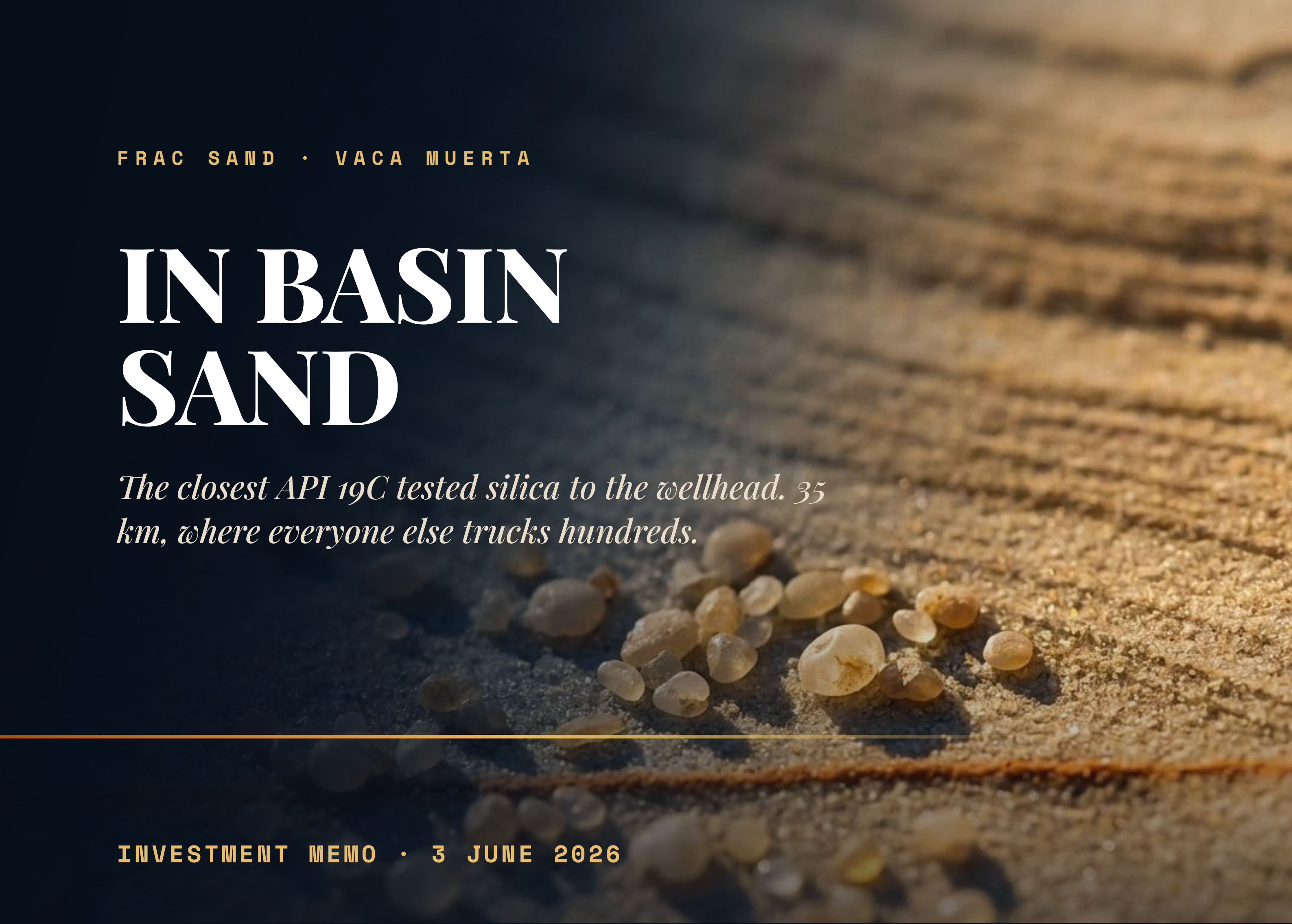


FRAC SAND · VACA MUERTA

IN BASIN SAND

The closest API 19C tested silica to the wellhead. 35 km, where everyone else trucks hundreds.

