

# Triple Flag Reports Record Q2 2020 Results

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TORONTO, Aug. 17, 2020 - [Triple Flag Precious Metals Corp.](#) ("Triple Flag") today announced its results for the second quarter of 2020.

"The second quarter of 2020 was transformational for our business from both an operating and corporate development perspective" commented Shaun Usmar, Founder and CEO. "Triple Flag sold 16,115 GEOs during the quarter, which was a new record for our business; the strong production performance was complemented by increasing gold and silver prices, driving a record \$27.6 million in revenue, up 49% from the first quarter of 2020 and 110% from the same period in 2019.

In addition to the strong operating performance from our existing portfolio, subsequent to quarter end, Triple Flag announced and closed the acquisition of a \$550 million gold and silver stream on the Northparkes mine, located in Australia and operated by China Molybdenum Co., Ltd. ("CMOC"). This was a truly transformative transaction for Triple Flag that will provide decades of robust cash flows from a top-tier mining jurisdiction. Northparkes is a globally-recognized mine with an excellent record of safety, operations, and community involvement mine that is viewed as the gold standard for ESG in Australia, and we could not be more excited to be partnering with CMOC to bring this cornerstone asset into the Triple Flag portfolio.

The Northparkes transaction positions Triple Flag as the fourth largest streaming and royalty business by portfolio net asset value ("NAV"), with a high-quality portfolio mix that compares favorably with the three largest companies in the sector from a precious metals exposure (90% by NAV; including 63% gold), mine life (weighted average of +25 years), geographic diversification (86% Australia and Americas by NAV), cost position (79% by NAV in lowest half of cost curve), and proportion of operating mines (63% by NAV; 92% expected by 2021). This portfolio builds on the 26% CAGR in GEO growth that Triple Flag is on track to deliver from 2017 to 2020, offering anticipated additional sector-leading, fully-funded growth in GEOs over the next three years to approximately 120,000 ounces by 2023, not factoring in any further asset additions through future deals (see 3-Year Outlook below). The Triple Flag team has adapted well during COVID-19 disruptions, as this latest transaction demonstrates. Triple Flag's deal-making and capital allocation track record objectively compares very favorably with the rest of the royalty sector, having done three of the top five precious metals streaming deals by size, on quality assets, since our inception, with blended returns that compare very favorably, on the basis of independent research. Despite our enhanced size, we remain at a relative scale where deals in the \$100 million to \$500 million range (or higher) make a meaningful contribution to the ongoing growth in value of our business, and we have the firepower with our financial backer to continue to compete for the largest and highest quality streaming and royalty deals to further grow our business."

## Q2 2020 Financial Highlights

- Adjusted EBITDA of \$23.5 million, up 142% from the same period in the prior year and a new record for our business.
- Revenue of \$27.6 million, up 110% from the same period in the prior year and a new record for our business.
- 16,115 Gold Equivalent Ounces ("GEOs") sold, an increase of 61% from the same period in the prior year and a new record for our business.
- Cash costs of \$139 per GEO sold, compared to \$137 per GEO sold in the same period in the prior year.
- Cash margin of 85%, up from 74% from the same period in the prior year.

## GEOs Sold and Revenue by Commodity

	Q2 2020		Q2 2019	
	GEOs Sold	Revenue (\$M)	GEOs Sold	Revenue (\$M)
Gold	9,461	\$16.2	3,729	\$4.9
Silver	6,654	\$11.4	5,238	\$6.9
Diamond	-	-	1,064	\$1.4
Total	16,115	\$27.6	10,031	\$13.1

