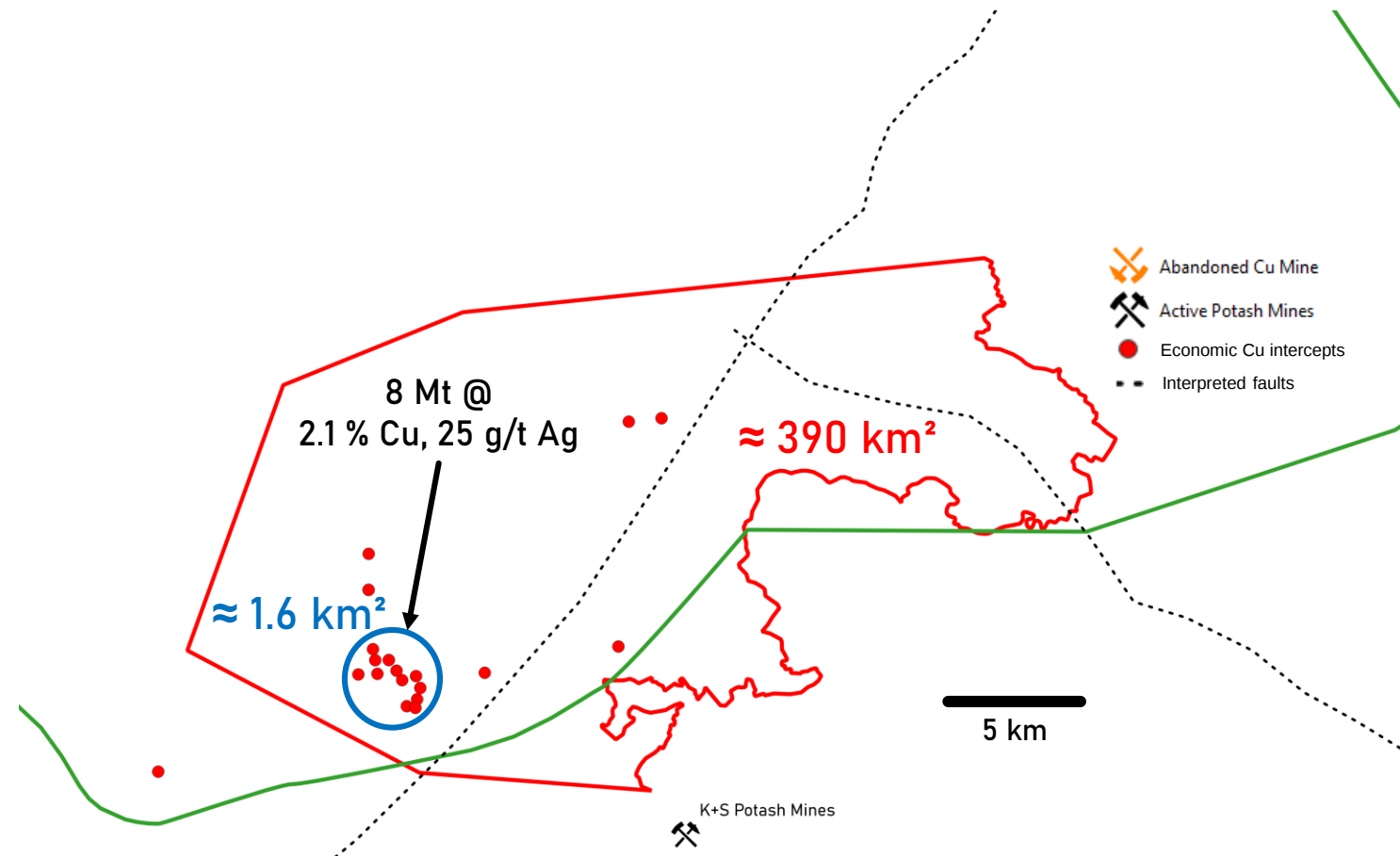
TARGETING (4)

- Regional gravity data highlight major crustal lineaments in the area
 - Intersections are highly prospective



