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15 June 2020

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

Investor Update Presentation

Please find attached Investor Update Presentation.

The information contained in this document has been prepared for use in conjunction with a verbal presentation and should be read in that context.

Video link to Investor Update Presentation

For any enquiries please contact TGF at TGFinvestors@tribecaip.com.au or by calling +61 2 9640 2600.

Authorised for released by the Board of Tribeca Global Natural Resources Limited.

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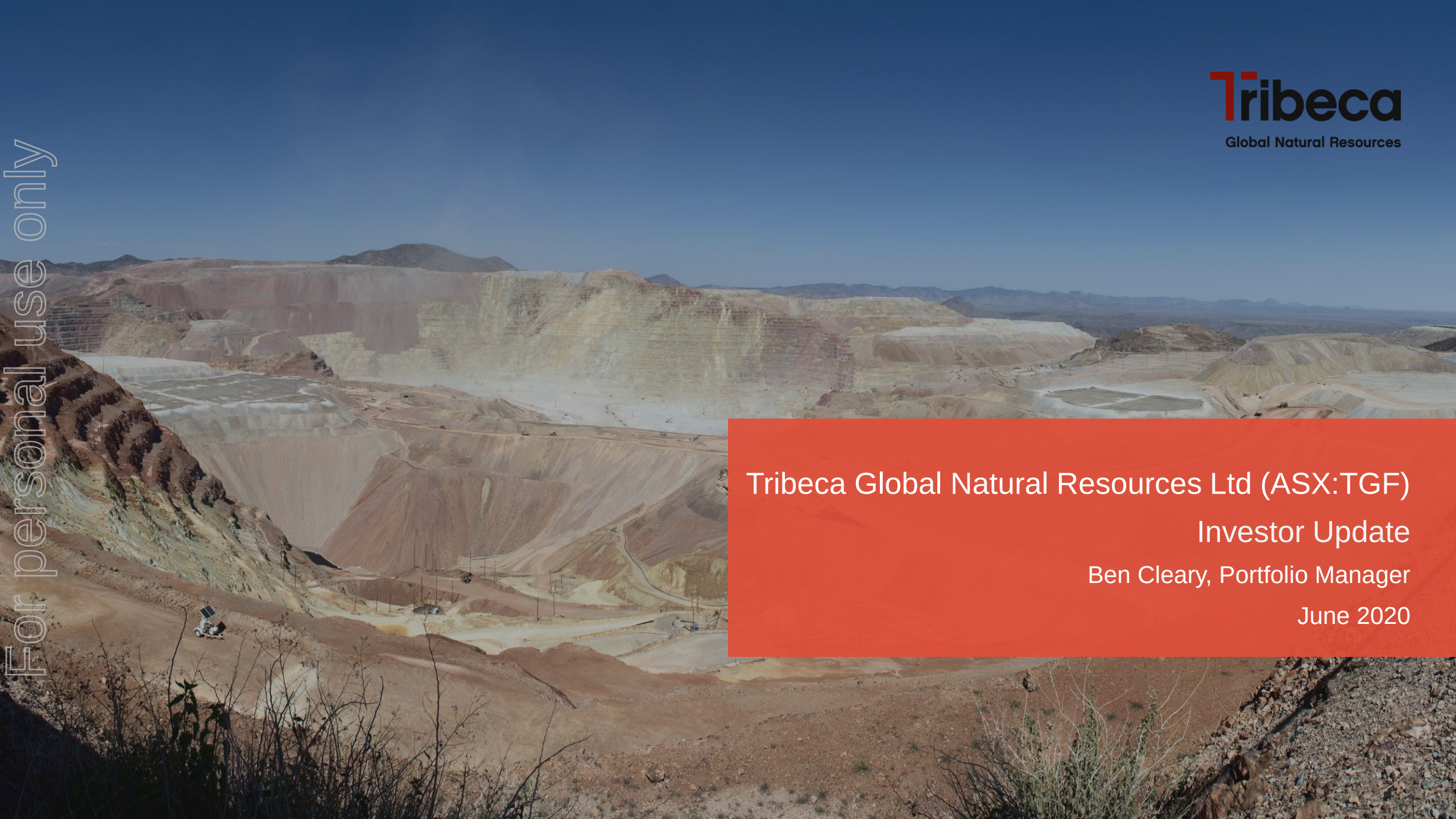

Tribeca
Global Natural Resources

Tribeca Global Natural Resources Ltd (ASX:TGF)

Investor Update

Ben Cleary, Portfolio Manager

June 2020

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Agenda

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1. TGF Portfolio Update
2. Market Environment and Outlook
3. Credit Update
4. Listed Equities Update
5. Corporate Update

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TGF Portfolio Update

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Recent Credit Impairment Impact on NTA

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- As announced last Tuesday 9th June, TGF made a material impairment to its credit exposure, specifically Paringa Resources (click here)
- The impairment will be reflected in the June NTA statement.

- As announced last Friday, 12 June, the post Tax NTA of TGF for May was $2.0145 (click here)

- As announced on Tuesday 9th June the Paringa impairment will reduce post-tax NTA from $2.0145 to estimated $1.71 excluding equity market impacts.

- Post the impairment, the resulting portfolio mix between listed equity exposure and private credit exposure is 79% and 21% respectively of NTA.

TGF NTA vs Share Price Performance

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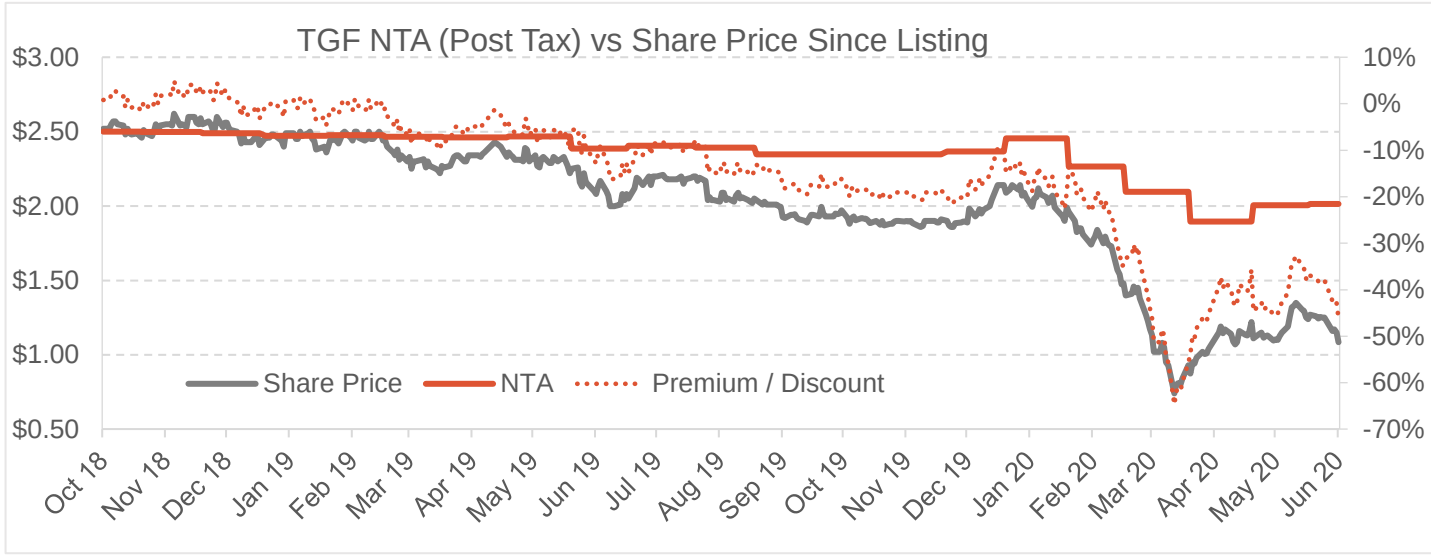
Key Details (as at 31 May 2020)	
ASX Code	TGF
Listing Share Price	$2.50
Share Price	$1.27
Shares on Issue	62.72 million
Market Capitalisation	$79.91 million
Listing Date	12 October 2018

