

Anglo Pacific Group PLC  
**INCOA FINANCING**

**March 2020**

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## TRANSACTION SUMMARY

### INCOA FINANCING OVERVIEW

- Anglo Pacific Group PLC (“Anglo Pacific” or the “Company”), together with Orion Mineral Royalty Fund LP – Series 1 and Orion Mineral Royalty Fund LP – Overflow Series 1 (collectively “Orion”) has entered into a financing agreement with Incoa Performance Minerals LLC (“Incoa”) (the “Financing”)
- The Financing will be funded in two tranches, with Tranche 1 proceeds funding the project through construction and into production. Orion will fund Tranche 1 in full. Tranche 1 funding is expected to close by the end of March 2020
- Anglo Pacific’s US\$20 million Tranche 2 commitment (the “Anglo Pacific Tranche 2 Commitment”) follows construction completion when the operation is in production and generating cash flow, and will provide Incoa with additional capital to bring its ground calcium carbonate products to market
  - The Anglo Pacific Tranche 2 Commitment is subject to a number of conditions, including Incoa’s successful construction and operation of the project
- Anglo Pacific will be entitled to receive quarterly payments of approximately 1.23% of Incoa gross revenue after funding the Anglo Pacific Tranche 2 Commitment

### INCOA PROJECT OVERVIEW <sup>(1)</sup>

- The project consists of a calcium carbonate mine and associated infrastructure in the Dominican Republic and a processing facility located in Mobile, Alabama, in the United States of America
- Incoa’s deposit has a 30-year Reserve based mine life with potential Resource conversion supporting a further 100+ year life of mine extension
- Incoa will produce high-quality ground calcium carbonate products to be primarily marketed to the domestic US calcium carbonate market
  - High quality ground calcium carbonate is used as a functional filler agent in a variety of end-products, including sealants and caulks, adhesives, rubber and as an active ingredient in food and pharmaceutical products which primarily serve to supplement dietary calcium consumption products
- Backed by US-based Peterson Partners, a private equity and venture capital sponsor with a 15-year track record of partnering with entrepreneurs in over 200 companies

1. Incoa Performance Minerals.

## INVESTMENT HIGHLIGHTS

### FURTHER DIVERSIFIED COMMODITY EXPOSURE

- Portfolio further diversified to include industrial minerals
- Exposure to a broad range of high-volume products

### PRODUCING ROYALTY AT THE TIME OF FUNDING

- Anglo Pacific investment to occur after construction is complete and the operation is in production
- Expected to immediately contribute to portfolio cashflow at the time of funding and subsequently ramp-up

### LONG MINE LIFE WITH UPSIDE POTENTIAL

- 30+ year Reserve based mine life with potential Resource conversion supporting additional 100+ year life of mine extension

### ATTRACTIVE COST PROFILE

- The deposit's high purity and Incoa's processing design are expected to drive an attractive cost profile

