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August 06, 2025

Mr. Douglas Newby
CFO
Cove Kaz Capital Group LLC
1330 Avenue Of The Americas Fl 23
New York, New York 10019-5443

Re: **Letter of Interest No. LI785190XX** - United States
Expiry Date : August 14, 2026

Dear Mr. Newby:

We are pleased to extend this Letter of Interest in support of the Cove Kaz Capital Group in the United States for the Project Wolt. Based on the preliminary information submitted, EXIM would be able to consider financing up to $900 million. Please note that based on the OECD Arrangement for Export Credits and EXIM Bank guidelines, this transaction is eligible for a maximum repayment term of 15 years. We trust that this Letter of Interest, coupled with the quality of U.S. products and services, will make a compelling case for U.S. procurement. Additionally and based on the recent advent of EXIM's Supply Chain Resiliency Initiative (SCRI), this project is a candidate for financing predicated upon your project's off-take sales of material to U.S. buyers. Please see EXIM's website for additional information about the SCRI

Furthermore, this transaction may be eligible for special consideration under Section 402 of EXIM's 2019 reauthorization (P.L. 116-94), which directs EXIM to take steps to mitigate the competitive impact of export support provided by the People's Republic of China and other covered countries for opportunities such as this one and/or to advance the comparative leadership of the United States in the Transformational Export Areas. We encourage you to get in touch to learn more about EXIM's China and Transformational Exports Program (CTEP).

We encourage you to review our attached EXIM Reference Guide. We draw your attention to the sections about EXIM financing products, EXIM process tools and EXIM policies.

Please note that this letter does not represent a financing commitment. Upon receipt of an application for financing, EXIM will conduct its standard due diligence prior to issuing a final commitment for this transaction. All final commitments must be in compliance with EXIM policies as well as program, legal and eligibility requirements.

If you have any questions about this Letter of Interest, or how to work with EXIM, please contact Charles Barnett at telephone (202) 565-3928, or via email at Charles.Barnett@exim.gov. We would welcome the opportunity to discuss further details of EXIM financing in support of this transaction.

Sincerely,

Daniel C Tobin

Daniel C. Tobin
Vice President
Structured & Project Finance Division
EXIM Bank

Summary:
The CTEP office has reviewed this $900 million letter of interest (LI785190XX) application from Cove Kaz Capital Group LLC to support financing for the development and operation of the Project Wolt in Kazakhstan. Cove Kaz Capital is focused on acquiring and exporting mine development and operating equipment and services for world-class tungsten mines, with priority offtake to U.S. government and corporate buyers including the National Defense Stockpile. CTEP recommends issuance of the letter of interest.

CTEP Determination:
The application qualifies for consideration under Sec 402(A) and Sec 402(B) transactions.

Due Diligence:
EXIM's CTEP and GBD staff have been in contact with the Department of Commerce, which is supporting this project.

Project Overview:
Project Wolt involves the development of tungsten mines in Kazakhstan, with a phased approach beginning with Northern Katpar and expanding to Upper Kairakty. The project is supported by multiple feasibility studies, including a 2023 JORC-compliant study by CSA Global, a 2021/22 study by Kazgiprotsvetemet, and a 2019 study by MinExCo LLP [3].

Market Context:
Tungsten is a critical mineral with strategic importance due to its high melting point, tensile strength, and corrosion resistance. China currently controls over 80% of global tungsten production and has banned exports to the U.S., creating significant supply chain vulnerabilities. Project Wolt aims to address this gap by supplying up to 90% of current U.S. tungsten imports through phased development [2] [3].

Customers and Offtake:
The project has a letter of intent with the U.S. Department of Commerce dated March 17, 2025, and is actively supported by the Commerce Trade Advocacy Group and senior officials from the Departments of State and Commerce. Priority offtake is designated for U.S. government and corporate buyers, including the National Defense Stockpile [2] [3].

Company Financials:
Cove Kaz Capital has modeled the Northern Katpar project using updated market data, estimating a net present value (NPV) of approximately $840 million based on current tungsten prices, compared to $84 million in the CSA feasibility study. *(b) (4)* [redacted]

Recommendation:
CTEP recommends issuance of the letter of interest to Cove Kaz Capital Group LLC for the Project Wolt initiative in Kazakhstan. The project aligns with strategic U.S. interests in securing critical mineral supply chains and demonstrates strong technical, financial, and operational foundations.