NTA Per Share (as at 31 May 2020)	
NTA Pre-Tax	$1.8455
NTA Post-Tax	$2.0145

Net Performance (Post-Tax) to 31 May 2020	
1 Month	0.47%
Financial YTD	-16.25%
Total Return Since Inception	-19.42%

Monthly NTA Monthly Performance Since Listing

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
									-0.07%	-0.36%	-0.71%	-1.14%
0.16%	-0.44%	-0.16%	0.25%	-3.24%	0.78%	-0.52%	-1.93%	-0.54%	0.60%	0.79%	3.67%	-0.72%
-7.68%	-7.62%	-9.48%	5.74%	0.47%								-17.90%



Source: ASX, Citco Fund Services. Past performance is not an indicator of future performance.

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Current Portfolio Exposures

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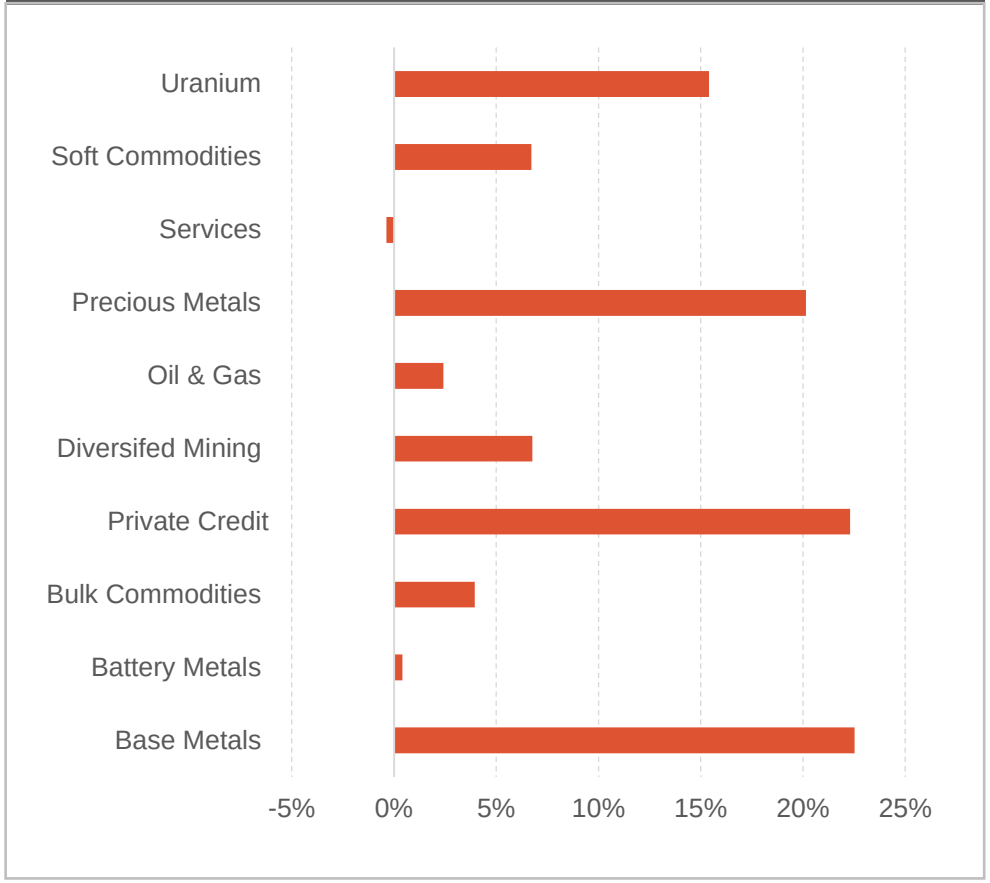
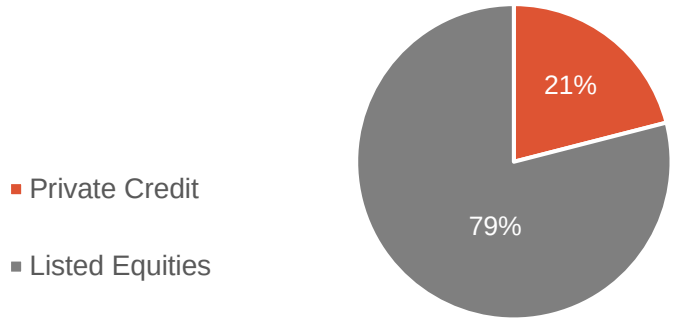
Current Net Exposures by Sector (as at 12 June 2020)



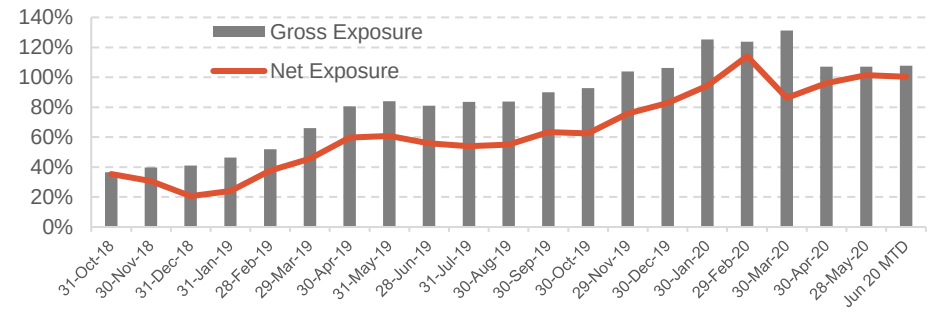
Source: Tribeca Global Natural Resources Ltd

Exposure Allocation by Strategy



Source: Tribeca Global Natural Resources Ltd

Net and Gross Exposures (inc. Credit)



Source: Tribeca Global Natural Resources Ltd

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Market Environment and Portfolio Outlook