### Corporate Updates

- **Northparkes Transaction:** Subsequent to quarter end, Triple Flag announced that its wholly-owned subsidiary, Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag Bermuda"), entered into a \$550M streaming agreement with certain subsidiaries of CMOC to receive gold and silver deliveries from the Northparkes copper-gold mine located in New South Wales, Australia. Northparkes is a low-cost, underground mine with a multi-decade mine life, substantial exploration optionality, and will be a new cornerstone asset in the Triple Flag portfolio. Triple Flag will receive gold and silver equal to 54.0% of the gold and 80.0% of the silver produced at Northparkes, respectively, with a stepdown in the percentages occurring once certain delivery thresholds have been met. Triple Flag will make ongoing payments at the time of delivery equal to 10% of the spot gold and silver price for each ounce delivered under the stream. The acquisition of the Northparkes stream further adds to Triple Flag's high-quality portfolio, meaningfully increasing our exposure to low cash-cost operations in top-tier mining jurisdictions.
- **United Nations Global Compact:** During the quarter, Triple Flag joined the United Nations Global Compact, the world's largest corporate citizenship initiative, comprising over 11,000 companies across 156 countries committed to the Global Compact's principles in the areas of human rights, labour, environment and anti-corruption. As a participant, Triple Flag voluntarily commits to align with the Global Compact's principles and sustainable development goals, which are a formalization of the existing practices and principles that are core to Triple Flag.
- **Corporate Development:** The Northparkes stream is the largest transaction in the streaming and royalty space since Triple Flag's inception in 2016. Triple Flag has cultivated a formidable track record of deal generation and execution, which translates into being the most active streaming and royalty company in the sector, having completed 17 streaming or royalty deals for our 40 assets, including three of the top five precious metals streaming deals by transaction size since our inception. Triple Flag is well positioned to execute on deals of any size and will continue to pursue value-accretive opportunities that further enhance our business and those of our partners.

### Q2 2020 Portfolio Updates

- **Cerro Lindo:** Sales from Cerro Lindo in Q2 2020 were 6,614 GEOs. Production at the mine was restarted on May 11 following a temporary shutdown due to a government-mandated quarantine to combat the spread of COVID-19. Cerro Lindo processed 847,000 tonnes of ore during Q2 2020, compared to an average of 1,700,000 tonnes per quarter during 2019; this equates to a reduction in run-of-mine silver of approximately 50%, compared to the 2019 quarterly average, and 36%, compared to Q1 2020. Due to the timing offset between production and stream delivery, impact to Triple Flag will be felt in Q3 2020.
- **RBPlat:** Sales from RBPlat in Q2 2020 were 1,521 GEOs. The business interruption, due to the South African government's national lockdown relating to COVID-19, will be felt during the second half of 2020 due to the timing delays between production and offtake settlements. For the first half of 2020, 4E (combined platinum, palladium, rhodium and gold) production in concentrate was down 12.9% compared to the first half of 2019. Triple Flag has committed additional financial support to create an education initiative in response to COVID-19, facilitating access to online learning for more than 775 students and teachers at 6 local community primary and secondary schools. Triple Flag also provided additional funding to the eight engineering students we have granted scholarships to, to assist them with ease of online connectivity for their studies.

