

# DUMONT NICKEL

---

Magneto Investments LP

**NICKEL POWERING A GREEN FUTURE**

## Cautionary Statements Concerning Forward-Looking Statements

*This presentation contains "forward-looking information" including without limitation statements relating to mineral reserve estimates, mineral resource estimates, realization of mineral reserve and resource estimates, capital and operating cost estimates, project and life of mine estimates, construction of the mine and related infrastructure, the timing and amount of future production, costs of production, success of mining operations, ability to obtain permitting by the time targeted, size and ranking of project upon achieving production, economic return estimates and potential upside and alternatives. Readers should not place undue reliance on forward-looking statements.*

*Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Dumont to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The feasibility study results are estimates only and are based on a number of assumptions, any of which, if incorrect, could materially change the projected outcome. Even with the completion of the feasibility study, there are no assurances that Dumont will be placed into production. Factors that could affect the outcome include, among others: the actual results of development activities; project delays; inability to raise the funds necessary to complete development; general business, economic, competitive, political and social uncertainties; future prices of metals; availability of alternative nickel sources or substitutes; actual nickel recovery; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; accidents, labour disputes and other risks of the mining industry; political instability, terrorism, insurrection or war; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities. For a more detailed discussion of such risks and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, refer to the full feasibility study, prepared as an NI 43-101 compliant technical report, available on Magneto Investments LP's website at [www.dumontnickel.com](http://www.dumontnickel.com).*

*Although Magneto Investments LP has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this document and Magneto Investments LP disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise.*

## NI-43-101 Compliance

The technical information with respect to the Dumont project in this presentation has been prepared in accordance with Canadian regulatory requirements by, or under the supervision of, Paul Staples, P.Eng., of Ausenco, Chelsey Protulipac P.Geol., of SRK Consulting (Canada) Inc., Vu Tran, P.Eng. of Wood PLC and David P. Penswick, Eng., all of whom are independent Qualified Persons as set out in National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101").

The Mineral Resource estimate set out in this presentation was classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (November 2010) by Chelsey Protulipac P.Geol., of SRK Consulting (Canada) Inc.

The Mineral Reserve estimate set out in this news release was classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (November 2010) by David Penswick, P.Eng.

Readers are advised that Mineral Resources not included in Mineral Reserves do not demonstrate economic viability. Mineral Resource estimates do not account for mineability, selectivity, mining loss and dilution. These Mineral Resource estimates include Inferred Mineral Resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that Inferred Mineral Resources will be converted to Measured and Indicated categories through further drilling, or into Mineral Reserves, once economic considerations are applied.

Based on the resource estimate, a standard methodology for pit limit analysis, mining sequence and cut-off grade optimization, including application of mining dilution, process recovery, economic criteria and physical mine and plant operating constraints has been followed to design the open pit mine and to determine the mineral reserve estimate for the deposit as summarized in the Mineral Reserve table.

The full feasibility study, prepared as an NI 43-101 compliant technical report, is available on Magneto Investments LP's website at [www.dumontnickel.com](http://www.dumontnickel.com).

# ABOUT US

- The Dumont Project and associated assets, permits and agreements are held 100% by **Magneto Investments L.P.**
- Waterton Global Resource Management, Inc. (“Waterton”) is the advisor to the two private funds that jointly own 100% of Magneto Investments L.P.
- Waterton is a leading private equity firm dedicated to developing high quality resource assets in stable jurisdictions. <https://www.watertonglobal.com/>





**JOHNNA MUINONEN**  
*President*



**ALGER ST-JEAN**  
Executive Vice President, Exploration and  
Resource Management



**CHRISTIAN BROUSSEAU**  
*Project Director*



**ROBERT CLOUTIER**  
*Senior Geologist*



**STANISLAS KETELERS**  
*Sustainable Development Specialist*

# NICKEL POWERING A GREEN FUTURE

**Nickel** is an essential metal in the sustainable development, building and powering of modern societies.

- **Stainless Steel**

Through its primary use in stainless steel and high performance alloys, nickel ensures that consumer and industrial products are strong, durable, corrosion resistant and recyclable.

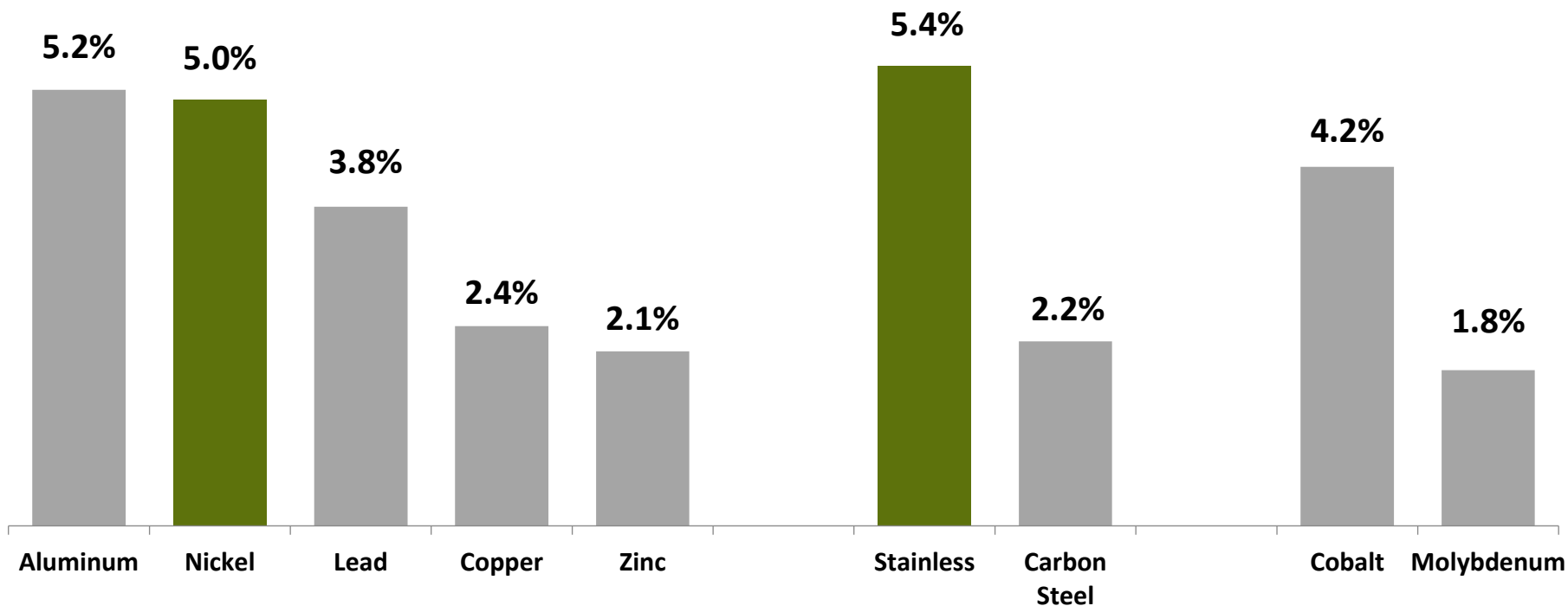
- **Batteries**

Nickel allows lithium-ion batteries to provide higher energy density and greater storage capacity for electrical vehicles and electronics. Nickel content of new-generation battery cathodes has increased from 20% to 80%.



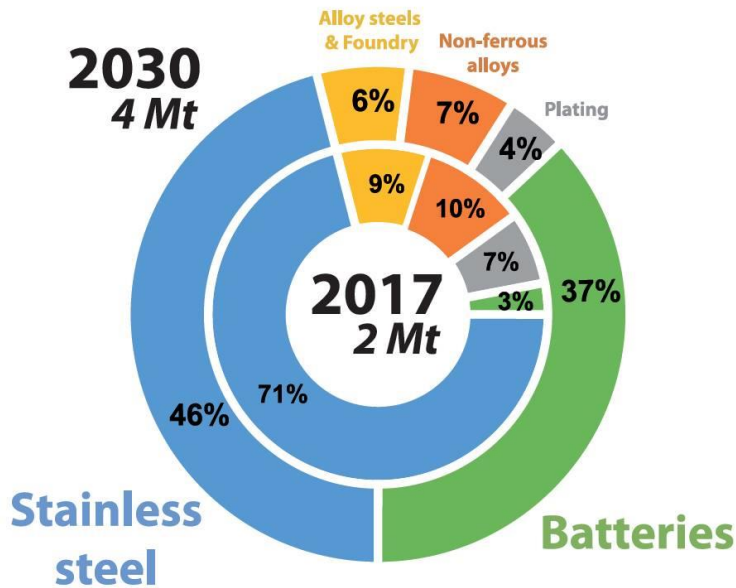
Nickel demand a leader among metals over the last decade (5%) driven by continued strong growth in stainless steel (5.4%) with little contribution from electric vehicles to date.

