Argonon

Tradeable Helium, or ArgHe

(Pronounced: Arg he)

Regulation D, *US Investors*
Regulation S, *Non-US Investors*

www.argonon-he.com

Helium Uses – “Irreplaceable without Substitutes”

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Helium uses

Helium is a vital and irreplaceable element in many modern industries

Why is helium important?

- Helium is a **rare** commodity
- Helium is critical to almost all facets of modern life, including medical, electronics, defence, research, and of course the occasional party!
- Once vented, helium is the ***ONLY*** element on the period table which can ***NEVER*** be recovered

The properties of helium

Helium is best known for being lighter than air, but it has many unique qualities that make it important for applications in technology, including displaying ***quantum properties*** leaving it ***without substitute***

Helium Uses – “Irreplaceable without Substitutes”

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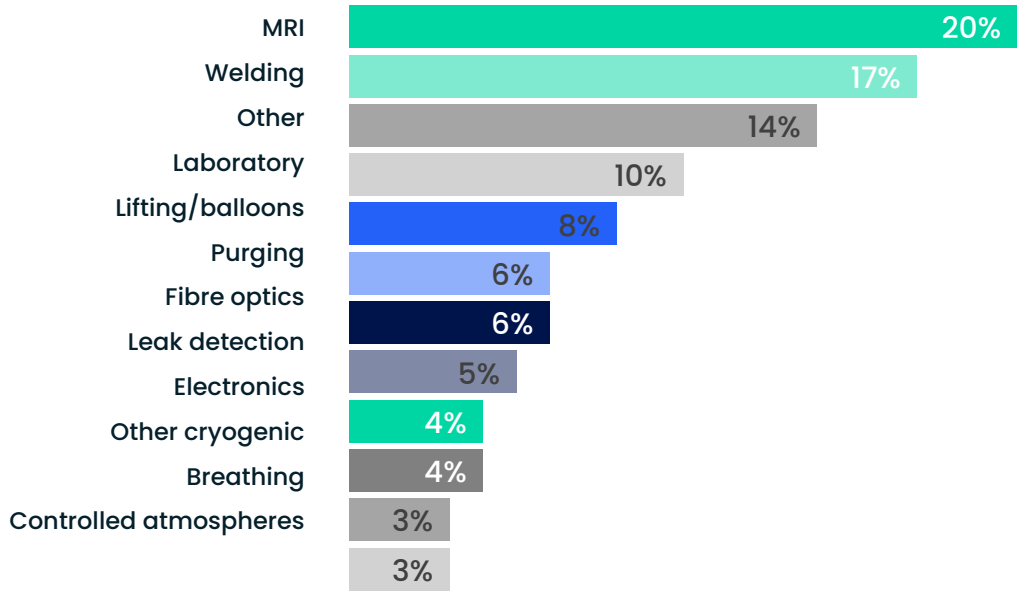