Commodities: Fundamentals, Macro and Positioning are Supportive

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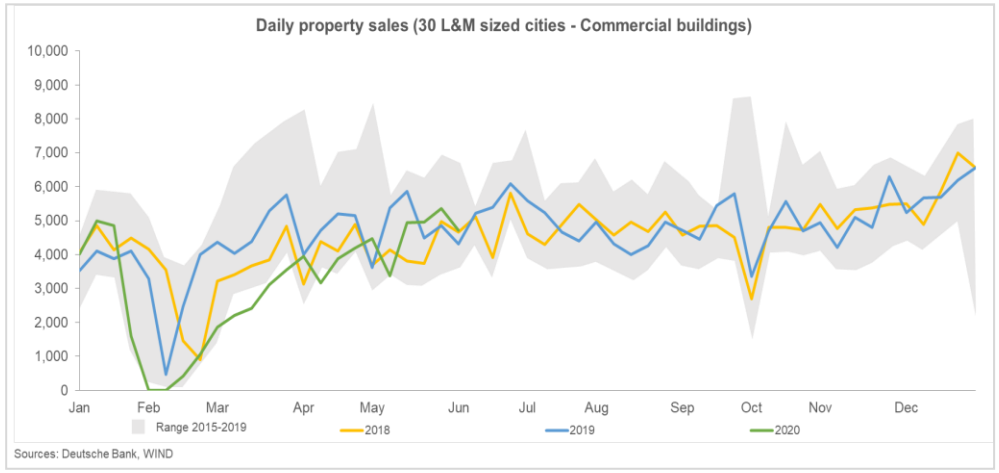
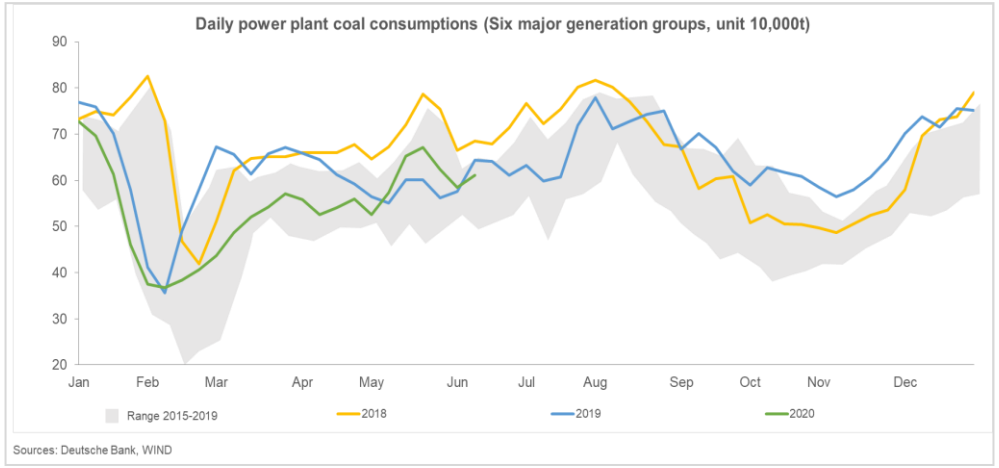
- As foreshadowed in the March investor update, the Chinese economy has quickly returned to “normal” output levels across a broad range of economic and leading indicators.
- Despite the rest of world falling into material negative growth in 2Q, the commodity complex setup looks positive for the second half of 2020.
- Chinese demand for most commodities has snapped back and in the case of copper, oil and steel is now showing year-on-year growth despite the January and February shutdown.
- At the same time Chinese demand has improved, global supply disruptions across most major commodities has led to inventory declines which has supported prices.
- The outlook in coming months is supportive with further inventory declines and Chinese credit growth to underpin further commodity price hikes.
- Positioning within the commodity complex is supportive with mainly short to neutral investor interest and material runway for investors to go long.
- As is often the case, soft commodities have lagged hard rock commodities and energy in the early stages of this recovery and should outperform in coming months.

China V-Shaped Recovery: Normalization of Key Leading Indicators

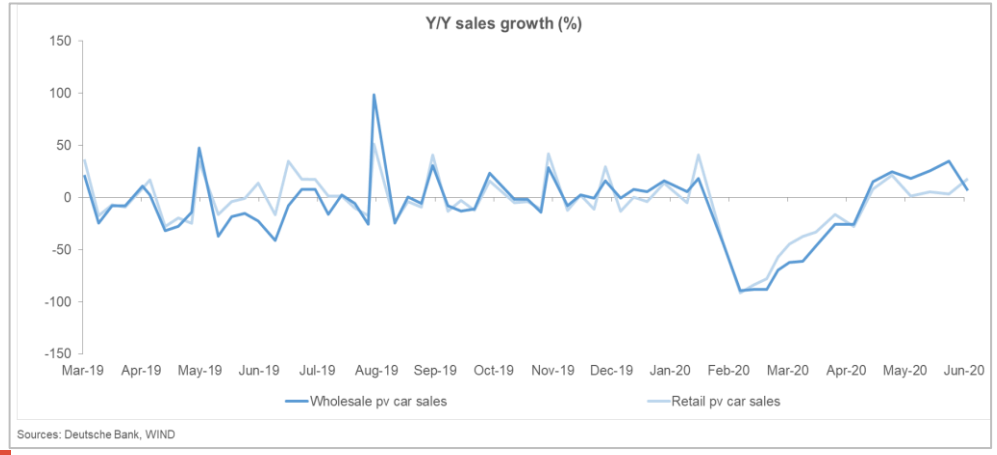
Daily property sales have now risen back to close to flat y/y levels



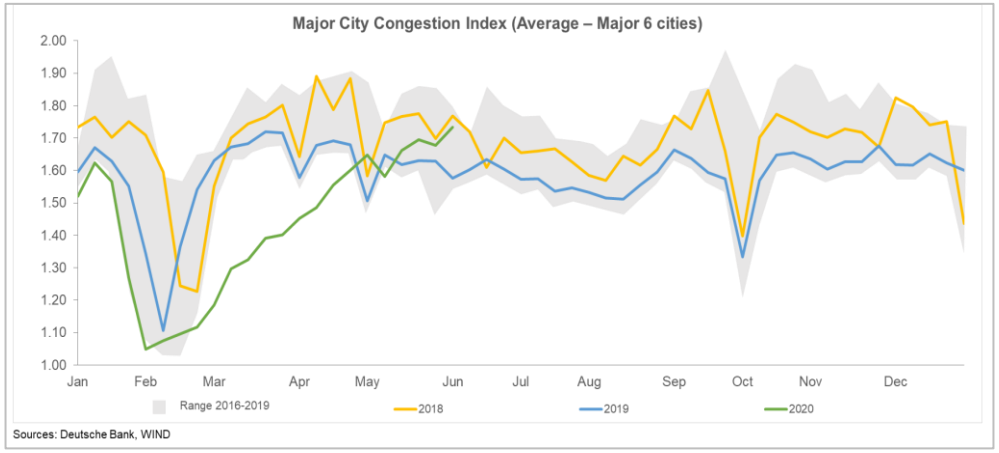
Power-plant coal consumption pointed to normal levels



Retail vehicle sales have picked up sequentially and now back into y/y growth



Congestion index across major China cities suggests return to normality



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Material Covid-19 Related Supply Issues in South America and Africa

