



# Red Emperor Resources

a Siberian Potash Project



# Forward Looking Statements

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  - estimated, resources and reserves;
  - planned production and operating costs profiles;
  - planned capital requirements; and
  - planned strategies and corporate objectives.
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# Opportunity

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- World class potash deposit
- Coffey – completed review
- Russian Resource (**C1+C2+P1**)
- Established mining region
- Established rail and power infrastructure
- Next steps:
  - Resource definition and met tests
  - Trial mining
  - Scoping study
  - Mining

# Project Location

- 30km from railway (BAM)
- 220kV power supply adjacent to railway



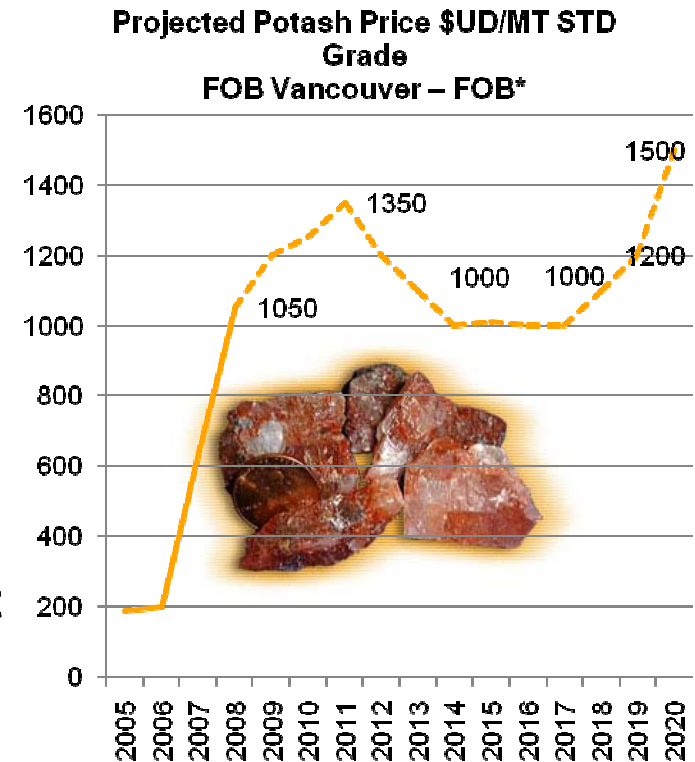
# Potash Deposit

- $C_1+C_2$
- $P_1$
- Grade:
  - ✓ Potash
  - ✓ Bauxite
- Coffey:
  - ✓ “Proximal infrastructure – distinct advantage”
  - ✓ “Resources could increase by up to 40%”
  - ✓ “Open pit mining”
  - ✓ “Low strip ratio – 3.8”



# Prices

- Coffey:
  - ✓ “Potash price has been rising steeply”
  - ✓ “Premium paid for chloride free fertilisers”
  - ✓ “Conservative estimate **US\$810/t**”
  - ✓ “Bauxite price **US\$435/t**”
- Uralkali 2009 contracts up to **US\$1100/t**
- Potash Flour Price **US\$130- 250/t**