Base Metals & Other Metals  
Demand CAGR% (2007 - 2017)



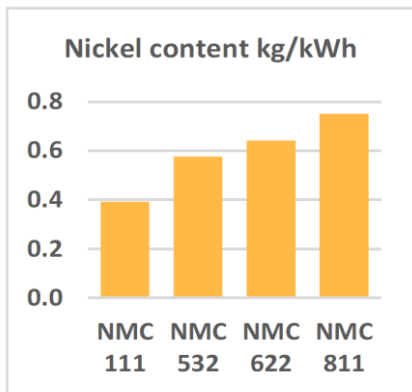
Source: Macquarie





## Ni production and uses outlook

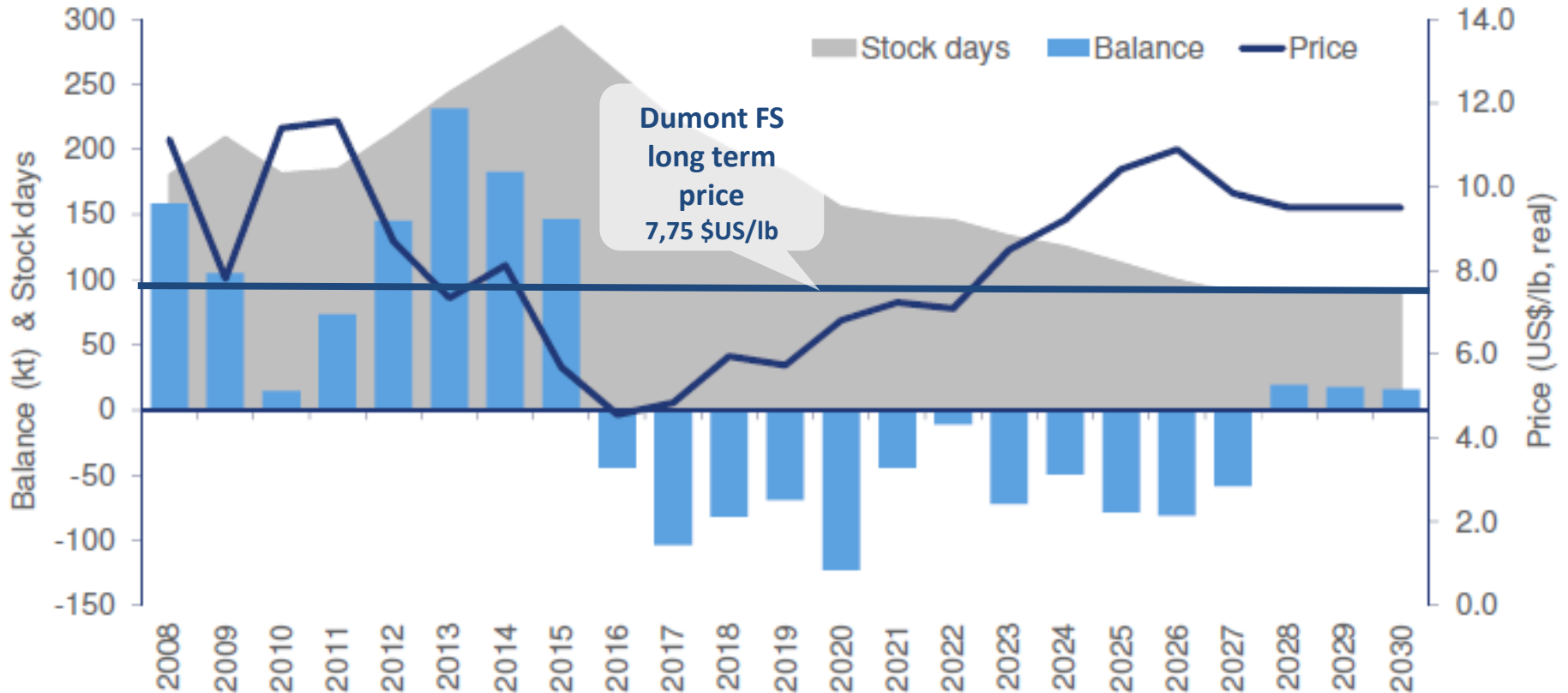
Sources: Roskill Long term outlook (May 2019), Red Door Research, Vale



Source: Macquarie Commodities Strategy, June 2020

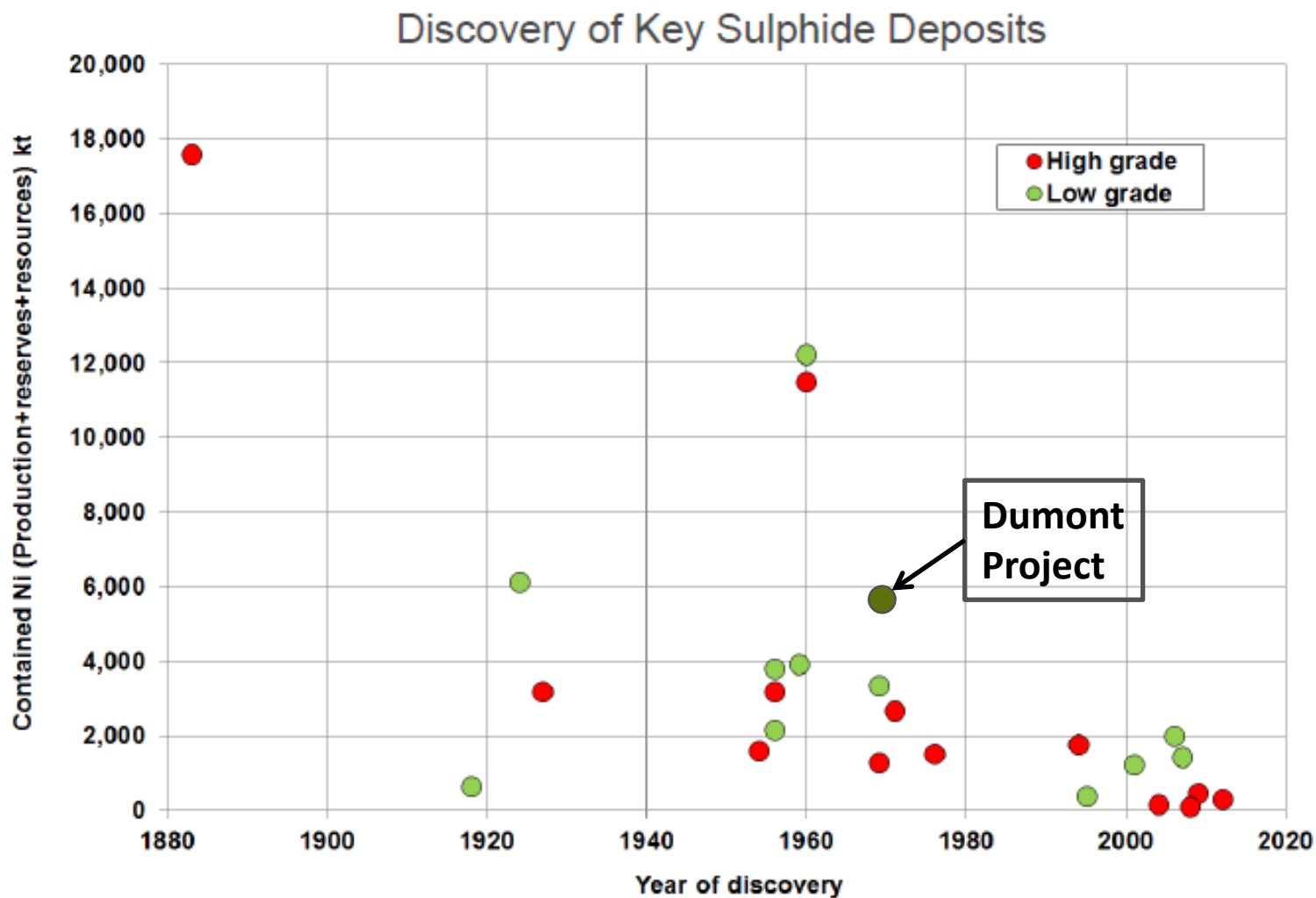
- Despite current challenges related to COVID-19, nickel demand is expected to double in the next decade
- A transformational change in nickel use in batteries for electric vehicles (EV) and other storage uses will add to the continued consistent demand growth from stainless steel.
- Nickel will benefit from strong electric vehicle growth and the increase in nickel content and size of EV batteries to increase energy density of batteries and EV range.
- Increasing the nickel content of lithium ion batteries is an effective way to increase their energy density (the capacity of a battery of a given size to store electrical energy). Consequently, the nickel content of EV battery cathodes has increased from 20% to 80%.