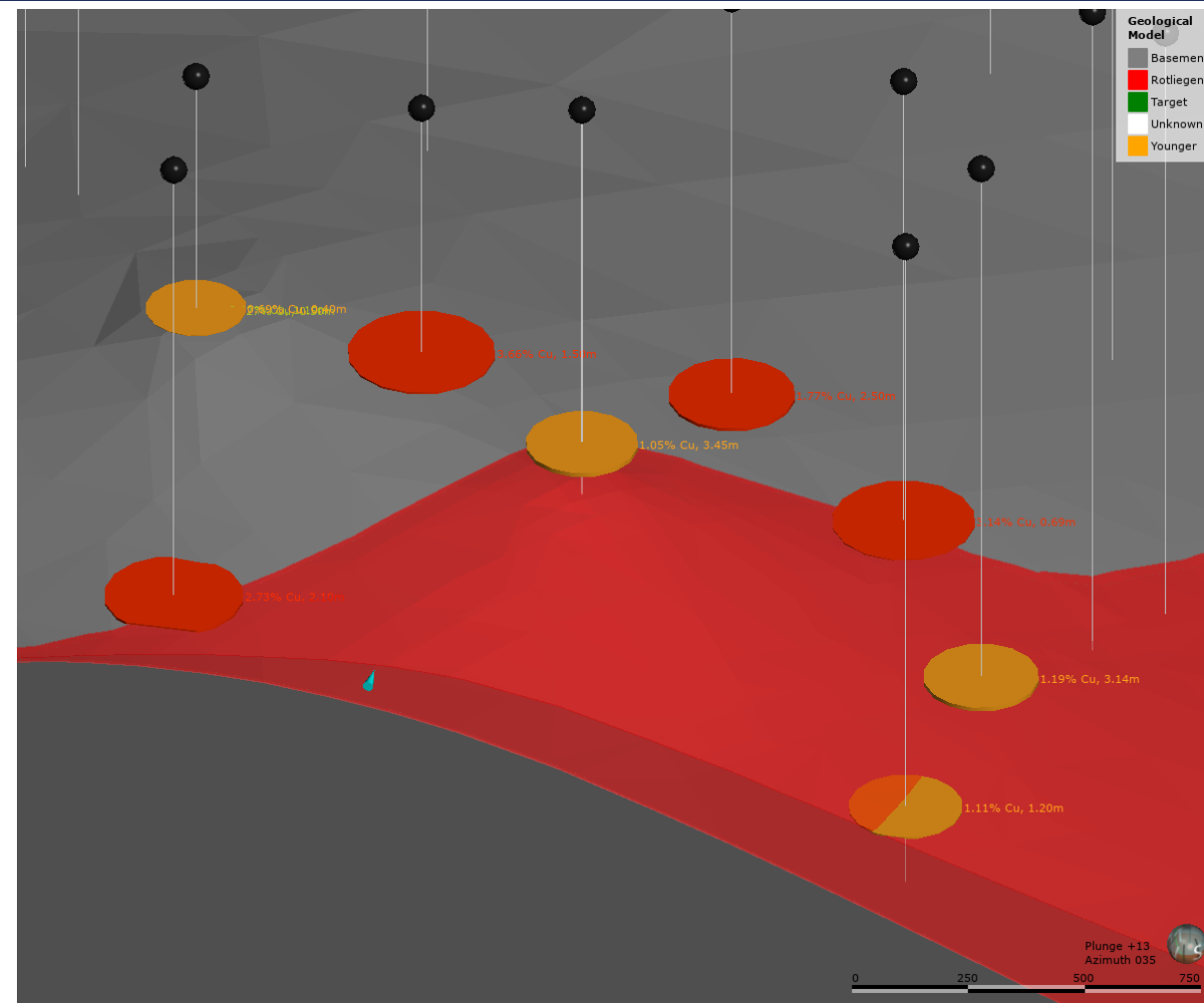
LICENSE AREA

- License area meets all targeting constraints
 - Total land package: $\approx 390 \text{ km}^2$
- License area is within the state of Hessen
- Upon confirmation of the exploration model, the district will be consolidated by adding some 270 km^2 in the southwest as well as 200 km^2 in the northeast (state of Thuringia)
- Areas $> 500 \text{ m}$ depth provides further upside exploration potential
- Historic resource from 1980s:
→ 8 Mt @ 2.1 % Cu, 25 g/t Ag