INVESTMENT MEMO · 3 JUNE 2026

JOLOT S.A.S. · BRIDGE ROUND · CONFIDENTIAL · PREPARED FOR QUALIFIED INVESTORS

A single **US$2.4M** secured convertible note, one closing, to finish the Phase 1 plant and start production on a API 19C tested frac-sand deposit **35 km** from the productive North Zone of Vaca Muerta. Freight is the single largest delivered cost in frac sand, so the closest tested source wins on delivered cost before anything else. One flat **US$15M** pre-money cap, one 30% discount to the next priced round.

US$2.4M	35 km	US$90/t	flat US$15M
SINGLE NOTE, ONE CLOSING	TO THE WELLHEAD	BASE CASE PRICE	PRE-MONEY CAP

The deal in *one paragraph.*

IN BASIN SAND, operated by JOLOT S.A.S. (Argentine company since 22 February 2019, BORA aviso 11266/19, CUIT 30-71635875-1), holds the TECMIN 1 silica sand pedimento in Malargue, Mendoza, and is bringing a Phase 1 plant on stream to serve the Vaca Muerta frac-sand market. The raise is a single US$2.4M secured convertible note, one closing, at a flat US$15M pre-money cap, with a 30% discount to the next priced round and a 10% coupon. Sergio Kalierof, founder and principal shareholder, gives a personal guarantee on the whole note. Minimum ticket US$25,000. Base price US$90/t. Phase 1 production 240,000 t/yr. Year 1 is the build year; operating cash turns positive in Year 2.

WHY THIS TRANSACTION

- **Unit economics work.** Year 1 revenue US$12.3M, EBITDA US$4.05M (33% margin) at the US$90/t base price, after the full Argentine tax stack (Mendoza mining royalty 3%, IIBB 3.5%, Ganancias 35%).
- **The raise is sized to the cash trough, not the receivables balance.** Year 1 levered free cash flow is negative US$1.67M by design: the business buys the plant and funds the receivables ramp at the same time. Peak accounts receivable, about US$3.3M, is a balance-sheet item financed by the revolving sales cycle once revenue flows, not cash the bridge must raise. US$2.4M is sized to the cash trough, the deepest point of cumulative cash before operating cash turns positive. Cash turns positive in Year 2 (US$2.82M levered), cumulative positive within Year 2.
- **Distance is the moat.** About 35 km to the productive North Zone, where every other tested source trucks 120 km to 1,200 km. The advantage is structural, not promotional.

> **What sizes the raise.** The earlier work conflated two different things. Peak accounts receivable (about US$3.3M) is a balance-sheet figure financed by the revolving sales cycle once revenue flows, not cash the bridge must raise. The bridge is sized to the cash trough, the deepest point of cumulative cash before operating cash turns positive. The single note funds the pre-revenue build, and the later plant instalments self-fund as sales begin; a drawdown schedule manages cash inside the company. That distinction is the whole reconciliation.

PRINCIPAL RISKS, STATED PLAINLY

- **Permits in process.** Provincial mining permits and the environmental declaration are in process, not granted. Section 5 sets out the timeline and the mitigant.
- **No signed offtake yet.** Sample-to-contract is a chicken-and-egg problem until the plant turns on. The 30% discount and the personal guarantee price this risk.
- **Resource not yet independently certified.** The next diligence step is an independent NI 43-101 or JORC report. The current basis is the internal technical report plus SGS testwork.

- **Single principal.** Sergio Kalierof is the sole administrator and the personal guarantor on the whole note. This is a single-principal frontier-market structure; price the ticket accordingly.

1 · TRANSACTION SUMMARY

One note, one closing, *one flat cap.*

The raise is a single US$2.4M secured convertible note at a flat US$15M pre-money cap, with one 30% discount to the next priced round. One closing; every investor enters on the same terms, first dollar and last.

TERM	DETAIL
Instrument	Single secured convertible note, one closing
Size	US$2.4M
Valuation cap	Flat US$15M pre-money
Discount	30% to the next priced round
Coupon	10% pa
Maturity	18 to 24 months
Security	Personal guarantee from Sergio Kalierof on the whole note, plus JOLOT S.A.S. entity assets
Minimum ticket	US$25,000
Governing law	Swiss law, arbitration seated in Geneva

