



# TACORA

RESOURCES

North American Iron Ore Supply

**MB International Iron Ore  
Conference  
June 2019**



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Certain metrics used in this presentation are derived from the Feasibility Study and may not have standardized meanings or be comparable to similar metrics used by other companies. These metrics are defined in the context where they are used in this presentation and include "Adjusted EBITDA", "all-in sustaining cost", "cash costs" and "cash flows".

# Agenda

1

Tacora Overview

2

North American (“NA”) Iron Ore Historical Context

3

High Grade Iron Ore Demand Drivers

4

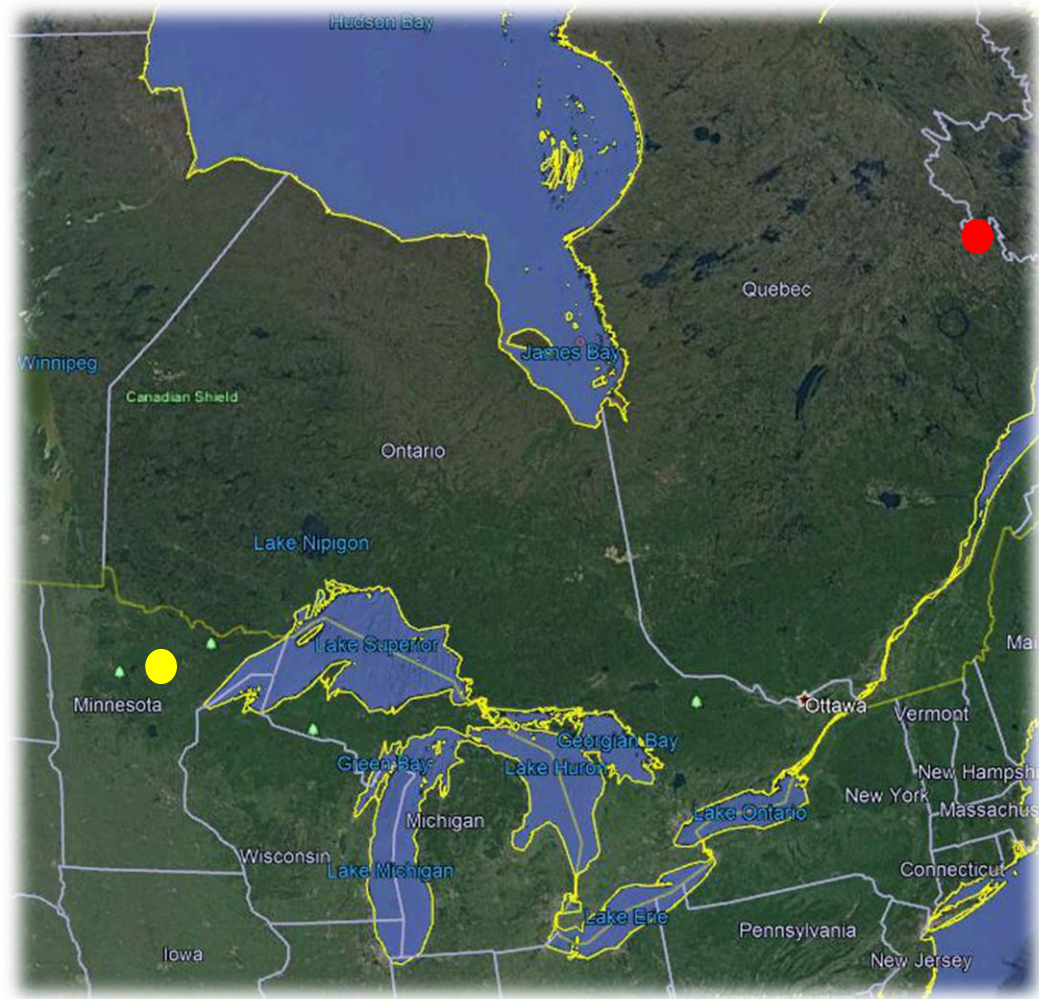
Tacora’s Premium Concentrate – The Scully Mine

