



CRONIN

CAPITAL

Where Others See Risk, We See Opportunity.

June 2020



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Welcome



Cronin is a leading independent, natural resource focused merchant banking group based in Vancouver, British Columbia

Our highly skilled, vertically integrated team of professional's partner with our clients to provide quality independent financial and technical solutions

Our intelligent early stage capital brings experience and determination to the table to support company success

"Our business focus is to leverage our technical, financial and operational expertise to provide the highest quality technical strategy and banking solutions for our clients"

Samuel "Kyler" Hardy
Chief Executive Officer



Executive Summary

Cronin Focus



Cronin exclusively operates in natural resources. A broad sector where we have deep expertise and have built and managed businesses for over two decades.

Inhouse Operational
Experience
30+ Years

Management Experience
20+ Years

Aggregate value of M&A
transactions advised on
>USD\$500.0m

Current Advisory
Clients
6

Our Sectors

Within natural resources, Cronin advises and invests in companies covering a broad range of materials including:



Mining & Metals



Energy



Specialty Gases



Agriculture



Water

Executive Summary

Cronin Strategy



Source and deploy quality assets and management using our established global networks

Employ consistently focused technical, structuring and due diligence expertise

Provide intelligent internal and external sources of capital to invest in client expertise



Cronin forges long-lasting collaborative relationships with its clients and external sources of expertise to provide well thought out advice and strategy

Merchant Banking

- Utilise our deep corporate development expertise and networks to
- Develop corporate structures to house assets that set companies up for success
- Restructure existing companies to improve efficiency and attractiveness for prospective investors
- Provide and source intelligent, strategic capital that will promote the long term success of the business
- Create and source exclusive use of clean shells
- Utilise extensive networks in North America, Europe and Australia to manage the listing process
- Develop focused management teams

Investment Banking

- Analyse global projects and company balance sheets to
 - Determine appropriate level of capital required for ongoing business practise and transformational M&A
 - Advise on the efficient use of equity, debt and hybrid products
- Analyse current and expected market trends to
 - Provide existing debt and equity holders of companies with accurate valuations
 - Determine alternative short, medium and longer term financing solutions
- Work in conjunction with a company's existing advisors to facilitate knowledge share leading to higher probability of company success

Back Office Management

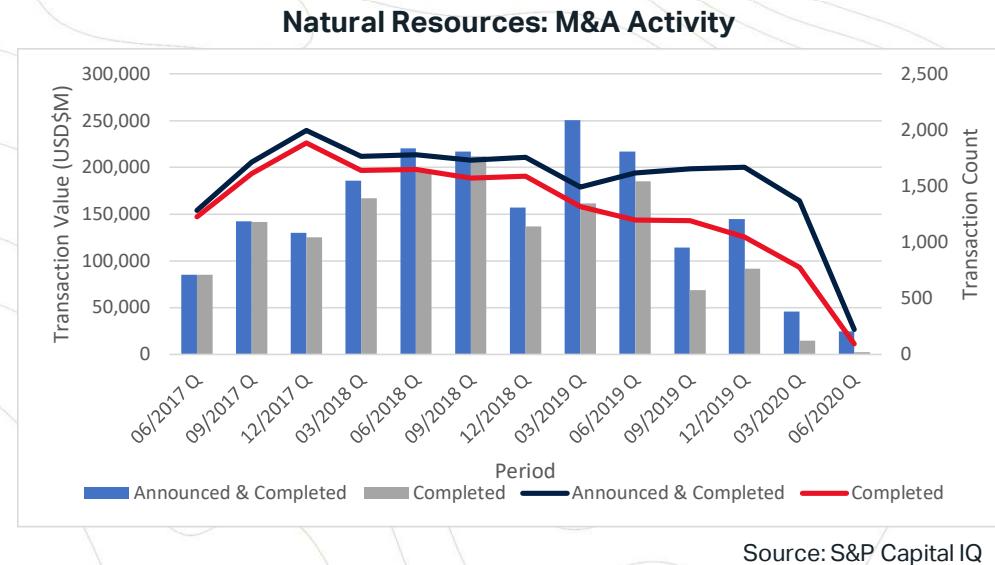
- Provide tailored turnkey back office support across various professions including
 - Full cycle Accounting
 - CFO Services
 - Corporate Secretary
 - Compliance documentation
 - Continuous disclosure
 - Regulatory filings including Canadian SEDAR and SEDI filings
 - Transaction management and support
- Provide Geological analysis of data for use in company reports, regulatory filings and or investment decision making and

