



Saskatchewan Geological Survey – 43rd Annual
Open House

The Current State of the K+S Legacy Project

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K+S Potash Canada GP
December 5, 2012



K+S Potash Canada

1. The Company


2. The Project

3. Project Update

4. Exploration

5. Mine Plan and Resources

6. Outlook



K+S Potash Canada GP is part of the K+S Group which was first founded in 1889 as “Aktiengesellschaft für Bergbau und Tiefbohrung”.

K+S Group



- One of the world's leading suppliers of standard and specialty fertilizers
- World's fifth largest potash producer
- World's largest supplier of salt
- Production sites throughout Europe, as well as North and South America
- More than 14,000 employees worldwide



Our Vision



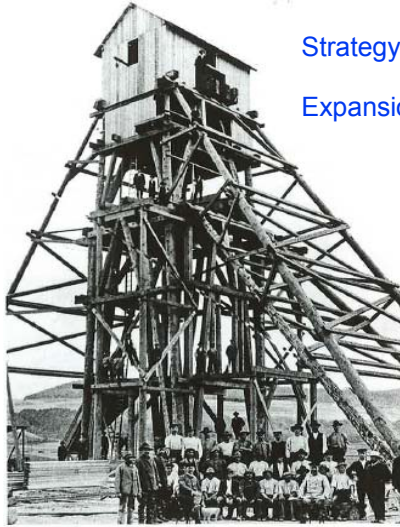
Source of growth
and life through nutrients
and minerals

Our Mission

On the basis of our core values, we want:

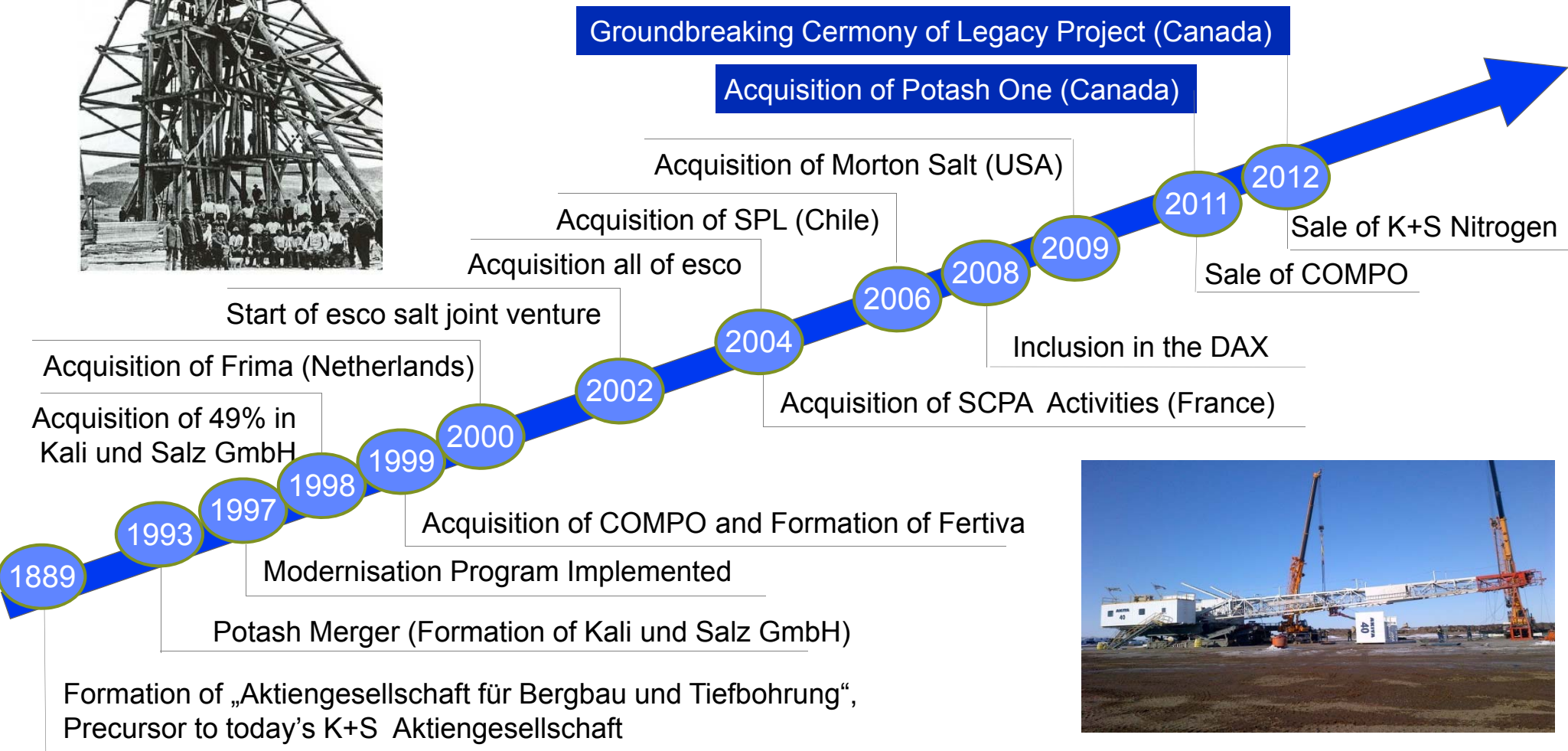
- to mine and process raw materials and improve nutrition, health and quality of life with our products and services
- to occupy leading positions in the markets
- to be our customers' preferred partner
- to strengthen our raw material and production base and expand it globally
- to further increase the value added by developing new products and more efficient processes
- to achieve a fair balance of economic, ecological and social concerns
- to create sustainable values for our stakeholders and take on responsibility in society
- to be an attractive employer for employees from all over the world

K+S Potash Canada GP Corporate History



Strategy:

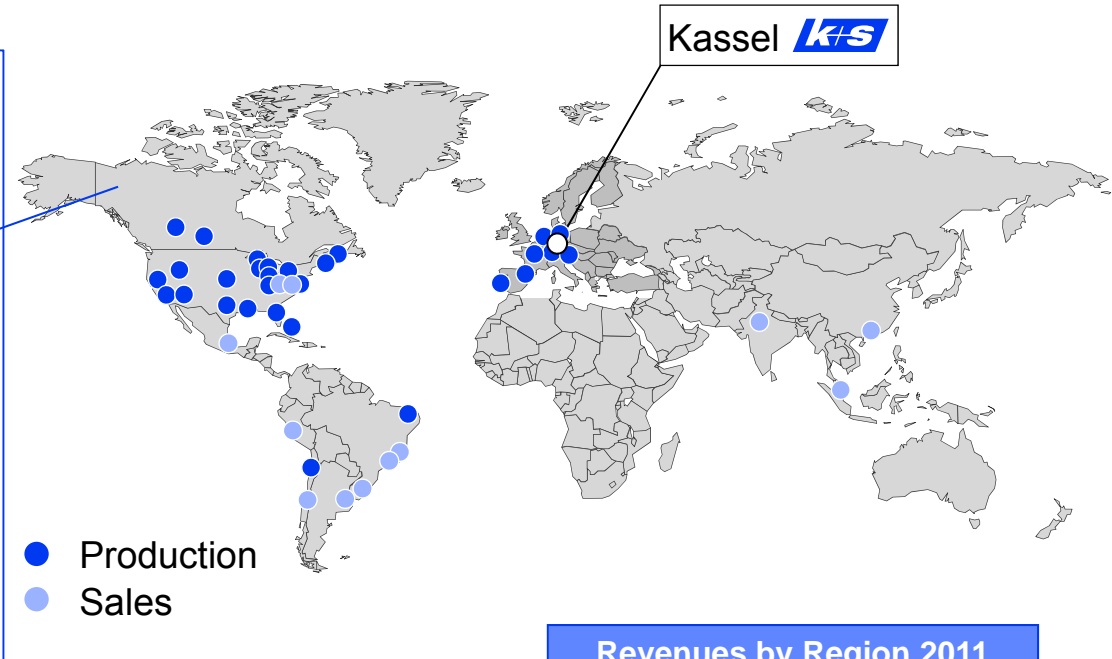
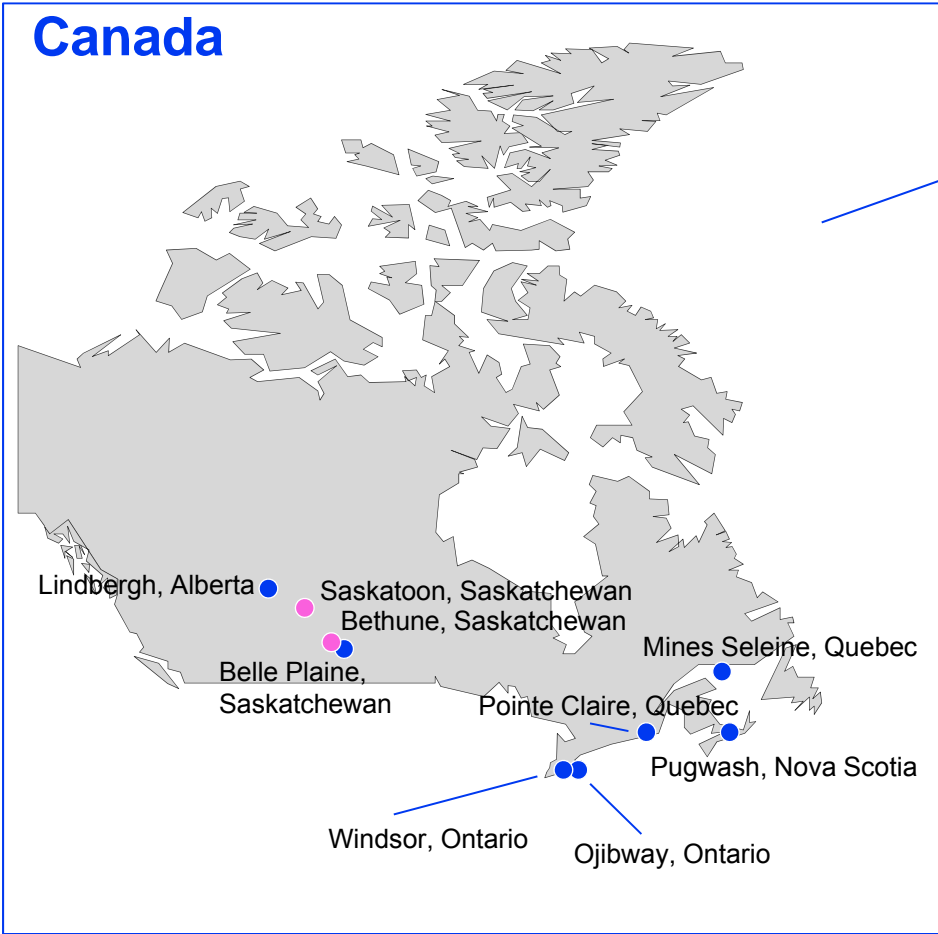
Expansion of our core business through acquisitions and cooperations