\*Potash One

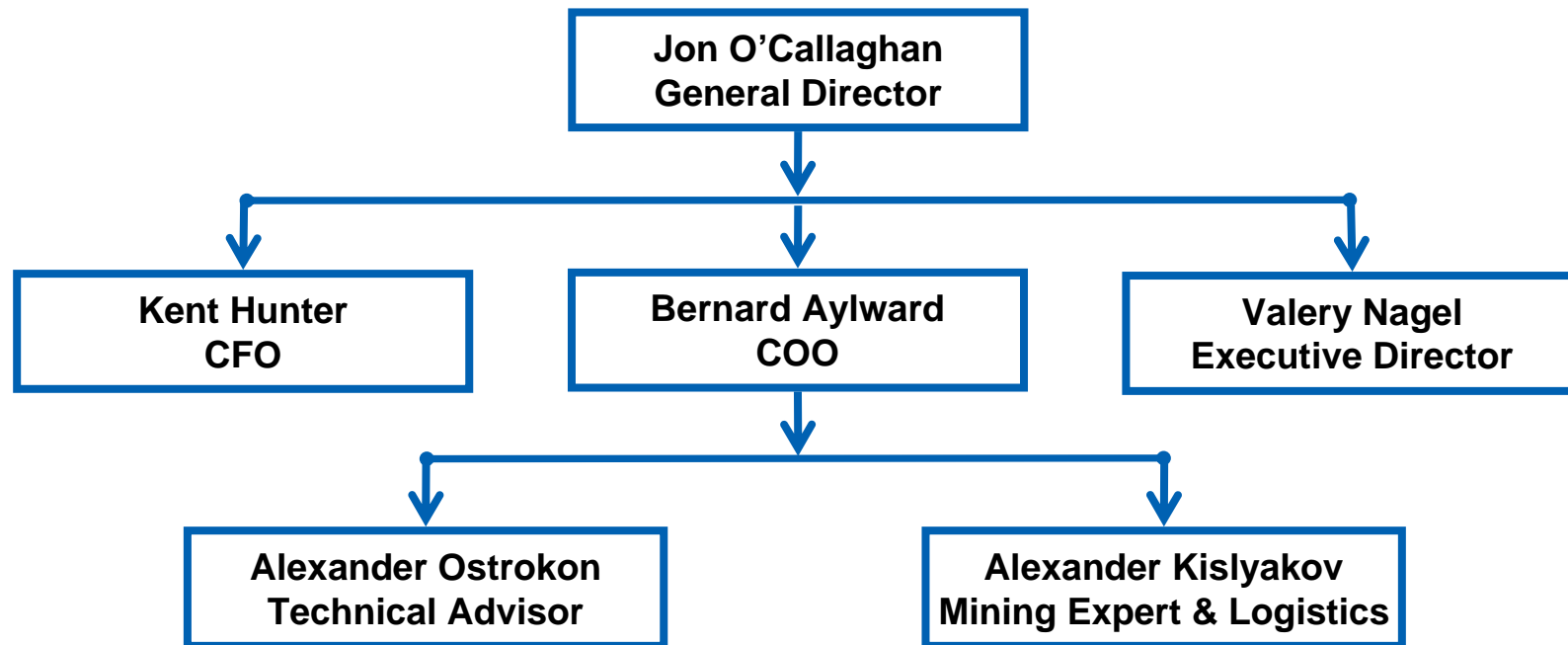
## Early Cash Flow

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- Simple operations – mine and crush
- Contract mining
- Coffey CapEx significantly over-estimated
- Milled ore used as chloride free potassium fertiliser



# Management Structure





# Management

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## **Jon O'Callaghan (General Director)**