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Identified/estimated ongoing supply losses, annualised						
Data as of:	11-Jun-20 unit	Identified/ estimated losses, units[1]	Adding highly likely losses, units^	Global refined supply, 2019	% of refined supply	Adding highly likely disruptions, % of refined supply
Platinum*	koz	0	2,262	8,456	0%	27%
Palladium*	koz	0	1,417	10,237	0%	14%
Silver	koz	104,316	120,752	1,015,000	10%	12%
Cobalt	kt	3	13	118	3%	11%
Zinc	kt	1,134	1,326	13,699	8%	10%
Copper	kt	1,355	1,822	23,807	6%	8%
Seaborne Thermal Coal[i]	Mt	49	56	978	5%	6%
Seaborne Met Coal[i]	Mt	16	16	330	5%	5%
Gold	koz	5,418	6,939	153,388	4%	5%
Manganese Ore[i]	kt	0	746	22,500	0%	3%
Nickel[n]	kt	73	75	2,413	3%	3%
Seaborne Iron Ore[i]	Mt	39	71	1,505	3%	3%
Lithium	t	3,870	7,955	324,308	1%	2%
Aluminium	kt	1,525	1,525	62,940	2%	2%
Alumina	kt	2,583	3,083	129,261	2%	2%
Lead[5]	kt	238	285	12,747	2%	2%
Vanadium	kt	0	780	98,000	0%	1%

Source: Bloomberg, Citi Research

Strong Chinese Demand Driving Inventory Draws

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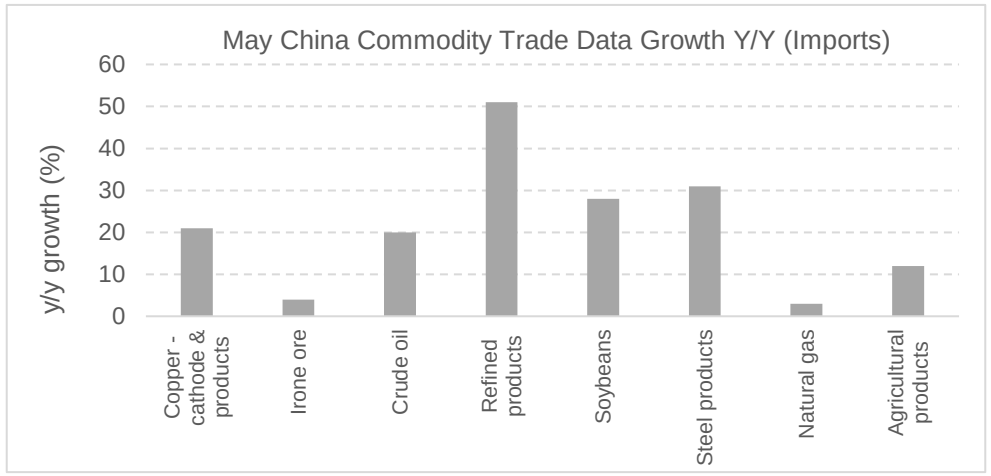
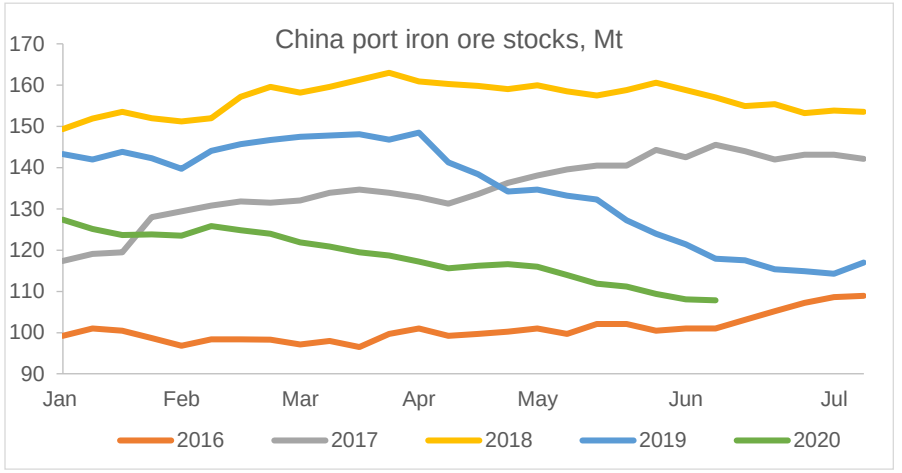


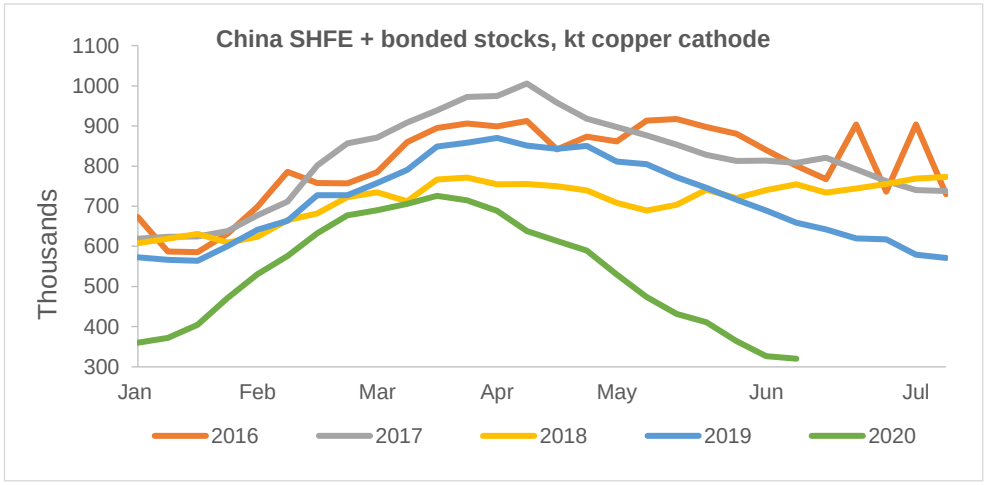
Source: China Customs

Iron-ore port stock draws started to emerge again from mid-April



Sources: Deutsche Bank, WIND

Copper inventories continue to trend lower, multi-year lows onshore



Sources: Deutsche Bank, WIND

Steel stocks were at record levels but have turned lower over the past six weeks

Sources: Deutsche Bank, WIND

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China Credit Impulse Underpins Q3 Demand