K+S Potash Canada GP Global Presence

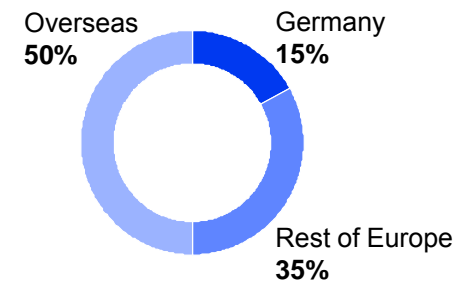


Production Sites and Sales Offices



K+S Potash Canada

Revenues by Region 2011



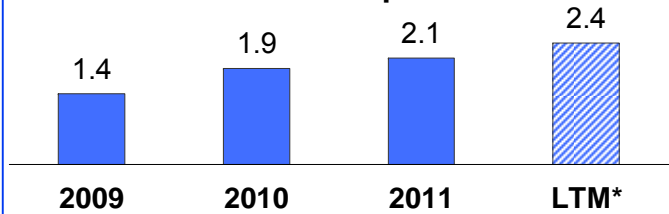
K+S Group

Group revenues 2012e: €3.9 billion (2011: € 4.0 billion)

Potash and Magnesium Products Business Segment



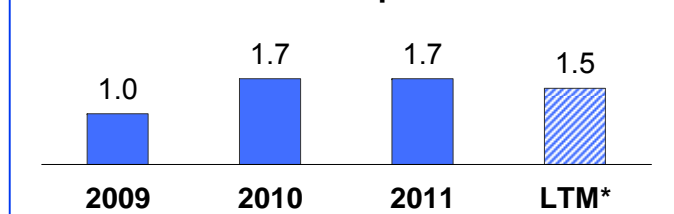
Revenue development in €bn



Salt Business Segment



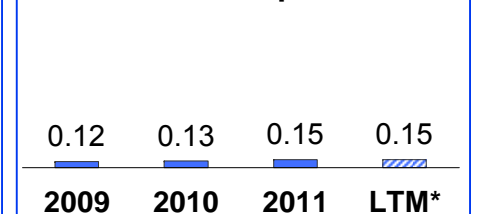
Revenue development in €bn



Complementary Business Segments



Revenue development in €bn



* LTM=Last twelve months as of 30 June 2011

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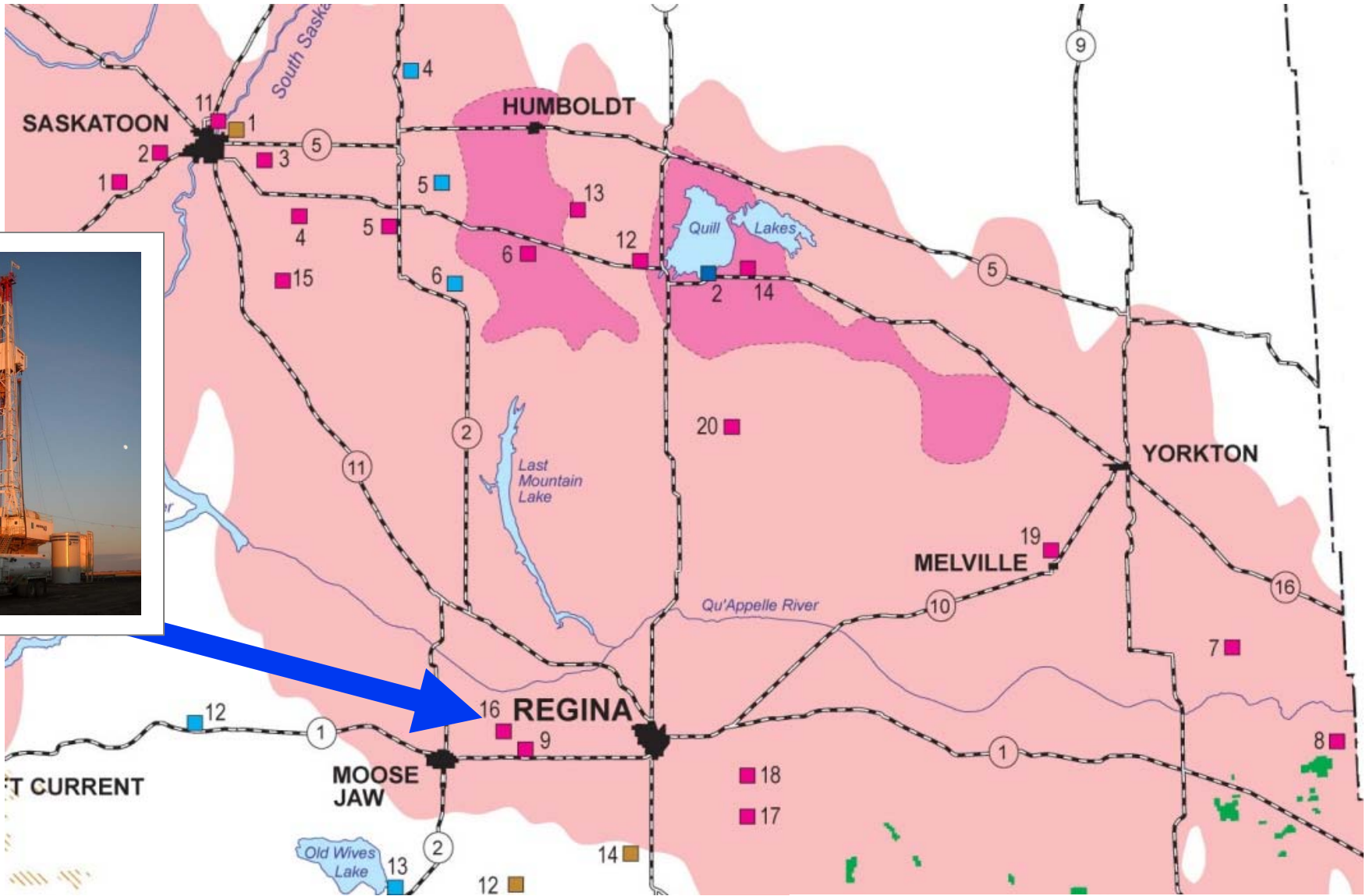
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Legacy Project – a Greenfield Project in SK