5

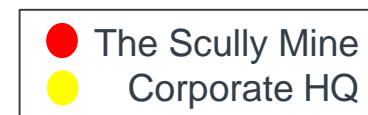
High Grade Supply Drivers/Outlook

# Tacora Overview

- Tacora is a privately held mining company focused on the revitalization of brownfield mining assets
- Tacora is led by industry pioneers with vast experience in iron ore processing, pelletization, and iron-making.
- A focused and aligned organization with key ownership held by Management, Cargill and Private Equity (Proterra Investment Partners).
- The Scully Mine is a long life - high quality asset



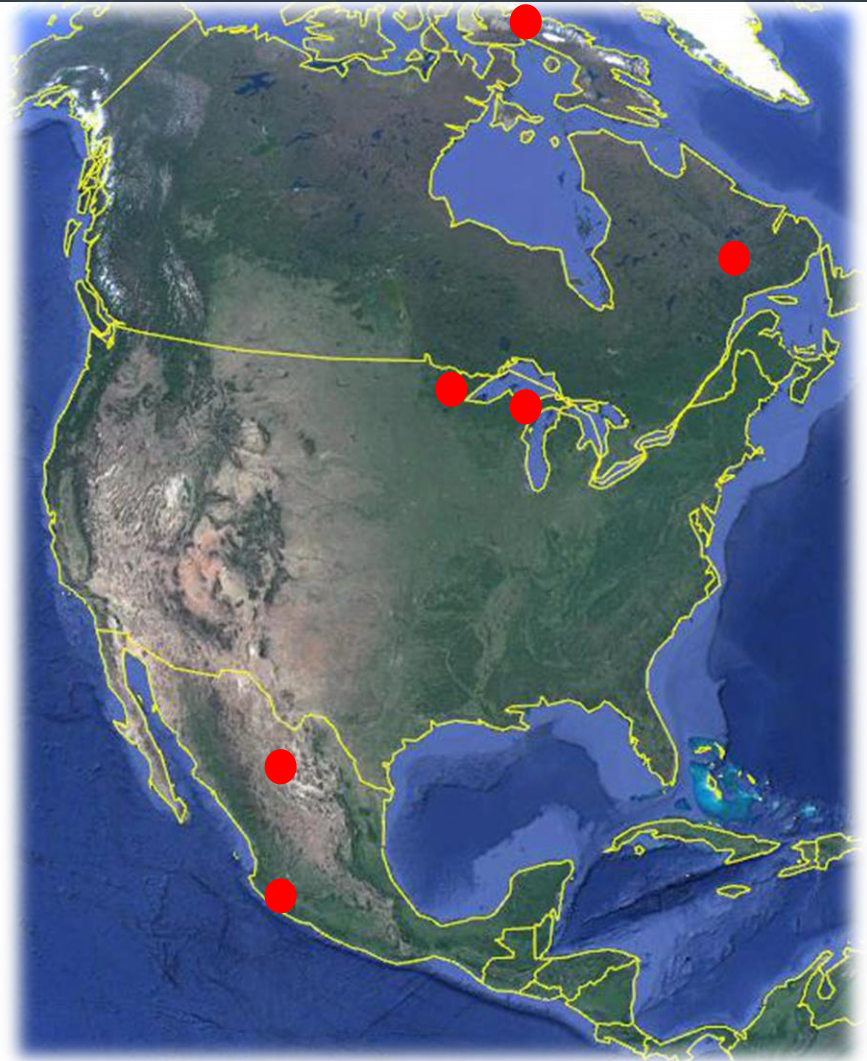
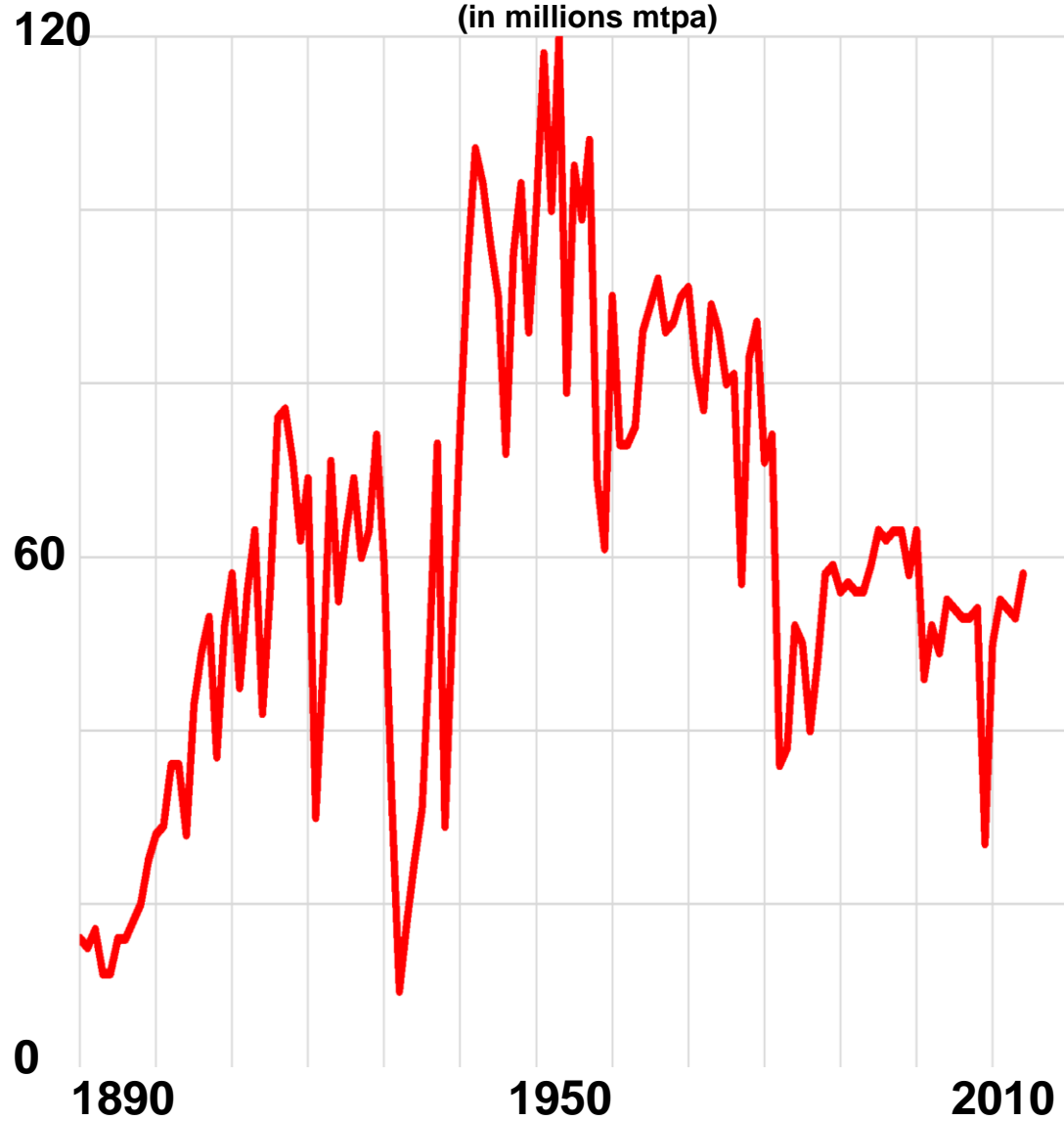
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# NA Production Context