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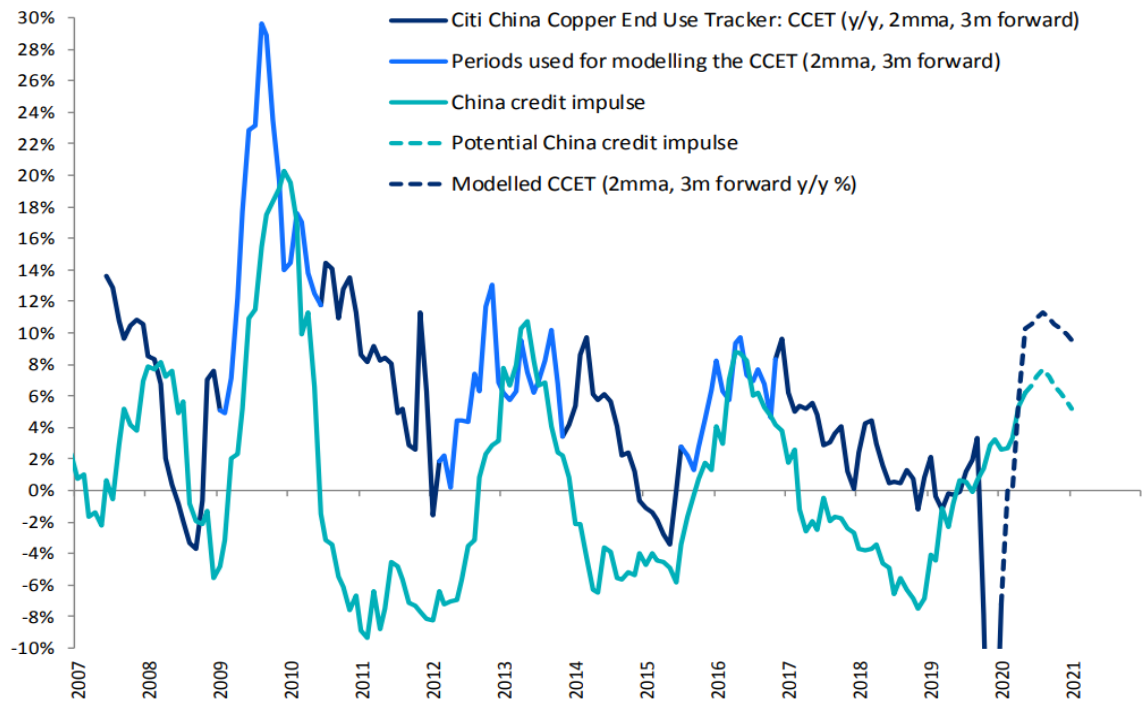
China Credit Impulse Pointing to Very Strong Copper Use Consumption



Source: Bloomberg, Citi Research

Historical relationships between the credit impulse (credit growth) and copper end use demand growth point to very strong copper consumption growth (>10% y/y) over the next 3-6 months.

Money Supply Growth hit >2-year highs in May of ~6.8%

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Positioning Remains Supportive, Distorted by WTI

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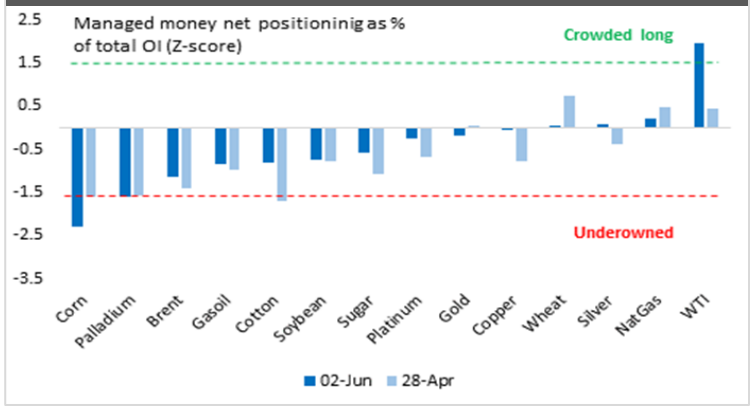
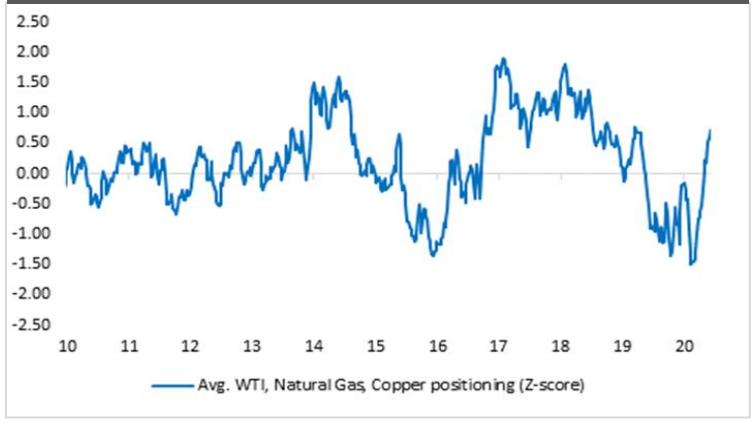
Managed Money Net Positioning



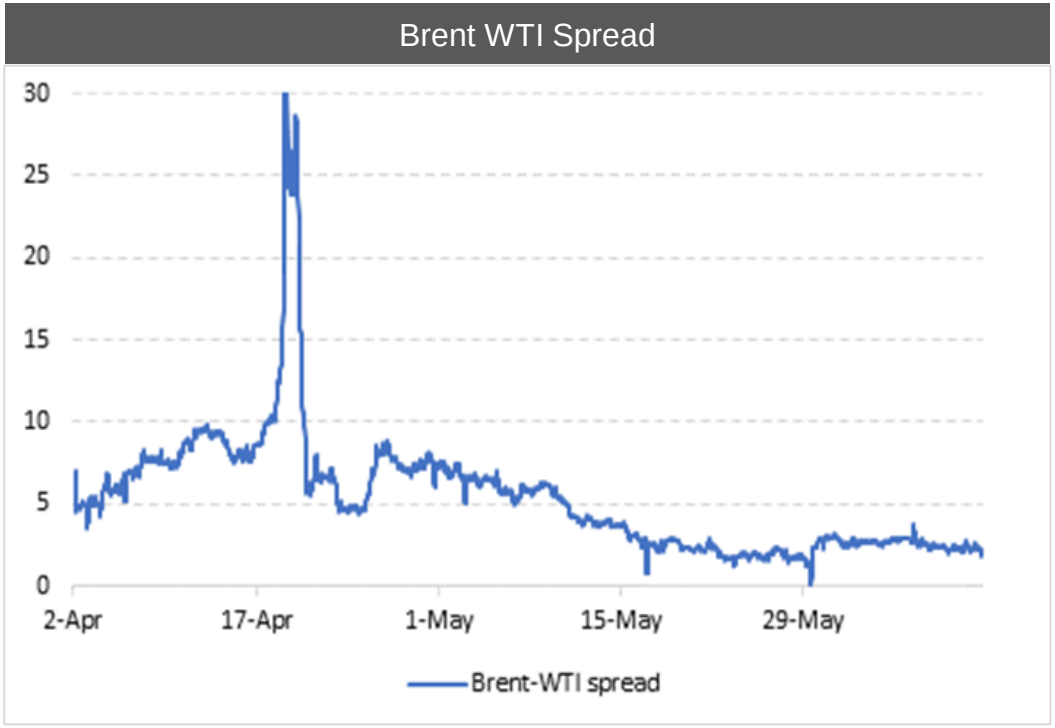
Source: Vanda Research

Positioning Across Natgas, WTI and Copper



Source: Vanda Research

Brent WTI Spread



Source: Vanda Research

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TGF Portfolio - Private Credit Exposure Update

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Impairment of Credit Exposure to Paringa Group (ASX:PNL)