K+S Potash Canada GP

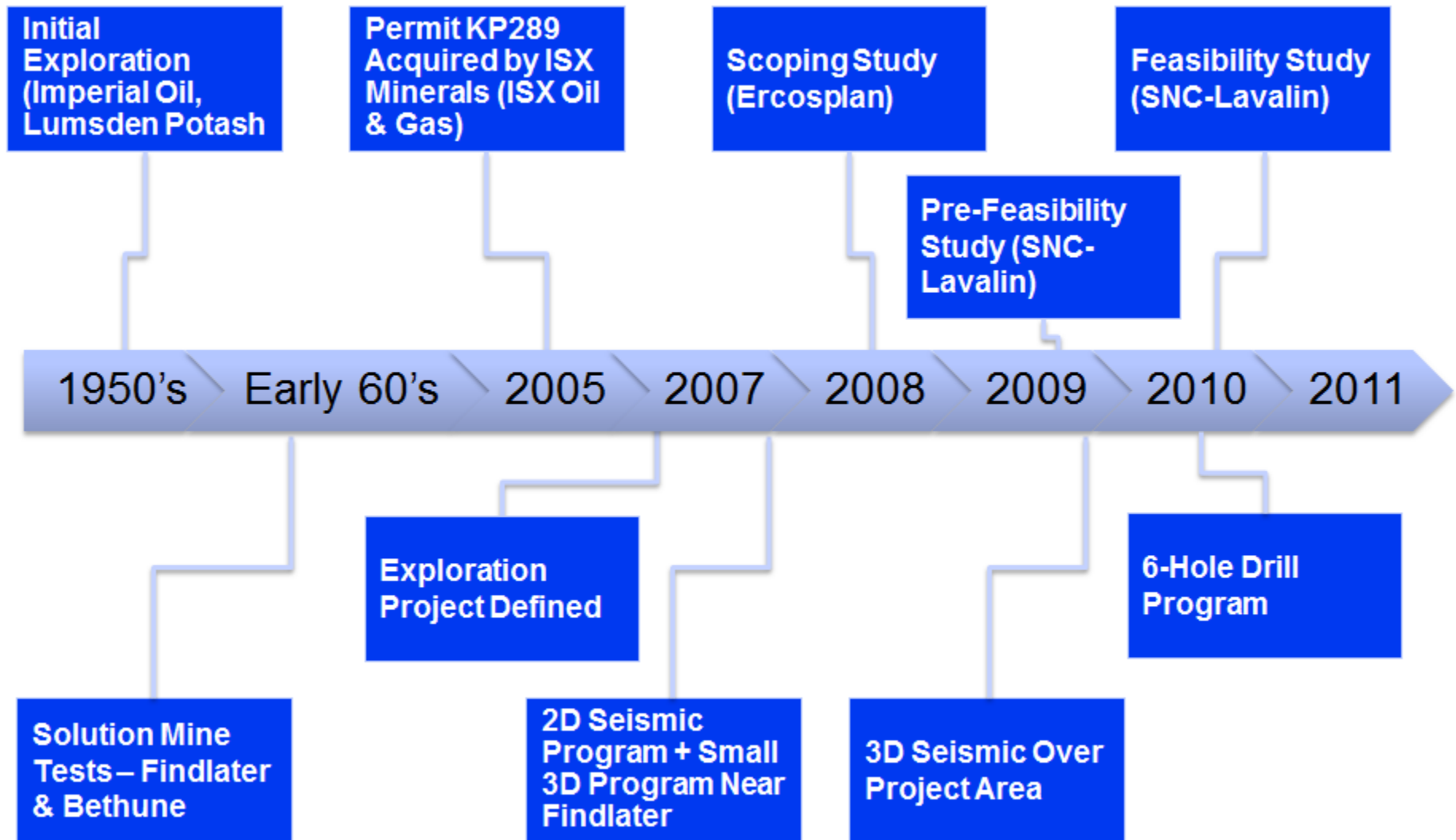
Legacy Project



- **Friendly takeover of *Potash One* in late 2010**
- **Takeover finalized in early 2011**
- **Resulted in the creation of K+S Canada GP, a wholly-owned subsidiary**
- **The Legacy greenfield project will produce potash on the basis of solution mining. K+S will invest more than \$3 billion for the first two expansion phases of mine development.**
- **Reach of 2 Mio t KCl/year mark by 2017. Subsequent expansions will see production ramped up to 2.86 Mio t KCl/year by 2023.**
- **A further expansion phase would see an increase to more than 4 Mio t KCl/year about 10 years later.**

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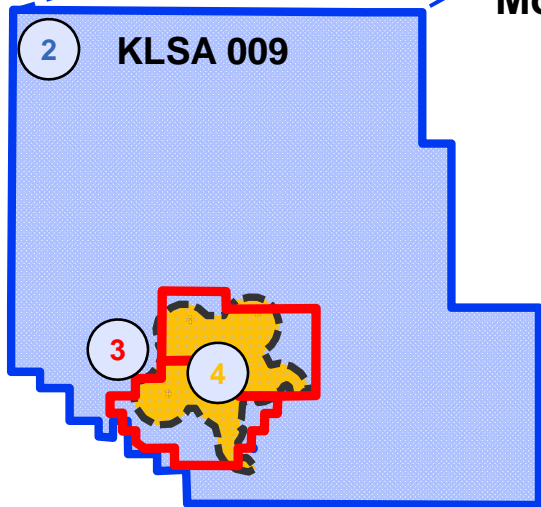
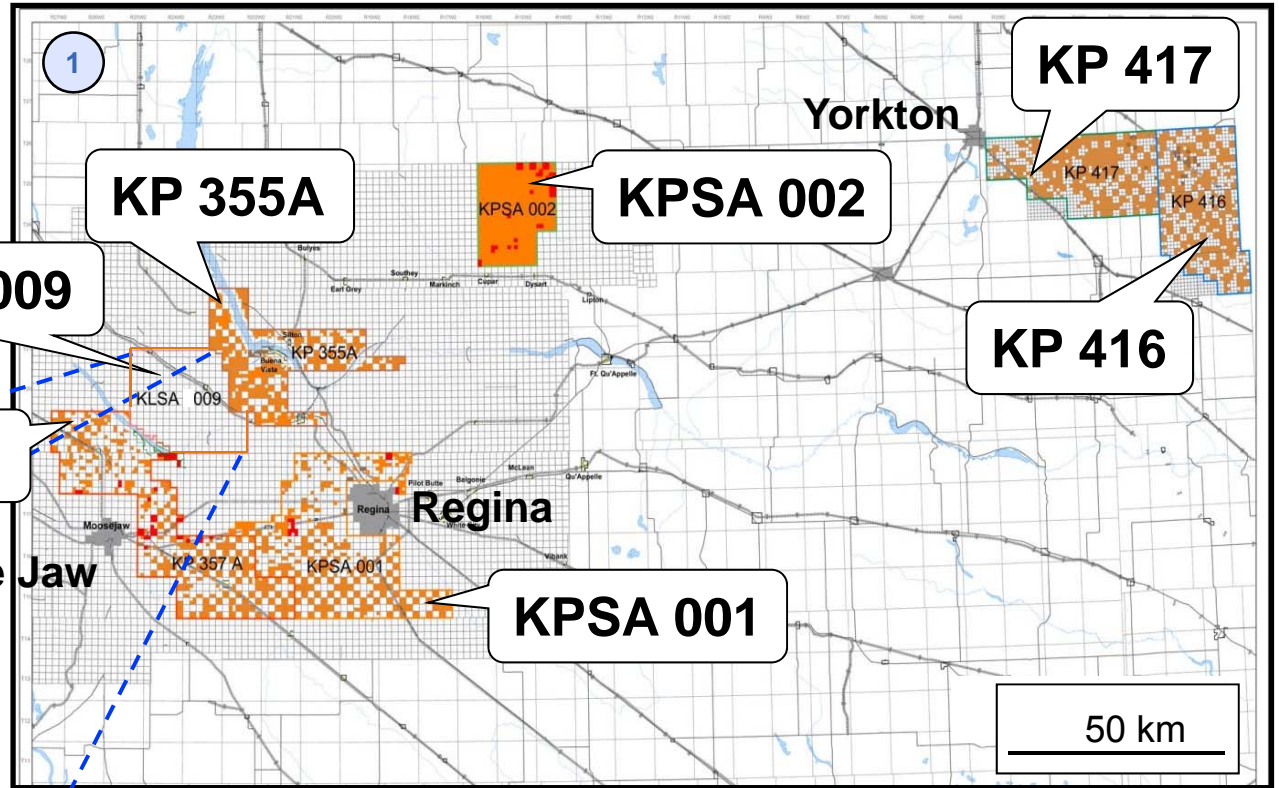
Legacy – A Deposit with a long History