## Past and Forecast evolution of Nickel price (US\$/lb)



Source : Wood Mackenzie

# One of Largest Nickel Sulphide Discoveries Ever and Largest Since 1960



Source: Vale presentation at the Metal Bulletin 3<sup>rd</sup> International Nickel Conference , London, April 29, 2015

# DUMONT PROJECT

**Large-Scale, Low-Cost, Long-Life Nickel Source**

**Ready to Supply Increasing Nickel Demand**

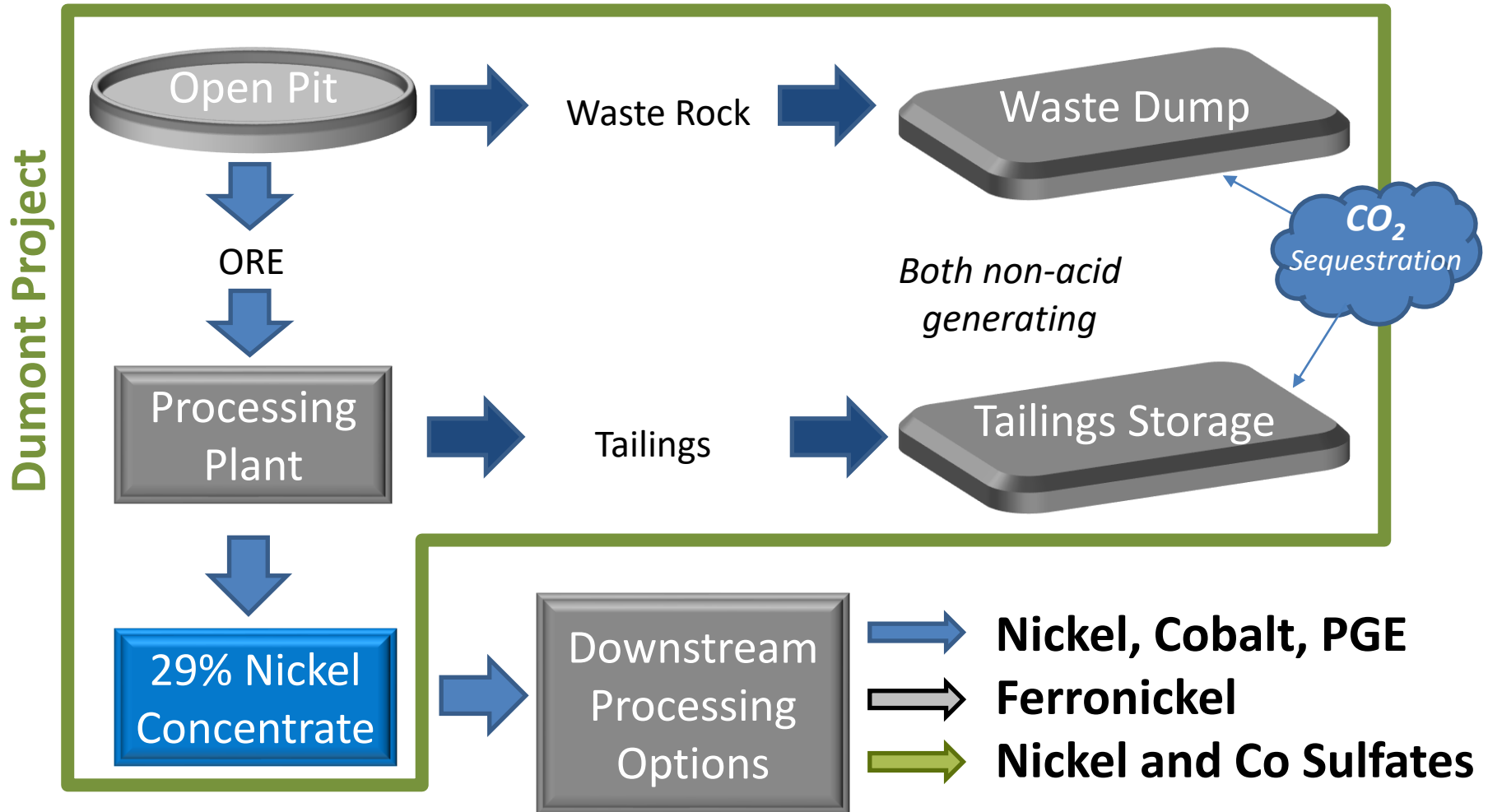


- One of the largest battery metals projects by annual output
- Average production of 39,000 tonnes Ni annually for 30 years
- 2<sup>nd</sup> largest nickel reserve in the world
- Fully permitted
- Located in Abitibi, Quebec. Rich mining history. Skilled local workforce and suppliers
- Major Support Infrastructure in place (Road, rail, power, water)
- Updated Feasibility Study completed in 2019<sup>1</sup>

1. Reference is made to the Dumont Feasibility Study Technical Report dated July 11, 2019. The report is available for download at [www.dumontnickel.com](http://www.dumontnickel.com)

# A Conventional Source of Nickel Concentrate

The Dumont Project consists of an open-pit mine and a conventional processing plant (mill and concentrator) that produce a high-grade nickel sulphide concentrate.



## Large scale, low cost, long life<sup>1</sup>

- Construction ready to meet nickel market deficits
- 2nd largest nickel reserve in the world
- Average production of 39,000 tonnes Ni annually for 30 years
- AISC Cash Cost US\$3.80/lb
- Fully permitted

Highlights	
<b>Strong project economics</b>	<ul style="list-style-type: none"> <li>• \$920M after-tax NPV8%</li> <li>• 15.4% after tax IRR</li> </ul>
<b>Large scale, Long Life</b>	<ul style="list-style-type: none"> <li>• 33ktpa nickel ramping up to 50ktpa nickel by Year 8</li> <li>• 1.2Mt (2.6B lbs) Ni produced over LOM</li> <li>• 30 Year Life</li> </ul>
<b>Structurally low-cost operation, low 2<sup>nd</sup> quartile of cash cost curve</b>	<ul style="list-style-type: none"> <li>• Phase I C1 cash costs of \$2.98/lb (\$6,570/t).</li> <li>• Life-of-mine C1 cash costs of \$3.22/lb (\$7,100/t Ni)</li> <li>• Life-of-mine AISC of \$3.80/lb (\$8,380/t) of payable nickel</li> </ul>
<b>Significant earnings and free cash flow generation</b>	<ul style="list-style-type: none"> <li>• Annual EBITDA \$303M in Phase 1, ramping up to \$425M in Phase 2; LOM \$340M</li> <li>• \$201M/year operating cash flow over Life-of-Mine</li> </ul>