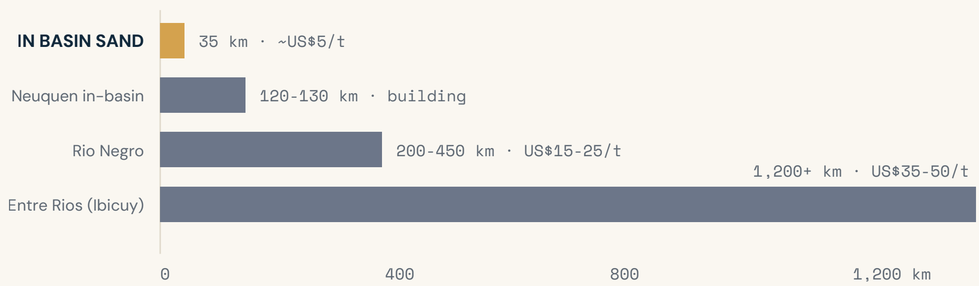
- **Instrument.** Secured convertible note, USD-denominated, governed by Swiss law with arbitration seated in Geneva. The note converts into equity at the next priced round of US$5M or more (Series A or equivalent), at the better of the flat US$15M cap or the round price less the 30% discount.
- **Minimum ticket.** US$25,000. **Maturity.** 18 to 24 months.
- **Security.** Personal guarantee from Sergio Kalierof on the whole note, plus JOLOT S.A.S. entity assets. JOLOT holds the TECMIN 1 silica sand pedimento in Malargue, Mendoza, confirmed by the Direccion de Mineria re-caratulacion of 4 April 2025.
- **Use of proceeds.** The note funds the pre-revenue build: site, plant instalments, and the first months of operating cost, with the later plant instalments self-funding as sales begin. A drawdown schedule manages cash inside the company.
- **Wire rail.** Subscriptions route to the JOLOT S.A.S. USD operating account at Banco Santander Argentina, USD to USD, by traditional bank wire. No crypto rail in this round.

Distance is the moat. *The closest tested source carries the lowest delivered cost.*

Every API 19C tested silica source in Argentina trucks sand hundreds of kilometres to the Vaca Muerta wellhead. IN BASIN SAND sits about 35 km from the productive North Zone. Freight is the single largest delivered-cost line in frac sand, so the closest tested source wins on delivered cost before anything else.

SOURCE	DISTANCE TO WELLHEAD	TRANSPORT COST
IN BASIN SAND	about 35 km	about US$5/t
Neuquen in-basin (NRG Allen, Senillosa)	120 to 130 km	building, not at scale
Rio Negro	200 to 450 km	US$15 to 25/t
Entre Rios (Ibicuy)	1,200+ km	US$35 to 50/t

Distance to the Vaca Muerta wellhead, by tested source



Illustrative schematic, not photographic. Source: JOLOT logistics, public Argentine freight data 2026.

Entre Rios sand, roughly 80% of basin supply, crosses the country by truck (3,500+ trucks per day in early 2026). The closest in-basin entrants, NRG Allen and Senillosa, sit 120 to 130 km out, are built or partly built, and are still ramping. We are not claiming an empty field. At about 35 km we are the closest tested source on delivered cost, directly answering the truck problem the operators have named.

A tested deposit, an optioned plant, *a title in hand.*

- **3.2 million tons cubicated.** At the 240,000 t/yr Phase 1 run rate that is about 13 years from this block alone, before the 60M+ tons of exploration upside (inferred, not a certified reserve).
- **API 19C tested by PropTester (Texas).** Passes turbidity, roundness, sphericity and particle distribution; K-factor 6K to 7K. Does not meet the strict 12:3 HCl/HF acid solubility, a concentration seldom used in land operations, where 7.5 to 18% HCl is standard. SGS Minerals (Chile) ran the beneficiation and granulometry study. SiO2 above 70%. Full lab reports in the data room under NDA.
- **Title.** TECMIN 1 silica pedimento, Malargue, Mendoza, held in the JOLOT S.A.S. name. Re-caratulacion confirmed by the Direccion de Mineria, 4 April 2025.
- **Plant identified and optioned.** Second-hand 50 t/hr unit, US$1.4M over 5 instalments, bringing Phase 1 capacity of 240,000 t/yr on stream. A new line of equal capacity benchmarks near US$1.7M.
- **Bailey bridge** over the Rio Colorado, 39-page hydraulic study complete (not yet built). If constructed, barge access opens a US$120/t case. The US$90 base case stands without it.