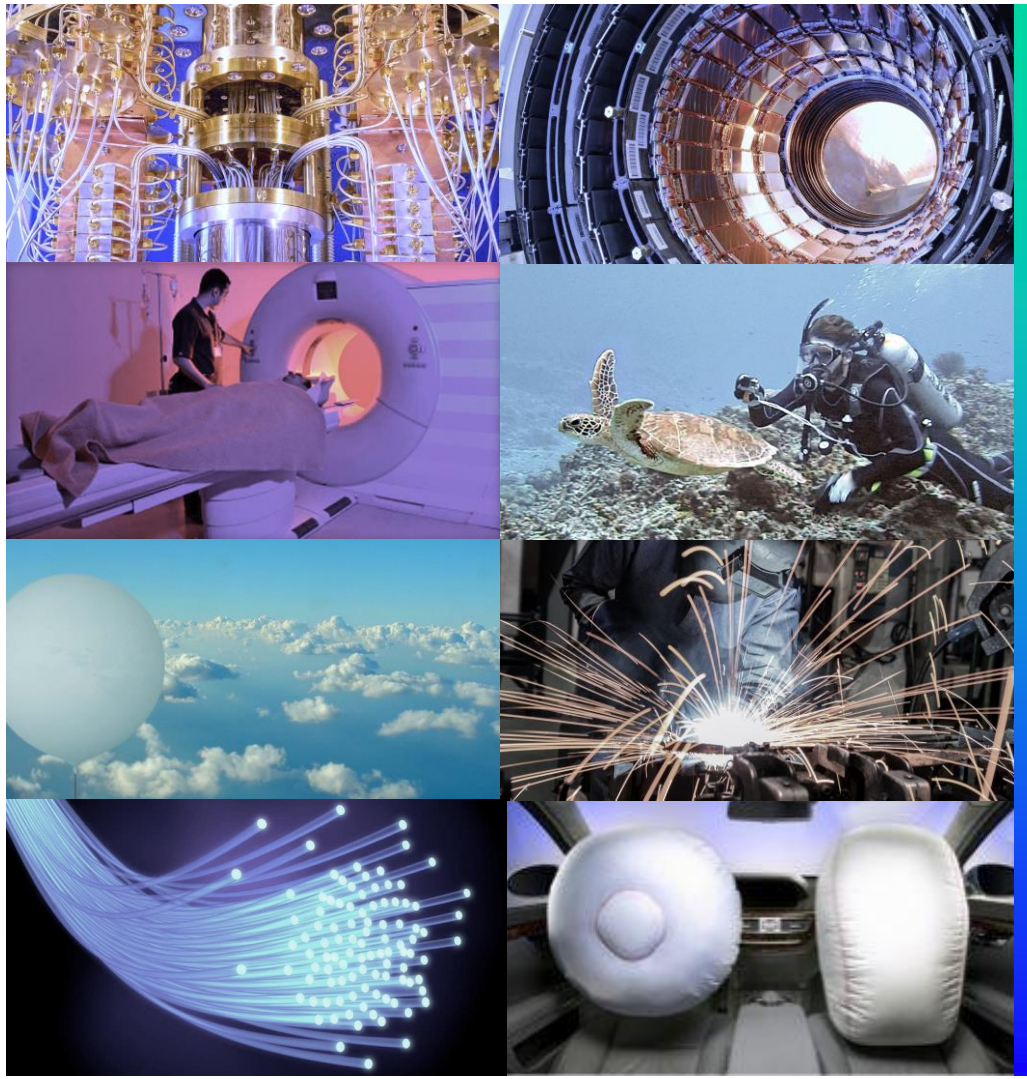

Inert
Doesn’t react chemically with other elements

Non-toxic
It’s colourless, odorless and tasteless

Lighter than air
Ability to lift and/or float

Boiling point -268.9°C
Does not solidify at atmospheric pressure

Superfluid
The only substance with no viscosity in liquid form making it critical in use for high energy physics

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Helium Uses – “Strong Supply & Demand Dynamics”

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Key Considerations

Demand

- Estimates vary but annual usage is 6-7BCF (28m - 32m kg) worth $US6bn
- **US is the largest user of helium**, accounting for 41% of current global demand
- Increased penetration of MRI in emerging markets
- Growth in electronics, semiconductors, LCD and fibre optics mainly from South East Asia
- **Quantum computers** are becoming commercially viable, and rely on large amounts of helium to operate

Supply

- USA is currently the world's leading helium supplier with ~ 55% share of global supply in 2016, followed by Qatar with ~32% (Source: USGS)
- Blockade of Qatar, followed by the Suez Canal blockage have increased **uncertainty on helium from the region**
- **Supply is diminishing** with the US Bureau of Land Management having announced a permanent shut down with the last auction having occurred in August 2018
- Hugoton field winding down and shutting in 2023, at which point the **US becomes a net importer of helium**
- The current US administration is pressuring industry to **reduce the use of fossil fuels**, the **primary source of helium**, which will impact long term global supply

Key Future Catalysts

- **Space agencies (e.g. China, India, SpaceX)**
- According to Deloitte’s 2019 report “Global health care outlook”, the number of private hospitals in China doubled to 18,759 from 2011 to 2017 which represents a compound growth of over 12% in the private health care sector alone
- The world’s only primary helium supply, the USA Federal reserve goes offline to the public sector in 2021, due to depletion
- Qatar’s supply remains volatile given the situation in the Middle East, and more recently the Suez Canal blockage
- Russia’s **Amur** project relies **on poor road infrastructure** in remote Siberia

