



Barite Supply Development In China and Mexico

May 2022

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Barite industry in China

China led the Barite world market for more than 20 years, has most diverse Barite mines, and developed mining and processing technology

India exceeded China in 2018, and Morocco surpassed China from 2021 in volume of Barite export, now China is the third Barite exporter in world market

China has complete Barite supply covering all grades of Barite, drilling, Chemical and filling. High value Barite (Chemical, filling grade) is still leading the world market

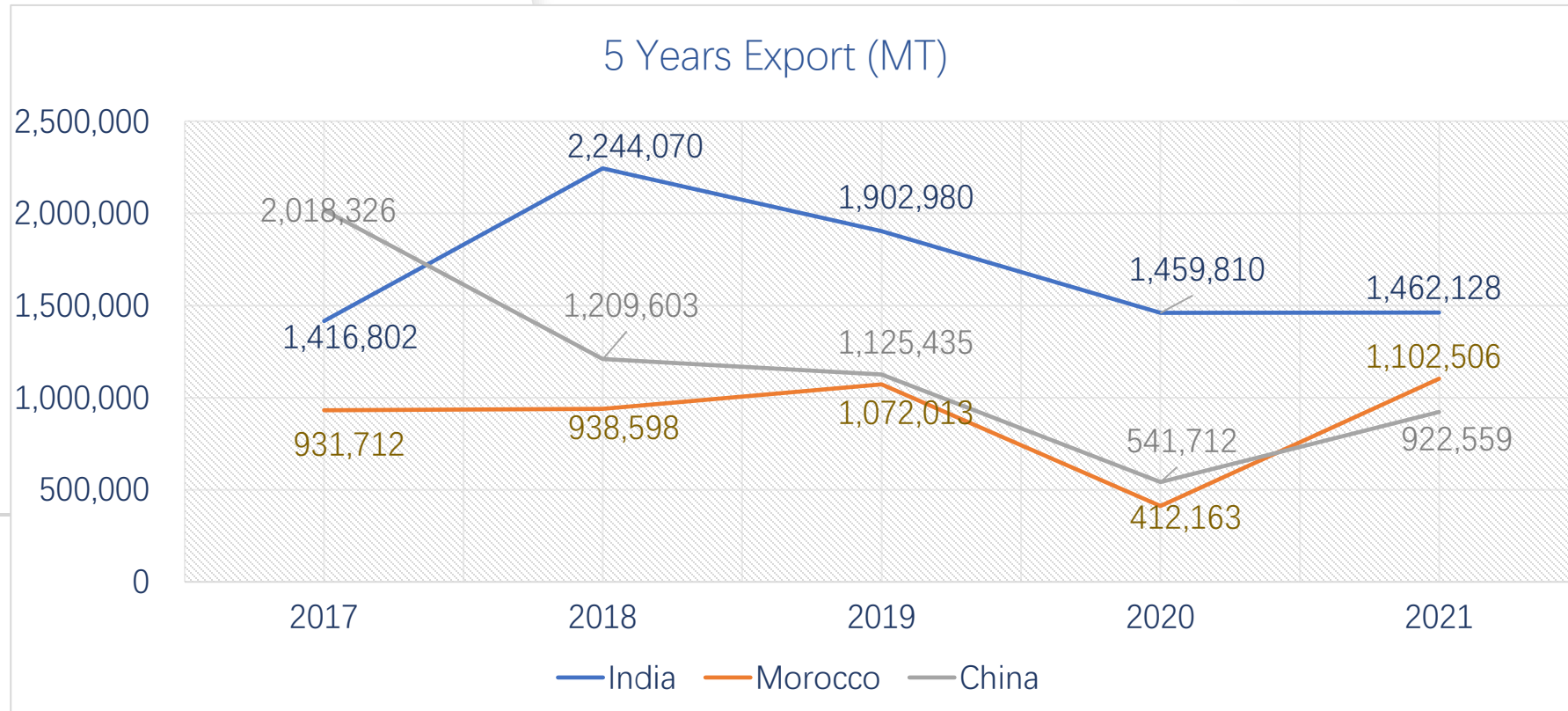
All mining industries in China is facing greater challenges and uncertainties