ENTITY, VERIFIED

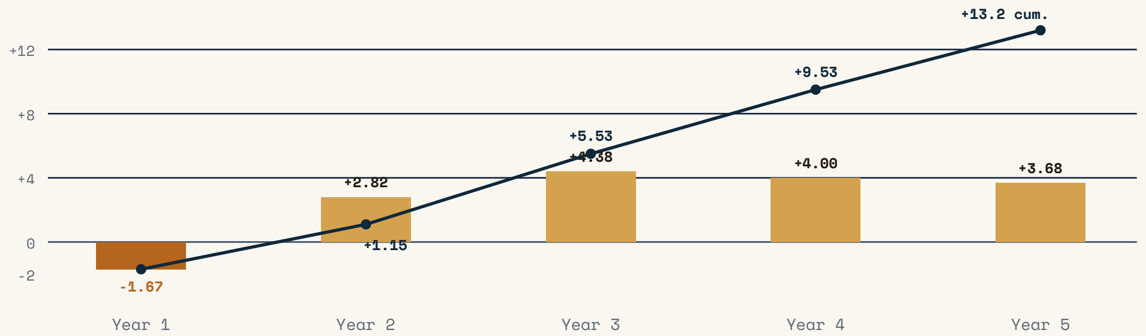
IN BASIN SAND is the commercial brand. JOLOT S.A.S. is the Argentine legal and operating company that holds the mining title, the plant commitments, and all supplier contracts. Constituted 22 February 2019 (BORA aviso 11266/19), CUIT 30-71635875-1, sole titular administrator Sergio Daniel Kalierof (DNI 12.980.111, fiscal residence San Juan), administrator alterno De Stefano Adrian Ariel. OFAC, EU, UN and Interpol clean. Quiebra, concurso and criminal records clean across BORA and the CIJ public registry. Banking with Banco Santander Argentina. A separate rural land position with Rio Colorado coastline is decoupled from this round, financed separately and paid from production start, not part of the security base an investor underwrites here.

Year 1 builds. *Cash turns positive in Year 2.*

From the rebuilt institutional model (June 2026), including the full Argentine tax stack (regalia minera, IIBB, Ganancias) and a working-capital schedule. The US$90/t base sits under a delivered market of US$180 to 200/t, where YPF pays US$170 to 180/t, so it reads as a floor, not a stretch.

METRIC	YEAR 1	YEAR 2
Production (t)	136,500	240,000
Revenue	US$12.3M	US$21.6M
EBITDA (margin)	US$4.05M (33%)	US$7.55M (35%)
Levered free cash flow	(US$1.67M)	US$2.82M

Phase 1 annual (bars) and cumulative (line) levered free cash flow (US$M)



Cumulative levered cash positive within Year 2. Illustrative, not a guarantee.

Year 1 is the build year: the round funds the plant and the receivables ramp at the same time. Fully loaded cash operating cost runs about US$850K/month (mining, 10 km haul, load, plant, energy, G&A, insurance), before the turnover taxes that scale with revenue. Operating-cost inputs were confirmed by Marcelo Marty: haul US$6/t, plant US$4/t, loadout US$1/t, G&A US$15k/month, insurance US$8k/month. Margins hold in the high 20s to mid 30s across the plan, easing toward 26% by Year 5 as peso operating costs inflate faster than the currency devalues, not from any volume problem. Designed run rate 20,000 t/month, 240,000 t/year at Phase 1.

Peak accounts receivable reaches about US$3.3M on Year-2 revenue at 75-day terms. This is a balance-sheet figure financed by the revolving sales cycle once revenue flows, not cash the bridge must raise. The net working-capital build is real cash the business needs across the year and is fully reflected in the cash flow above.

One flat US$15M cap. *One 30% discount for every dollar in the note.*

US$2.4M total as a single secured convertible note, one closing. The cap and the discount are identical for the first dollar in and the last; every investor enters on the same terms.

GROSS	CAP	DISCOUNT	EFFECTIVE ENTRY	CONVERSION TRIGGER
US$2,400,000	flat US$15M pre-money	30%	~US$10.5M	next priced round of US$5M or more (Series A)

Flat US$15M pre-money cap. 10% pa coupon. Minimum ticket US$25,000. Maturity 18 to 24 months. Personal guarantee from founder Sergio Kalierof on the whole note. Effective entry about US$10.5M.

Single note · effective entry, flat cap and Year-3 value (US$M)

US$2.4M total, one closing. Effective entry ~US$10.5M, indicative MOIC roughly 3.5x to the Year-3 EV. Illustrative, not a return guarantee.