1. Dumont Feasibility Study Technical Report dated July 11, 2019

## Dumont is a structurally low-cost project

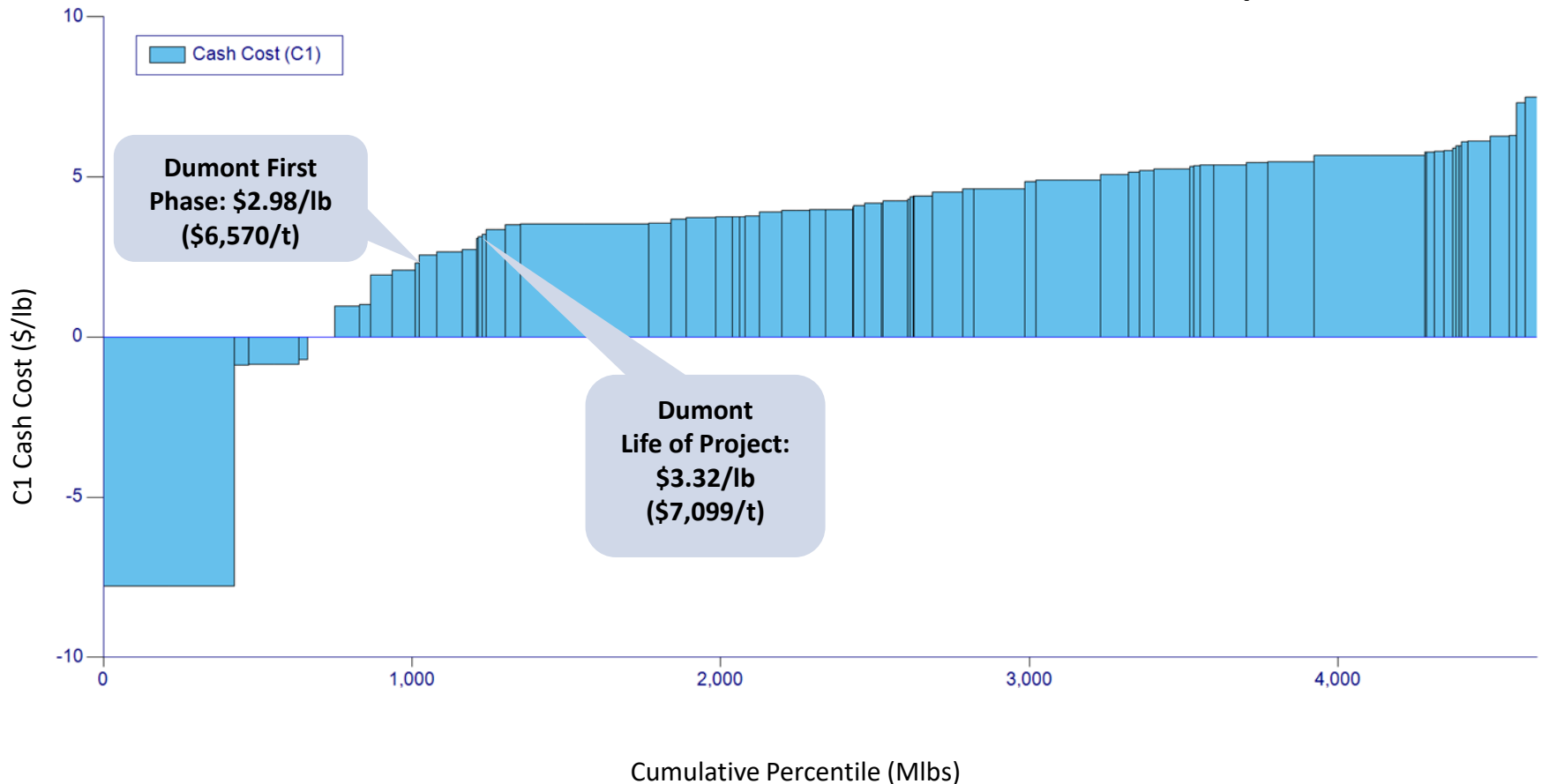
- **Conventional flowsheet (SAG, ball mill, flotation, magnetic separation)**
- **Low strip ratio 1:1**
- **Low electricity costs averages US\$ 3.5 (C\$4.7) cents / kWh**
- **29% Ni high grade concentrate**
- **Non-acid generating waste rock and tailings with carbon sequestration capacity**
- **Major support infrastructure in place**
- **Local workforce – no camp**



# Low 2nd Quartile Cash Cost Producer

Dumont is expected to be a low cash cost producer over the entire project life with low 2<sup>nd</sup> quartile cash costs

### Dumont C1 Cash Costs vs 2018 C1 Cash Costs of Global Nickel Operations



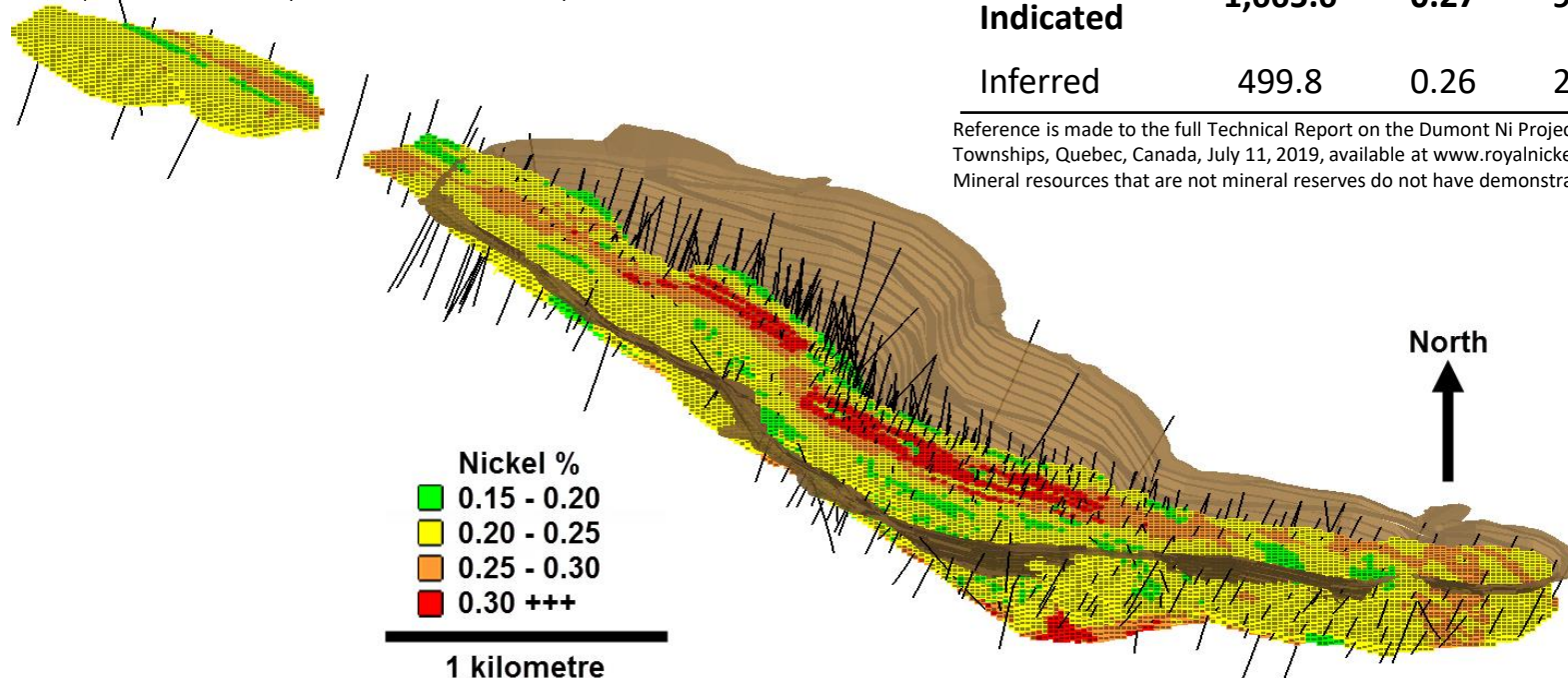
Source: RNC feasibility Study news release dated May 30, 2019, Wood Mackenzie Ltd.

# 1 Billion Tonne Reserve

## Reserve Estimate (Penswick May 30, 2019)

	Resources (Mt)	Grade (%)	Contained Metals (Mlbs)	Contained Metals (Mt)
Proven	163.1	0.33	1,174	0.533
Probable	864.9	0.26	4,908	2.226
<b>Total</b>	<b>1,028.0</b>	<b>0.27</b>	<b>6,082</b>	<b>2.759</b>

Reference is made to the full Technical Report on the Dumont Ni Project, Launay and Trécesson Townships, Quebec, Canada, July 11, 2019, available at [www.royalnickel.com](http://www.royalnickel.com) and on [www.sedar.com](http://www.sedar.com).