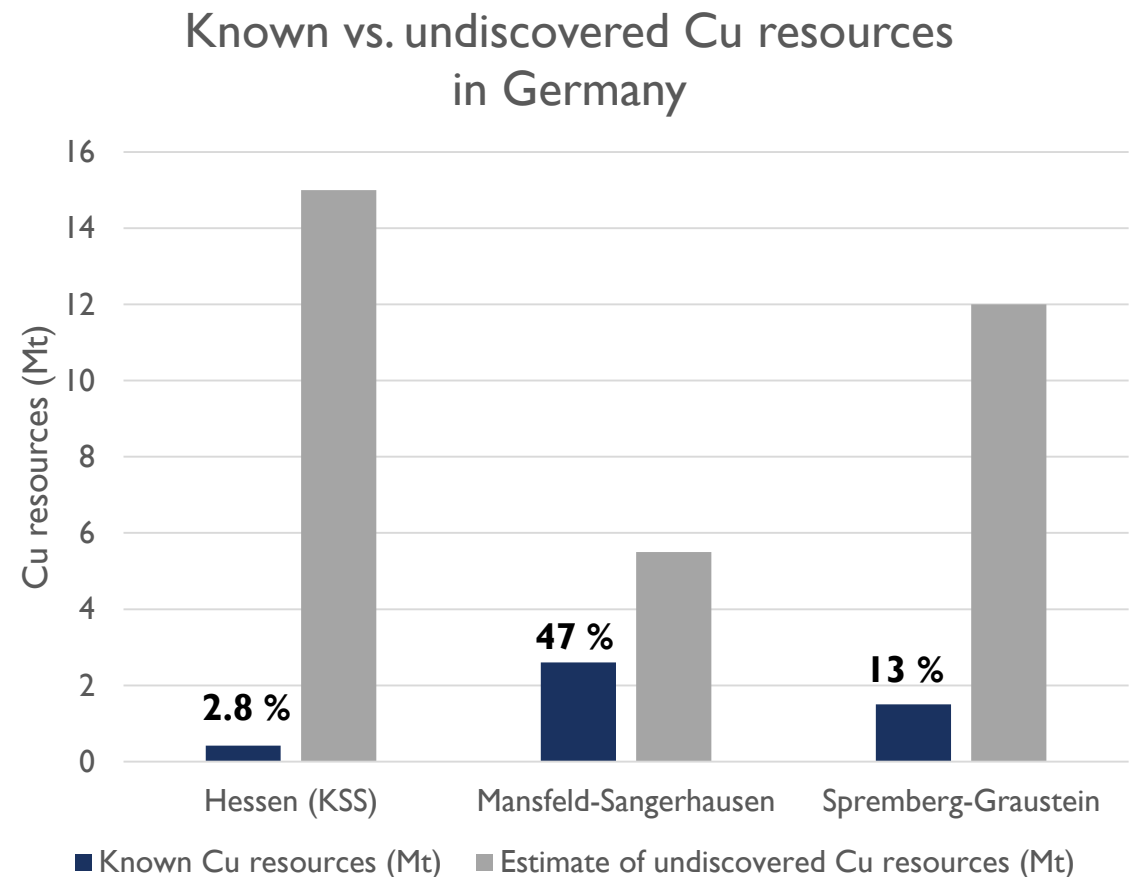
HISTORIC RESOURCE AREA DETAIL

- Drill hits from the historic resource area above Rotliegend and basement units



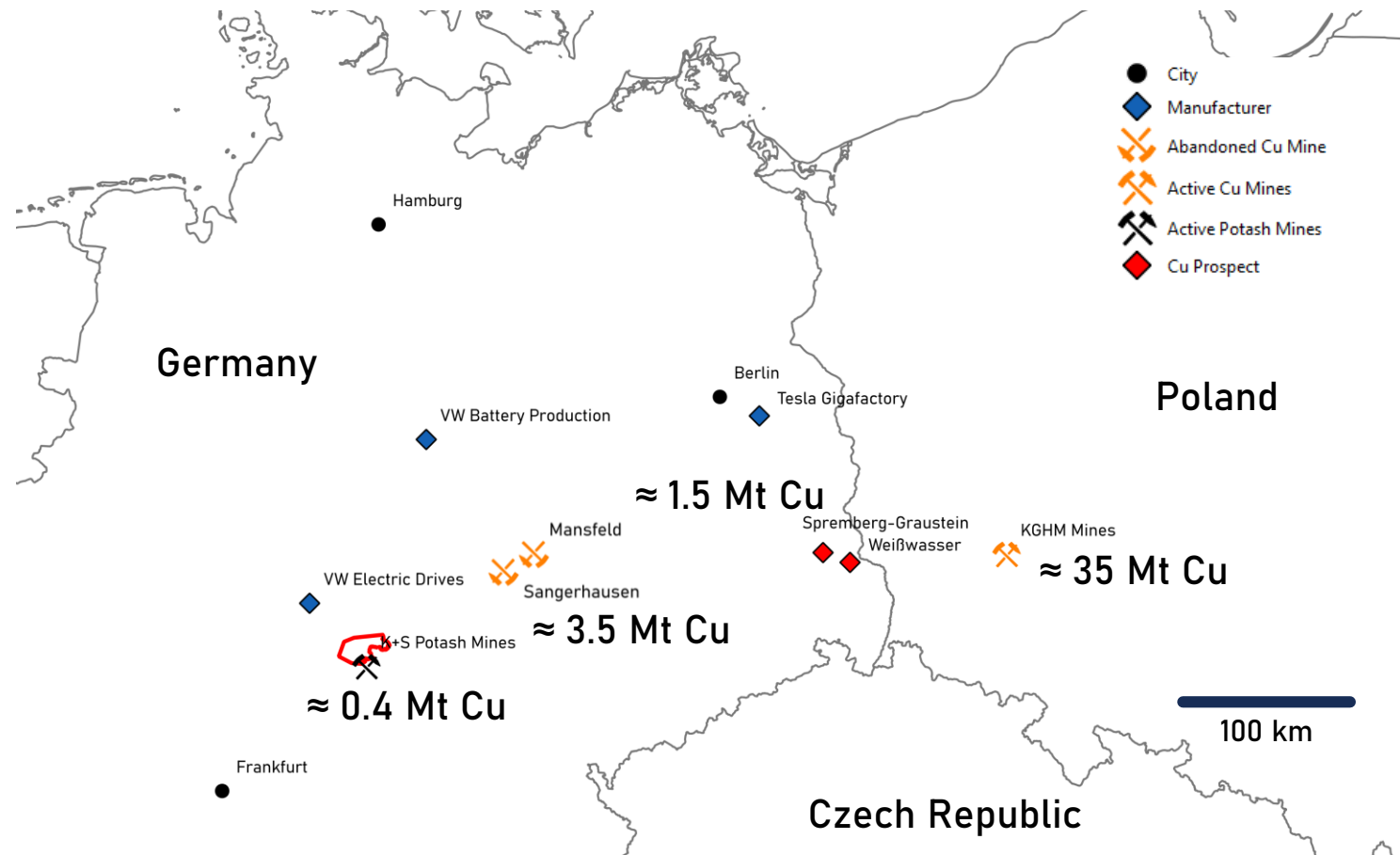
USGS ASSESSMENT OF UNDISCOVERED KUPFERSCHIEFER RESOURCES IN EUROPE

- The US Geological Survey estimates approx. 15 Mt of contained copper in the Hessian Kupferschiefer district
- Only 0.42 Mt of contained copper are known to date in Hessen, representing < 3 % of the undiscovered resources
- Potential for multiple Tier 1 copper deposits (> 2 Mt Cu) in the most heavily underexplored part of the European Kupferschiefer belt



THE OPPORTUNITY

- Potential for Tier I discoveries in a world-class copper district lacking modern exploration
- Proven business model (KGHM in Poland)
- Tier I jurisdiction in the heart of Europe's car industry
- Resource can be drilled out at wide spacings of approx. 1,000 m for indicated
 - 9 drill holes will define approx. 50 Mt of ore
- Active underground potash mining less than 5 km away (K+S)
- German-Polish-Australian-led management team combining international technical expertise with local knowledge of people, culture and the environment
- Unique dataset coupled with sophisticated exploration targeting approach



EXPLORATION LICENCE APPLICATION AND LICENCE TERMS

- Exploration licence application needs to be submitted *in writing* to state authority
- State authority will consult with Hessian geological survey, Hessian environmental agency and local counties
- Licence application needs to be submitted by a German LLC with a valid certificate of registration
- A work programme needs to be outlined
- Technical capabilities need to be demonstrated
- Financial capabilities need to be substantiated (balance sheet may be requested)
- Exploration licence will be granted for an initial period of up to five (5) years and can then be extended for further periods of three (3) years
- Minimum spend:
 - 20 €/km² in 1st year → 7,800 Euros for 390 km² land package
 - 40 €/km² in 2nd year → 15,600 Euros for 390 km² land package
 - 60 €/km² in 3rd year → 23,400 Euros for 390 km² land package
 - 60 €/km² for each consecutive year
- Non-ferrous metals are exempt from royalties in Hesse