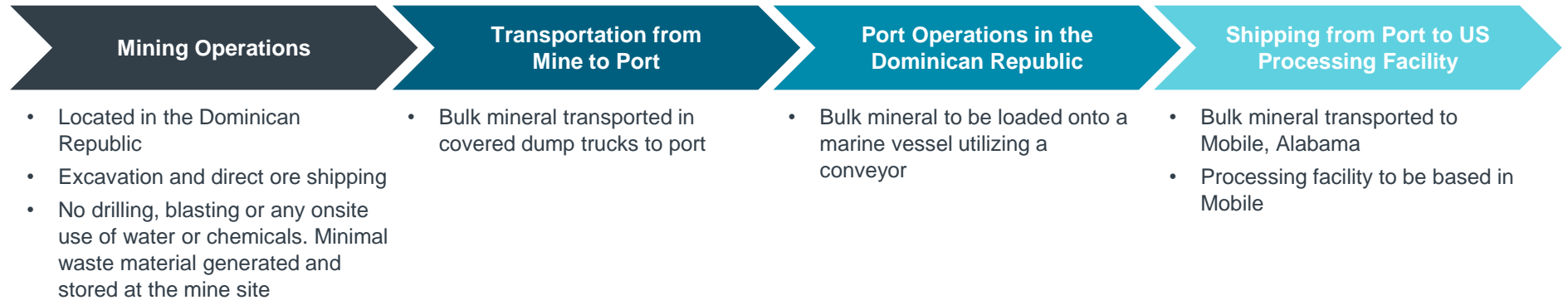
### HIGH QUALITY PRODUCTS WITH A REDUCED ENVIRONMENTAL FOOTPRINT

- Incoa committed to ESG best practice and to adopt IFC Performance Standards for its non-US operations
- Mining operations not expected to require blasting, hydro metallurgical treatment, onsite beneficiation and tailings storage or to generate significant volumes of waste products

### EXPERIENCED MANAGEMENT TEAM BACKED BY HIGH QUALITY SPONSOR

- Management team has a proven track record and includes prior experience at blue-chip industrial mineral producers
- Backed by US-based Peterson Partners, a private equity and venture capital sponsor with a 15-year track-record of partnering with entrepreneurs in over 200 companies

## PROJECT OVERVIEW (1)



### MINING



**Incoa Deposit  
(Dominican Republic)**

### TRANSPORT



**Transport to Port  
(Dominican Republic)**

### PROCESSING



**Port  
(Dominican Republic)**



**Mobile Port  
(Alabama, United States)**

1. Incoa Performance Minerals.

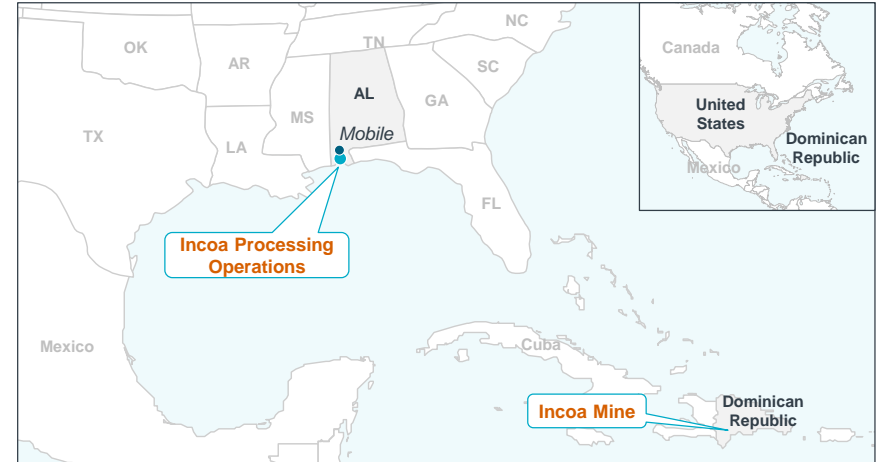
## COMPANY OVERVIEW

**LEVERAGING ITS HIGH QUALITY DEPOSIT, INCOA INTENDS TO PRODUCE HIGH QUALITY GROUND CALCIUM CARBONATE PRODUCTS IN THE UNITED STATES.**