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- TGF impaired the Company's exposure to Paringa Resources by ~80% on June 9th
- The revised valuation of this exposure has been endorsed by the Company's independent valuation agent.
- This impairment implies underlying valuations for the assets (Property, Plant & Equipment, and Sales Contracts) over which the Lenders hold security in excess of 75% below stated book value[1] or spot value (as appropriate)[2].
- Lockdowns associated with the COVID-19 crisis and other external factors have impeded efforts to realise the security that supports this Loan, and the sales process will be ongoing.
- The outcome for the Loan is dependent on several factors including court approval and TGF will update the market
- TGF's exposure to Paringa is ~6% of total TGF NTA

[1] Book Value based on Hartshorne accounts
[2] Contract Value is based on Average Selling price of US$43.25 and Current Spot price of US$32 per tonne

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Paringa Resources Ltd (~6% Weight)

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PARINGA RESOURCES LIMITED

Loan Overview	• TGF is a lender in the US$40m senior secured debt facility to a wholly owned US subsidiary of listed thermal coal company, Paringa Resources Limited for an amount of US$14.15m. • Coupon 15% p.a., with default rate increasing to 17% p.a.
Chapter 11 Overview	• On 21st February 2020, Paringa's US subsidiaries filed for Chapter 11 Bankruptcy protection in the Western District of Kentucky. • A court supervised sales process is being conducted with set milestones to maximise value of the estate. • Paringa are being advised by FTI Consulting, Squire Patton Boggs and Parella Weinberg. • Debtor in possession finance of up to US$7.65m to fund costs of operations and sales costs though to completion (TGF not participating).

Operational Update	• Coal quality and specification continues to meet customer requirements. • Recent operating performance for the first mining unit has been outperforming historical performance.
Valuation Considerations	• Paringa raised US$140m for developing the Buck Creek Mine Complex. • The Poplar Grove Mine is fully permitted to produce 2.8Mtpa. • As at 30 September 2019 the carry value was US$123m. • Over 4Mt contracted at pricing above spot and forward curve. • Refer to 9 June TGF announcement for further information.

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Unfortunate Timing for Sales Process Amid Significant Headwinds for the Sector

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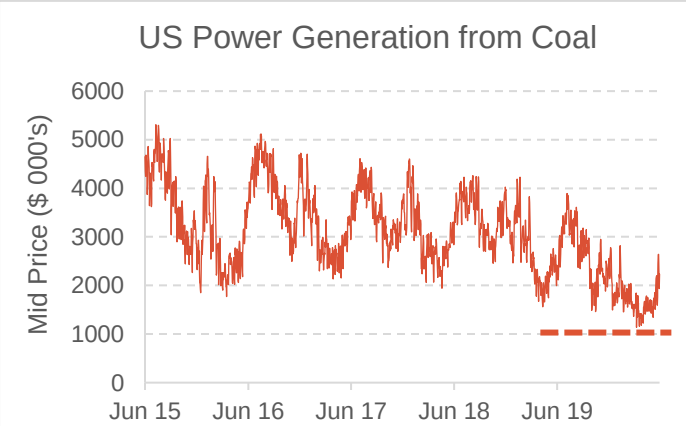
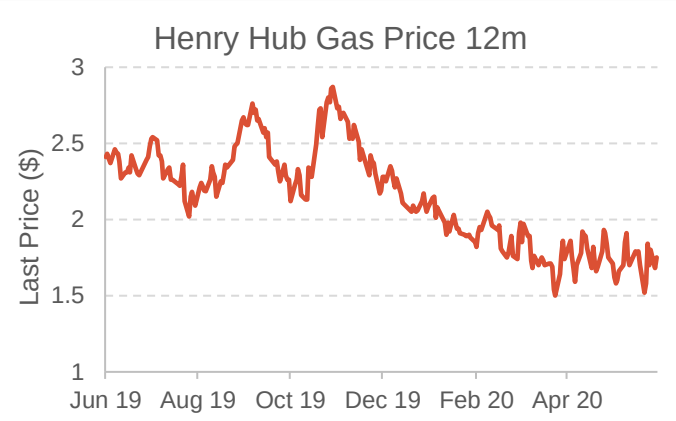
Feb-May US thermal coal pricing and consumption smashed due to Covid-19

Sector valuations fell to decade lows

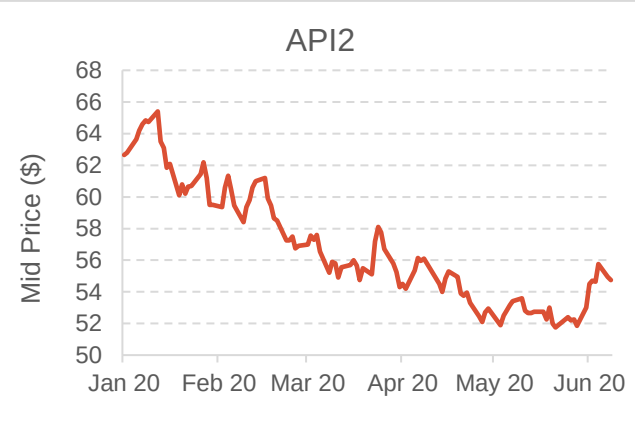
Coal Consumption Fell to 5-year lows

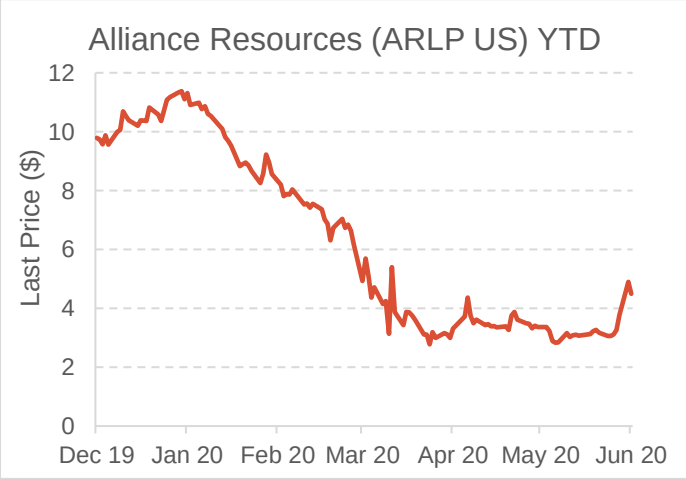


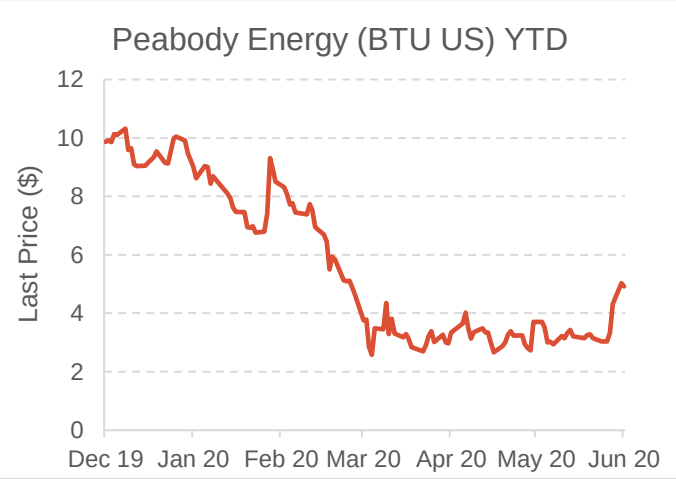
Gas Prices Hit 12 Month Lows



Exports Price Fell >20%







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Resulting TGF Credit Exposure

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- Private credit represents ~21% of TGF's NTA of which Paringa is ~6%.
- Cash within the private credit portion of the portfolio is ~7% TGF NTA.
- Other Private Credit investments account for ~8% of NTA.
- There are no other investments that are under valuation review.
- Despite the issues with Paringa we still see opportunity in the sector.
- Important to note that percentage of exposure to private credit fluctuates with the performance of the listed equities portfolio.

