



TRIPLEFLAG
PRECIOUS METALS

UPDATE: FY 2019 & Q1 2020

NEWS RELEASE

Toronto, April 14, 2020

Triple Flag delivers record 2019 results and is positioned to deliver growth in 2020

“Having reported record results in 2019, I am pleased to be able to provide an update on our business during the first quarter of 2020” commented Shaun Usmar, CEO and Founder. “We sold 42,406 gold equivalent ounces in 2019, which came in at the upper-end of our guidance range of 40,000 to 43,000 gold equivalent ounces. During the first quarter, we were pleased to commence two new operating partnerships with Royal Bafokeng Platinum and Zijin Mining Group and saw solid performance at our producing assets and significant progress at our construction and ramp-up properties.

Clearly COVID-19 is dominating all our lives at present, as our communities, global markets and businesses are experiencing unprecedented uncertainty and volatility. First and foremost, we are concerned with the safety and well-being of our employees and we are taking all necessary steps to keep our team safe, while maintaining business continuity in this unprecedented environment. Second, as regards our portfolio, we have seen varying degrees of short-term business interruption, through stoppages aimed at containing the spread of COVID-19. Some of our partners have also experienced minor supply-chain disruption and constraints on key talent availability associated with travel restrictions; these issues are particularly impactful to businesses working through construction, ramp-up and commissioning. We have been in constant contact with our operating partners to stay abreast of their developments, help share best practices amongst them and assist where we are able with sensible liquidity injections and key skills.

Despite these challenges and the uncertain outlook, Triple Flag has no material financing obligations, has ample liquidity and available headroom on our \$400 million credit facility. Along with Elliott’s steadfast support, we can write large cheques for quality assets, for which only the largest in the sector are capable of competing and we are able to execute deals even with the global travel restrictions. Our business finds itself in a highly competitive and advantaged position as we look to acquire new streams and royalties in the months ahead, while providing critical financing to the mining sector during a likely period of acute need. This pandemic is showcasing the symbiotic nature of our stream and royalty financing for our mining partners; we share the COVID-19 related business interruption risks and only get metal delivered when our partners are able to produce, without the threat of interest or principal repayments during difficult market conditions.

Despite the uncertain business outlook that will impact our portfolio assets in varying ways, Triple Flag currently remains on-track to deliver growth from our existing portfolio during 2020. Triple Flag benefits from asset and jurisdictional portfolio diversity, ample liquidity, several fully-funded mines transitioning from construction to operation, a robust balance sheet, high cash margins and an ability to deploy substantial capital into the sector.”

2019 Financial Highlights

- 42,406 Gold Equivalent Ounces (“**GEOs**”) sold, an increase of 24% from the prior year and at the upper end of 2019 annual guidance (40,000 to 43,000 GEOs).
- Revenue of \$59.1 million, up 37% from the prior year and a new record.
- Adjusted EBITDA of \$48.3 million, up 40% from the prior year and a new record.
- Cash margin of 82% in full year 2019.

