



PT KNI International Co., Ltd

BlueMount Capital is mandated to assist PT KNI International Co., Ltd (“the Company”) with raising debt of US\$30m, with an option for a Convertible Note to convert to a 15% equity interest in the Company. The Company is also interested in strategic partners.

K&I International Group (“the Group”), having a wealth of experience in gold deposit exploitation and mine operations, has invested in gold mines in Ghana, Africa together with an American mining company. The Company has additionally obtained the mining rights on Diatomaceous Earth (“DE”), a unique natural resource in Indonesia.

Company Information	
Name	PT KNI International Ltd
Based	Seoul, South Korea Jakarta, Indonesia
Website	http://www.knii.co.kr/

Company Overview	
Founded	2006
Projected FTE Employees	67
Industry Sector	Mining / Processing
Status	Greenfield
Requirement	US\$30m debt / strategic partner
Type of Raise	Debt or Convertible Note
Use of Funds	Mining and building of processing plant
Exit	Operational cash flow
Minimum Investment	US\$30m

Company Financial Projections		
Year	Revenue (USD)	EBIT (USD)
1	\$31.8m	\$24.6m
2	\$63.6m	\$49.3m
3	\$95.4m	\$73.9m
4	\$127.2m	\$98.5m
5	\$158.9m	\$123.2m

Key Investor Highlights

Company Status:

- The DE tenements have over 300mt of world class resource
- Have Indonesian government support
- Can start operations from the 13th month after the funds are received
- Have completed the mining design and environmental study
- Mining permits are in place
- PT. KNI International is the Indonesian subsidiary of K&I International based in South Korea

Products:

- Based on the testing performed by Sucofindo Testing Laboratory in Indonesia and the Korea Testing Laboratory, the resource contains DE which have high silica purity levels between 93% and 99.3%.
- Further R&D undertaken by Kyoto University (Diatomite Research Group Kyoto-Japan) and Seoul National University (Korea) shows extraction results between 6N down to 4N grade high purity silica content
- The DE of the Company has a wide range of usages such as high-tech IT materials, solar panels, construction materials, etc.
- High margin products with little processing

Markets:

- PT. KNI International has entered into letters of intent with various Japanese companies which express their interest in the Company's products.
- The Company has communicated with some key players in Indonesia, China and Europe and some more market opportunities are explored.
- There is an opportunity for the new investor to enter into the offtake agreement with the Company.

Ask

PT. KNI International is raising \$30m in debt funding. A Convertible Note option is also available with an option to convert to a 15% equity interest in the Company. The capital will be used to fund the greenfield stage for building of processing plant and mining operations. The Company is also interested in strategic partners for the project.

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The Company

The Group has extensive experience in gold deposit exploitations and mine operations in Africa. The Company has secured the DE mines in South Jailolo, West Halmahera, North Maluku, Indonesia. According to the geologist report conducted by Korea Institute of Geoscience and Mineral Resources, the Company's possible DE reserves in Indonesia are estimated to be 365.17 million tons (recoverable reserves: 102.25 million tons).

Based on the current average sales price of DE in ground ore of USD15.8/t, the market price of the mines is estimated to be approximately USD1.6billion.

The Company has support from the Indonesian Government and completed the mining design and environmental study. The mining permits, e.g. IUP (Mining Business License), C&C (Clean & Clear) authorization granted from Indonesian Government, etc. are also in place. Hence, once the funding is available, the Company can start the construction of the processing plant and the mining operation is estimated to commence within 13 months.

PT. KNI International estimates that the production volume in the first 5 years are:

Year	Quantity (Tons)
1	120,000
2	240,000
3	360,000
4	480,000
5	600,000

The Company's key goals are to:

- Expand their mining operations in Indonesia
- Export the DE to the growing Asian markets
- Lower production costs via volume production
- Generate revenues of \$31.8m in Year 1 with an EBIT of \$24.6m

Capital is being raised to fund the Company's construction of the processing plants and mining operations. The funds will be used for:

Allocation of funds raised (USD)	
Start-up costs	\$1.7m
Mines and infrastructure development	\$8.2m
Production facility	\$14m
Other costs and expenses	\$6.1m
Total	\$30m

¹ Extracted from <https://www.lifepulsehealth.com/diatomite-market-to-partake-significant-development-during-2015-to-2021-4811>

The Mines

Further information on the DE in the Company's mines as follows:

- Silica samples from the outcrops have been assayed by Sucofindo Testing Laboratory in Jakarta and the results show greater than 93% High Purity Silica content
- The analysis by Korea Testing Laboratory (XRF test) show silica purity levels between 97.6% and 99.3%.
- Further research and development ("R&D") has been undertaken by Kyoto University (Diatomite Research Group of Kyoto-Japan) and Seoul National University (Korea) and the results show 6N down to 4N grade high purity silica content.
- DE is generally used as fillers, absorbents and construction material. The DE of the Company has a wide range of usages such as high- tech IT materials, solar panels, construction materials, etc.
- The Company is also looking to develop high value-added products through mid and long-term R&D.