References

[1] Project Wolt Team Presentation

[2] ApplicationSummary 20

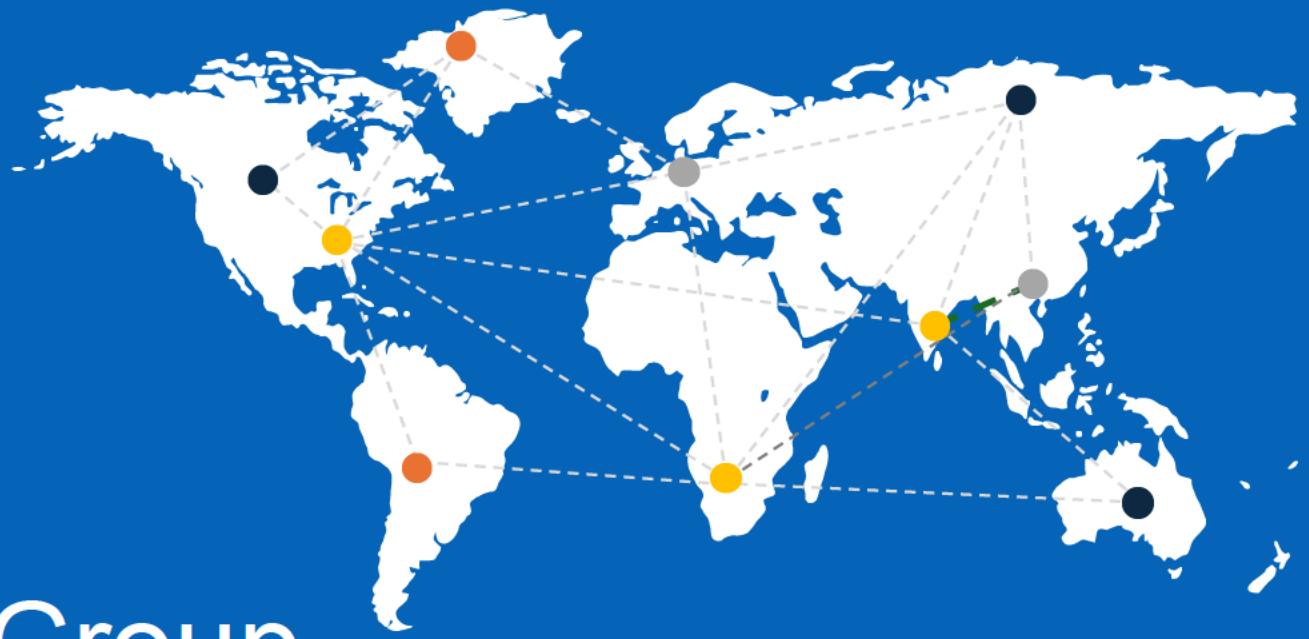
[3] Severniy Katpar Tungsten Project (2025-06-26)

Tracking Number: LI785190XX
Applicant: Cove Kaz Capital Group
Export/Project: Project Wolt
Product: Letter of Interest (LI)
Financed Amount: $900,000,000
CTEP Type: 402(A&B)
TEA Type: Renewable energy, energy efficiency, energy storage, wireless communications equipment, high-performance computing
Subject Line: CTEP LI785190XX Review: Project Wolt

Based on the information available in the Letter of Interest (LI) application and/or received in separate meetings and correspondence, the applicant asserts that the transaction qualifies under CTEP.

While further due diligence will be needed if an application is submitted, the description of the transaction, as provided in the application and attachments (b) (5) [redacted]

(b) (5) [redacted]



Cove Kaz Capital Group

Technical Team Presentation

Cove Kaz Team

Project Wolt

The Cove Kaz Capital Group Technical Team brings together over **150 years** of combined experience in project design, finance, construction, and operational management across five continents. Our expertise spans critical minerals, base, and precious metals, positioning us to drive Project Wolt's success in the global mining landscape.

- Global Footprint: Asia, Australia, Africa, North & South America, Europe
- Core Competencies: Project Design, Project Finance, Construction Management, Operational Excellence
- Track Record: Leading projects from greenfield exploration to full-scale production



True Global Experience

Expertise Aligned with Project Needs: Deep knowledge of tungsten, critical minerals, and operational efficiency.

Proven Track Record: Demonstrated ability to scale projects from concept to production.

Global Perspective: Insights from diverse markets enhance risk management and strategic planning.