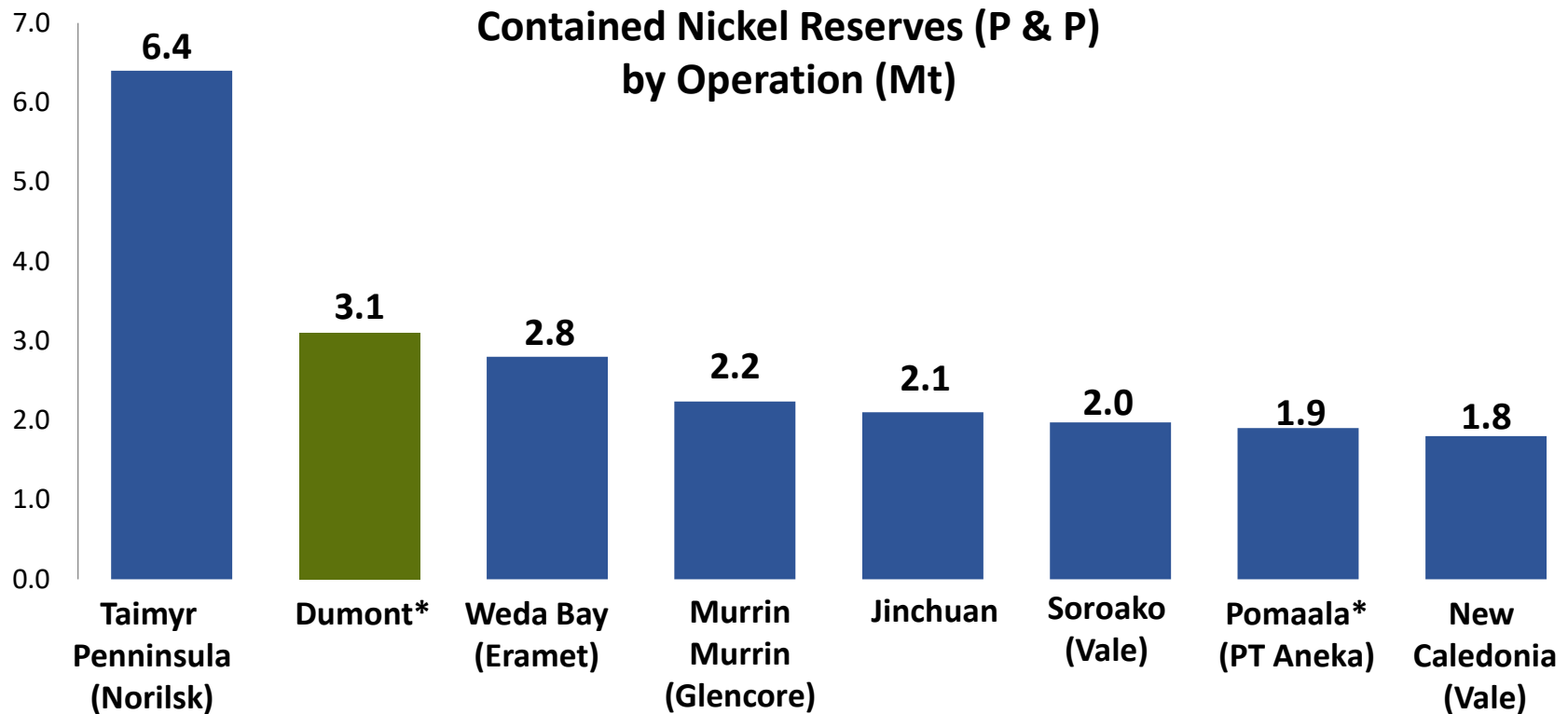
## Resource Estimate (SRK May 30, 2019)

*inclusive of Mineral Reserves*

	Resources (Mt)	Grade (%)	Contained Metals (Mlbs)	Contained Metals (Mt)
Measured	372.1	0.28	2,310	1.050
Indicated	1,293.5	0.26	7,441	3.380
<b>Measured + Indicated</b>	<b>1,665.6</b>	<b>0.27</b>	<b>9,750</b>	<b>4.430</b>
Inferred	499.8	0.26	2,862	1.300

Reference is made to the full Technical Report on the Dumont Ni Project, Launay and Trécesson Townships, Quebec, Canada, July 11, 2019, available at [www.royalnickel.com](http://www.royalnickel.com) and on [www.sedar.com](http://www.sedar.com). Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Dumont Ni-Co project only large scale nickel reserve not controlled by a major or nickel industry leader



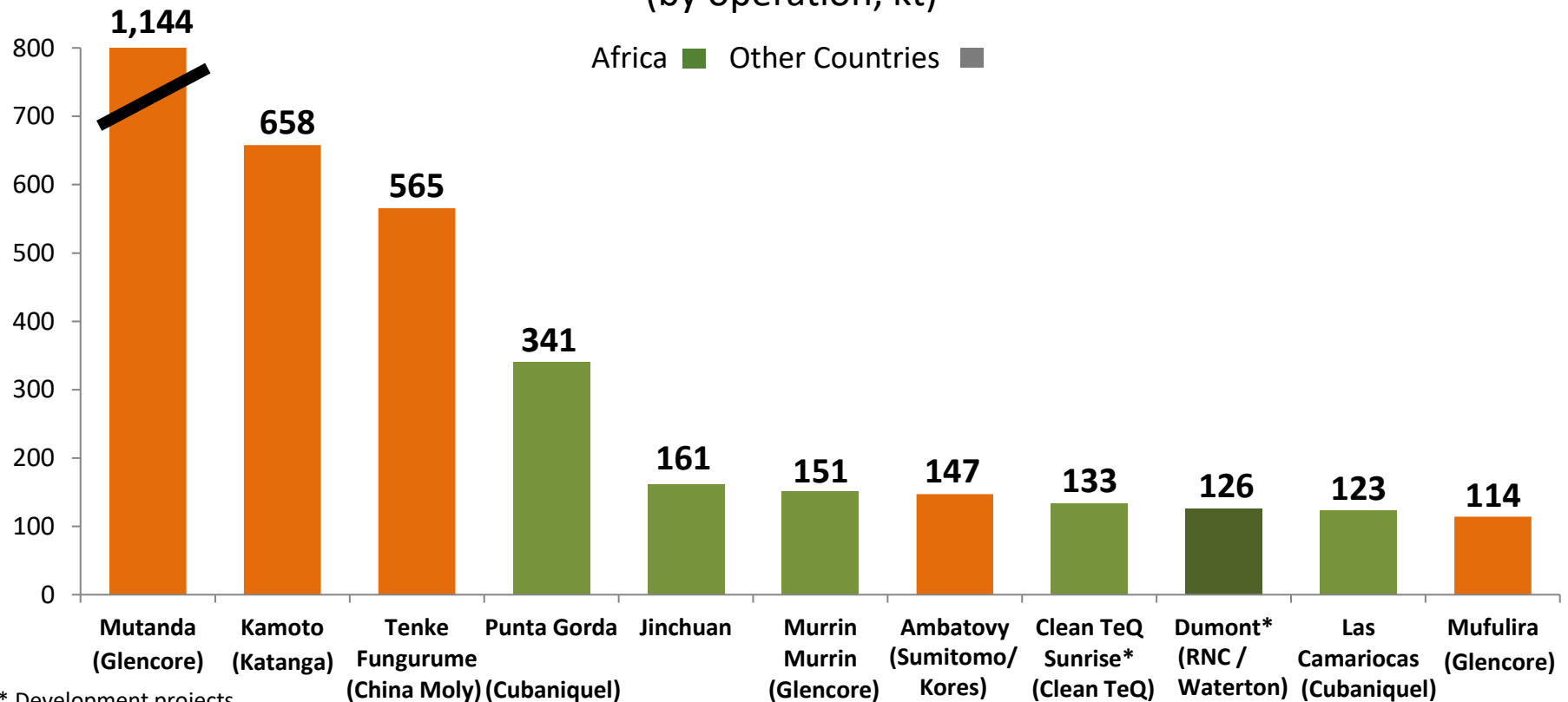
\* Development projects

Source: Company Reports, except Weda Bay, Jinchuan, Pomaala and Vale New Caledonia: Wood Mackenzie February 2015 Global Nickel Mine Summary Report

# 9<sup>th</sup> Largest Cobalt Reserve in the World

Dumont hosts the 9<sup>th</sup> largest cobalt reserve and is one of only two of the 8 largest reserves not in production and not owned by a major mining company

Ranked Global Contained Cobalt Reserves (P & P)  
(by operation, kt)