### OVERVIEW (1)

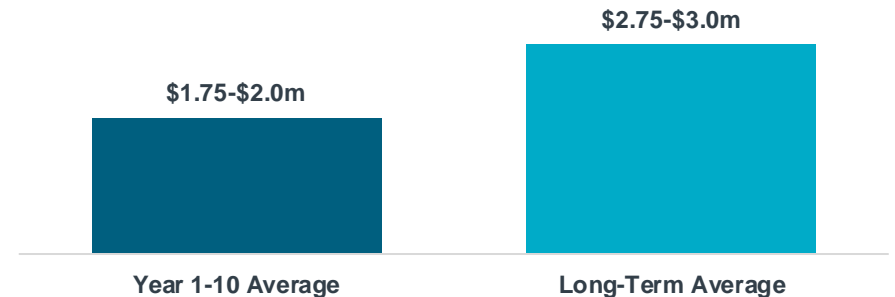
- Incoa is a portfolio company of Peterson Partners, a Salt Lake City-based private equity and venture capital fund that owns a majority interest in the company
- Incoa intends to construct an integrated ground calcium carbonate mining ( $\text{CaCO}_3$ ), transport, processing, and sales operation
- Open pit, quarry-like mining of a high grade, high purity calcium carbonate deposit located in the Dominican Republic
  - No drilling, blasting, use of water or chemicals required with minimal waste material generated and stored at mine site
  - Reserves support a mine life of 30+ years with potential Resource conversion adding 100+ years of mine life
- Processing facility to be located in Mobile, USA
- Deposit's high purity and Incoa's processing design are expected to drive an attractive cost profile
- High quality ground calcium carbonate to be primarily marketed to customers located in the United States
  - Suitable for use as a functional filler agent in a variety of end-products, including sealants and caulks, adhesives, rubber and as an active ingredient in food and pharmaceutical products which primarily serve to supplement dietary calcium consumption products

### LOCATION (1)



### AVERAGE ANNUAL CASHFLOW TO ANGLO PACIFIC

(In US\$ millions per annum, in real terms)



1. Incoa Performance Minerals.

## CALCIUM CARBONATE MARKET OVERVIEW

### CALCIUM CARBONATE OVERVIEW (1)

- Typically found in chalk, marble and limestone deposits and used in a variety of low and high value end markets
- Deposits with greater than 95% calcium carbonate purity are used in high-end and medium value products:
  - Functional filler in industrial applications
  - Active ingredient in food and pharmaceutical products
- Suitability for use in high value products is further determined by the geological characteristics of the calcium carbonate deposit including:
  - Color
  - Brightness
  - Purity
  - Particle size
- Various end-markets place different importance on each of the above characteristics
- The fine to ultrafine US ground calcium carbonate market is primarily serviced by four industrial mineral producers

### CALCIUM CARBONATE MARKETS (1)

Particle Size (2)	Value	Illustrative Applications
<b>FINE TO ULTRAFINE</b> 10µm to < 1µm	High Value Function. Fillers & Active Ingredients	<ul style="list-style-type: none"> <li>• Food</li> <li>• Beverages</li> <li>• Rubber</li> <li>• Pharmaceutical</li> </ul>
	Medium – High Value Functional Fillers	<ul style="list-style-type: none"> <li>• Adhesives</li> <li>• Sealants</li> <li>• Caulks</li> <li>• Printing inks</li> <li>• Paper filler</li> <li>• Rubber</li> </ul>
<b>CRUSHED STONE</b> 50 µm to 10µm	Medium Value Functional Fillers	<ul style="list-style-type: none"> <li>• Carpet backing</li> <li>• Floor tiles</li> </ul>
	Commodity Functional Fillers	<ul style="list-style-type: none"> <li>• Agricultural feed</li> <li>• Asphalt filler</li> <li>• Soil treatment</li> <li>• Mine dust</li> </ul>
<b>CRUSHED STONE</b> >50 µm	Chemical Application	<ul style="list-style-type: none"> <li>• Ceramic wall tiles</li> <li>• Flue gas treatment</li> <li>• Iron smelting</li> </ul>
	Aggregates	<ul style="list-style-type: none"> <li>• Concrete</li> <li>• Construction fill</li> <li>• Drainage materials</li> <li>• Road stone</li> </ul>
<b>MASSIVE STONE</b>	Dimensional Stone	<ul style="list-style-type: none"> <li>• Building stone</li> <li>• Monuments</li> <li>• Paving</li> <li>• Slabs</li> </ul>

1. Incoa Performance Minerals.

2. Micron (µm) is a micrometer or a millionth of a meter (1/1,000,000 meters). For comparison, a human red blood cell is ~5 µm.