Cronin Investment Thesis

Current Market Dynamics



- Significant reduction in both announced and completed M&A activity across natural resources since mega mergers in early 2019
- Tighter financial markets at the large cap end have led to difficulty for small and mid cap business sourcing finance
- Reduction in available finance has been exacerbated by pandemic and seen a dramatic reduction in exploration budgets
- Opportunity arising to support superior management and finance quality assets in natural resources given extreme government support for infrastructure



Source: S&P Capital IQ

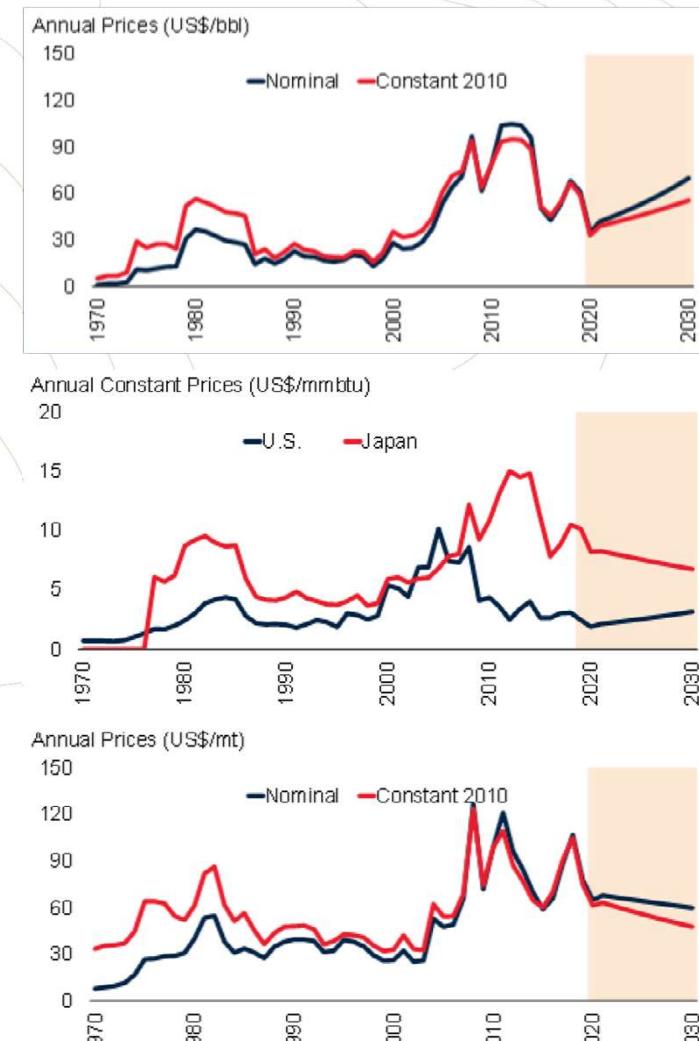
Cronin Investment Thesis

Current Market Dynamics (Cont.)



Following a significant appreciation against all major currencies and given recent Fiscal Policy measures, Cronin holds the base case view that the USD will depreciate against the major currencies, which in general, will be positive for commodity prices in the short-medium term. The major risk (upside and downside) is medical and economic recovery post Covid-19 or if the second wave theory proves true.