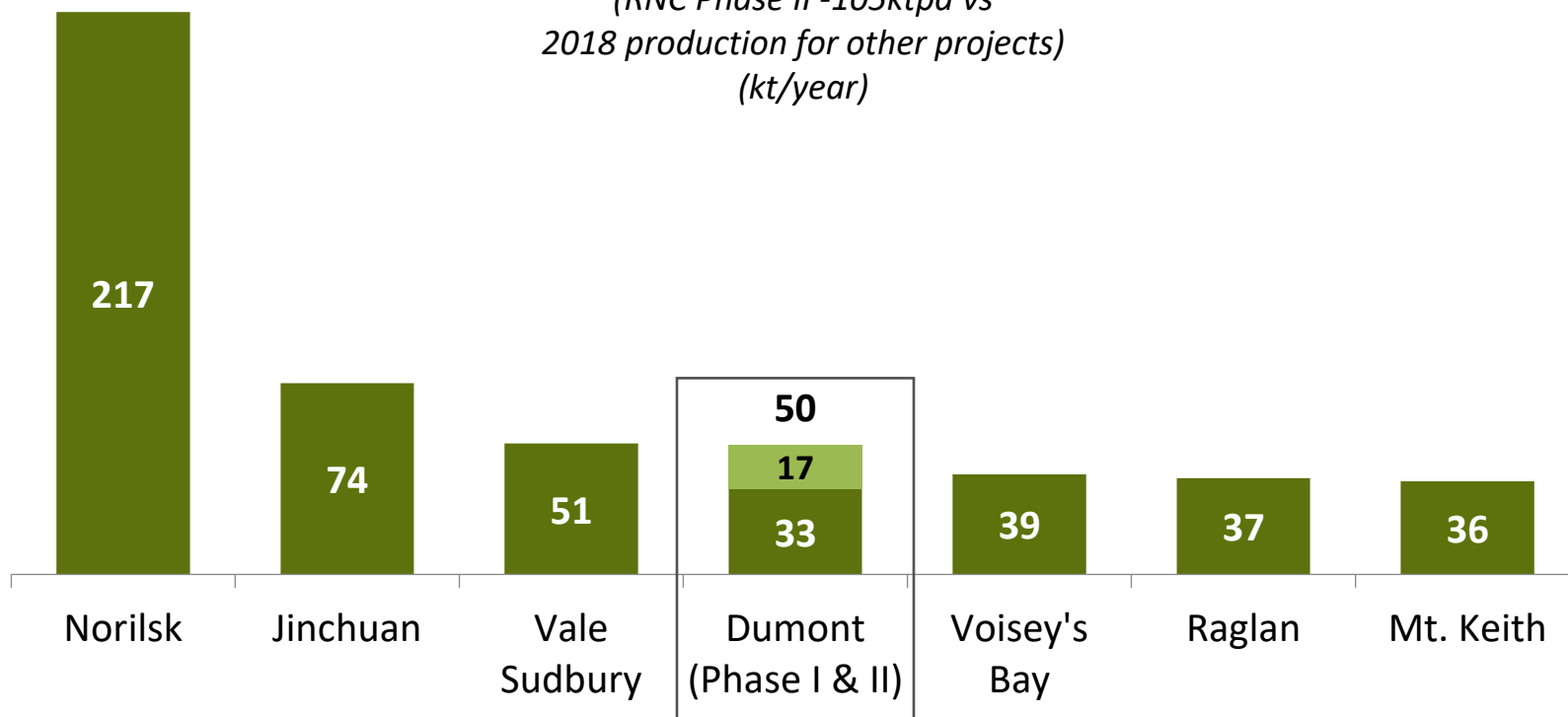


Source: S&P Global Market Intelligence

## Dumont is expected to be among the top 5 nickel sulphide operations

### Largest Nickel Sulphide Operations

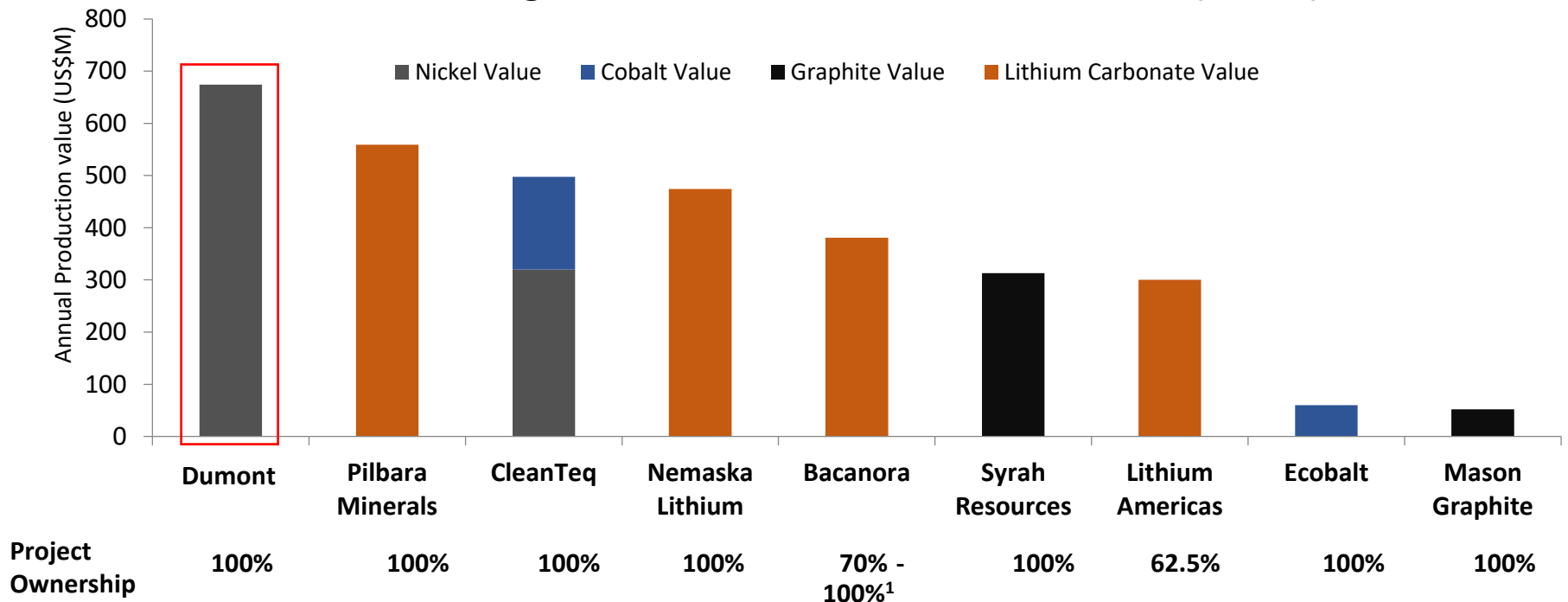
*(RNC Phase II -105ktpd<sup>1</sup> vs  
2018 production for other projects)  
(kt/year)*



1. Dumont production based on phase II expansion in year 7.

## Dumont is one of largest battery metals projects by annual output value

LOM Average Annual Production Estimated Value (US\$M)



Source: Company Filings, Reuters | Metal Price: \$7.75/lb Ni, \$25.00/lb Co, \$12,000/t Li<sub>2</sub>CO<sub>3</sub>, \$1,000/t graphite | (1) Bacanora has 100% interest in the La Ventana concession and a 70% interest in Mexilit and Megalit

# Highest-Grade Nickel and Cobalt Sulphide Concentrate

The Dumont Nickel-Cobalt Project is expected to produce the highest-grade nickel and cobalt sulphide concentrate in the world, providing maximum flexibility for potential partners and offtake parties, including the battery and stainless steel markets

Table 1: 2016 Concentrate Grade (% Ni) for Global Nickel Sulphide Operations Compared to Dumont Nickel-Cobalt Project<sup>1</sup>

\* Denotes Development Stage Project

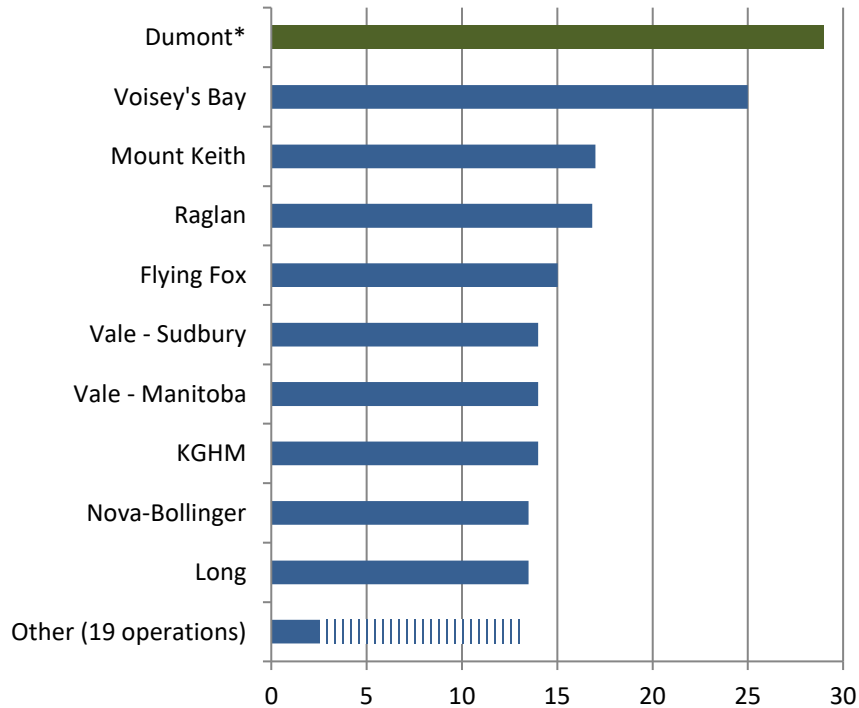
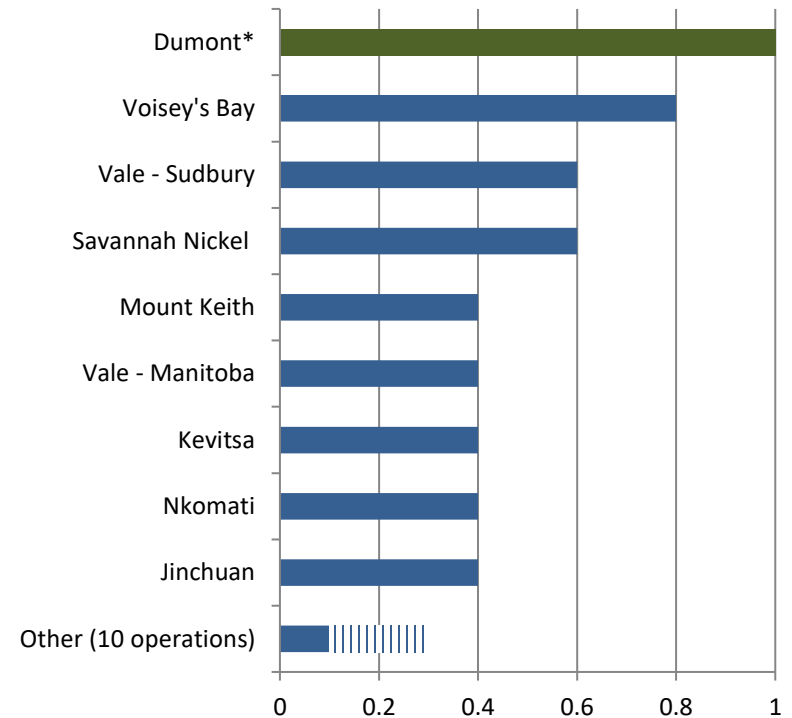