Our Team

Project Wolt



Dominic Heaton
Strategic Operations



Chris Zahovskis
Project Development



Brenden Weekes
Processing and Commissioning



David Dreisinger
Metallurgical Processing

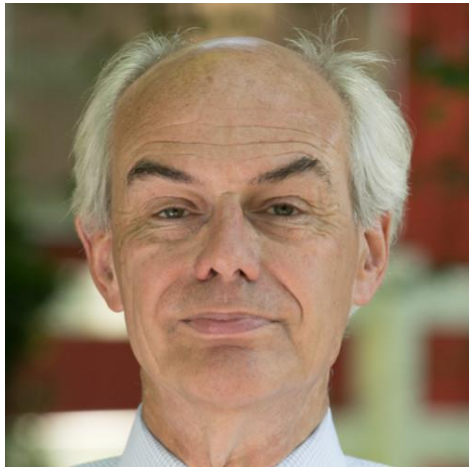


Douglas Newby
Financial Strategist, CFO



Richard Shaw
Technical Optimization

Our Team



Douglas Newby

Financial Strategist, CFO
Cove Kaz Capital Group

Profile

Mine evaluation and finance expert with extensive experience in North and South America, SE Asia, Australia, and Africa. Held senior positions at global investment banks in London and New York covering the global mining industry.

As corporate executive, secured over $500 million in development and construction financing for critical mineral ventures.

Co-founder of New Gold, now a $3 billion gold producer; CFO of PolyMet acquired by Glencore in 2023, and strategic advisor to Western Silver which advanced the Penasquito project in Mexico acquired by Goldcorp in 2006 for $2.5 billion.

CFO and subsequently COO of USA Rare Earth which recently went public for $800 million.

Our Team



Dominic Heaton

Strategic Operations

Profile

Led Masan Resources to become one of the world’s largest tungsten producers, increasing annual output by 45%.

Optimized operational efficiency at Sepon, enhancing copper-gold recovery rates.

Professional Background: Served as Chief Executive Officer of Masan Resources, leading the development and operations of the Nui Phao tungsten-polymetallic project in Vietnam.

Held management roles at Aurora Gold, Oxiana, OZ Minerals, and MMG, including General Manager positions at the Sepon copper project in Laos and the Martabe gold mine in Indonesia.

Notable Achievements: Under his leadership, Masan Resources became one of the world's largest tungsten producers. Successfully transitioned Nui Phao from development to full-scale operations, significantly increasing production capacity.

Our Team



Chris Zahovskis

Project Development

Profile

Drove the development of the Sisson tungsten project, securing key regulatory approvals and financing.

Enhanced operational performance at Goro Nickel, boosting production by 30%.

Professional Background: Served as President and CEO of Northcliff Resources Ltd., overseeing the advancement of the Sisson Tungsten-Molybdenum Project in New Brunswick, Canada.

Notable Achievements: Led Northcliff through the final stages of resource definition and feasibility studies for the Sisson Project.

Successfully navigated the environmental assessment process, achieving key regulatory milestones.

Our Team



Brendan Weekes

Processing and Commissioning

Profile

Implemented advanced processing technologies at Nui Phao, reducing operational costs by 15%.

Led commissioning of Sepon's processing plant, achieving production targets ahead of schedule.

Professional Background: Specialist in the design, commissioning, and operation of mineral processing facilities, with significant roles at Nui Phao in Vietnam and Sepon in Laos.

Notable Achievements: Implemented advanced processing technologies at Nui Phao, resulting in reduced operational costs.

Led the commissioning of Sepon's processing plant, achieving production targets ahead of schedule.

Our Team



David Dreisinger

Metallurgical Processing

Profile

Developed hydrometallurgical processes licensed to industry leaders like BHP and Anglo American.

Innovated the PLATSOL process for efficient recovery of base and precious metals.

Professional Background: Professor and Industrial Research Chair in Hydrometallurgy at the University of British Columbia, Canada.

Notable Achievements: Developed hydrometallurgical processes licensed to industry leaders like BHP and Anglo American.

Innovated the PLATSOL process for efficient recovery of base and precious metals.

Our Team



Richard Shaw

Technical Optimization

Profile

Directed $550 million metallurgical upgrades at Peñasquito, improving recovery rates by 20%.

Spearheaded a $1 billion feasibility study for Porcupine gold, enabling strategic expansion.