The cap sits well below *the modelled Year-3 enterprise value.*

US frac-sand pure-play public peers trade at 4 to 8x EBITDA for permitted, near-shore operators. On Year-3 EBITDA of US$6.62M, an enterprise value at 5.5x is about US$36M. That EV anchors the cap.

PEER	GEOGRAPHY	REFERENCE MULTIPLE
Source Energy Services (TSX: SHLE)	Canada, Northern White	4 to 6x EBITDA at cycle midpoint
Hi-Crush Inc.	US, Permian	peak 8x, distressed trough 2x
Smart Sand Inc.	US, Marcellus, Eagle Ford	3 to 5x EBITDA
US Silica Holdings	US, multi-basin	about 6x take-out (Apollo, 2024)

Why the conversion economics hold. The flat US$15M pre-money cap sits below the modelled Year-3 EV of about US$36.4M (Year-3 EBITDA US$6.62M at 5.5x). The single 30% discount sets the effective entry at about US$10.5M for every dollar in the note. Indicative MOIC to the Year-3 EV is roughly 3.5x, illustrative, not a guarantee of return.

~US$36M	US$15M	~3.5x	~US$10.5M
YEAR-3 EV, 5.5X	FLAT PRE-MONEY CAP	INDICATIVE MOIC	EFFECTIVE ENTRY

The instrument is debt with a personal guarantee on the whole note, converting into equity at the next priced round. In the bear case (price US$80/t, ramp slips, no priced round inside maturity) the note matures and repays principal plus accrued coupon; Sergio's guarantee stands behind repayment, with realistic guarantee recovery 30% to 50% of nominal in distress. In the base case the note converts at the better of the flat US$15M cap or the round price less the 30% discount. The bull case requires offtake and a higher round valuation, which widens the discount-to-value spread the note captures.

What we know, *and what is still open.*

RISK	MITIGATION	RESIDUAL
Permits in process (provincial mining permits, environmental declaration not yet granted)	Reactivacion operativa in course. Permit timeline letter requested in writing as a named diligence item.	Medium. Priced into the 30% discount and the personal guarantee.
No signed offtake. Sample-to-contract is chicken-and-egg until the plant turns on.	Marcelo Marty holding NDA-bound conversations with Vaca Muerta operators.	High. Without offtake by the priced-round trigger, the note extends to maturity at principal plus coupon.
Resource not yet independently certified.	Next diligence step is an independent NI 43-101 or JORC report. Current basis is the internal technical report plus SGS testwork.	Medium. Independent certification is the gating diligence item, named openly.
Build-year cash drag (Year 1 levered FCF negative US$1.67M, peak AR about US$3.3M).	Raise sized to the cash trough. The note funds the pre-revenue build; a drawdown schedule manages cash inside the company. Cash positive Year 2.	Medium. Modelled, funded, and disclosed as the central feature of the case.
Concentration on Sergio (single principal).	Marcelo Marty as Director de Operaciones (25 years oil and gas). De Stefano Adrian Ariel as administrator alterno. Personal guarantee on the whole note.	Medium. Mitigated by Marcelo's operational depth, not eliminated.

This project does not qualify for the RIGI regime on a standalone basis at this size; RIGI is a Phase 2 anchor-partner path, not part of the underwriting case. Internal DD verdict to date is AMBER, proceed with named conditions. No criminal, sanctions, or insolvency signal in any public registry consulted. The next gating diligence step for lead investors is the independent technical report to NI 43-101 or JORC standard. We would rather state this plainly than have you find it later.

TEAM

Sergio Kalierof
Founder and principal shareholder. Personal guarantor on the note. San Juan, Argentina.

Marcelo Marty
Director of Operations. 25+ years in oil and gas, port operations and HSE. Ex-NRC Egypt (BP), ex-Transbordo Ibicuy (VALE). Buenos Aires.

Tomas Marty
Commercial structuring and investor process. Cork, Ireland.

LEGAL & CLOSING

Sentinel Legal (Geneva) acts as legal counsel and round facilitator. Sentinel runs all investor onboarding, KYC and the signing of the note.

Instrument: secured convertible note, Swiss law, arbitration seated in Geneva. Indicative terms, subject to the final agreement issued by Sentinel Legal.

CONTACT

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The one-pager, the live model and the data room (NDA):
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