Offering Overview for *ArgHe(s)*

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Instrument Issuer:	Argonon Helium US Inc
Offering Amount:	Up to 100,000 Units, each **Unit** representing **1,000 standard cubic feet ("mcf")** of helium (each Unit referred to as an "***ArgHe"***)
Purpose:	Prepayment of the helium sales agreement with the Supplier
Supplier:	**Renergen Limited**, a dual-listed South African based company with a world class position in helium for global significance. Renergen has the world's richest helium reserves and is uniquely positioned to create a **dominant** market situation as the industry price setter
Type of Raise:	Regulation D 506(c) and Regulation S private placement commodity-backed digital asset
Minimum Investment:	$5,000 for the first 200 investors, $25,000 for the remainder of investors, or at management's discretion
Collateral Protection:	Prepay of physical helium gas asset ("**LHe**") with company guarantee
Digitization Conversion:	Investors will receive an asset which will become a fully tradable digital instrument based on a strike price (or sales price) that is deeply discounted to the current market price for helium
Strike Price (Sales Price):	Pricing per ArgHe, and subject to timing of investment: • Subscription Signed Before 29 October 2021: US$235 per Unit • Subscription Signed Before 30 November 2021: US$250 per Unit • Thereafter: US$275 per Unit
ArgHe Equivalent:	1 Unit or mcf, being 1,000 standard cubic feet of Helium at 99.999% purity at a temperature of 70 degrees Fahrenheit, and pressure of 14.696 psia, delivered at -269 degrees Celsius in liquid
Transaction Structure:	ArgHe(s) to be tokenised

Tokenisation and Liquidity Plan

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	Item:	Expected Timeline / Date:
1	Commence subscriptions	12 October 2021
2	Whitelist Reg. D and Reg. S investor wallets based on KYC Information	1 week from commencement
3	Design and finalisation of Smart Contract	5-7 weeks from commencement
6	Permanent token minted and issued to each investor	13-16 weeks from commencement
8	Reg S investors token tradable after 60 days	60 days after token received
9	For Reg D investors tradable after 365 days	365 days after token received