Professional Background: Expert in mineral processing and plant optimization, with experience consulting for major mining companies.

Notable Achievements: Directed significant metallurgical upgrades at Peñasquito in Mexico, leading to improved recovery rates.

Led a substantial feasibility study for the Porcupine gold project in Canada, facilitating strategic expansion.

Testimonial

Project Wolt



Pini Althaus
Managing Partner, Cove Capital LLC

The Cove Kaz Capital Technical Team is uniquely positioned to unlock Project Wolt's full potential. Our global experience, strategic insights, and technical excellence ensure that we are not just managing projects - we are driving growth and creating lasting value.

COVE KAZ
CAPITAL GROUP

CONFIDENTIAL DRAFT

Severniy Katpar Tungsten

Karaganda, Central Kazakhstan

OVERVIEW

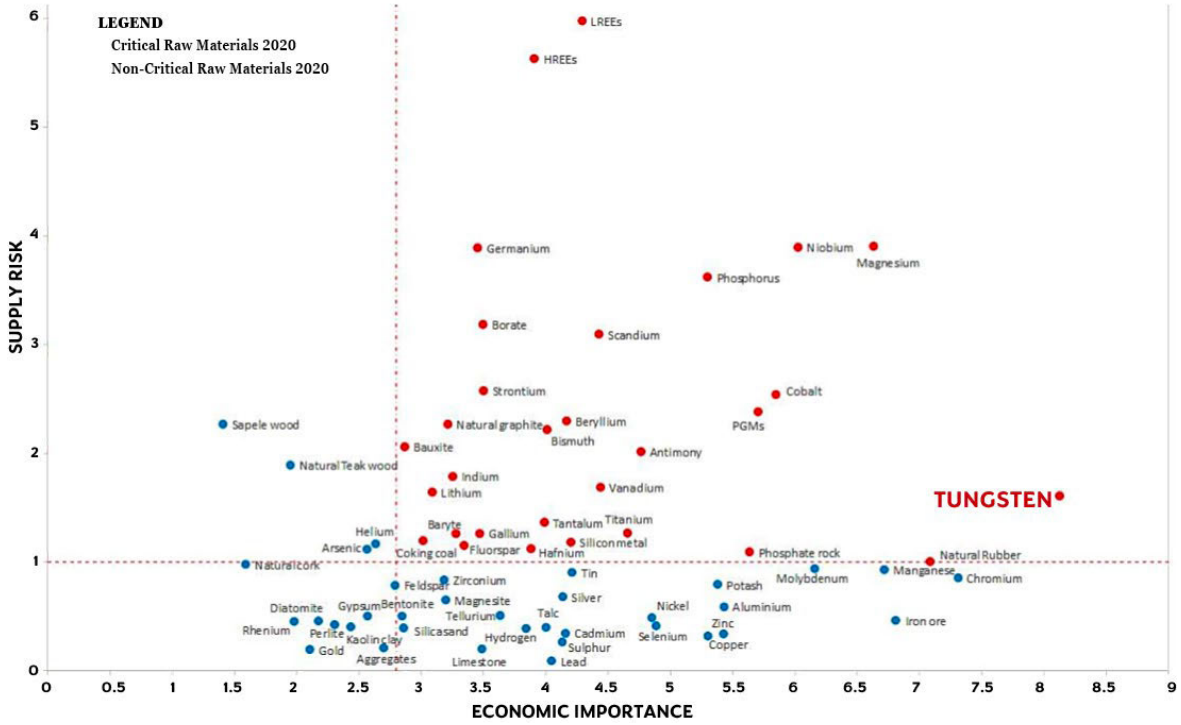
Cove Kaz Capital Group, LLC ("**Cove Kaz Capital**") is seeking to acquire a 75 – 100% controlling interest in Severniy Katpar LLP, a Kazakhstan company that is 100%-owned by JSC Tau-Ken Samruk ("**TKS**"), the national mining company of Kazakhstan. Severniy Katpar owns two tungsten projects – Northern Katpar and Upper Kairakty (the "**Projects**") – in the established Karaganda mining district in Central Kazakhstan.

Tungsten was discovered in the Katpar region in the early 1940s. In the 1970s, the Soviet Union launched an extensive tungsten exploration program that identified approximately 2 million metric tonnes (t) of tungsten oxide (WO_3), placing Kazakhstan second only to China's reserves of 2.3 million tonnes.