K+S Potash Dispositions in Saskatchewan

1 6 Kalium Permits + 1 License
Total Area 5,310 km²

2 Kalium License 009
Total Area 583 km²



3 100 Years Mine Plan (approx. 70 km²)

4 Exploration Area (approx. 50 km²)

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K+S Potash Canada GP

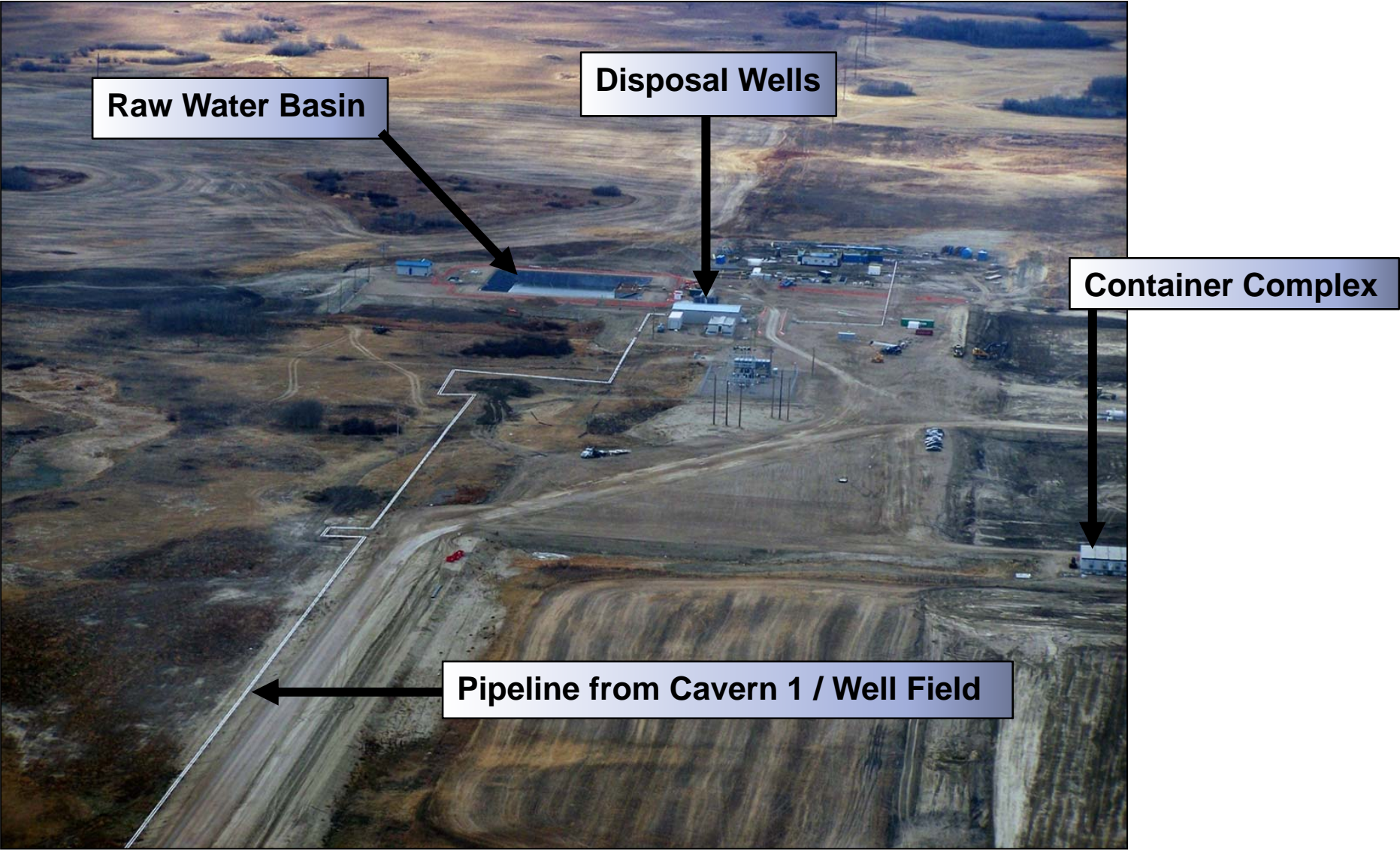
Project Update



- **Construction of key site infrastructure commenced**
- **Drilling of test wells and disposal wells in Q1/2 2012**
- **Held official groundbreaking ceremony in June 2012**
- **Started cavern development in summer 2012**
- **Started production drilling program in winter 2012/2013**



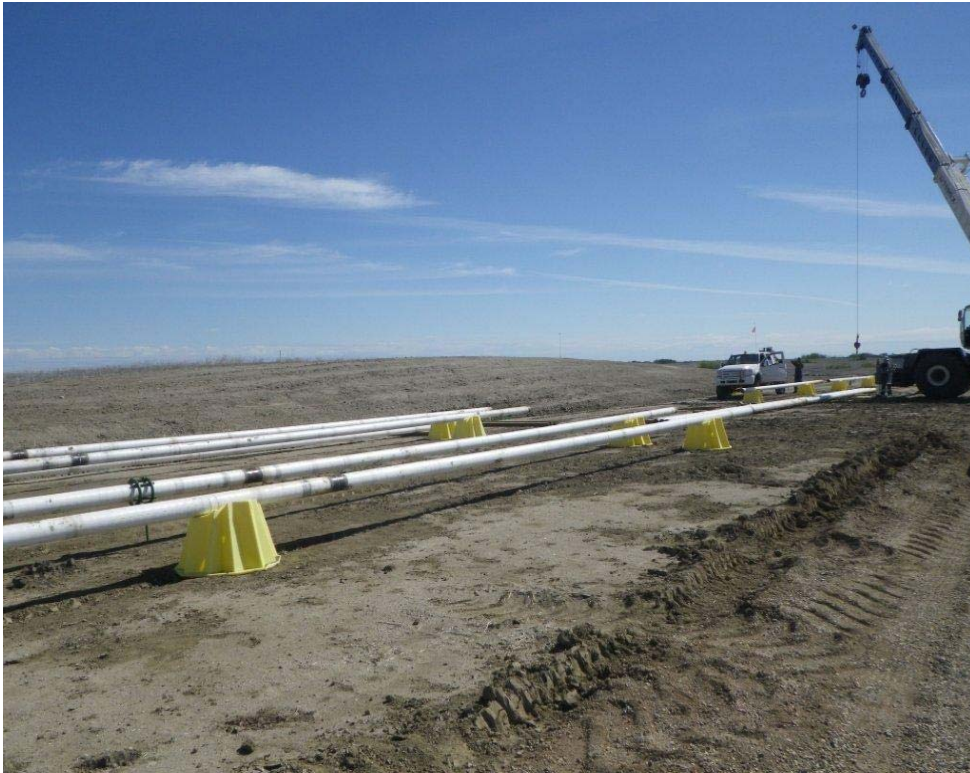
K+S Potash Canada GP Project Site



K+S Potash Canada GP Project Update



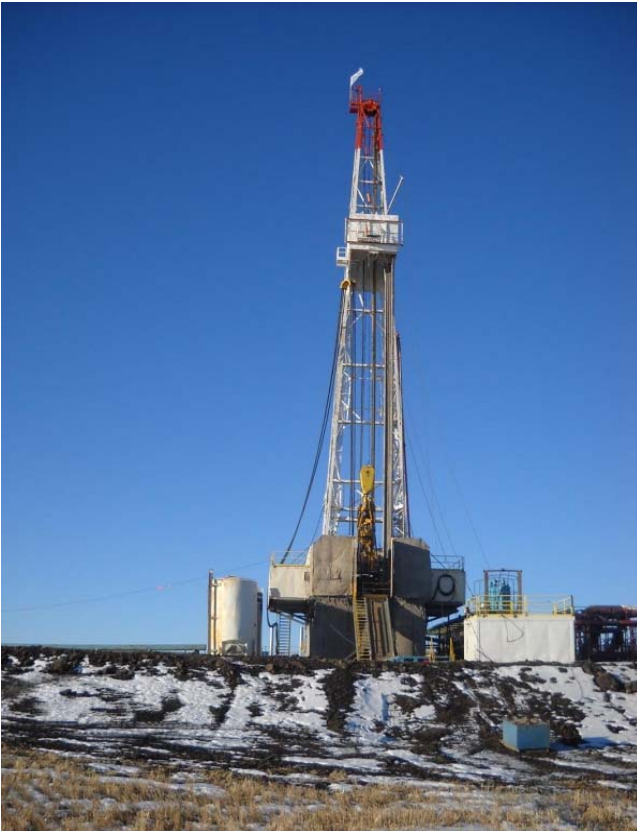
- **Construction of key site infrastructure commenced**
 - work has been underway since 2011