Our Supplier

RENERGEN
FUTURE ENERGY, TODAY

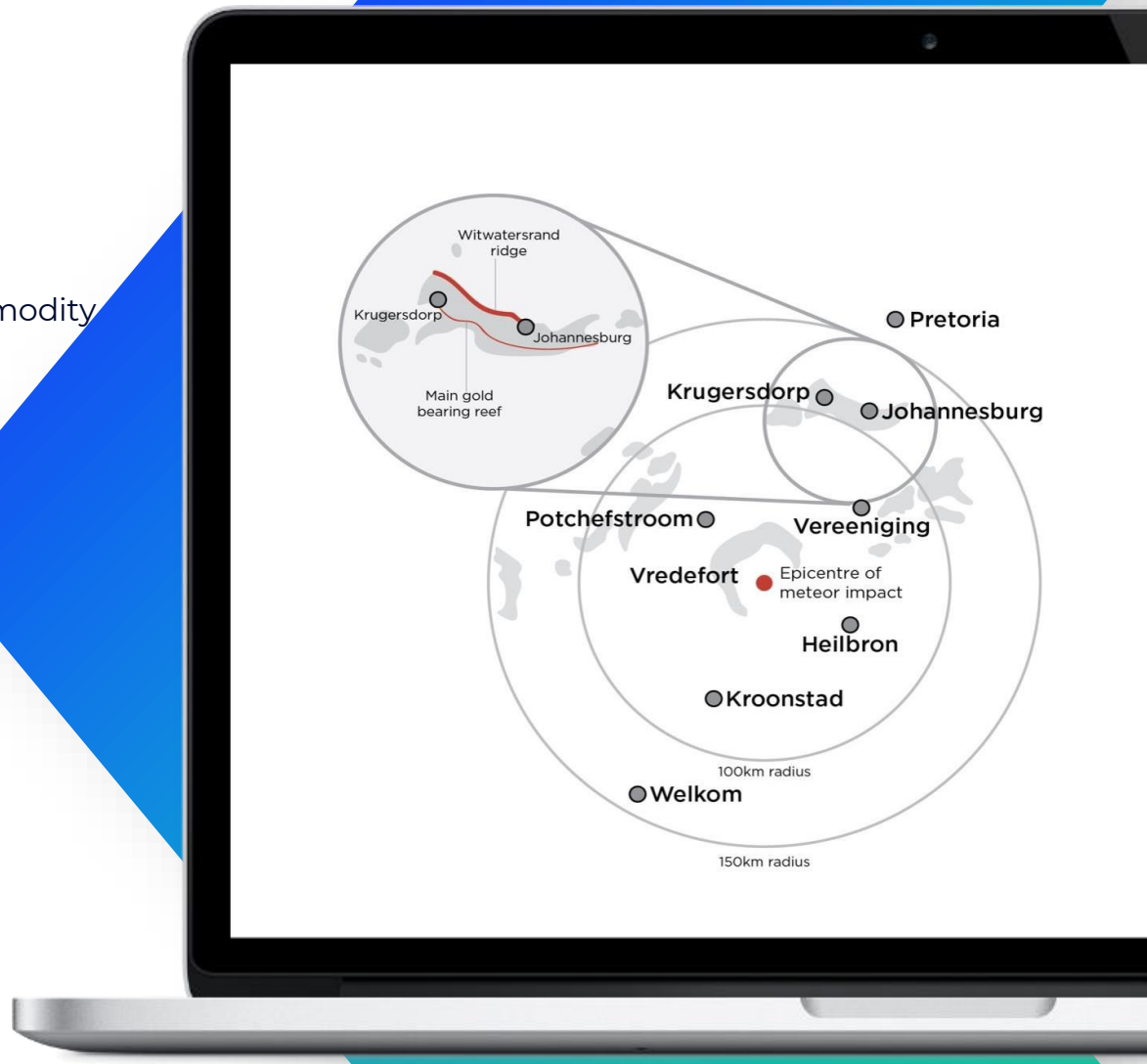
www.renergen.co.za

Company Overview

- Dual-listed on both the JSE (REN) and ASX (RLT)
- South African (“SA”) helium producer and ***first*** onshore LNG producer
- Production rights to a unique regenerative gas resource at Renergen`s Virginia Gas Project
- Positioned to become a significant global producer of helium, introducing South Africa as the eighth country in the world to export the very rare commodity
- The plant will be the first liquid helium and LNG processing technology in the country

Virginia Gas Project

- 462,087 acres of production rights
- 16 producing gas wells
- Pipeline complete
- Phase I LNG and helium processing facility under construction
- All land agreements in place for Phase I (No economic participation in the right by landowners)
- Production Right granted by the SA government for a 30-year period; renewable at Renergen' s discretion
- Microbial gas source (deep seated underground bacteria producing high quality methane)
- Asteroid responsible for the Vredefort Dome (World Heritage site) created large amounts of Uranium and Thorium underground releasing high-quality helium through radioactive decay
- Phase I revenue a few months away