| Commodity | Cronin Short Term Views |
|----------------------|---|
| Oil North America | <ul style="list-style-type: none"> Crude oil prices fell sharply through 2020Q1, dropping 70 percent between January 20 (the date of the first known human-human Covid-19 transmission) to mid April The decline was exacerbated by the breakdown of OPEC+ talks in early March, and a new production agreement announced on April 12 failed to boost prices Anticipate continued extreme volatility in North American (WTI) price given the above and storage capacity unknowns and 20-30% reductions in demand in the short term |
| Natural Gas | <ul style="list-style-type: none"> Reduction in industrial activity and a weakening in electricity demand arising from shutdowns has reduced demand for Natural Gas Electricity demand has held up better than other areas of consumption, in part because residential demand is expected to be relatively unaffected by the shutdown (US commercial and industrial electricity demand expected to fall 4-5% only in 2020 as well as lower rig drilling activity and by product (of oil) production Switch from high CO₂ emitting energy sources to Natural Gas expected to help demand side economics especially in markets outside of Japan Anticipate price depreciation of 25% in 2020 before recovering in 2021 |
| Coal | <ul style="list-style-type: none"> South African coal prices fell 17 percent in 2020Q1, while Australian seaborn prices fell 5 percent Coal markets were mostly impacted by reduced demand from China in 2020Q1 While there have been Covid-19-related mine shutdowns in Colombia and South Africa, disruption has been muted in the two largest exporting countries, Indonesia and Australia Forecast prices to fall ~15-20% in 2020 before recovering in 2021 |

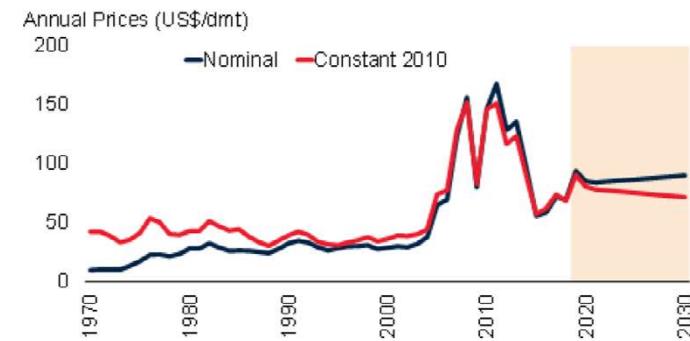
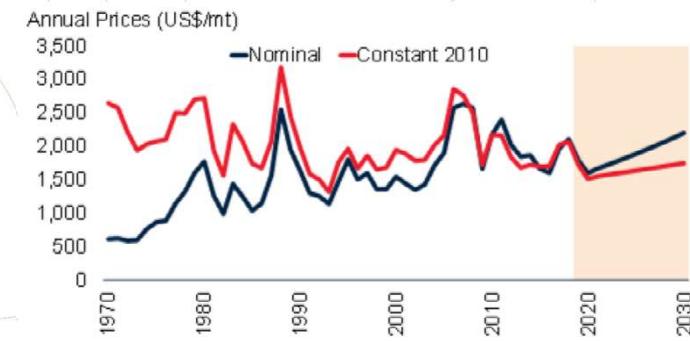


Cronin Investment Thesis

Current Market Dynamics (Con't)



| Commodity | Cronin Short Term Views |
|-----------|---|
| Gold | <ul style="list-style-type: none"> The World Bank's Precious Metals Index gained 5.4 percent in the first quarter of 2020 (q/q), led by gold The increase in gold prices reflected both a flight to safe-haven asset and central bank fiscal policy & government monetary policy that promote the old gold standard investment Global refining capacity has also fallen considerably. Switzerland's refineries—which process one-third of global gold supply—suspended operations, while refineries in Singapore and Turkey operated at reduced capacity Gold prices are forecast to average 15% higher in 2020 |
| Aluminum | <ul style="list-style-type: none"> Significant reduction in global car manufacturing (30%) lead prices to fall given Chinese production (50% of global supply) saw limited reduction Upside risk being expansive infrastructure investment spending, similar to that announced by the US in the order of USD\$2.0tn Aluminum prices are forecast to decline by 10-15% in 2020 |
| Iron Ore | <ul style="list-style-type: none"> Recent spike in Iron Ore prices are event driven caused by weather related supply disruptions in Australia and Brazil and escalating Chinese/ Australian trade war Steel mills have yet to cut production in response to the pandemic due to the high costs of restarting idled plants Forecast weakening global steel demand and a recovery of supply from Australia and Brazil Iron ore prices are anticipated to average 10% lower in 2020 but this may change with the evolving trade wars and supply issues |