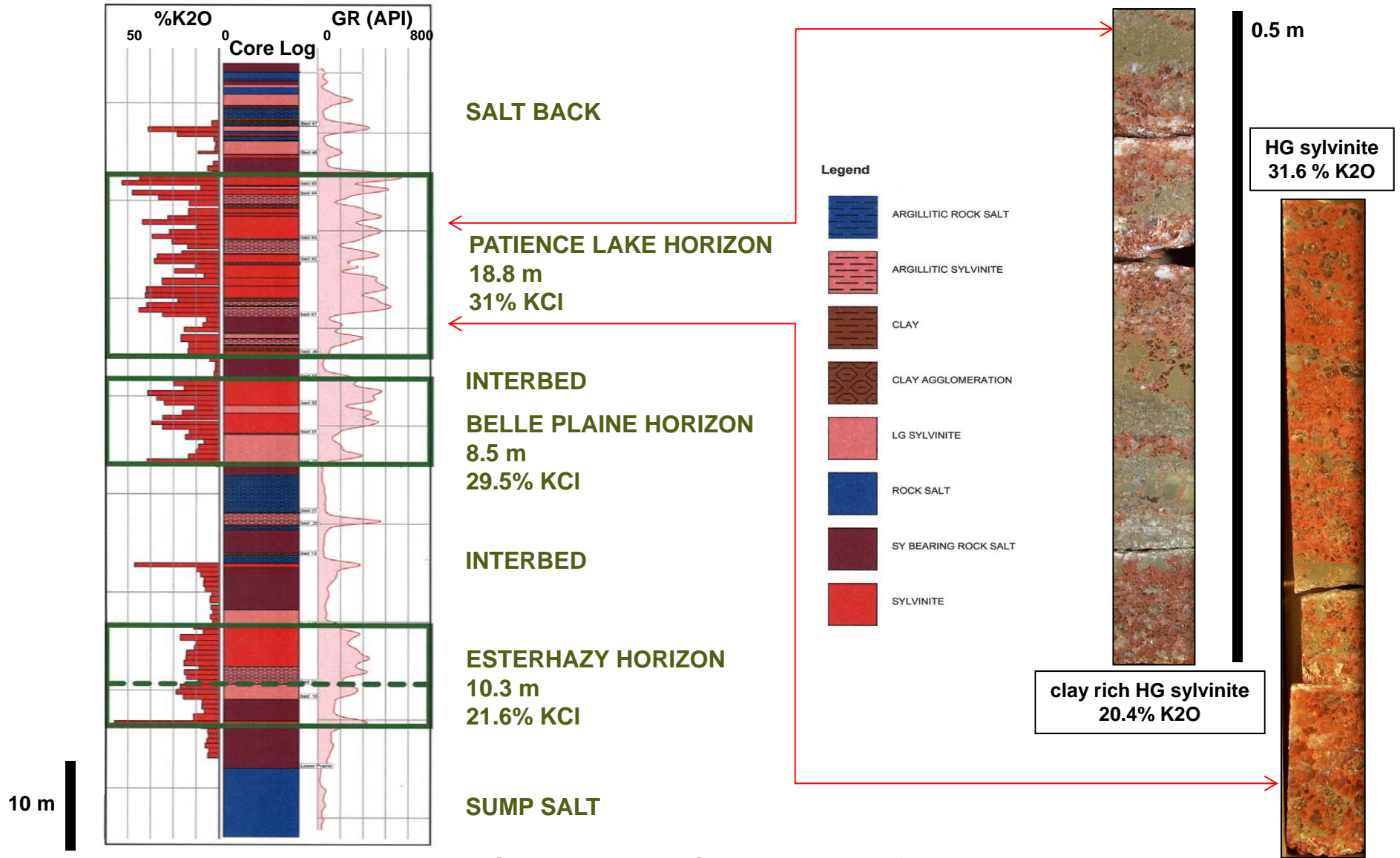
K+S Potash Canada GP Project Update



- Q1 2012: Drilling and completion of 2 cavern wells
- Q2 2012: Drilling and completion 2 disposal wells



K+S Potash Canada GP Results of Cavern 1



December 05, 2012

no (macroscopic) indication of carnallite in cavern 1

K+S Potash Canada GP Project Update



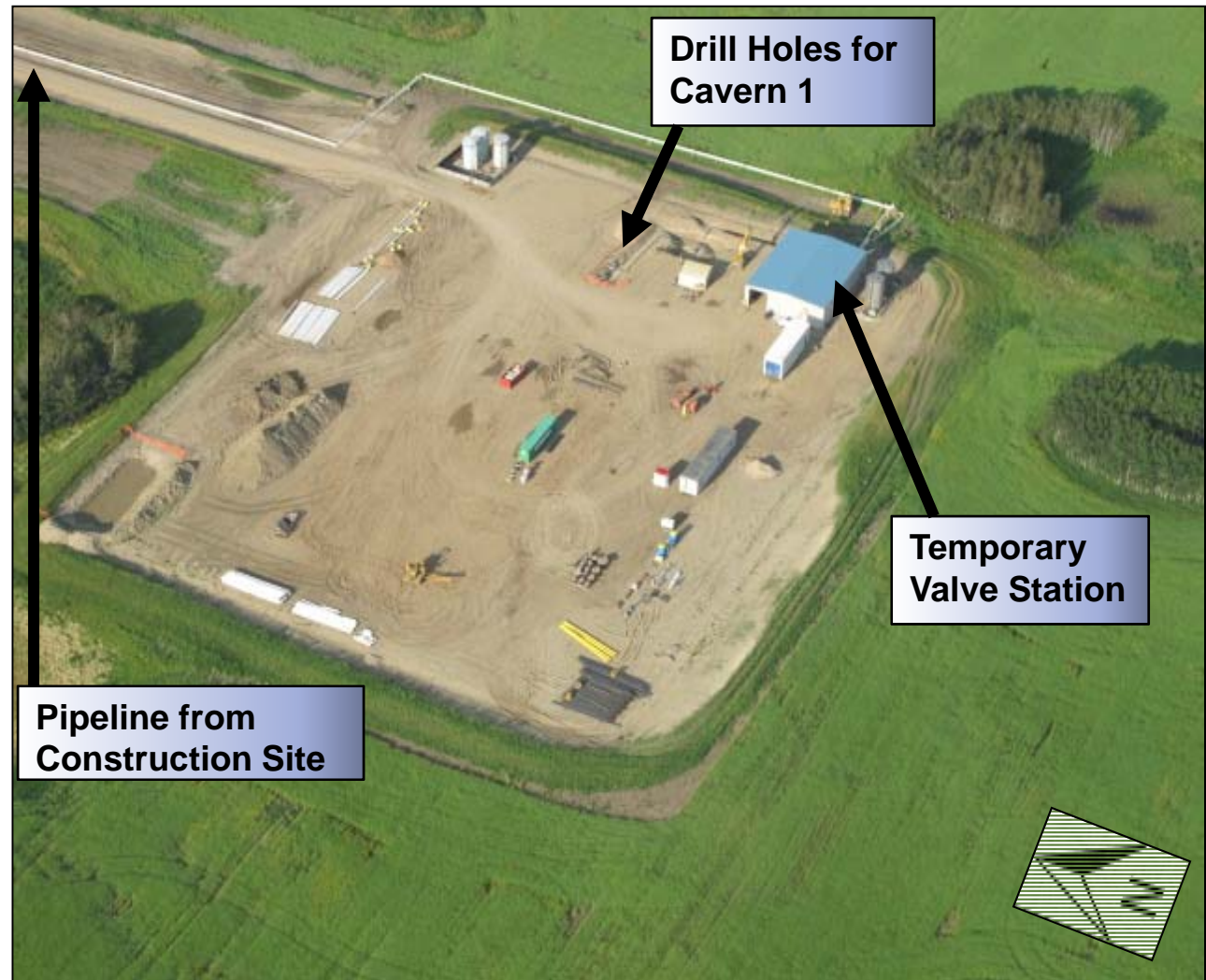
- Held official groundbreaking ceremony in June 2012