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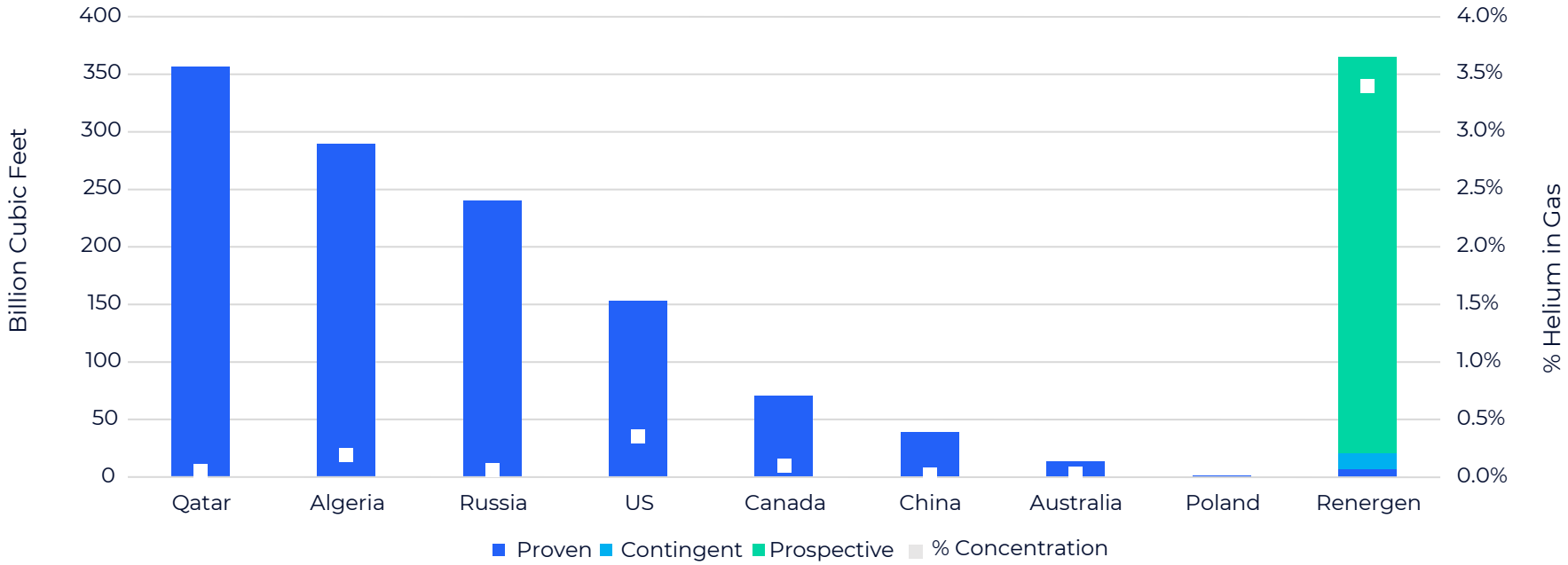
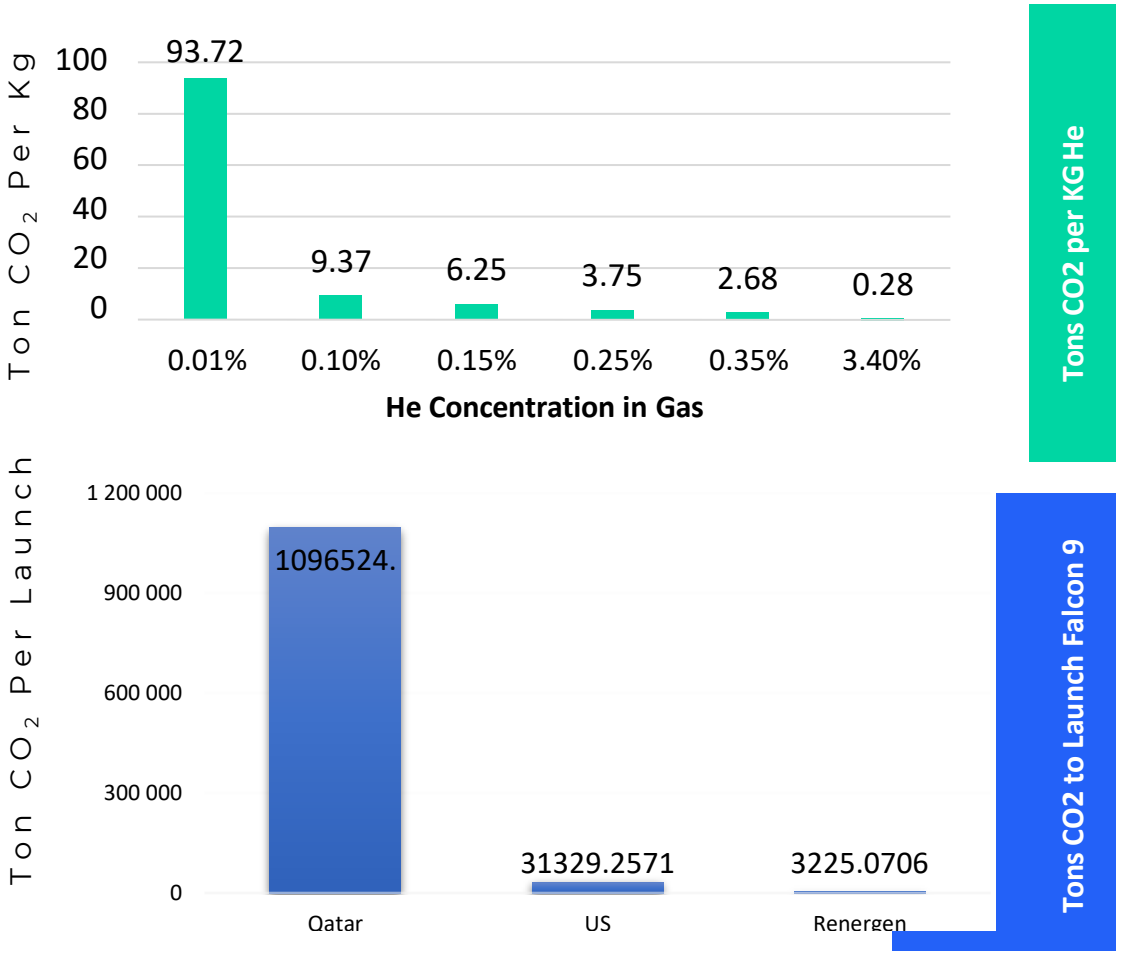
Global Helium Resources



- Qatar currently leads the world with highest proven Helium Resources with 356 BCF
- Recoverability of helium is a function of concentration, which plays a reverse role with methane gas
    - o Higher concentrations of helium requires less production of methane for extraction and sale
      = lowest carbon foot-print and lowest cost producer