## COMMUNITY SUPPORT, HEALTH AND SAFETY, AND ENVIRONMENTAL RESPONSIBILITY

ANGLO PACIFIC HAS CARRIED OUT THOROUGH DUE DILIGENCE IN ACCORDANCE WITH THE COMPANY'S ESG POLICIES AND IS SUPPORTIVE OF INCOA'S APPROACH TOWARDS ACHIEVING BEST ESG PRACTICES.

### IFC PERFORMANCE STANDARDS

- Incoa has committed to conduct its DR operations in compliance with IFC Performance Standards in order to manage its social and environmental risk
- IFC Performance Standards include the following <sup>(1)</sup>
  - Assessment and management of environmental and social risks and impacts
  - Labour and working conditions
  - Resource efficiency and pollution prevention
  - Community health, safety, and security
  - Land acquisition and involuntary resettlement
  - Biodiversity conservation and sustainable management of living natural resources
  - Indigenous peoples
  - Cultural heritage



1. IFC disclosure.

2. Incoa Performance Minerals.

### COMMUNITY INVOLVEMENT (2)

- Incoa's development plan seeks to provide targeted economic and other benefits and will recruit labour from local communities or the nearby city of Barahona
- Incoa was licensed to repair and widen a local road, and install water management systems to prevent future rain damage
- Other initiatives include educational support, medical care initiatives, community events and free food baskets during holidays, and improved water infrastructure





# ROYALTY PORTFOLIO EXPOSURE



## COMMODITY EXPOSURE

Broker consensus NAV<sup>(1)</sup>

■ COKING COAL <sup>(2)</sup>	33%
■ IRON ORE	22%
■ THERMAL COAL <sup>(2)</sup>	13%
■ BASE METALS <sup>(3)</sup>	12%
■ URANIUM	8%
■ VANADIUM	8%
■ GOLD <sup>(4)</sup>	2%
■ OTHER	2%

Illustrative US\$20m Incoa Financing participation

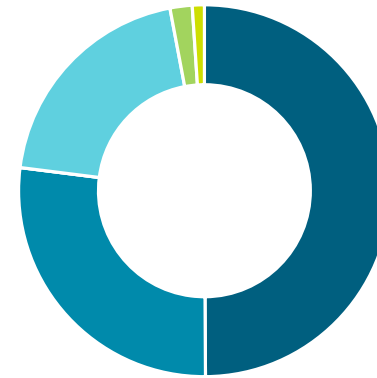


## ILLUSTRATIVE PORTFOLIO INCLUDING INCOA AND PIAUÍ FUNDING RIGHTS

Adjusted broker consensus NAV<sup>(5)</sup>

■ COKING COAL <sup>(2)</sup>	28%
■ BASE METALS <sup>(6)</sup>	22%
■ IRON ORE	18%
■ THERMAL COAL <sup>(2)</sup>	11%
■ URANIUM	7%
■ VANADIUM	7%
■ CALCIUM CARBONATE <sup>(7)</sup>	3%
■ GOLD <sup>(4)</sup>	2%
■ OTHER	1%

Including illustrative US\$70m Piauí Tranche 2 royalty

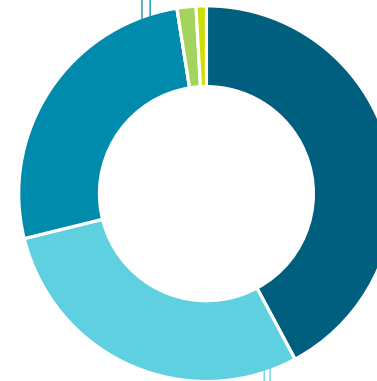


## GEOGRAPHIC EXPOSURE

Broker consensus NAV<sup>(1)</sup>

■ AUSTRALIA	50%
■ NORTH AMERICA	27%
■ SOUTH AMERICA	20%
■ EUROPE	2%
■ OTHER	1%

Including Illustrative US\$20m Incoa Financing participation



## ILLUSTRATIVE PORTFOLIO INCLUDING INCOA AND PIAUÍ FUNDING RIGHTS

Adjusted broker consensus NAV<sup>(5)</sup>

■ AUSTRALIA	42%
■ SOUTH AMERICA <sup>(8)</sup>	29%
■ NORTH AMERICA <sup>(9)</sup>	26%
■ EUROPE	2%
■ OTHER	less than 1%