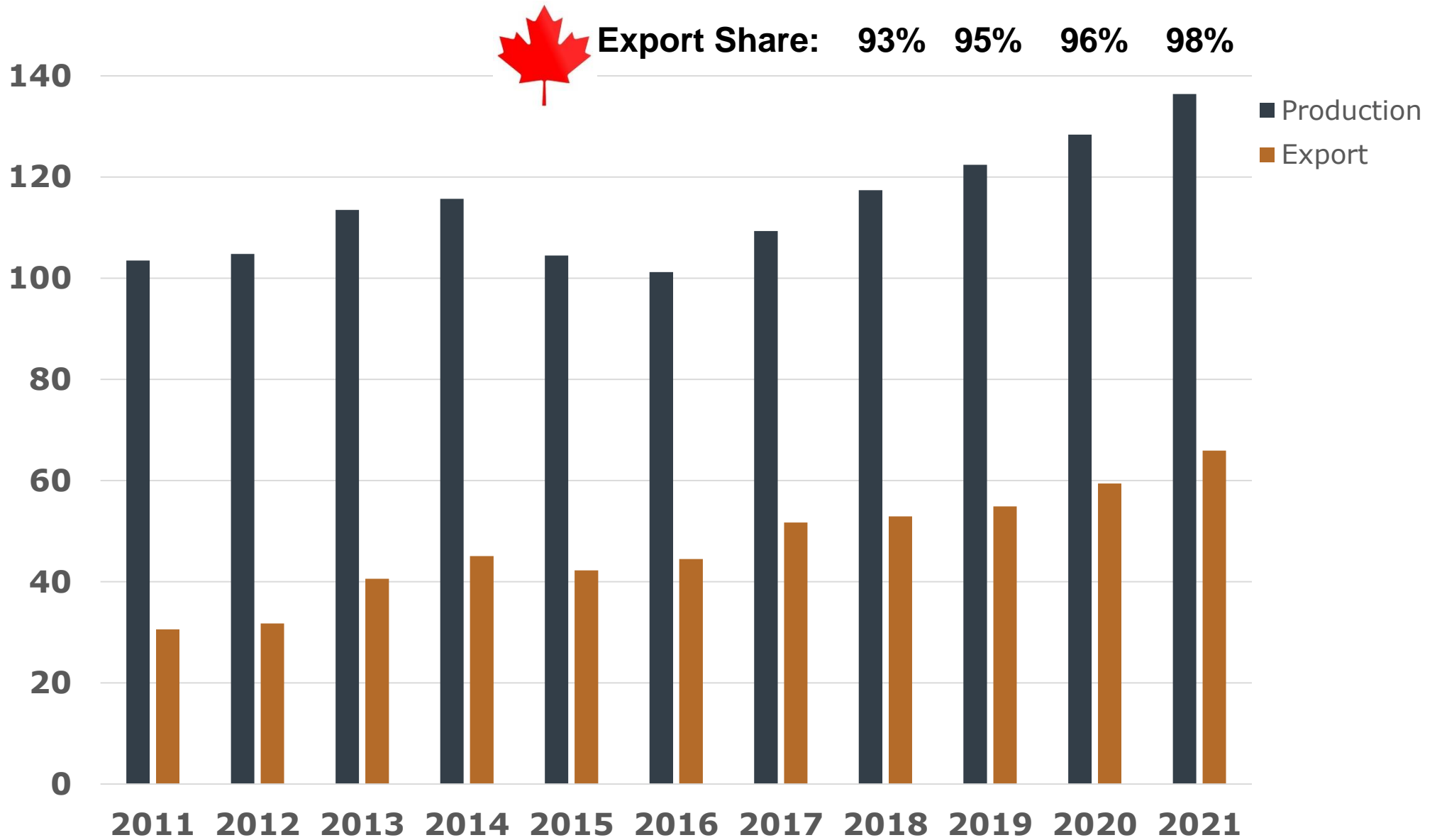
## US Iron Ore Production (in millions mtpa)