Concentration is Key

- Extraction of helium produces natural gas, when combusted, each kg of Methane produces 2.2kg $C0_2$
- Nearly all helium is produced as a byproduct of natural gas. Very few helium projects produce little to no methane
- The highest concentration of helium consequently produces the lowest carbon foot-print
- Helium is irreplaceable in the modern world; Qatar (30% of the world's helium production) produces **335 times more $C0_2$ than Renergen**



Comparative Concentrations

Yields between 2-12%, with an average of 3.4%

QATAR
Average 0.01% helium

ALGERIA
Average 0.19%

U.S.A
Average roughly 0.35%

Value Proposition “Opportunity”

Diverse streams of revenue, no customer concentration

Highest helium concentration globally (providing lowest carbon emissions per MCF extracted)

Low-cost producer

Significant upside in unexplored and undiscovered resources

Regenerative, geological resource

Helium deemed critical to US national security

Highly favourable supply / demand fundamentals

- Helium cannot be substituted and has high demand in many verticals including medical, space, defense amongst others
- Price has increased more than 460% in last 10 years

Management Team

Stefano Marani

Chief Executive Officer of Renergen Limited (“Renergen”), a dual listed Helium and Natural Gas company with substantial gas reserves in the Free State of South Africa (the “Gas Fields”). Stefano was part of the team that acquired the Gas Fields from Molopo Energy Limited in April 2013 and was instrumental in developing the Gas Fields from a stranded gas asset into production with funding from the US government and an Initial Public Offering on the Australian Securities Exchange (ASX). Along with Nick Mitchell, they pioneered the use of natural gas in heavy duty vehicles in South Africa to help decarbonize the South African economy, which ultimately led to a joint-venture with Total South Africa Proprietary Limited. Additionally, Stefano pioneered Cryo-Vacc™ to help in the global rollout of vaccines in the fight against COVID-19.

Nick Mitchell

An experienced Director with a demonstrated history of working in the energy industry. Specialising in the South African oil and gas sector and focused on early-stage company development. Nick is strong in operations, strategy, and risk management. Nick currently serves as the Chairman of the Onshore Petroleum Association of South Africa (ONPASA) and has done so since March 2017. In December 2020, he was appointed as a Trustee to the Upstream Training Trust (UTT), which was established by the Petroleum Agency of South Africa and the various companies participating in the South African off and on-shore search for oil and gas. The Trust seeks provide bursaries to eligible students who are interested in pursuing careers in the upstream Petroleum (oil and gas) exploration sector.

Value Drivers

Teams

Industry professionals with track record of success in commodities and finance

Proven wells with historical success

Existing wells are free flowing in the Gas Field, situated in prolific natural gas and helium districts

Prime positioning with room to grow

With a decline in supply and a growing demand of helium, South Africa's relationships with both the US and China creates an immense opportunity for growth

Risk Factors

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Investors understand that the offering is a risky investment and that they may lose up to 100% of their investment. The following describes potential risks associated with the investment, and should be read in conjunction with the subscription document and helium supply agreement between the supplier and Argonon Helium US Inc. This does not list every risk that may be associated with this investment and risks which may occur completely beyond the control of Argonon Helium US Inc and the supplier's directors and management.

- Mining and exploration risk: business activities at the supplier level are subject to several uncertainties that could affect the delivery of helium and/or the ability to perform. Exploration and mining are speculative undertakings which may be hampered by force majeure circumstances, and successful delivery of helium requires the successful construction of the Phase 2 plant
- Estimation of Mineral Resources: actual reserves and resources may be materially different from estimated reserves and resources, which may require estimations based on actual production
- Future financing: the ability for the supplier to grow its capabilities is predicated on its ability to source sufficient capital
- Competition: new supplies of helium are becoming available globally, and this may have an impact on the ultimate price of the commodity
- Jurisdictional risk: the supplier is based in South Africa, and while the supplier has obtained financing by the US government through the US Development Finance Institution, or DFC, as a jurisdiction South Africa may pose additional risks with the investment
- Regulatory approvals: the supplier operates in a regulated environment and therefore requires regulatory approvals for various aspects of its business operations, which may lead to delays in operations and delivery schedules
- Commodity risk: the price of the underlying commodity is subject to market supply and demand factors and that the future price of the commodity may be less than the current price of the commodity
- Liquidity risk: once the instrument has been tokenised, there is no assurance the instruments will have sufficient liquidity to be able to exit positions timeously
- Shipping: shipments may not reach their intended destinations on time and this may affect the ability to deliver the commodity

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