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Changes in past 5 years

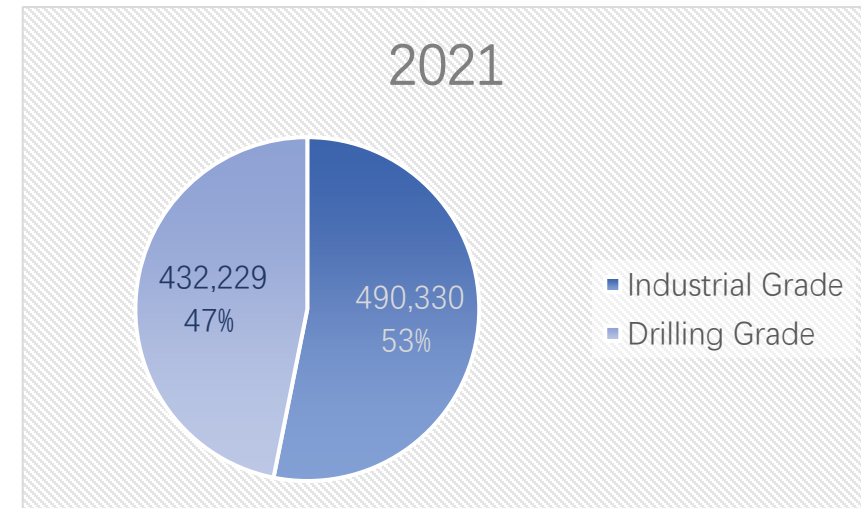
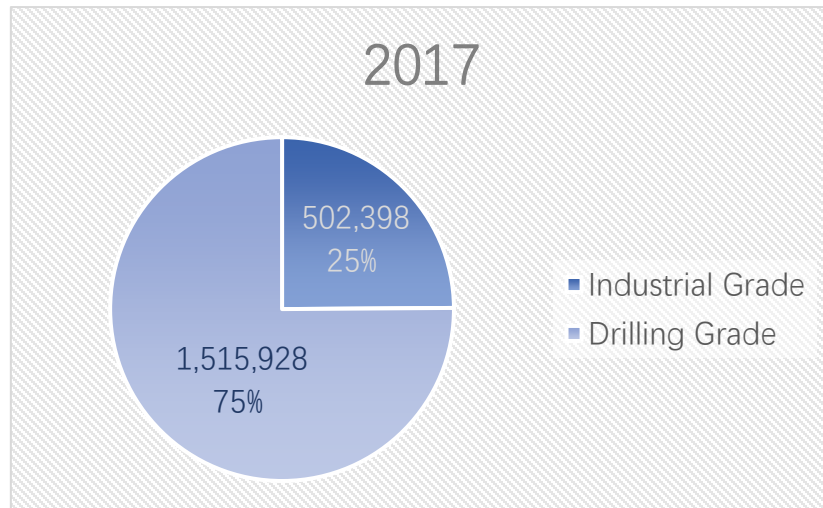
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Changes in past 5 years

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Barite Export by Grade



Industrial grade Barite export maintains at same level, but drilling grade dropped significantly

Drilling grade export to US dropped to 200K in 2021, decreased by more than 80%

Changes in past 5 years

CN

The new mining industry policies requires more environmental protection and higher mining scale, which has effected Barite mining significantly since 2018.

In the past 5 years, more than 80% barite open mines or small under ground mines in China shut down gradually, and total production decreased by 65%.

Through taking the advantage of China's complete mining industrial chain, China has developed barite mining processing technology, which kept the high value industrial barite still leading the world market



Estimation for 2022-2023

Barite mining is facing challenge and uncertainty as Barite is not included in strategic minerals list in “China National Mineral Resources Plan”(2021-2025)

The production of Barite will be kept at same level of 2021 at 1.7-1.8 million ton, and export will be at 1 million ton with about half for industrial grade barite.

Severe high Ex-China logistic cost is softening, but still at high level.

Strict pandemic control create uncertainties for both production and deliveries

Estimation for 2022-2023

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Estimation of Barite Production

	Grade	Metric Ton
●	Domestic Chemical Grade (S.G. 3.8-4.0)	700-750K
●	Domestic Drilling Grade (S.G. 4.20)	200-250K
○	Export Industrial Grade (S.G. 4.30-4.40)	400-500K
●	Export Drilling Grade (S.G. 4.10-4.20)	350-400K
Total		1,700-1,800K



BARIBRIGHT IN MEXICO

Baribright, the Chinese Barite leading exporter, setup two Barite JVs in Mexico in 2017 and 2019.