LEGAL PATH TO PRODUCTION IN GERMANY

Exploration licence (Aufsuchungserlaubnis)

- Title granted for an initial period of up to 5 years
- Operating plan („Betriebsplan“) needs to be authorised for each drill hole, geophysical survey and/or other related earthworks
 - Technical details: location, depth, drilling method etc.
 - Duration of work
 - No public participation
 - EIA only for drill holes > 1,000 m depth
- Must be granted, if all 10 reasons for denial outlined in §11 BBergG are cleared



Mining licence (Bewilligung)

- Granted for 50 years with the option for extension
- Operating plan („Betriebsplan“) needs to be authorised for all mining activities
 - Technical details
 - Duration of work
 - No public participation
 - EIA will be necessary
- Must be granted, if all 10 reasons for denial outlined in §11 BBergG are cleared

NEXT STEPS





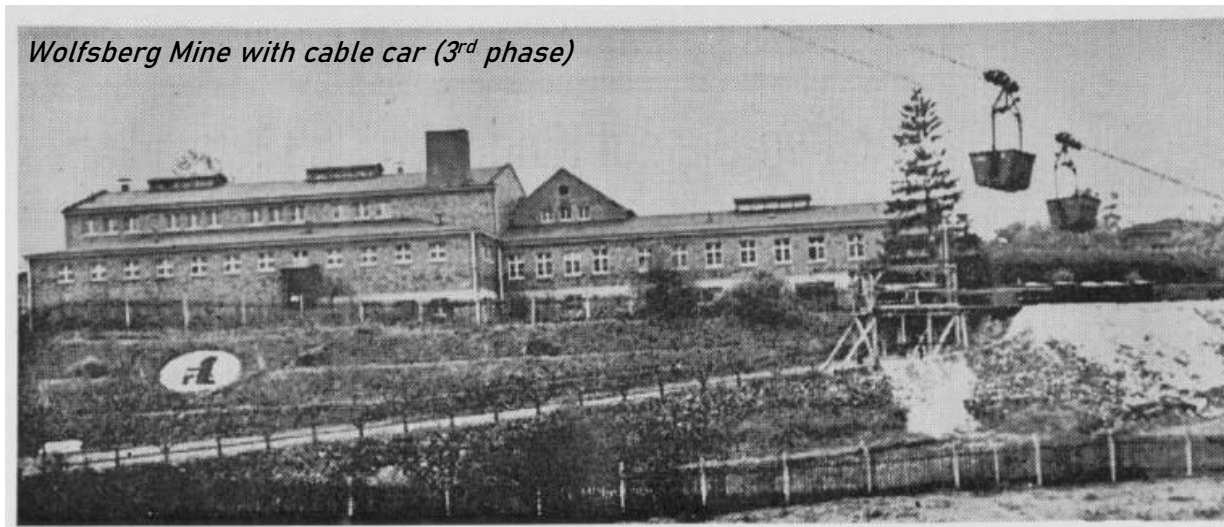
THANK YOU FOR YOUR ATTENTION
PLEASE GET IN TOUCH FOR FURTHER INFORMATION

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HISTORY OF KUPFERSCHIEFER MINING IN HESSE

- **1460:** First reference to Kupferschiefer mining referring to 13 smelters in the area
- **1625:** End of 1st phase of mining
- **1684:** Initiation of 2nd phase of mining with more 1000 miners working underground in 1791
- **1813:** Total number of shafts in the area: 31
- **1882:** End of 2nd phase of mining
- **1936:** Initiation of 3rd phase of mining with the construction of a 9.1 km long cable car connecting 3 shafts and a smelter
- **1945:** Most mines were flooded by command of the occupying US forces
- **1949:** Due to high unemployment, mining was locally resumed
- **1955:** End of 3rd phase of mining due to low commodity prices, outdated mining equipment, dewatering issues associated with the flooding and the 500 year old workings



HISTORY OF KUPFERSCHIEFER MINING IN HESSE



Wolfsberg Mine in 1954



Wolfsberg Mine in the late 1950s