



December 20, 2016

## **Triple Flag Announces Silver Stream on Milpo's Cerro Lindo Mine for US\$250M**

**Toronto, Ontario** - Triple Flag is pleased to announce that Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag Bermuda") has entered into a silver stream agreement with Milpo UK Limited ("Milpo UK"), a subsidiary of Compañía Minera Milpo S.A.A. ("Milpo"), in relation to silver production from Cerro Lindo, a poly-metallic zinc mine in Peru. Triple Flag Bermuda will make an upfront payment of US\$250 million to Milpo UK and will pay 10% of the spot silver price at the time of delivery for each ounce of silver delivered under the agreement. Milpo is 100% owner of Cerro Lindo and is a subsidiary of VM Holding S.A. ("VMH"), part of Votorantim S.A.'s portfolio. For further details, see the presentation on our website at <http://www.tripleflagmining.com>.

### **Terms of the Agreement:**

- Triple Flag Bermuda funding is currently expected by December 21<sup>st</sup>, 2016, with first delivery of silver to Triple Flag Bermuda in January of 2017.
- The stream will be based on all payable silver from the Cerro Lindo Stream Area. Initially, Triple Flag Bermuda will be entitled to 65.0% of all payable silver until such time as 19.5 million ounces have been delivered under the agreement. Thereafter, Triple Flag Bermuda will be entitled to 25.0% of payable silver.
- Triple Flag Bermuda will pay to Milpo UK 10% of the spot silver price in cash for each ounce of silver delivered under the stream agreement.

### **Transaction Highlights:**

- **Cerro Lindo is an ideal cornerstone asset with an excellent track record:** Cerro Lindo is a low-cost, long-life poly-metallic zinc mine located in Peru that commenced operations in 2007. It produces zinc, lead, and copper concentrates, with significant by-product silver.
  - Cerro Lindo had 2015 C1 cash costs of US\$0.51/lb zinc, placing it just above the first quartile of its global peers on the zinc mine cost curve.
  - Cerro Lindo commenced operations in 2007 with a capacity of 5 ktpd throughput, and has since had three successful staged expansions that have increased capacity to 18 ktpd in 2014, an incredible achievement for a total capex spend of US\$390 million. A further US\$20 million expansion to 20 ktpd is underway.
  - Cerro Lindo is a modern, best-in-class operation utilizing dry-stack tailings and desalinated seawater.
- **Milpo is an ideal long-term partner:** Milpo has a long history of successful operations and a conservative capital structure with low leverage.
  - Milpo is a proven operator with more than 67 years of experience operating in Peru.

- Milpo is an important asset for VMH, part of Votorantim S.A.'s portfolio, which includes also cement, aluminium, steel, energy, pulp, orange juice and banking businesses. Votorantim S.A. is a 98-year-old leading, highly successful multi-generational private Brazilian company.
- **Exploration and expansion potential:** Cerro Lindo is a VMS deposit with a strong history of reserve replenishment and growth, and Milpo has plans to continue exploration activities in coming years.

“Triple Flag is pleased to partner with Milpo in concluding its first transaction since its inception seven months ago,” said Shaun Usmar, CEO of Triple Flag Mining Finance Ltd. “Cerro Lindo is one of the world’s ten largest zinc mines and has an excellent track record of low-cost staged expansions as well as reserve replacement and life extension. It is an ideal cornerstone asset for the business and Triple Flag looks forward to a long-term partnership with Milpo, which has a long history of successful operations.”

“The Triple Flag team was able to differentiate themselves throughout this transaction with their combination of deep mining experience, understanding of our business needs, and ability to deliver a transaction that met our objectives,” said Tito Martins, member of Milpo’s Board and Milpo’s upcoming CEO. “We are very pleased to be entering into this long-term partnership with Triple Flag for the life of our world-class asset.”

### **About Triple Flag**

Triple Flag Mining Finance Bermuda Ltd. and Triple Flag Mining Finance Ltd. together constitute Triple Flag. Triple Flag primarily targets streaming and royalty investments in the mining sector with backing by Elliott Management Corporation, an experienced global investment firm with more than \$30 billion of assets under management. Triple Flag’s investment focus is primarily on precious metals with a mission to become a leading sought-after long-term funding partner to mining companies throughout the commodity cycle. For more information, visit <http://www.tripleflagmining.com>.

### **About Milpo**

Compañía Minera Milpo S.A.A. (Milpo) is a Peruvian mining company dedicated to the exploration, extraction, processing and marketing of zinc, copper and lead concentrates, with silver and gold content, and it is currently one of the main polymetallic producers in Peru. Milpo develops its operations with a clear social responsibility and environmental commitment. Since 2010, Milpo is part of VM Holding S.A. (VMH), the metals and mining business of Votorantim S.A., a privately-owned Brazilian company with almost 100 years of history and presence in many key sectors of the economy across more than 23 countries.

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