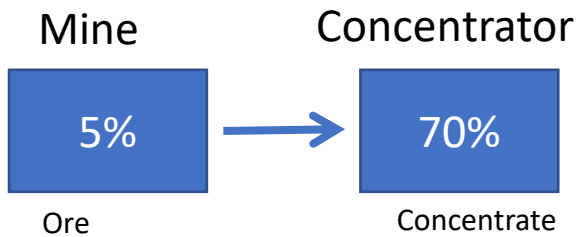
Table 2: 2016 Concentrate Grade (% Co) for Global Nickel Sulphide Operations Compared to Dumont Nickel-Cobalt Project<sup>1</sup>

\* Denotes Development Stage Project

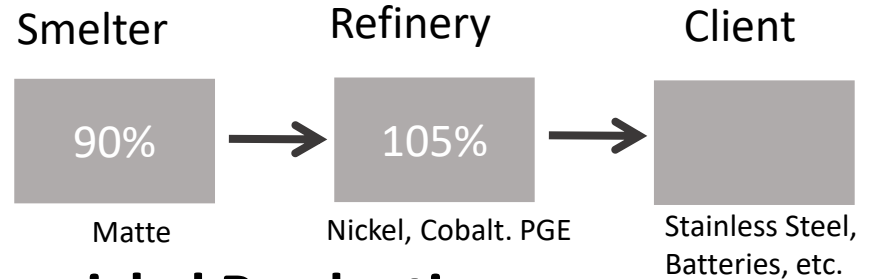


Source: Wood Mackenzie and, with respect to Dumont, Technical Report on the Dumont Ni Project, dated July 25, 2013, available at [www.dumontnickel.com](http://www.dumontnickel.com)

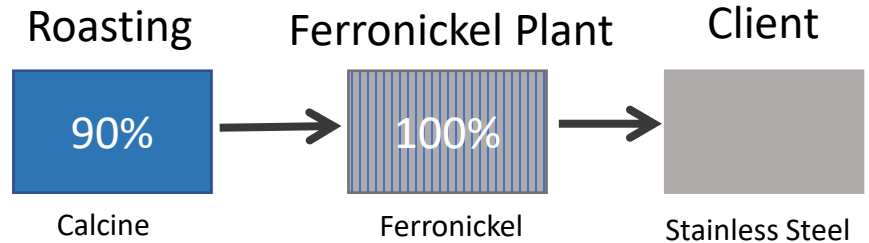
## Dumont Project



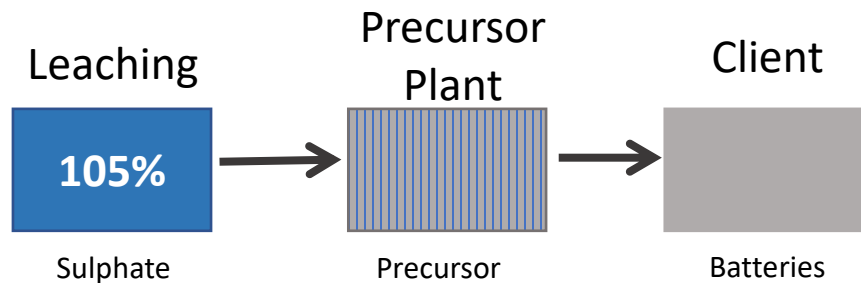
## Smelting and Refining to pure Ni, Co, PGE



## Ferronickel Production



## Ni and Co Sulphate, PGE

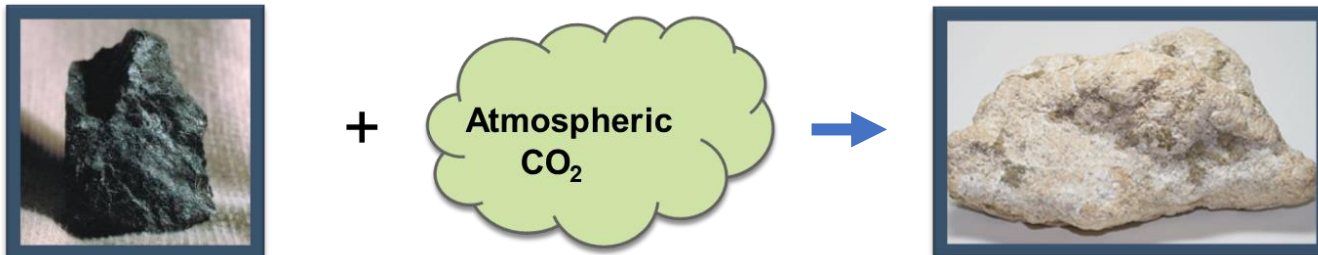


Nickel sulphate produced from Dumont Concentrate

Note: percentages represent the value of the product relative to the value of contained metal based on London Metal Exchange (LME) pricing



- **Located in Quebec, Dumont Ni Project has a low carbon footprint**
  - Electricity for Dumont is renewable sourced hydro-electric energy
  - Mine electrification through use of trolley system for mine haulage trucks reduce diesel consumption and GHG emissions
- **Carbon sequestration potential**
  - A spontaneous reaction between carbon dioxide ( $\text{CO}_2$ ) and waste rocks and tailings containing serpentine leading to the formation of carbonate minerals that are geologically stable and harmless to the environment (magnesite), thereby permitting the storage of  $\text{CO}_2$  in a stable, inert and solid form.
  - Spontaneous mineral carbonation of Dumont tailings may offset the carbon footprint of the Dumont mining and processing operations.





## Local communities and stakeholders

- Dumont prizes efficient integration of its project within local communities
- A meaningful consultation process was developed in order to elicit relevant concerns and suggestions from stakeholders to optimize the project and impact study, and de-risk social aspects of the project.

## Abitibiwinni First Nation

- On excellent terms with the local First Nation community since 2007
- IBA concluded in 2017 mean that Abitibiwinni are partners in the development of Dumont.



- Once in production, a top five nickel sulphide operation
- Large scale, long life nickel and cobalt production – 30 year reserve life
- Initial production of 33 ktpa of nickel and 1.0 ktpa of cobalt
- Expanded in year five to 51 ktpa of nickel and 2.0 ktpa of cobalt
- 1.7 billion tonnes of measured and indicated resource and 500 million tonnes of inferred resource (figures inclusive of mineral reserves)
- Excellent location in the Abitibi region of Quebec - all major infrastructure in place
- Project is well-supported by community; permitting and IBA complete
- Feasibility study completed by Ausenco – excellent large sulphide mill track record
- Significant upside potential from roasting and alternate downstream processing compared to traditional smelting and refining
- Attractive economics at long-term prices

# APPENDIX

Dumont initial capital requirement is \$US 1.0 billion.