K+S Potash Canada GP Project Update



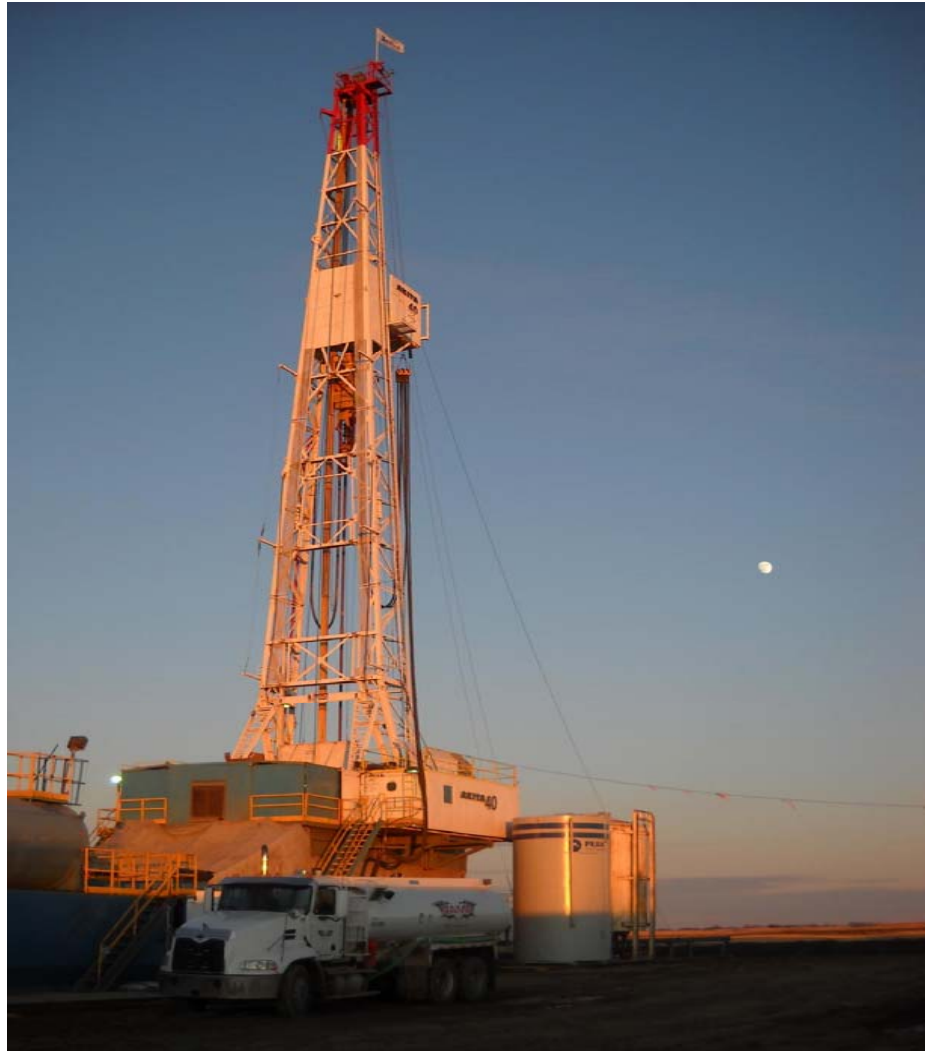
- Started cavern development in summer 2012



K+S Potash Canada GP Project Update



- **Started production drilling program in Winter 2012/2013**



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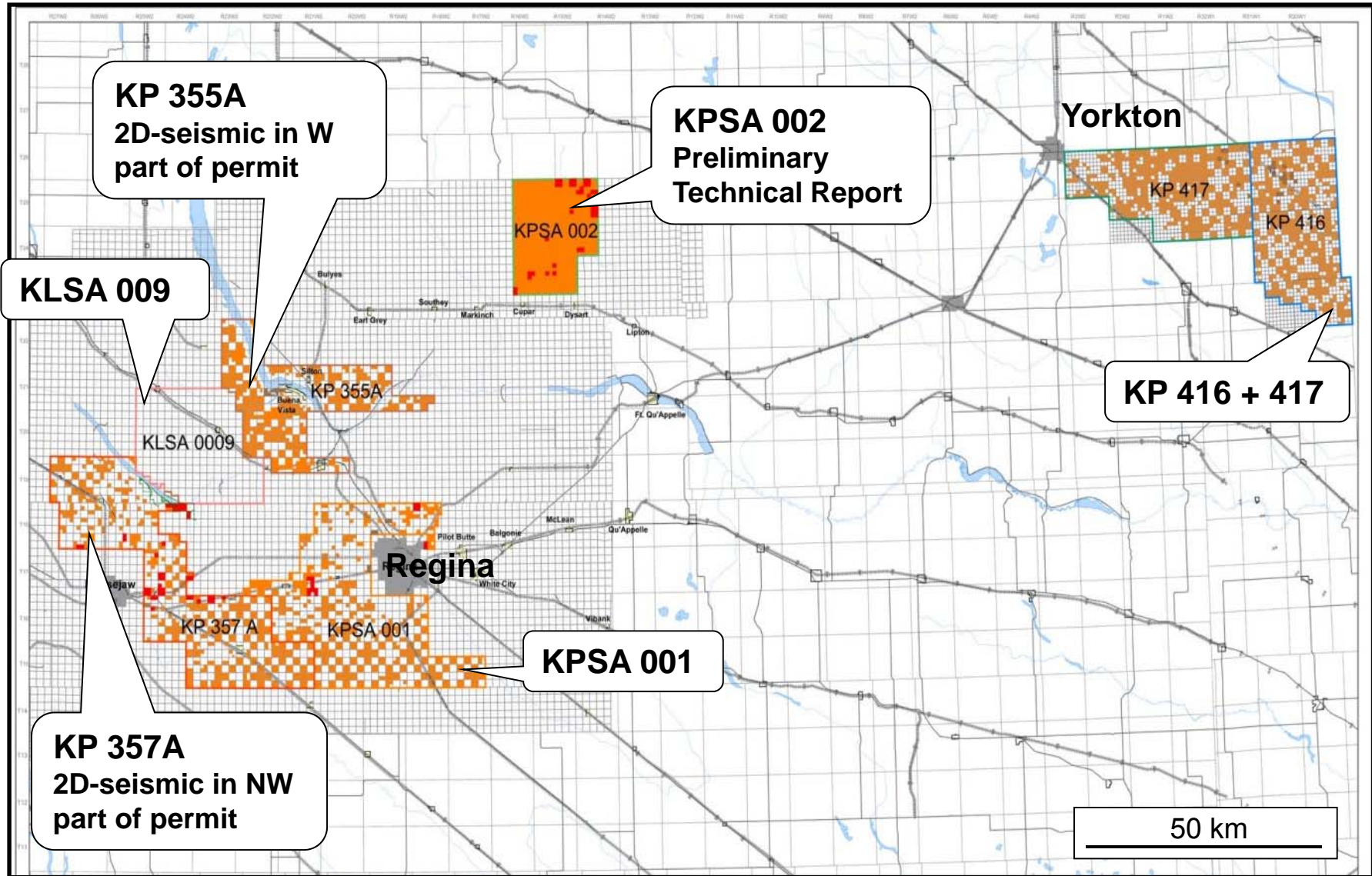
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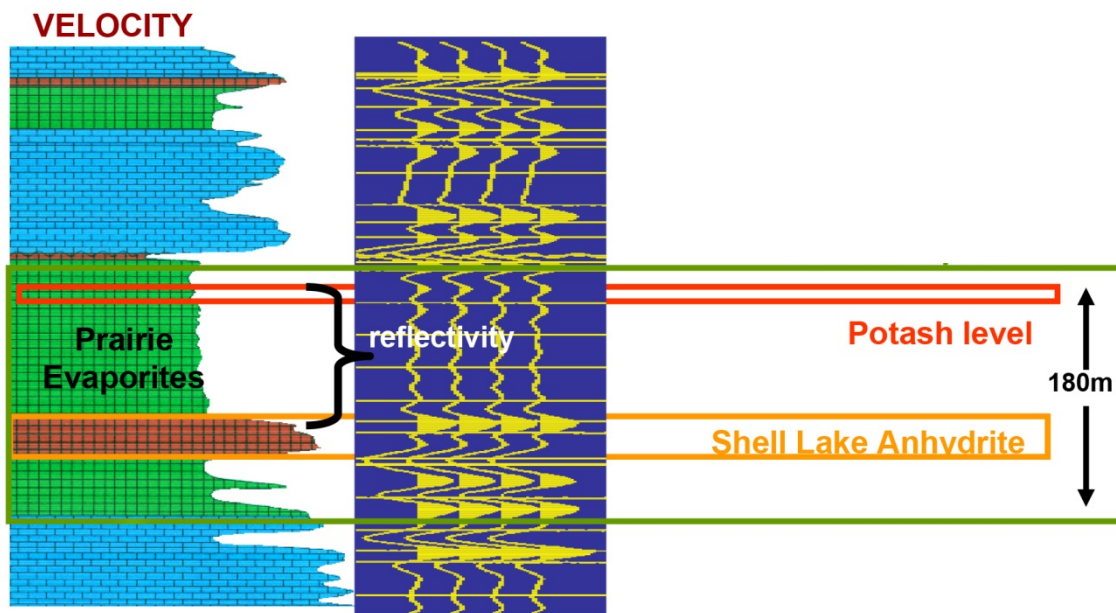
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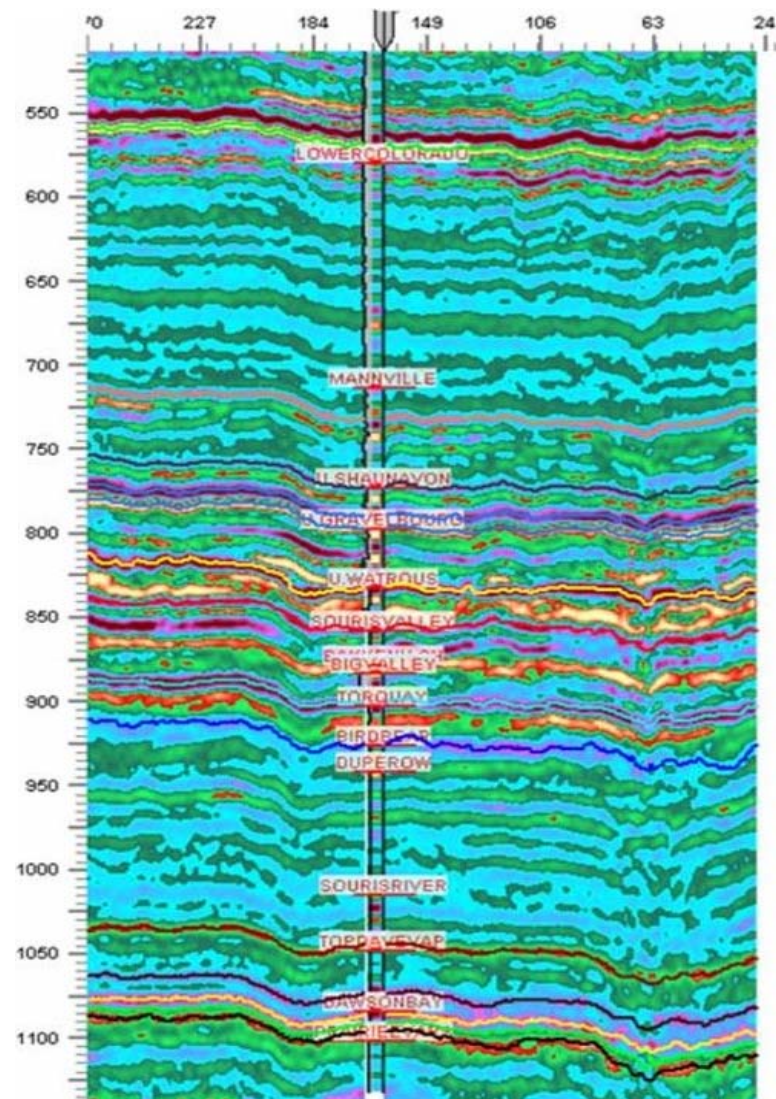
K+S Potash Canada GP Exploration Programs