Including illustrative US\$70m Piauí Tranche 2 royalty

1. Based on latest broker consensus NAV estimates (Berenberg, BMO, and Peel Hunt).

2. Kestrel production primarily coking coal. Narrabri production primarily thermal coal.

3. Base metals exposure includes Mantos Blancos, Canariaco and Piauí Tranche 1 royalties.

4. Gold commodity exposure includes the EVBC royalty which includes copper and silver by-products.

5. Based on latest broker consensus NAV estimates (Berenberg, BMO and Peel Hunt) adjusted for illustrative US\$70 million Piauí Tranche 2 royalty and a US\$20 million Incoa Financing participation; both subject to the satisfaction of a number of conditions precedent.

6. Base metals exposure includes Mantos Blancos, Canariaco, Piauí Tranche 1 and illustrative US\$70 million Piauí Tranche 2 royalties. Piauí Tranche 2 royalty is subject to the satisfaction of a number of conditions precedent.

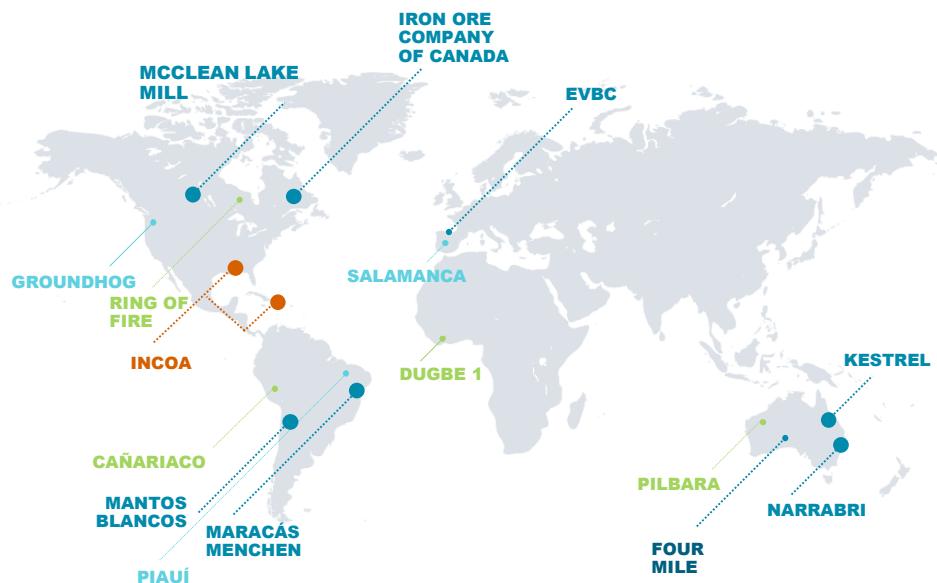
7. Calcium carbonate exposure includes illustrative US\$20 million Incoa Financing participation subject to the satisfaction of a number of conditions precedent.

8. South America includes illustrative US\$70 million Piauí Tranche 2 royalty subject to the satisfaction of a number of conditions precedent.

9. North America includes illustrative US\$20 million Incoa Financing participation subject to the satisfaction of a number of conditions precedent.