- 20 years corporate finance experience with focus on natural resources

## **Bernard Aylward (Technical Director-elect)**

- 15 years exploration experience

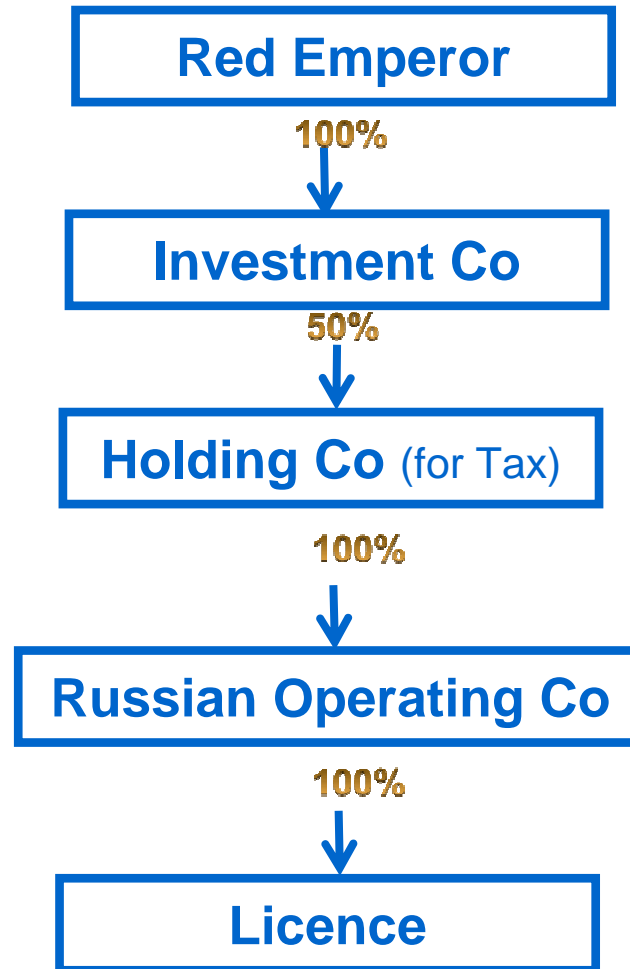
## **Kent Hunter (CFO)**

- 17 years corporate and company secretarial experience

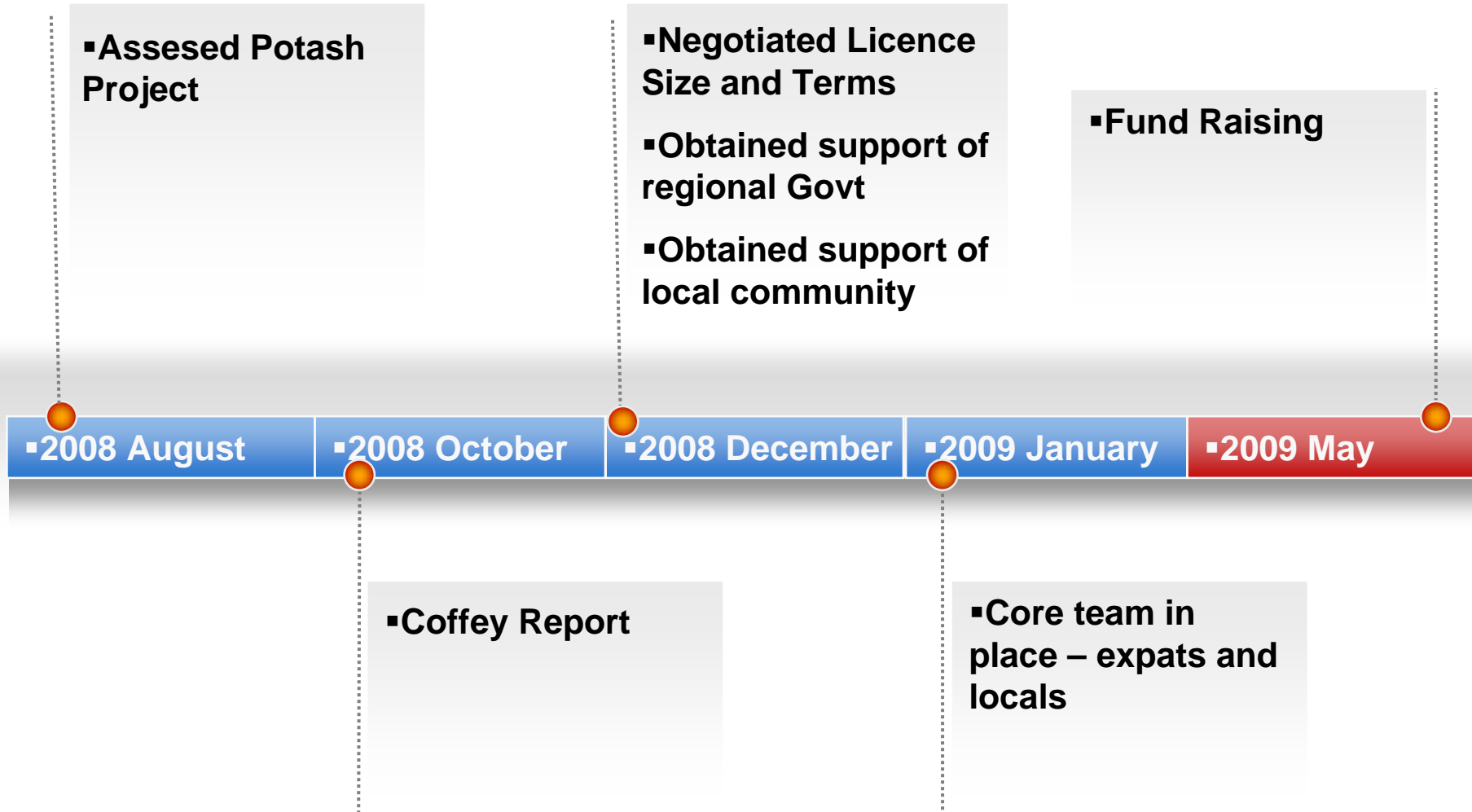
## **Konstantine Nagel**

- 30 years business experience in mining, brewing, brick manufacturing, construction, forestry and hospitality

# Corporate Structure



## ▪ Milestones – Past Year



## ▪ Strategy – Next 2 years



- Prepare application to participate in auction

▪ 2<sup>nd</sup> quarter 2009

▪ 3<sup>rd</sup> quarter 2010



- Resource Definition
- Metallurgical Testing
- Trial Mining

▪ 4<sup>th</sup> quarter 2011



- Raise Capital
- Auction



- Scoping Study
- Mining Potash Flour
- Bankable Feasibility Study – Complex Option

# Acquisition Terms

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- US\$4m
- 5m RMP shares
- Option to acquire additional 20% for US\$6m cash and 15% of RMP
- Vendors 50% FCI through the completion of BFS

## Next Steps

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- Commitments
- Complete acquisition
- Resource verification
- Metallurgical testing
- Scoping study
- Trial mining
- BFS
- Mining



# Summary

## World class potash deposit

- ✓ Trial mining
- ✓ Coffey – complete review
- ✓ Russian Resource (C1+C2+P1)
- ✓ Established mining region with good rail and power infrastructure
- ✓ Potash demand driven by food demand

## Next steps

- Resource definition and met tests
- Trial mining
- Scoping study
- Mining potash flour