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TGF Portfolio – Listed Equity Exposure Update

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Listed Equity Overview

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- Listed equities currently accounts for ~79% of the Company's NTA
- The largest net exposures by commodity are: ~22% base metals, ~20% precious metals, ~16% uranium
- These have been three of the four central investment themes within the portfolio over the last year.
- The largest portfolio change year to date has been the disposal of oil tanker stocks during April. This was in response to a combination of share price performance and expectation of lower oil contango and storage costs.
- The company has added to its precious metals exposure during March and April
- Oil & gas and services companies have been the largest detractor year to date. While the sector has bounced, we have not added to our exposure which currently sits at~3%

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Teck Resources (~7% Weight)

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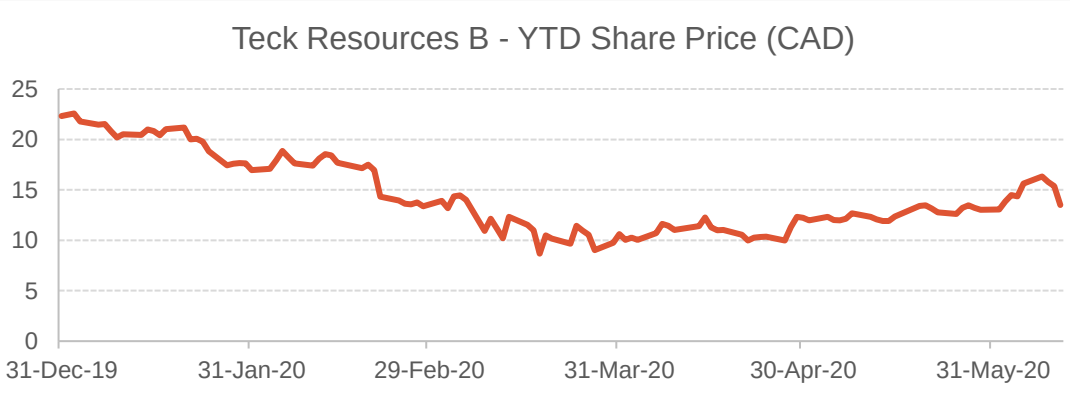
Teck

- Top 3 single stock position at ~7% of the portfolio
- Has been material underperformer in recent years despite owning Tier1 assets across the base materials and steel making coal sector
- Main commodity exposures of copper, zinc and coking coal should be well supported over the second half of year
- Tribeca launched a public campaign in April that suggested a number of portfolio improvements that would help realise the full valuation of Teck's assets
- Our valuation analysis suggests a range of $17 to $46 per share versus the current ~$14 share price

Teck Remains Significantly Undervalued on Multiple Measures



Valuation Method	Valuation (C$)
Method 1: EV to EBITDA Multiple (using historical average multiple of Teck)	17.01
Method 2: DCF (using consensus)	28.70
Method 3: Bottom up of separate transactions	46.44

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Nickel Mines (~5% Weight)

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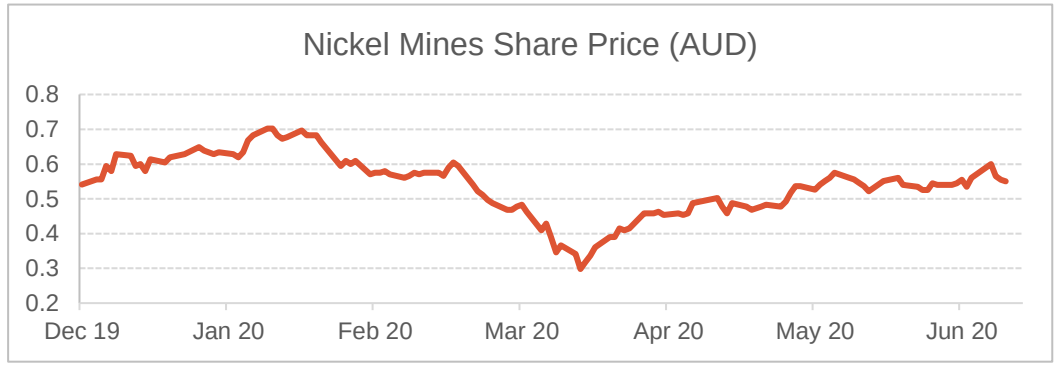
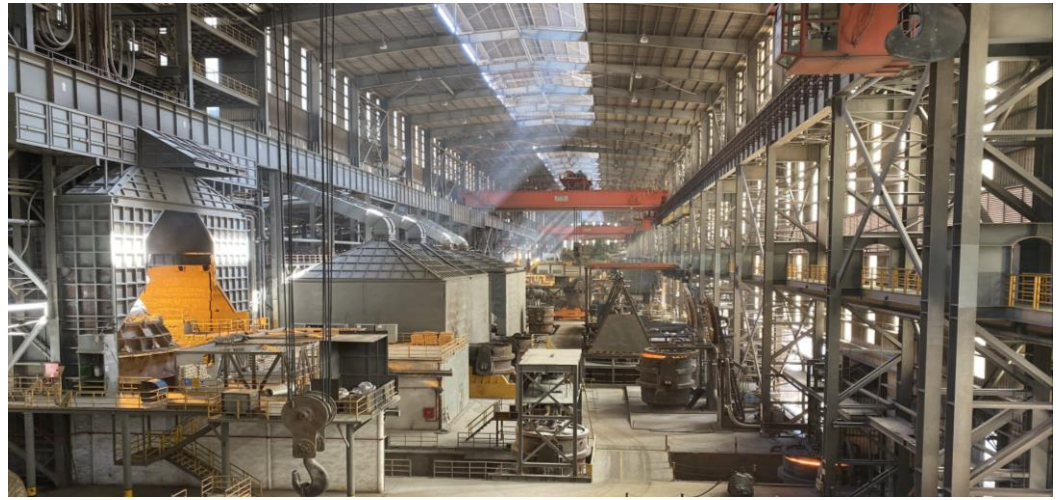
NICKEL MINES LIMITED

- Nickel Mines is now the largest pure play Nickel producer on the ASX
- Right partner in Tsingshan, the world's largest stainless steel producer and significant nickel consumer
- Production has been largely unaffected by Covid-19 and cash costs remain in bottom quartile of global producers
- Nickel market has tightened in recent weeks but price remains well below 2019 highs, undemanding valuation supports 100% upside to current share price
- Recent battery technology announcements from China and Tesla confirm Nickel will be a major beneficiary of electricfication of the auto industry