Northern Katpar and Upper Kairakty, located less than 30km apart by road, account for approximately 2/3^{rds} of Kazakhstan's known tungsten resources and comprise the largest known undeveloped tungsten resource outside China. The Projects are supported by strong infrastructure, both are near-surface, bulk tonnage, primarily scheelite mineralization. Both have extensive feasibility studies on a standalone basis that do not incorporate synergies of staged co-development.

The U.S. Defense Logistics Agency ranks tungsten as a "material of interest" and the European Union ranks tungsten as the raw material with the greatest economic importance because, of all metals, it has the highest tensile strength at high temperatures, the highest melting point, and is corrosion-resistant – generally, tungsten is not substitutable.

Study on the Critical Raw Materials for the EU 2023



As is the case with many critical minerals, China controls both primary production and processing of tungsten. With control of more than 80% of the global market, China introduced controls on exports to the U.S. of tungsten and products containing tungsten effective February 5, 2025 – U.S. supply chain vulnerability cannot be overstated..

Traditionally, tungsten has been used in defense applications, automotive and heavy industrial manufacturing including machine tools. Newer applications include semiconductors and batteries, including the next generation of batteries that charge faster, degrade more slowly, have enhanced energy density, can operate at higher temperatures, and have a reduced fire risk compared with current lithium-based technology.

Mine production in the U.S. ended in 2015. The U.S. Geological Survey estimates global production of approximately 81,000 metric tonnes (t) in 2024 with 67,000 t (83%) from China. The USGS estimates that the U.S. imported an average of 11,850 t per annum of tungsten over the past five years – or approximately 15% of the global market.

Tungsten is imported to the U.S. in various forms ranging from concentrate, sodium tungstate, ammonium paratungstate (APT) and "midstream" products such as tungsten carbide and metal powders, oxides, chlorides, and metal. Cove Kaz Capital has enteed into a letter of intenet with the Dpeartmnet of Commerce whereby Cove Kaz Capital has committed to prioritize U.S. Government and commercial needs – Cove Kaz Capital intends to establish upstream and midstream processing that would be able to meet the needs of any U.S. importer.

Northern Katpar is expected to produce approximately 5,000 tpa, or approximately 42% of U.S. imports. In due course, Upper Kairakty could add approximately 6,000 tpa for a total of 11,000 tpa, meeting more than 90% of current U.S. imports.

Cove Kaz Capital is planning a three-phase development with a total capital cost of $1.0 – 1.2 billion comprising:

- Phase I: developing Northern Katpar to produce concentrate for export - estimated capital cost of $400 – 450 million
- Phase II: establishing processing facilities to produce APT - the primary feedstock for the downstream tungsten market - estimated capital cost of $75 – 100 million
- Phase III: developing Upper Kairakty including expanded APT plant - estimated capital cost of $550 – 650 million

Cove Kaz Capital's initial focus is Northern Katpar. The work program comprises project optimization and completion of a Definitive Feasibility Study (DFS) to support construction finance, project construction, and commercial operation.

Timing of development of Upper Kairakty will depend on market conditions.

External Engagement

Cove Kaz Capital has focused on three areas of engagement:

- **US Government:**

  In March 2025, Cove Kaz Capital was approved for advisory under the Strategic Transactions Advocacy Trial (STAT) program under the Department of Commerce | International Trade Administration advocacy program.

There has been proactive support from the highest levels of Departments of State and Commerce, recognizing the strategic importance of Cove Kaz Capital's tungsten initiative.

- **Private Sector:**

  Cove Kaz Capital is working with a consortium of private sector groups with deep knowledge of Kazakhstan and expertise in the mining sector. The consortium will be formalized once the terms of the purchase of Severniy Katpar, or the underlying assets, are established.

  Cove Kaz Capital is actively seeking to expand the consortium to include potential commercial partners such as offtakers and midstream or downstream processors.

- **Kazakhstan:**

  Affiliates of Cove Kaz Capital are active in Kazakhstan. Kaz Critical Minerals, a Cove Capital portfolio company, is actively exploring 13 licenses in east Kazakhstan. It completed approximately 7,000 meters of drilling in 2024 and is planning a similar level of activity in 2025.

  Cove Kaz Capital holds 75% of Akbulak REE, LLC, a joint venture with QazGeology, a subsidiary of TKS, that is exploring the Akbulak rare earth element (REE) project in central Kazakhstan. Historic work has discovered REEs and the next stage of the program is to validate historic work and evaluate the profile of REEs to determine potential commerciality.