Q1 2020 Corporate Updates

- **RBPlat:** Our gold stream transaction on the PGM operations of Royal Bafokeng Platinum Limited (“**RBPlat**”) closed on January 23, and we received our first delivery of gold on January 31, with gold deliveries in the first quarter of 2020 totaling 1,250 ounces. The business interruption, due to the South African government’s national lockdown, will be felt during Q3 2020 due to the timing delays between production and offtake settlements; however, we expect this impact to be offset by the earlier than-anticipated close of the transaction. Following the announcement by Anglo American Platinum Limited (“**Amplats**”) of repair works to the Amplats Converter Plant, agreement has been reached with Amplats for RBPlat to resume concentrate deliveries, as outlined in more detail below.
- **Pumpkin Hollow:** The first metal delivery was received from Nevada Copper Corp. (“**Nevada Copper**”) on March 11. To support our operating partner during the COVID-19 pandemic and through the crucial ramp-up period of Pumpkin Hollow, Triple Flag has committed \$35 million as part of a balance sheet strengthening package alongside financial support from Pala Investments Limited and Nevada Copper’s senior lender, KfW IPEX-Bank GMBH that provides Nevada Copper with \$67.2 million of additional liquidity. Nevada Copper announced a COVID-19 related stoppage for six or more weeks, during which time they will focus on optimizing liquidity while continuing the essential mine services required for the expedient ramp-up of activities once the COVID-19 situation improves.
- **ATO:** Steppe Gold Limited announced the commencement of ore processing at its ATO gold mine in Mongolia, which will contribute towards Triple Flag’s 2020 GEOs growth profile. ATO has over 500,000 tonnes of ore on the leach pad and is expecting to produce its first gold and silver during April.
- **Dargues:** Diversified Minerals Limited achieved mechanical completion at its Dargues gold mine, located in Australia, on February 26, and commissioning commenced during the last week of March. First gold production is expected during April.
- **Buriticá:** Zijin Mining Group Co., Ltd (“**Zijin**”) completed its acquisition of Continental Gold Inc. and is making strong progress on commissioning the Buriticá mine to reach mechanical completion and commence production during the second quarter of 2020. The COVID-19 related measures in Colombia are expected to result in a slower production ramp-up due to workforce reductions, border closures and travel restrictions. Zijin has ample liquidity and benefits from a highly skilled team, which is working hard to support their workforce and local communities.
- **Excelsior:** Excelsior Mining Corp. (“**Excelsior**”) has prepared its wellfield for full-scale production, has copper in solution and is poised to ramp-up its operations; however, in the interests of the health and safety of its workforce, Excelsior has opted to defer the ramp-up of Gunnison in response to the COVID-19 pandemic. Excelsior is focusing on preserving liquidity and maintaining the wellfield in accordance with all state and federal permits, while ensuring the facilities are ready for a rapid re-start.

2020 Outlook

Our streams and royalties on operating mines have performed well during the quarter and good progress has been made at the five construction assets, favourably positioning our portfolio for the remainder of 2020.

Our business has been impacted by the COVID-19 pandemic to varying degrees, as a consequence of government mandated shutdowns, leading to revenue deferrals. At present, Cerro Lindo (Peru), RBPlat’s PGM operations (South Africa) and Pumpkin Hollow (NV, USA) have been suspended, to respect the directives of their local governments. Excelsior has elected to delay the ramp-up of its Gunnison Copper Project (AZ, USA) to prioritize the health and safety of its workforce. Stornoway will keep the Renard diamond mine, located in Québec, on care and maintenance in response to COVID-19 and the globally depressed diamond market. All the suspensions are expected to be temporary in nature.

During the quarter, RBPlat (March 18) announced that an arrangement has been agreed to in principle between Amplats, Rustenburg Platinum Mines Limited (“**RPM**”) and Royal Bafokeng Resources Proprietary Limited, a wholly-owned subsidiary of RBPlat. The arrangement allows for the resumption of concentrate deliveries to RPM on materially the same terms and conditions as the pre-existing Disposal of Concentrate Agreement, to address the situation arising from the repair works required at the Amplats Converter Plant. The new agreement includes delayed payment terms; however, Triple Flag expects the impact to the gold stream to be minor.

3-Year Outlook

As our five construction and ramp-up stage assets reach completion during 2020, and other mines in the portfolio continue to ramp-up and increase output through 2023, we anticipate our annual metals sales increasing over that same period to in excess of 100,000 GEOs. This outlook is based exclusively on existing mineral reserves and fully-funded construction assets that are planned to be brought into production during 2020; additionally, this growth does not factor in any new acquisitions that are likely over this period, given Triple Flag's 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. We currently have 39 assets, comprising 8 streams and 31 royalties. These investments are tied to mining assets at various stages of the mine life cycle, including 9 producing mines, 5 projects in construction and ramp-up and 25 development and exploration-stage projects. References to Triple Flag means Triple Flag Precious Metals Corp., together with its wholly owned subsidiaries.

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