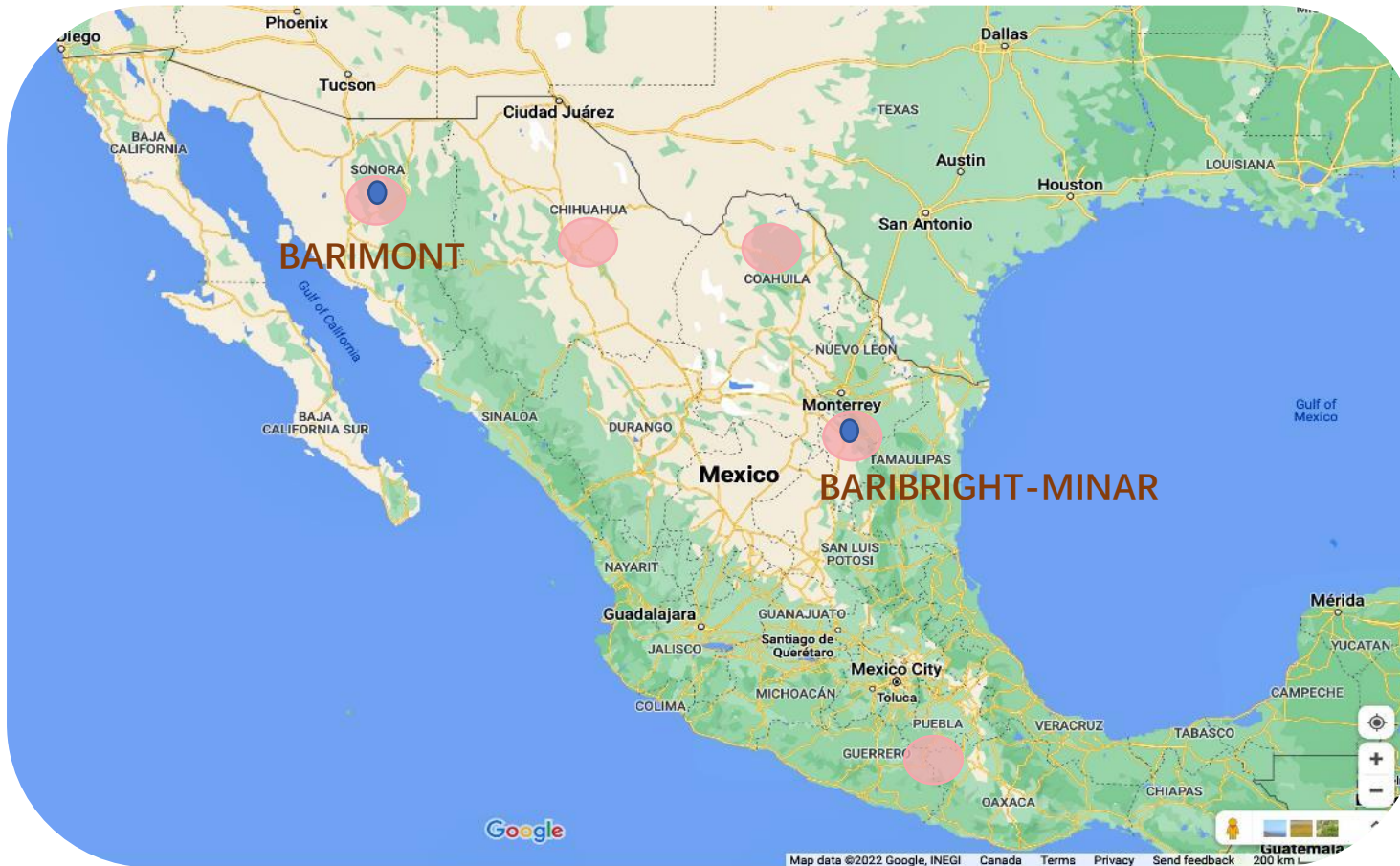
Based on Baribright's mining and processing experience and technology in Barite, the two JVs are well developed and won confidence from market.

Baribright-Minar focus on producing industrial grade Barite locates in Galeana, Nuev Leon.

In Sonora, Barimont, the JV for drilling grade Barite, is mining, concentrating, and grinding API standard barite.



BARIBRIGHT IN MEXICO



Nuevo Leon, Mexican traditional Barite mining area, has multiple types of barite. Baribright-Minar has high quality barite deposit and underground mines, focus on Industrial grade barite production, deliver to Europe and US.

Sonora, main Mexican mining state, has world class large open pit Barite deposit, no heavy metals, and S.G. at 3.6-4.0,. Barimont owns the best Barite reserve in this area.

BARIMONT MINERIA



Barimont is a JV of Baribright and CPC (Chemical Products Corporation, in the U.S. Georgia) since March 2019.

Barimont has 14 mining concessions covering 5,000 hectares in Sonora.

Discovered economically mining reserve is more than 20million MT, majority is open mines. Currently only 1 concession is partially mined, where has 1.5million MT of reserve.

In 2022, Barimont monthly mining tonnage is 40,000Mt and annual at 480,000MT.





BARIMONT MINERIA

Baribright rebuild beneficiation line of annual capacity 100,000MT in 2019 with new technology, this line increased output SG above 4.10SG and the yield rate over 40% (which was 4.06 and 28%)

Barimont is building the second beneficiation line, which will be in production in June 2022. Then the two lines have annual capacity at 250,000MT of 4.10SG ore



April, 2019



August, 2019



New Line in Construction



BARIMONT MINERIA

In 2021, Barimont setup new milling plant, and installed the first 50 inches Raymond mill

The mill is customized based Barimont barite and can achieve high production at 12-13mt of API barite powder per hour, 6,500MT per month

The second mill will be installed well by end of June, then Barimont will have annual capacity of API powder at 150,000Mt



BARIMONT MINERIA

Barimont is 230KM from Guyamas port and 110km from Hermosillo railway station with national way connected

Guyamas port can berth Panamax vessels with loading rate at 10,000mt per day and has containers service as well

Hermosillo railway is connected with US railway which can reach North American destinations






THANK YOU!