**North American Iron Ore**  
● Production Region

(2)

# NA Historical Production and Net Exports



# High Quality Iron Ore Price Drivers

## Demand

- Pollution Reduction
- Larger Blast Furnaces



- Mill Margins



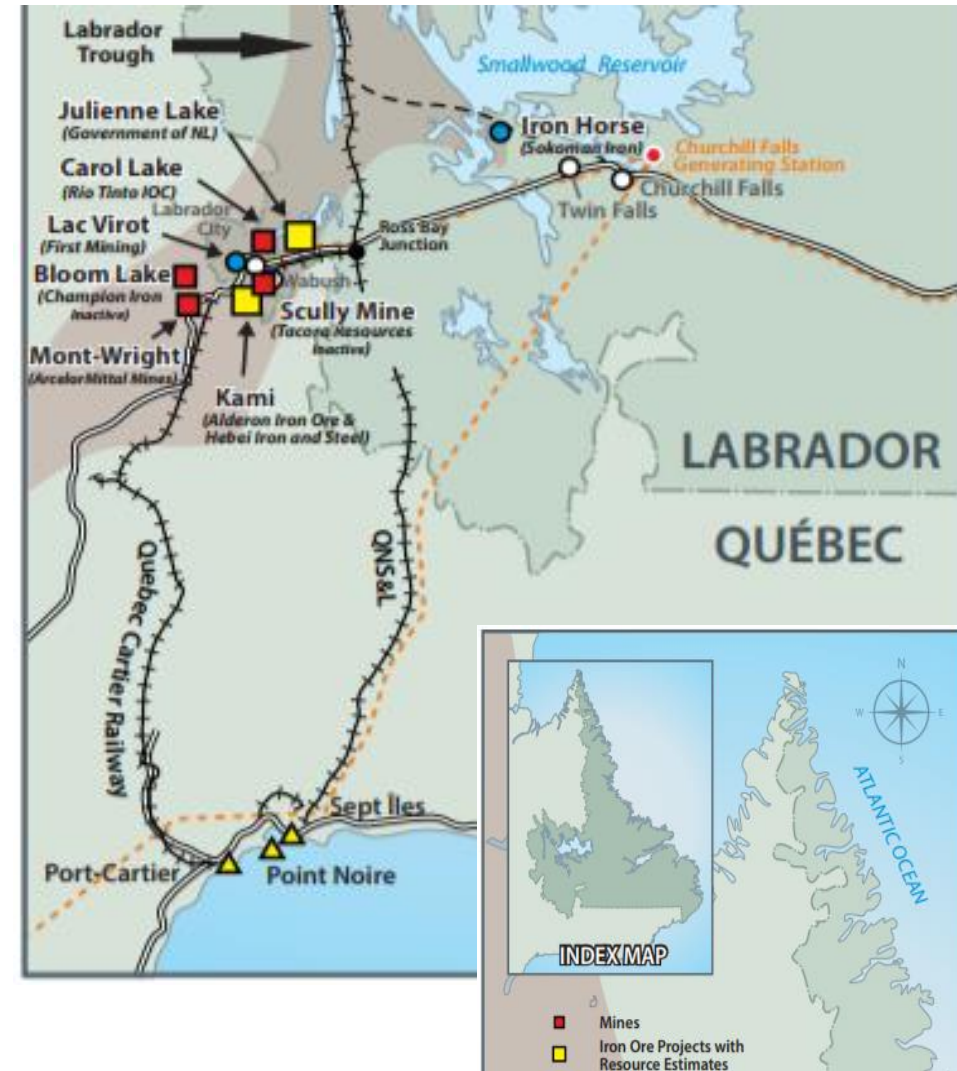
## Supply

- Tailings Constraints
- Logistics



# Tacora's Premium Concentrate - Scully Mine

- The Tacora Scully Mine is located in the Labrador Trough
- The Scully Mine operated as Wabush Mines for 49 Years (1965 to 2014) – Restart June 2019
- Ore is shipped to a deep water port via QNS&L railroad handing off to the port operator SFPPN at Sept Iles, Quebec.
- Feasibility Study completed in December 2017 and updated in May 2018
  - Initial Capex of C\$210 million
  - Low all-in cash cost FOB Pointe Noire (US\$40.55/dmt)
  - Concentrate grade of 65.9% Fe for LOM (6.0mtpa for 26 years)
- Cargill exclusive marketer and off-taker





# Tacora's Premium Concentrate - Scully Mine

## BEFORE

~2% Mn Pellet



## AFTER

1.4% Mn Concentrate

## Specifications

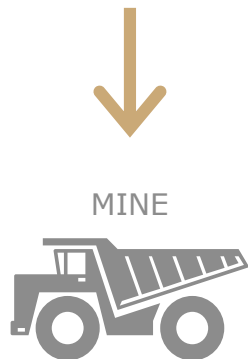
Fe:	65.9%
SiO <sub>2</sub>	2.58%
Al <sub>2</sub> O <sub>3</sub>	0.2%
Phos	0.007%
LOI	0.8%
Mn	1.4%

Limited Mn Control



Magnetic Separation for Mn Control

Mn Constraints, Deep Pit



Reduced Strip Ratio, Ore Closer to Surface

# Tacora's Premium Concentrate - Scully Mine

Red: Mining zones years 1-9



# Tacora's Premium Concentrate - Scully Mine



# High Grade Supply Drivers & Outlook

Tailings Management

Low-Cost Power

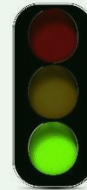
In-land Logistics

Ocean Freight

Quality



Canada



Brazil



Australia





# High Grade Supply Drivers & Outlook

- Canada will continue to expand its high grade concentrate exports
  - Champion Iron, via its subsidiary Quebec Iron Ore, will likely execute on phase II expansion.
  - Other Canadian junior projects will not be developed in near term due to massive CapX, volatile premiums and freight cost uncertainty.
- Brazilian southern system quality will continue to deteriorate – lowering average quality of Brazilian exports

CHAMPION IRON 