Stainless Production Facilities in Tsingshan Industrial Park

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Large Cap Copper Producers (~9% Combined Weight)

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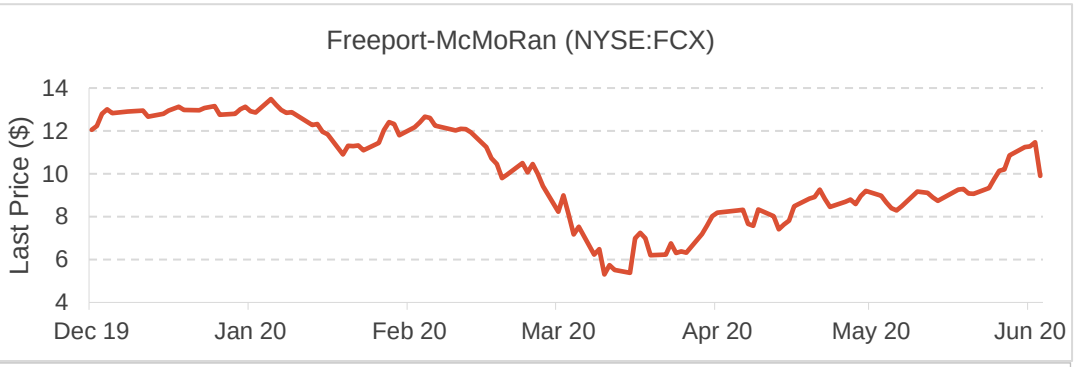
FREEPORT-McMoRan



- Largest listed copper producer globally trading at depressed levels in terms of EV per pound of reserves.
- EBITDA should double over the next 2 years (2021 vs 2019) as production grows, deleveraging story plus dividends.
- Material operating leverage to improved copper prices - NAV at $3.00 copper is >50% higher than NAV at spot copper of $2.60.
- World class assets with replacement value suggesting the equity should be worth at least 50% more than current levels.
- A likely M&A target given it's the largest listed copper producer in the world with large reserves and growth projects with an open register
- Grasberg underground development remains on track

lundin mining

- Exposure to Tier1 portfolio of copper, zinc, nickel and gold, with copper the dominant commodity
- Transformational acquisition in 2019 will drive portfolio production growth of 30% and unit cost reduction of 10%
- Has been a consistent dividend payer through the cycle with negligible debt
- Solid management team that has a track record of delivery and a diversified asset suite with exploration upside
- Good operating leverage to improved copper prices, NAV at $3.00 copper is >50% higher than NAV at spot copper of $2.60.

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Precious Metals: (~20% Weight)

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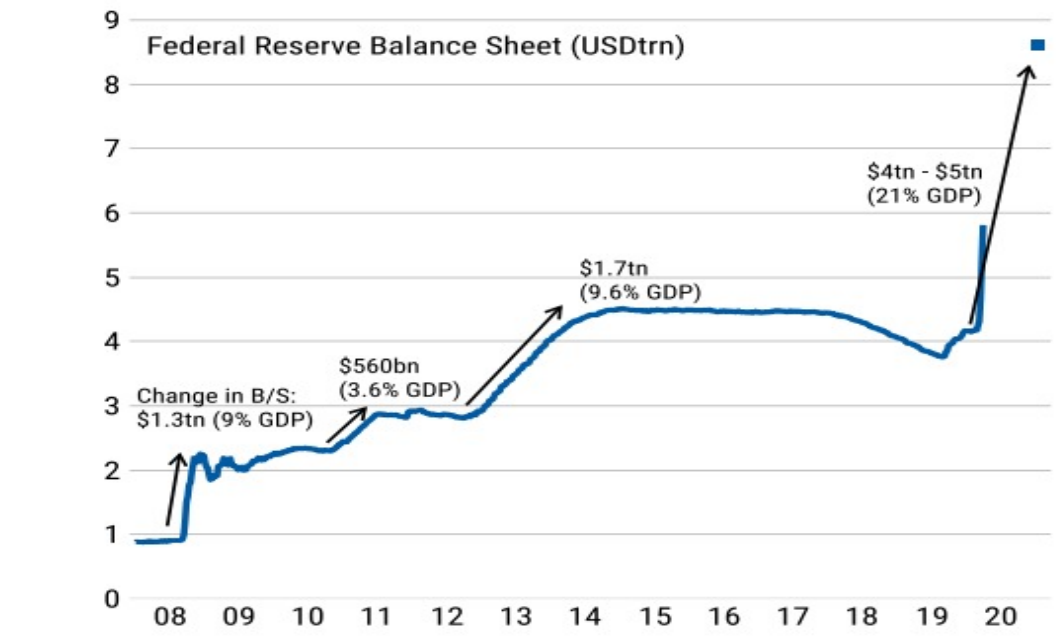
Structural Tailwinds for Gold in All Currencies

- Federal Reserve comments last week supportive for Gold with interest rates likely to be near zero through to 2022
- The number of countries that have negative real rates is increasing which means gold is cheaper to hedge equity risk than government treasuries
- The total amount of negative yielding corporate debt also continues to increase
- Elevated geopolitical risk and tensions such as trade wars and potential 2nd wave of Covid-19 will support safe haven assets like gold
- Technically the gold price has held US$1700 per ounce level in recent weeks and is now poised for move towards US$2000 per ounce

Basket Features

- Our basket contains a mix of AUD, CAD and USD gold earners
- Thematic of strong production growth and unit price declines
- Generally stocks in the basket have long life assets and reserves
- Strong free cash flow generation and dividend growth potential

US FED balance sheet expected to more than double 2008 levels as % of GDP



Source: Morgan Stanley

Tribeca Global Natural Resources

Uranium: (~16% Weight)

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Portfolio Allocation

Spot Price	Producers	Developers
92 YELLOW CAKE PLC	Cameco	PALADIN ENERGY LTD
Uranium Participation Corporation	ENERGY FUELS	BOSS RESOURCES LTD
	PENINSULA ENERGY LIMITED	BANNERMAN RESOURCES

Uranium 5-year Spot Price

Source: Tribeca Investment Partners, Bloomberg

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Corporate Update

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- **New Hire –Todd Warren**
  - Todd joins the Tribeca Team following 22 years with Colonial First State Asset Management (CFSAM), including 6 years in London. Todd is an equity partner and will be the head of research.
  - Most recently Head of Global Resources at CFSAM leading a team managing in excess of $3bn while serving as portfolio manager for the CFS Wholesale Global Resources Fund as well as other global resources long-only mandates and long-short portfolios.
- **New Equity Partners**

  Key members of the Global Natural Resources Investment Team, Michael Orphanides (Analyst, Metals & Mining) and Guy Keller (Head of Commodities Trading) admitted as equity partners.
- **Corporate Buy-Back Update**

  On-Market Share Buy-Back Program was announced on 26 February 2020. Buy-Back Program remains ongoing (refer to latest Appendix 3E lodgement). Follows on market buying from board and investment manager.

* as at 11 June 2020

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