K+S Potash Canada GP Exploration Programs



SCHEMATIC DIAGRAM ILLUSTRATING THE RELATIONSHIP BETWEEN GEOLOGY AND SEISMIC REFLECTIVITY.



from: Boyd Petrosearch (2007/2008)

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K+S Potash Canada GP

Additional Data



Extensive data sets will be generated during the mine life time consisting of geophysical data, rock mechanics testing, temperature surveys, sonar surveying, assaying, dissolution tests and drill data.

The data will be used to evaluate solution mining methods throughout the mine life.

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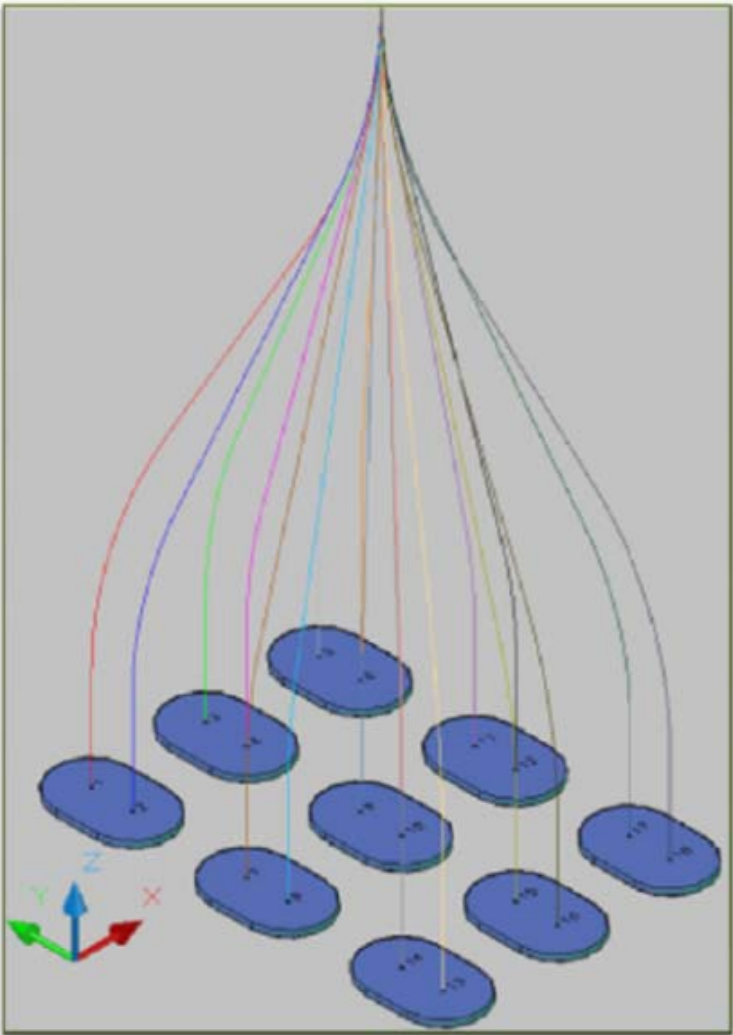
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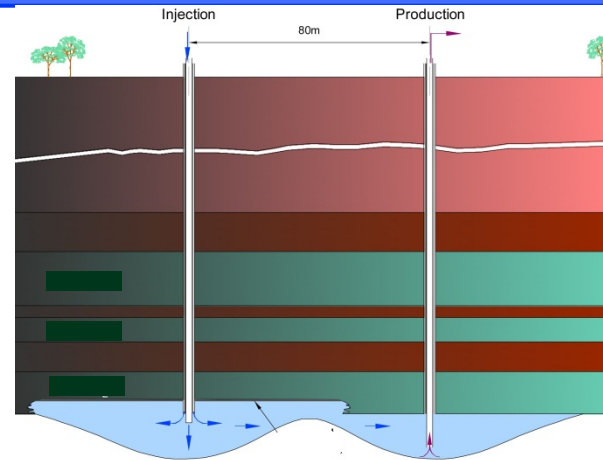
K+S Potash Canada GP Mine Plan and Resources