  Cove Kaz Capital's technical team also gave senior management of TKS a high-level presentation of its conclusions at the end of the site visits in April 2025.

Financial Overview

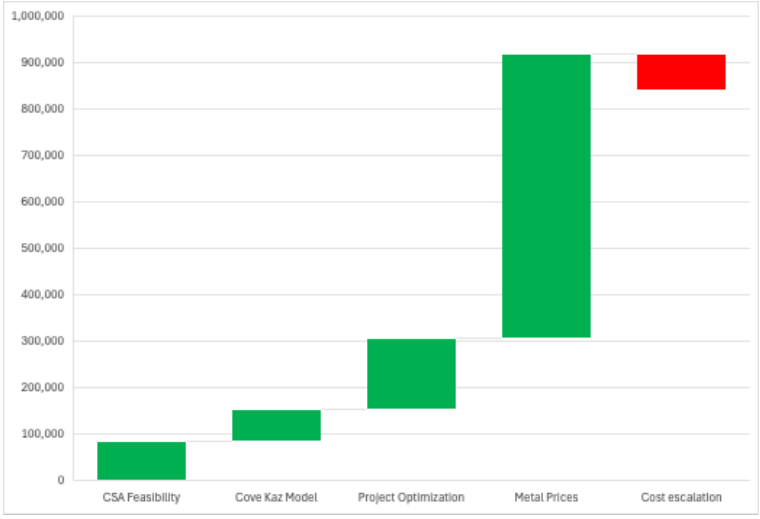
Cove Kaz Capital's financial model of Northern Katpar, based on the CSA Group's 2023 feasibility study[1], facilitates "what-if" analysis of the potential at Northern Katpar.

Metal prices are the most significant factor. The average price of tungsten in the second quarter of 2025 was $38,500/t, compared with $25,600 assumed in CSA feasibility study. Using 2025-Q2 average prices, and making other adjustments to reflect potential project optimization offset by cost escalation, Cove Kaz Capital estimates the NPV could be ~$840 million, compared to $84 million reported b`y CSA.

The chart shows the NPV of the project on a series of scenarios:

- the most recent feasibility study prepared by CSA Group in 2023 using a 10% discount rate
- Cove Kaz Capital's financial model using a conventional 8% discount rate
- potential project optimization
- the impact of recent metal prices, and
- impact of escalated capital and operating costs.

Incremental Value Potential – Northern Katpar



[1] CSA Global Report No. R205.2023

NORTHERN KATPAR

Project Description

Northern Katpar is located approximately 120km south of Karaganda, a major mining hub in east Central Kazakhstan, approximately 190km south-southeast of the capital, Astana.

Northern Katpar is a large, near surface sulfide ore body with molybdenum, copper, and bismuth byproducts in addition to tungsten. The main zone is 525m along strike, 175m wide, and 420m deep, striking east-northeast and dipping steeply to the south-southeast. There are several other satellite deposits at depth, and there is potential for additional discoveries in the vicinity.

Potential byproduct revenues are significant, covering approximately 60% of the operating costs according the most recent feasibility study completed by CSA Global in 2023.

Location



There has been extensive work on Northern Katpar (and Upper Kairakty, primarily during the Soviet era in the 1970s and 1980s, and more recently in the late 2010s, resulting in a series of technical reviews and feasibility studies. In 2019, MinExCo LLP prepared a feasibility study under Kazakh regulations that recommended proceeding to construction. In 2021/22, Kazgiprotsvetemet[2] prepared a detailed feasibility study that was officially approved by the government. In 2023, CSA Global completed a JORC-compliant feasibility study.