Source: Forecast Prices - World Bank



Our continued growth comes from understanding and excelling in our core market

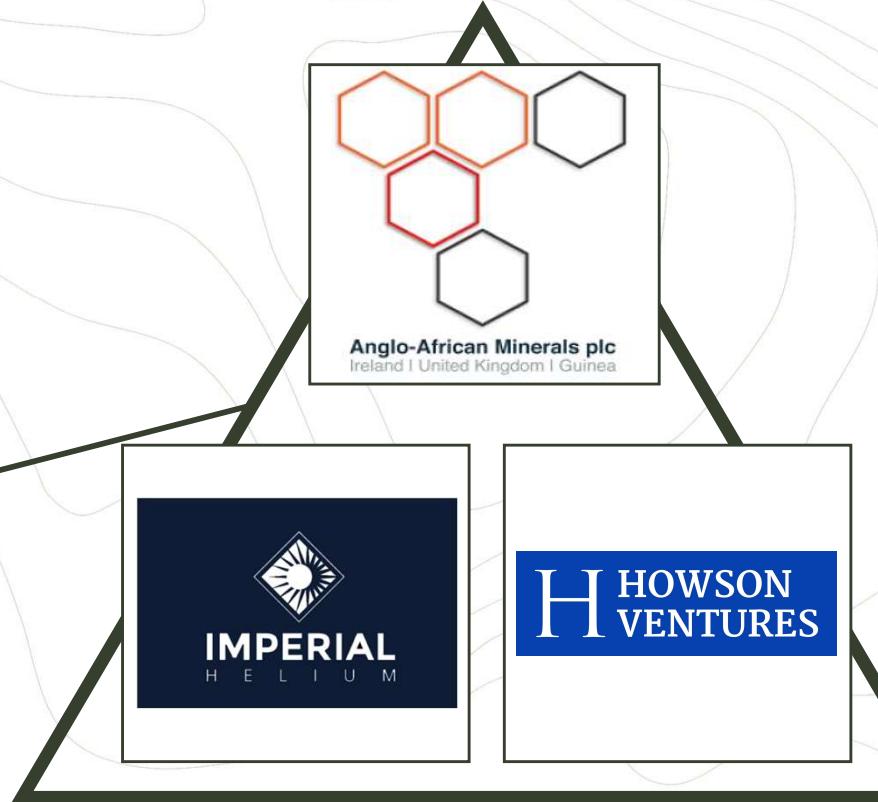
- Natural Resource Sector (Explorer, Producer or Servicer)
- Early to mid stage project or company
- Undervalued / forgotten assets

We are agnostic to the global position of projects, assets and funding sources however acknowledge our core understanding of North American assets and networks is key to our ability to add value

We take positions in our clients and assets to both ensure sufficient risk capital is available prior to undertaking the transaction and that our goals are aligned with all parties

Cronin Relevant Deal Experience

Cronin has extensive transaction experience at the intersection of natural resources, international capital markets, and public micro-cap market listings



Significant Transaction Experience in the Natural Resources Sector

Select current client transactions



Bauxite Project – Guinea

Anglo-African Minerals ("AAM") is an exploration and development company, owning significant bauxite resources in the Republic of Guinea, one of the world's leading countries in terms of proven bauxite reserves (~25%).

AAM's portfolio consists of:

- **Forward African Resources ("FAR").** A project targeting 70m metric tons of export quality bauxite resources
- **Societe Miniere d'Alumine S.A. ("Somalu").** A project targeting 450m metric tons of export quality bauxite resources
- **Tougue Bauxite and Alumina Corporations S.A. ("Toubal").** A project targeting 865m metric tons of export quality bauxite resources

Cronin lead the financing and structuring negotiations to secure a USD\$2.0billion capital commitment and MOU for an offtake agreement

Company has subsequently received a binding term sheet by ASX listed TerraCom Ltd (TER.ASX) announced February 2020



Helium Project - Canada

Imperial Helium Corp. ("IHC") is a private company that is implementing a rollup strategy to build a mid tier Canadian helium developer and producer. The value proposition is to capture undervalued natural gas assets in Western Canada for their much higher value helium content.

- Imperial are utilising the premier proprietary Canadian helium database compiled by its partner, Petrel Robertson Consulting Ltd. ("PRCL")
- Realistic timeline to cashflow is less than 24 months which would allow for IHC to be the first publicly listed pure play helium business with producing assets.

Through a 50:50 partnership with PRCL, Cronin has led the financing and structuring side of the business to secure a CAD\$0.70m seed capital in March 2020.