# GEOGRAPHIC AND COMMODITY EXPOSURE

16 PRINCIPAL ROYALTY AND STREAMING RELATED ASSETS OVER FIVE CONTINENTS.



**WE INVEST IN HIGH QUALITY PROJECTS IN PREFERRED JURISDICTIONS WITH STRONG COUNTERPARTIES, UNDERPINNED BY STRONG ESG PRINCIPLES.**

1. GRR – Gross Revenue Royalty. NSR – Net Smelter Return royalty.
2. Kestrel royalty terms (Anglo Pacific entitlement): 3.5% of value up to A\$100/tonne, 6.25% of the value over A\$100/tonne and up to A\$150/tonne, 7.5% thereafter.
3. Held indirectly through common shares of Labrador Iron Ore Royalty Corporation.
4. Anglo Pacific loan of C\$40.8m to Denison to be repaid from the revenues which Denison receives through their entitlement to toll revenue generated through their part ownership of the McClean Lake Uranium Mill (operated by AREVA).
5. Under the terms of the Inco financing, Anglo Pacific is entitled to approximately 1.23% of gross revenue generated from the sale of ground calcium carbonate products. Anglo Pacific's funding commitment is conditional upon the satisfaction of certain conditions precedent.

## PRODUCING

ROYALTY	COMMODITY	OPERATOR	LOCATION	ROYALTY RATE / STREAM VOLUME <sup>1</sup>
KESTREL <sup>2</sup>	COKING & THERMAL COAL	EMR CAPITAL / PT ADARO ENERGY	AUSTRALIA	7 – 15% GRR
IRON ORE COMPANY OF CANADA <sup>3</sup>	IRON ORE & IRON ORE PELLETS	RIO TINTO	CANADA	7% GRR
MANTOS BLANCOS	COPPER	MANTOS COPPER	CHILE	1.525% NSR
MARACÁS MENCHEN	VANADIUM	LARGO RESOURCES	BRAZIL	2% NSR
NARRABRI	THERMAL & PCI COAL	WHITEHAVEN COAL	AUSTRALIA	1% GRR
DENISON / MCCLEAN LAKE <sup>4</sup>	URANIUM (TOLL MILLING)	DENISON MINES INC./ AREVA / CAMECO	CANADA	ENTITLEMENT TO 22.5% OF TOLL MILLING REVENUE
EVBC <sup>6</sup>	GOLD, COPPER & SILVER	ORVANA MINERALS	SPAIN	2.5 – 3% NSR
FOUR MILE	URANIUM	QUASAR RESOURCES	AUSTRALIA	1% NSR

## DEVELOPMENT

INCOA <sup>5</sup>	CALCIUM CARBONATE	INCOA PERFORMANCE MINERALS	UNITED STATES / DOMINICAN REPUBLIC	~1.23% GROSS REVENUE
SALAMANCA	URANIUM	BERKELEY ENERGIA	SPAIN	1% NSR
GROUNDHOG <sup>7</sup>	ANTHRACITE COAL	ATRUM COAL	CANADA	0.5 – 1.0% GRR
PIAÚ	NICKEL & COBALT	BRAZILIAN NICKEL	BRAZIL	1% GRR

## EARLY-STAGE

PILBARA	IRON ORE	BHP BILLITON	AUSTRALIA	1.5% GRR
CAÑARIACO <sup>8</sup>	COPPER, GOLD, & SILVER	CANDENTE COPPER	PERU	0.5% NSR
RING OF FIRE	CHROMITE	NORONT RESOURCES	CANADA	1.0% NSR
DUGBE 1	GOLD	HUMMINGBIRD RESOURCES	LIBERIA	2 – 2.5% NSR

6. EVBC: El Valle-Boinás Carlés. 2.5% NSR royalty escalating to 3% for gold prices in excess of US\$1,100 per ounce.
7. 0.5% GRR royalty over entire project converts to 0.1% royalty over Groundhog North Mining complex 10 years after the declaration of commercial production. Anglo Pacific also retains the higher of a 1% GRR or US\$1.00 per tonne on certain areas of the Groundhog project acquired by Atrum Coal from Anglo Pacific during 2014.
8. Entrée Resources Ltd. entitled to 20% of any royalty income prior to 31 December 2029, 15% of income received between 1 January 2030 and 31 December 2035, and 10% of any income received between 1 January 2035 and 31 December 2040.