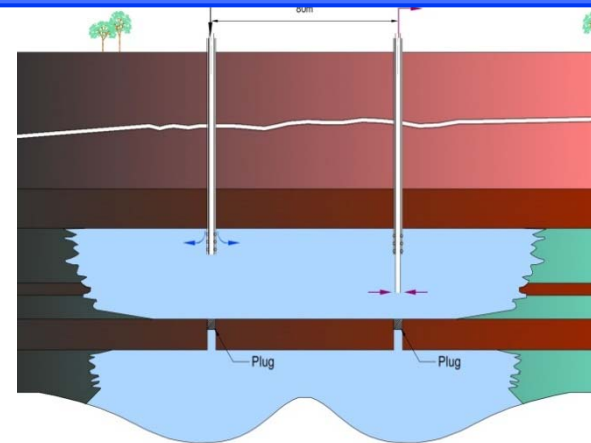
Cavern Layout



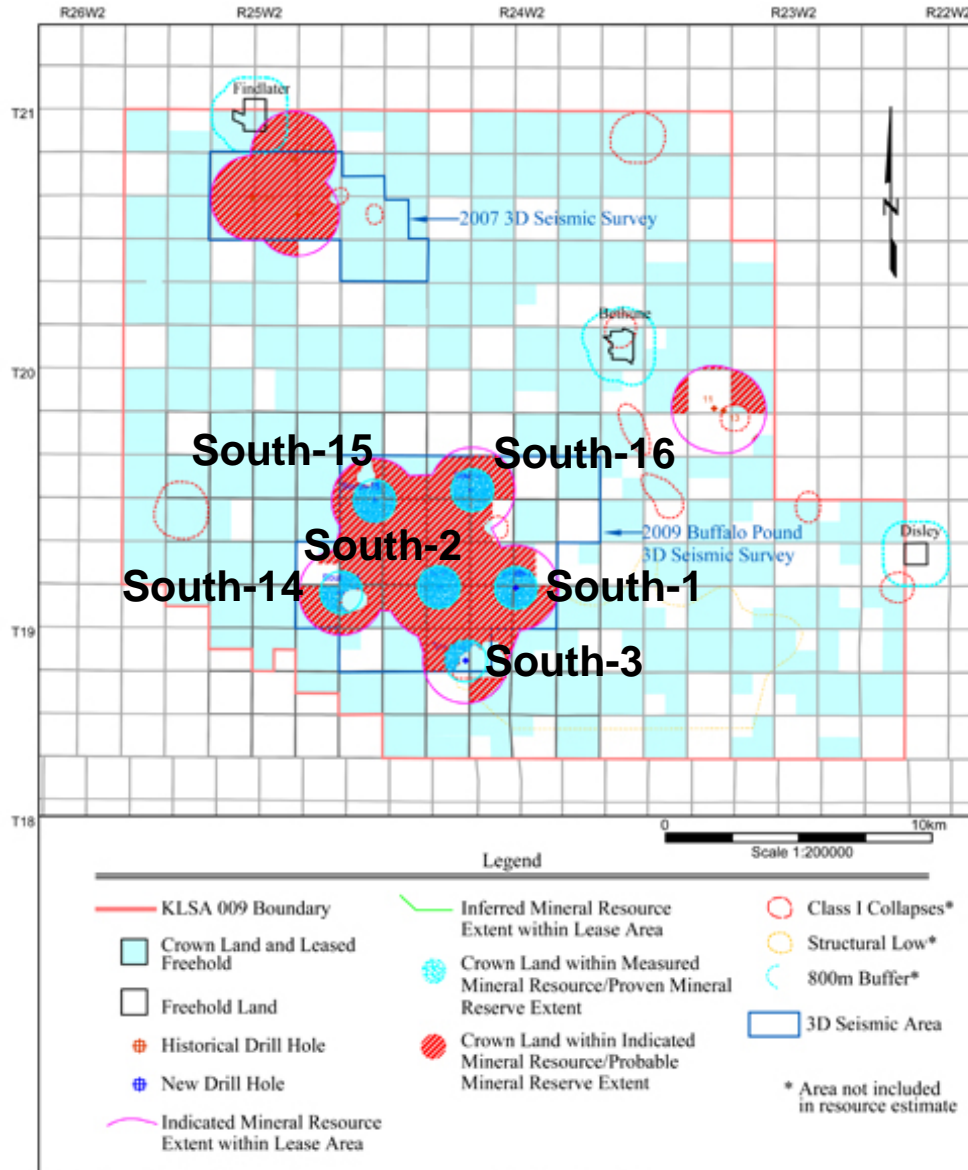
Primary Mining – Fresh Water Injection / Evaporation Circuit



Secondary Mining – Brine Injection / Cooling Pond Circuit



K+S Potash Canada GP Reserves and Resources



Model Extent, Mineral Resource and Mineral Reserve Areas

K+S Potash Canada GP

Reserves and Resources



Mining Lease KLSA 009 (former Permit 289) in Saskatchewan, Canada

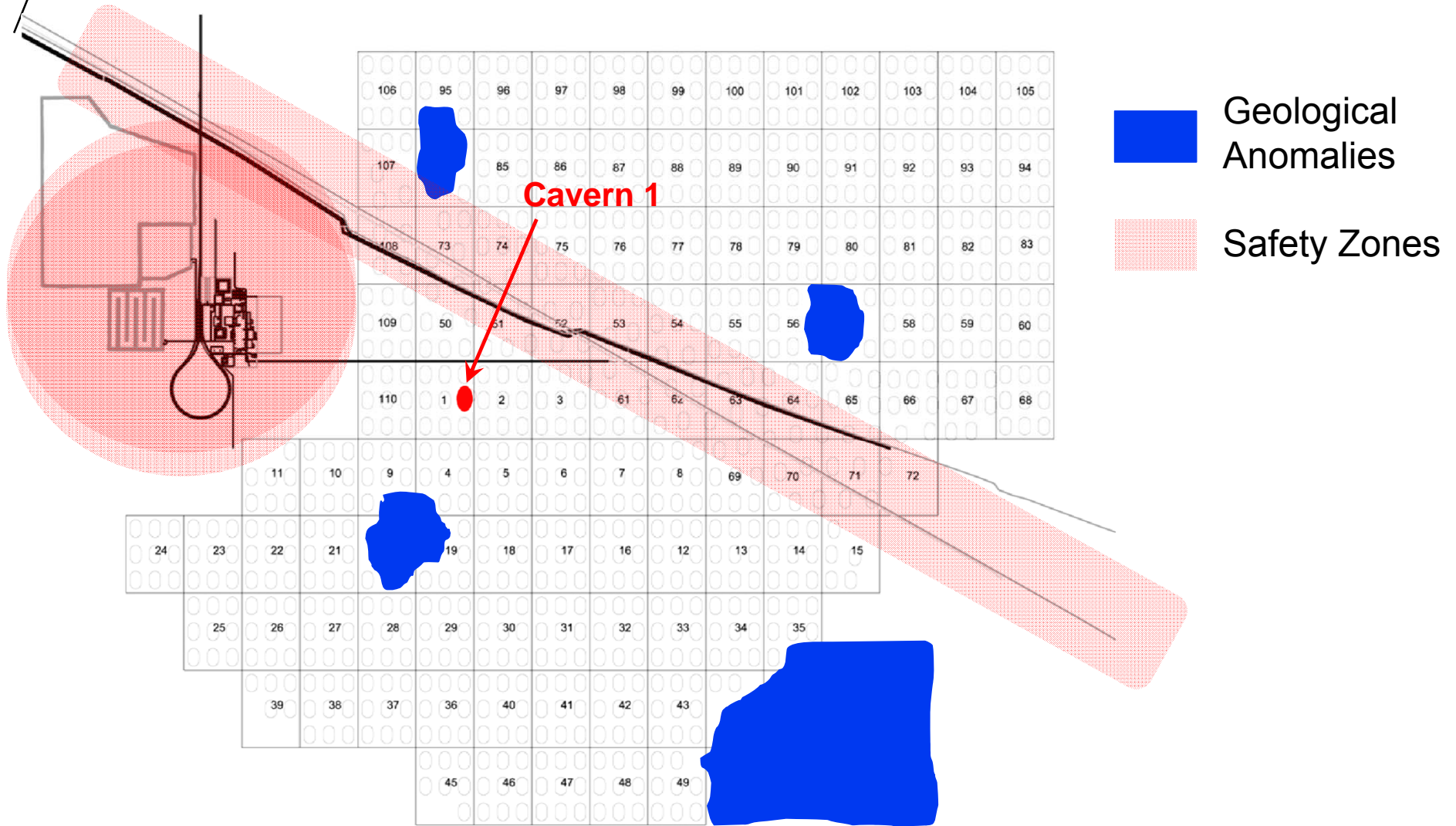
	Mio. t KCl ¹	% KCl	% K ₂ O	
Measured Resources ² (Proven and Probable Mineral Reserves)	160	29	18	Legacy Project area
Indicated Resources ²	88	27	17	KLSA 009 outside Legacy Area
Inferred Resources ²	894	27	17	KLSA 009 outside Legacy Area

¹ The potash reserves and resource is the estimated metric tonnes of refined potash product, taking into account the recovery by solution mining and processing losses (i.e. extraction factor, cavern recovery factor, geological anomaly factor, and processing losses).

² The potash reserve estimates, effective as of July 14, 2011, were prepared by Dr. Michael Hardy, P.E., and Dr. Doug Hambley, P.E. of Agapito Associates Inc., of Grand Junction, Colorado, and are based on the resource data presented in a earlier 2009 Technical Report authored by Hardy, Steve Halabura, P. Geo., and Debbie Shewfelt P. Geo. of North Rim Exploration Ltd., of Saskatoon, Saskatchewan. The reserve estimate was prepared in accordance with the requirements of NI 43-101 of the Canadian securities regulators. As required by NI 43-101, the Technical Report supporting the reserve estimate was be filed on SEDAR.

Measured Resources effective for 56 Years of Production of 2.86 Mio t KCl

K+S Potash Canada GP 100 Year Mine Plan



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- **Construction of infrastructure will continue**
- **Start long-term production drilling in winter 2012/2013**
- **Continue cavern development**
- **Start concrete work for process plant in 2013 (piling and foundation)**
- **Final capacity 2.86 Mio t KCl/year**
- **Potential for 4 Mio t KCl/year**



EXPERIENCE GROWTH



K+S Potash Canada

Questions?