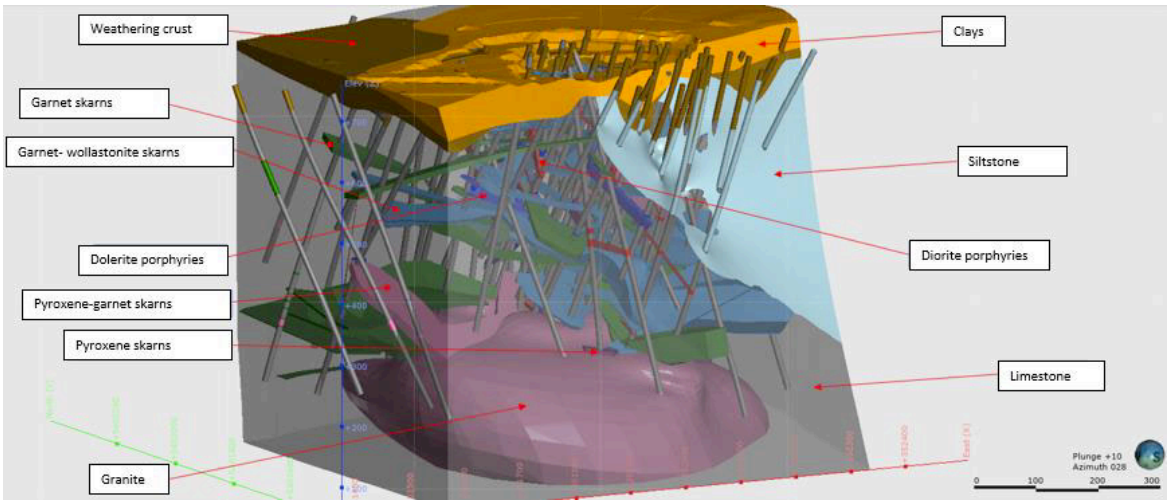
Cove Kaz Capital considers these studies to be good quality Preliminary Feasibility Studies (PFS). Notably, these studies and Cove Kaz Capital's own due diligence confirm that there are no "fatal flaws" and Northern Katpar should proceed.

Sulfide mineralization is covered by an eluvial weathered crust 18m to 60m thick, some of which was mined to facilitate pilot plant operations – the shallow pit is now flooded but provides rapid access to the sulfide mineralization. The weathered crust and shallow pit is shown in the figure below.

The CSA report demonstrates the project is viable based on long-term APT price of $25,600/t compared with current prices in excess of $40,000/t. There are several potential enhancements that could result in significant improvement that have not been evaluated in any of the feasibility studies.

[2] Kazakhstan's leading mine engineering company founded in 1947 in Ust-Kamenogorsk

CSA Report – Figure 10-2 – Northern Katpar geological structure



Cove Kaz Capital – Due Diligence

Following extensive desktop evaluation and analysis, the Cove Kaz Capital team visited Northern Katpar and spent time with the Severniy Katpar team in mid-April 2025.

The team concluded:

- There are no “fatal flaws”
- There is additional technical work required to enhance the understanding of the geology, mineral resource/reserve, mine model and metallurgical performance.
- While the outcome of the additional work program is not certain, there are several aspects of the project that have the potential to improve the economics and commerciality, including optimized mine plan and metallurgical recovery.
- The DFS on Northern Katpar should be completed and final design and engineering, construction and commercial operations should be expedited.

Cove Kaz Capital – Technical Leadership Team

The most successful tungsten project developed outside China in the past 15 years in Nui Phao in Vietnam, developed by Masan Hight-Tech Materials (formerly Masan Resources)..

Cove Kaz Capital has reassembled key members of the team that designed, built, and operated Nui Phao, and others with extensive experience in mine finance, development and operation in Asia and elsewhere.

Strategic direction is provided by the Cove Capital team led by Cove’s CEO, Pini Althaus. Pini was a founder and former CEO of USA Rare Earth which recently went public with a $900 million market value. He is a founding partner at Cove Capital and has been an executive officer in the mining & resource sector for more than 20 years. He was appointed as an advisor to the United Nations on the development of critical minerals projects in the Arab Region, India and Asia.

The tungsten team comprises:

- **Dominic Heaton**: Dominic was CEO of Masan Resources with overall responsibility for the successful construction and operation of Nui Phao tungsten in Vietnam. Previously, he served as General Manager of MMG in Laos, General Manager of the Sepon copper gold mine in Laos and the Martarbe mine in Indonesia. He was a member of the executive committee of the International Tungsten Industry Association (ITIA) from 2015 – 2022, and served as President from 2019-2021.
- **Douglas Newby**: Douglas has a 40+ year career in mine finance and evaluation, starting in investment banking in London and New York. Douglas served as CFO and COO of USA Rare Earth in 2019-2021. Previously, he was CFO of PolyMet Mining, where he was the key manager of the relationship with Glencore. He provided financing and strategic advice to Western Copper on its Penasquito project in Mexico, now a cornerstone of Newmont Mining, and he was a Chairman and CEO of Western Goldfields, now New Gold.
- **Richard Shaw**: Richard has over 35 years' experience in n pharmaceutical, chemical, nuclear and metals processing industries. He advises major corporations including BHP, Rio Tinto, and Newmont Mining. He was technical advisor to the Penasquito mine operated by Newmont, as well as Nui Phao tungsten and Sepon copper gold projects managed by Dominic Heaton. Richard was technical director of USA Rare Earth.
- **Brenden Weekes**: Brenden has more than 25 years of extensive experience in the design, due diligence, commissioning and operation of mineral processing and intermediate chemical manufacturing facilities in natural resources industries throughout the world including Australia, Vietnam, Germany, Canada, China, Laos, Spain and New Caledonia. He was head of processing and maintenance at Nui Phao tungsten, and previously head of processing at Sepon
- **Chris Zahovskis**: Chris has broad experience in corporate and operations management, greenfield and brownfield start-ups, and project development, in a wide range of metals spanning Canada, Turkey, Indonesia, Australia, New Caledonia, and China. He held leadership positions with portfolio companies of HDI including the Sisson tungsten project in Canada, and Xietongmen copper-gold project sold to a Chinese SOE. He was COO of Minco Silver and director of Mining at Goro Nickel in New Caledonia.

Project Optimization

There are three key areas for potential project enhancement:

- **Grade**: The CSA feasibility study assumes a reserve grade of 0.234% WO_3. Cove Kaz believes the mineral resource model in the CSA feasibility study may be overly conservative; the grade could be +10% higher than reported. The distribution of high-grade assays needs to be investigated, and further geostatistical analysis needs to be undertaken to support the DFS.
- **Recovery**: the CSA feasibility study assumes recovery of 66.8%. However, the 2019 MinExCo report estimated recovery of 71.7% for material grading 0.20% WO_3 – and potentially higher for higher grades. The relationship between grade and recovery needs to be evaluated in the DFS.
- **Mine plan/scheduling**: the ore grade increases with depth. Open pit mining means that the more valuable ore is mined late in the project life, which lowers the rate of return and net present value/discounted cash flow. However, it may be possible to fine-tune the mine plan to access this high-value ore sooner than currently planned.

Development Plan

Cove Kaz anticipates initial operations selling concentrate, then building an initial plant to produce midstream sodium tungstate and APT which would then be expanded to support Upper Kairakty.

- **Phase I: Pre-Construction**
  - Optimize mine plan, which may require additional drilling focused on high-grade potential.
  - Additional metallurgical work to optimize recovery and concentrate specifications
  - Definitive Feasibility Study - the plan is to have construction finance, likely including offtake agreements, and key incentive agreements in place subject to completion of the DFS so that construction can proceed promptly upon completion of the DFS.
  - Duration: 24 months
  - Budget: $20 million
- **Phase II: Construction & Start-up**
  - Duration: 18 – 24 months
  - Budget: $400 – 450 million
- **Phase III: Expansion**
  - Midstream and downstream processing
  - Budget: $75 – 100 million
  - Upper Kairakty
  - Budget: $550 – 650 million

Tungsten Price



KAZAKHSTAN

Kazakhstan is a large, sparsely populated country with a large mineral endowment. It is in the top ten of proven reserves worldwide in iron ore, lead-zinc, tin, tungsten, uranium, and coal. Since gaining independence following the collapse of the Soviet Union, Kazakhstan has created a favorable investment climate, including recognition of the important role of small and medium-sized enterprises.

East Kazakhstan, where Kaz Critical Minerals is focused, is an established mining area with historic mining operations since the late 1700s. Ust-Kamenogorsk, also known as Oskemen, the provincial capital, is a major mineral processing hub, including Ust-Kamenogorsk Metallurgical Complex (UKMC) owned and operated Kazzinc, 70% owned by Glencore. UKMC was the center of Soviet lead-zinc processing expertise and developed state-of-the-art technology now used around the world.

Cove Kaz and Kaz Critical Minerals Areas of Focus



KCM holds 13 exploration licenses in the Central Kalba region centered around the historic Belogorsk mines and Asubulak metallurgical center, approximately 60km southeast of Ust-Kamenogorsk. KCM expects to complete approximately 7,000 meters of core drilling designed to validate and update previously identified but undeveloped resources. KCM is also planning to reprocess tailings from historic, Soviet-era operations in the Central Kalba region.