(\$ millions)	Initial Capital <sup>2</sup>	Expansion Capital <sup>2</sup>	LOM Capital <sup>1</sup>
Mine	\$223	\$0	\$674
Process Plant	\$346	\$335	\$729
Tailings	\$36	\$23	\$185
Infrastructure	\$206	\$118	\$324
Indirect Costs	\$123	\$71	\$182
Contingency <sup>2</sup>	\$83	\$53	\$137
<b>Total</b>	<b>\$1,018</b>	<b>\$601</b>	<b>\$2,230</b>

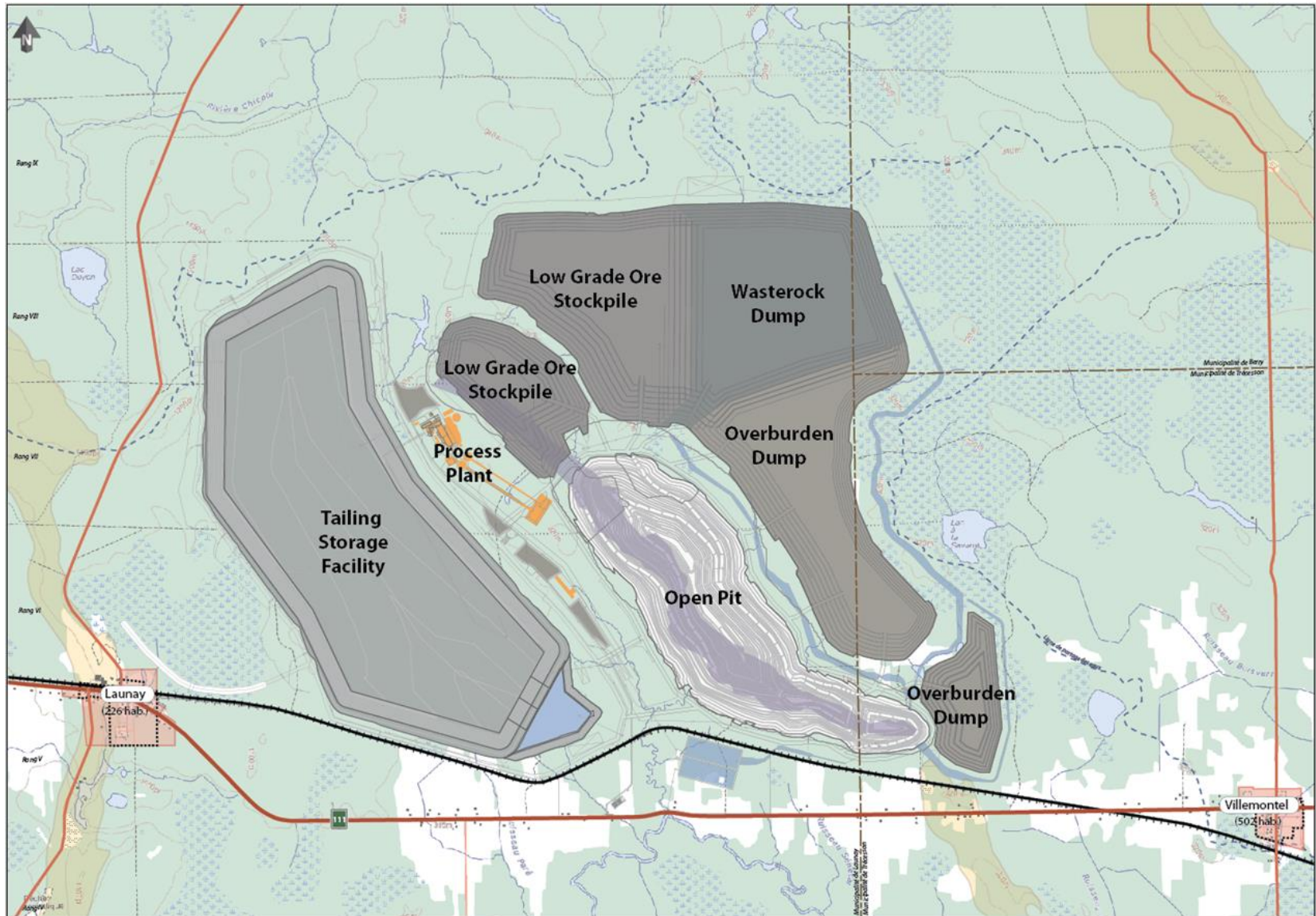
- 15% reduction in \$US initial capital cost vs. 2013 FS
- Inflation was more than offset by changes in currency
- Expansion of mining fleet is reflected in LOM sustaining capital

<sup>1</sup> Life-of-mine capital includes \$611 million of sustaining capital

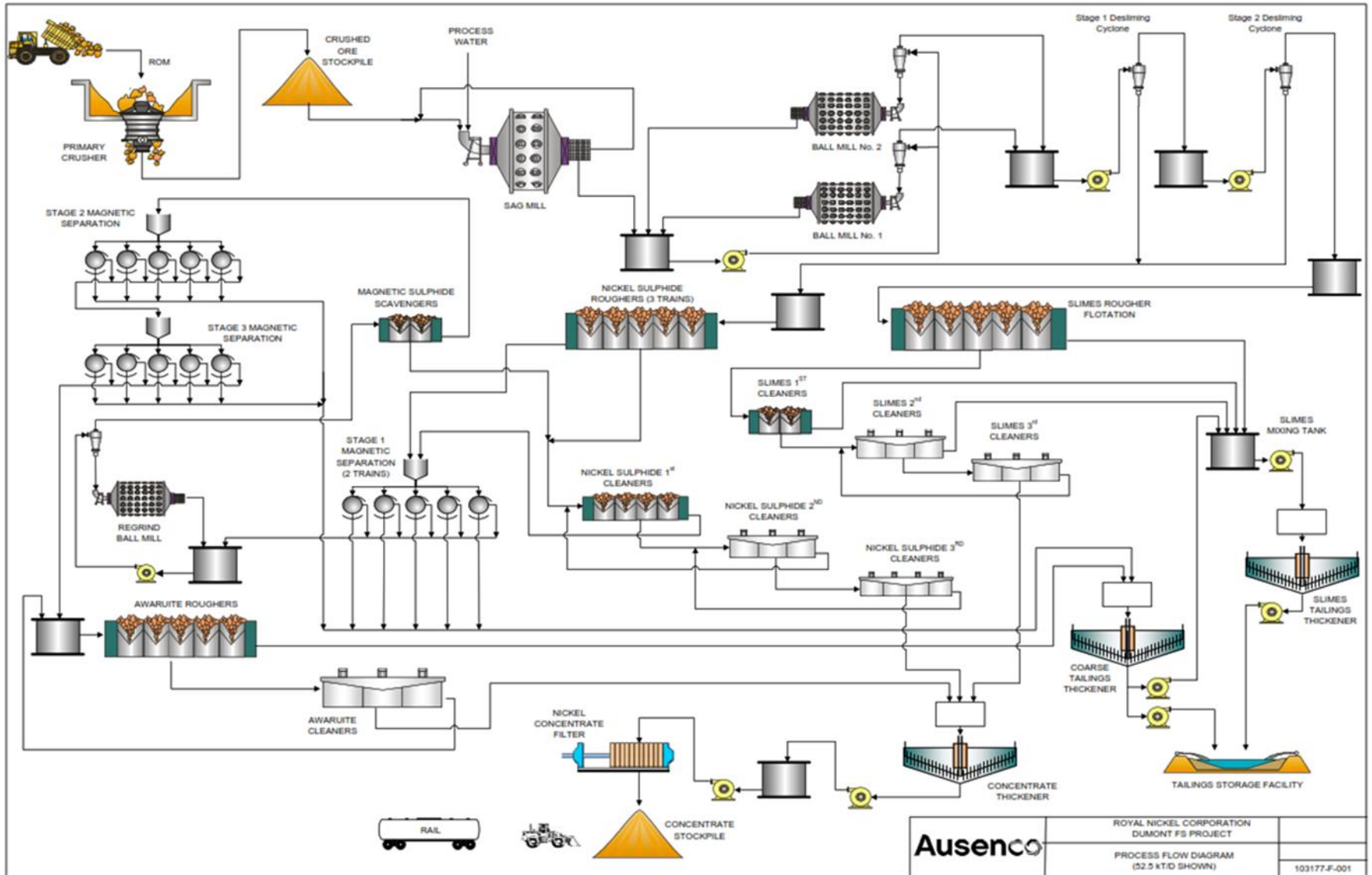
<sup>2</sup> Contingency excludes a growth allowance of 5.1% that has been included in the direct capital costs of the applicable elements. A total of \$69M of growth allowance was included – 38M for initial capital and 31M for the expansion

Source: RNC news release dated May 30, 2019

# Dumont Site Layout



# Conventional Mill Fowsheet



# Dumont's Nickel Roasting Approach

## A Significant Breakthrough

**Strategic alliance with Tsingshan led to the development of the first integrated nickel pig iron (“NPI”) plant to directly utilize nickel sulphide concentrate as part of the stainless steel production process through concentrate roasting**

- In 2018 CRU completed a value-in-use study for nickel concentrates, roasted and converted to FeNi
- For the 29% Ni concentrate from Dumont, CRU estimated a payability of 94%
  - Payability of 91.5% was assumed for the 2019 FS
- With roasting, no payment will be realized for the cobalt and PGMs contained in concentrate
- At certain metal prices, concentrate content or partner requirements, recovered cobalt and PGMs could become payable metals

*Ferro-nickel puck  
produced from  
Dumont concentrate*



Source: RNC news release dated May 30, 2019