Cronin is currently developing the go public strategy alongside IHC to raise \$20.0m into the 2021 calendar year

Total transaction value to date CAD\$0.70m

Significant Transaction Experience in the Natural Resources Sector

Select current and historical transactions



H HOWSON
VENTURES

- **Investment Vehicle – Canada**
 - Lead seed financing CAD\$0.75m into blind pool
 - Sourced project and completed financial due diligence to complete transaction
 - Negotiated attractive terms via convertible debt into African Bauxite transaction
 - Anticipate 3x returns to shareholders within 18 months from inception during September quarter 2020
- **Iron Ore Project – Canada**
 - Lead financing of CAD\$0.45m from seed investors and go public financing
 - Built management team including internally sourced CEO, CFO and VP Exploration
 - Vended Iron Ore prospect into company after completing technical due diligence
 - IPO transaction completed in May, 2020 with a market cap of CAD\$3.6m
 - Completed technical due diligence on further properties with financial negotiations expected to complete in June 2020
- **Oil Streaming Project – USA**
 - Lead seed financing and M&A negotiations for onshore, conventional oil play
 - Co-founded with USD\$1.0m for M&A
 - Negotiated royalty structure with fragmented market of small, owner-operator acreage
 - Sold company to BVI based family office for ~USD\$10.0m

Ridge
Royalty
Corp.

Cronin Capital Global Footprint

Our global reach



📍 Cronin Office

▲ Active Engagement and Investment

● Prior Engagement and Active Investment



Since 2007, Cronin has operated on projects across the globe, recognizing that value from investments across numerous jurisdictions, including emerging and frontier markets, can be exploited.

- Projects across **5 continents**
- Offices in **3 countries**
 - Canada
 - United States of America
 - Australia
- Public company advisory in **4 jurisdictions**
 - Canada
 - United States of America
 - England
 - Australia

The Cronin Capital Team

Seasoned management



Samuel "Kyler" Hardy
Chief Executive Officer

Kyler has over 16 years of experience in the global resource sector where he has operated, advised and brought venture capital and private equity to the table.

His combination of hands on field experience, entrepreneurship and corporate management has provided him with a dynamic knowledge base.

Kyler's experience includes founding and growing a number of companies, including Cronin Capital, Hexa Resources Ltd., Equitas Resources Corp and a large geosciences and logistics management firm



Dave Robinson, BBA, CPA, CA
Chief Financial Officer

As a CPA, CA David has over 10 years of accounting and capital markets experience.

David provided audit, tax and consulting services to private and public companies for a number of years at MNP LLP before moving to the TELUS Pension Fund as a senior analyst where he gained significant exposure to equity portfolio management and commercial lending

The Cronin Capital Team (Con't)

Supported by a disciplined and thoughtful team of investment professionals



Rory Kutluoglu, B.Sc, P.Geo

Vice President Technical Services

Mr. Kutluoglu is a professional geologist with over a 15 years of mineral exploration experience and executive management roles in North American and European companies.

He has designed and executed multiple exploration programs and managed comprehensive environmental baseline and feasibility study programs.

Mr. Kutluoglu is a Fellow of the Society of Economic Geologists.



Ryan Kuhn

Vice President Corporate Finance

Ryan has over 15 years of investment banking experience with expertise in M&A, corporate finance, private equity and venture capital.

He holds a BS in Applied Economics and Business Management and has successfully executed advisory and financing assignments for clients across a wide range of sectors



Colin Robson

Institutional Sales & Capital Markets



Kyle Hookey, CFA

Associate

Kyle has over 8 years experience in capital markets, advising clients on equity and debt portfolios, public market M&A transactions and broad asset allocation mandates.

His previous experience includes Goldman Sachs JBWere and Euroz Securities.

Mr. Hookey is a Member of the CFA Institute.

Alex Knight, CA

Advisor

Alex has over ten years experience in business and accounting within the accounting, taxation and corporate advisory fields.

Through board representation and key advisory positions, Alex uses his experience, knowledge and skills to drive growth and increase.

Mr. Knight is a Director and the Chief Financial Officer of the Estrala Capital Investment Fund.

Contact Information



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C A P I T A L

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