The Market

High grade DE ore reserves is relatively small and gradually depleted.

There are over 750 products for which DE can be used. Examples are:

- Fillers: plastics, coating, eco-friendly paint, rubber, glass, construction material, cosmetics, insulation, paper, plastic films, dental, ceramics
- Filters: beer, wines, pharmaceuticals, food, chemical, sweeteners, juice, swimming pools, water, agriculture
- Absorbents: sanitary pad, diaper, catalyst, pesticide, landscaping material
- High Purity Silica: solar panel, photovoltaic, polysilicon, tires, functional construction materials and new ceramics

In terms of demand, Asia Pacific is anticipated to be the fastest growing markets for diatomite due to increasing demand from crop protection chemicals, industrial applications and the medical & healthcare industry in this region.

China had the highest demand for diatomite in Asia Pacific region. Also, other Asian countries such as India, Korea, Japan and Australia are likely to provide better opportunity for diatomite market in next few years¹.

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Debt Information

The Debt is restricted to sophisticated and/or foreign investors only:

- Financing Amount: USD30,000,000
- Return on Investment: commensurate with project financing arrangements
- Collateral/security: Lien over the resource and the Company
- Convertible Note option: 15% Equity in DE concession/permit holder

Board of Directors



Jun Yong Kon
Chairman

Graduated from Korea Military Academy in 1971 and joined the National Security Planning of Republic of Korea. Mr Jun was awarded Top Agent of the Year by the President of Korea. Continuing Mr Jun's leading career path in a multi-disciplinary Engineering & Construction Company, he was appointed as Director of the Byucksan Group and Chairman of Daekwangcon both ranking in the Top 10 construction groups in Korea. In 1999, Mr Jun founded and became Chairman of K&I International.

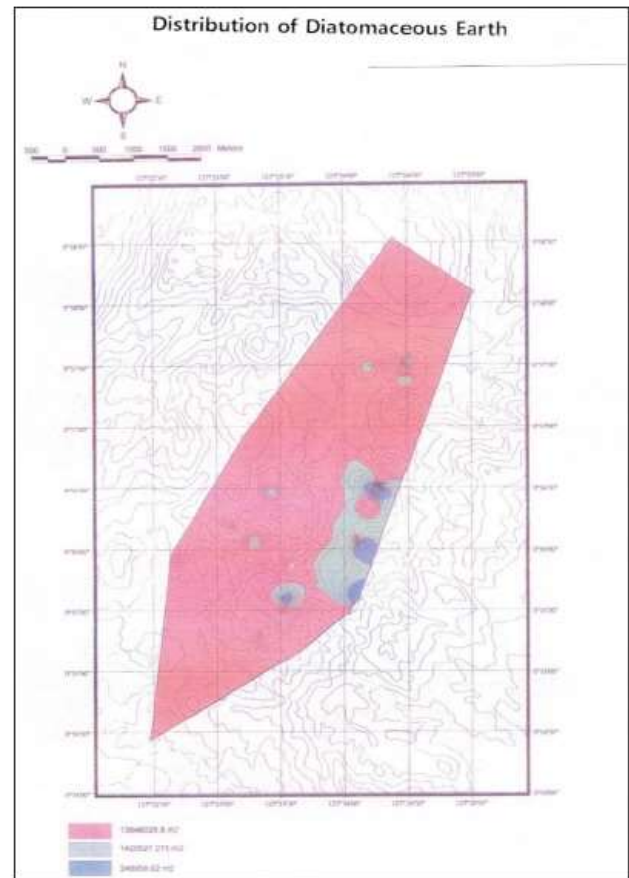


Choi Byung Kyu
President

Graduate of Sukmyung University Executive MBA, founder and President of Immanuel Electronics. Mr Choi has received great recognition and was awarded the Presidential Business Award for his innovative work in creating health monitoring equipments. He was also awarded the Innovative Korean Business Man of the Year. Further to his developmental work in the Solar panel business in Korea and Chile, he became the President of Imenergy. Continuing in 2017, he was appointed as President of K&I International after 3 years of serving the company as Vice President.

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DE Mine Location Map



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