- Fosterville: Royalty payments from Fosterville in Q2 2020 equated to 3,100 GEOs. Operations at Fosterville continued to be unaffected by the COVID-19 pandemic, delivering strong production results during the quarter. Kirkland Lake Gold Ltd. ("Kirkland Lake") resumed exploration activities, targeting the Lower Phoenix, Cygnet, Robbin's Hill and Harrier systems. Subsequent to quarter end, Kirkland Lake announced results from the drilling program currently underway at Fosterville, which included: high-grade infill drilling at the Swan zone, Robbin's Hill extension results and encouraging results from drilling programs targeting the Cygnet and Harrier systems.
- Young-Davidson: Royalty payments from Young-Davidson in Q2 2020 equated to 516 GEOs. Production at Young-Davidson during the quarter was impacted by previously guided downtime of the Northgate shaft to complete the tie-in of upper and lower mines. On July 8, Alamos Gold Inc. ("Alamos") announced the lower mine expansion had been completed with commissioning of the Northgate shaft. Mining rates are expected to ramp up through the second half of the year to 7,500 tonnes per day by the end of 2020.
- ATO: Sales from ATO in Q2 2020 were 3,174 GEOs. Steppe Gold Limited ("Steppe") announced a C\$15.0 million private placement by Mr. Eric Sprott; the net proceeds of the private placement will be used by Steppe to advance their exploration and development projects as well as for working capital and general corporate purposes.
- Other: Royalty payments from Eagle River, Hemlo, Henty, Dargues, and Stawell and sales from Pumpkin Hollow equated to a total of 1,190 GEOs during Q2 2020.
- Buriticá: First doré from Buriticá was produced from commissioning ore in Q2 2020. Zijin Mining Group Ltd. ("Zijin") has continued to make strong progress at Buriticá; however, cases of COVID-19 continue to increase in Colombia, resulting in operational challenges as a consequence of measures taken to protect the workforce and local communities from COVID-19. The mine development and definition drilling are on-track and the processing plant is now operating on a continuous basis; Zijin intends to ramp-up throughput in October 2020.
- Pumpkin Hollow: During the quarter, Nevada Copper Corp. ("Nevada Copper") made significant progress on its accelerated development plan and has commenced remobilization of its workforce in preparation for a restart of its processing plant during August. Subsequent to quarter end, Nevada Copper announced a C\$97 million equity financing, which was subsequently upsized to C\$100 million by exercise of the over-allotment option. Proceeds from the financing will be used to strengthen the balance sheet through repaying existing debt and to fund the restart and ramp-up of production at Pumpkin Hollow, with the mine planning to restart development and operations in Q3 2020.
- Gunnison: Subsequent to the quarter-end, Excelsior Mining Corp. ("Excelsior") announced the commencement of small-scale activities, including injecting acid solution into a limited number of wells and recovering solution from adjacent wells. At this time, small-scale activities are preferred by Excelsior as the health risks to the workforce related to COVID-19 continue. Excelsior has put in place various procedures to mitigate the risk of transmission of COVID-19 on site.

### 3-Year Outlook

As certain mines in the portfolio continue to ramp up and increase output through 2023, and with the addition of Northparkes to our portfolio, we anticipate our annual metals sales increasing over that same period to approximately 120,000 GEOs per annum. For this outlook, metals have been converted to GEOs using assumed long-term commodity prices of \$1,500/oz gold, \$17.50/oz silver and \$3.00/lb copper. This outlook is based exclusively on existing mineral reserves and fully-funded assets that are currently in production or ramping up during 2020; additionally, this growth does not factor in any new acquisitions that we believe are likely over this period, given Triple Flag's visible deal pipeline and successful deal-making track record.

### About Triple Flag

Triple Flag is a precious metals streaming and royalty company offering bespoke financing solutions to the metals and mining industry. Our mission is to be a sought-after, long-term funding partner to mining companies throughout the commodity cycle while generating attractive returns for our investors. Since our inception in 2016, we have rapidly developed a diversified portfolio of streams and royalties providing exposure primarily to gold and silver in the Americas and Australia. With the addition of Northparkes, we now have 40 assets, comprising 9 streams and 31 royalties. These investments are tied to mining assets at various stages of the mine life cycle, including 10 producing mines, 2 mines that are ramping up, 3 mines that have had operations temporarily suspended amidst the COVID-19 pandemic, and 25 development and exploration-stage projects. References to Triple Flag mean [Triple Flag Precious Metals Corp.](#), together with its wholly owned subsidiaries.

### Forward-Looking Information

This news release contains "forward-looking information". Forward-looking information may be identified by the use of forward-looking terminology such as "plans", "targets", "expects", "is expected", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "believes", or variations of such words and phrases or terminology which states that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances, and in particular statements relating to our expectations with respect to future GEOs contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding possible future events or circumstances.

The forward-looking information included in this news release is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. These assumptions include, but are not limited to, the following: assumptions in respect of current and future market conditions, that operations, or ramp-up where applicable, at properties in which we hold a royalty, stream or other interest, continue without further interruption through the period, and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated, intended or implied.

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