



Appian overview and ESG case study

May 2021

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Executive summary (1/2)

- **Appian is a long-term investor that upholds responsible industry practices and the highest ESG standards at all of its portfolio companies**
 - ▶ 12 year fund life, extendable further with investor consent – ensures assets are supported through commodity cycles
 - Long-term horizon ensures that long-term capital is matched with a long-term industry
 - ▶ Well funded investment firm with c.US\$2bn in assets under management
 - 9 investments made with 7 already brought all the way to production employing over ~5,000 employees globally
 - The IFC World Bank is a co-investor with Appian in multiple projects
 - ▶ A leading mine developer and operator, Appian does not flip assets. Rather, we build businesses by putting in place best in class management teams, developing its human capital and contributing technical and operational skillset to help craft the processes and procedures that ensure we safeguard the interest of all of our projects' stakeholders

- **The Appian team and Board have extensive mining experience across a range of geographies and commodities with over 300 years of cumulative industry experience**
 - ▶ Team of 46 investment professionals which have built, operated and expanded over 60 mines globally
 - Team member background include companies such as BHP, Anglo American, Rio Tinto, Barrick and JP Morgan
 - In-house technical team provides portfolio company oversight including metallurgists, mining engineers, geologists and environmental / tailings specialists
 - Appian has an employee in nearly every major Australian city (two in Melbourne including a Senior Partner who is on the Investment Committee)
 - ▶ Board members who have held senior positions in some of the largest mining companies globally and bring a wealth of industry knowledge and operational best practices:
 - Chip Goodyear (ex CEO of BHP, the world's largest mining company)
 - Mark Barnaba (Reserve Bank of Australia and Deputy Chairman of Fortescue)
 - Trevor Reid (Co-founder of Xstrata, the world's 5th largest mining company before it was acquired)

- **High social and environmental standards are critical elements of Appian’s investment strategy and mandate**
 - ▶ Since inception, Appian has been a signatory to the United Nations Principles for Responsible Investment
 - Prior to every investment, Appian undertakes a 360° due diligence process to ensure that the projects it develops can manage and mitigate its social and environmental impacts in a responsible way
 - Review includes environmental impacts and mitigation strategies, rehabilitation and closure plans, local legislation and permitting requirements, and local community engagement and support
 - ▶ While a number of ESG standards are emerging, Appian tracks the development of these standards to ensure that we are seeking out the most relevant and recognized standards globally (IFC, ICMM and IRMA are our current focus)
 - Appian undertakes reviews of its portfolio companies’ performance against these standards on an ongoing and periodic basis
 - Continuous improvement cycle involves identification of gaps and improvement areas, action plan development, measurement of progress, and re-assessment
 - Tailings design, construction and operation go beyond local permitting requirements; we strive towards full compliance with ICMM and the Dam Safety Guidelines of the Canadian Dam Association
- **Deep commitment to ensuring we not only operate in a safe and sustainable way, but do so in a way that creates value for all stakeholders through active engagement**
 - ▶ Concept of social integration means that we view ourselves as just one stakeholder among many, and conduct ourselves accordingly
 - ▶ Appian’s investments in Brazil have led to substantial tax and royalty benefits to the government of approximately US\$500m
 - Labour force will contribute a considerable amount of economic benefit to the region and government
 - Large local impacts to communities and businesses through procurement, social and environmental projects
- **The Appian Way Charitable Foundation has a mission to promote the well-being of people by supporting programs focused on the improvement of education and health**
 - ▶ Approximately 11,000 jobs have been created indirectly through Appian’s investments around the world
 - ▶ Appian has deployed these programs into the regions Appian invests in, and the Foundation has already been active in the project area around Fingerboards in providing and overseeing grants to the community
 - ▶ These programs have supported projects that have improved long-term environmental stability and health in the region

Overview of Appian

Appian – A leading metals & mining long-term value investor

Appian is a leading and differentiated mining-sector investor with in-house deep technical expertise



Dedicated mining-focused investors	<ul style="list-style-type: none"> Fully committed discretionary long-term capital, with co-investment pool <ul style="list-style-type: none"> Fund consists of small group of long-term investors suited to mine development timelines Nine strategic investments made, with seven mines financed and in production
Experienced and focused investment and technical team	<ul style="list-style-type: none"> 46 person global team with Tier 1 expertise and 300+ years of cumulative mining industry experience <ul style="list-style-type: none"> Careers with BHP, Anglo American, Rio Tinto, Barrick and JP Morgan ~2/3s engineers and geologists (miners talking to miners, geologists talking to geologists)
In-house development, financing, and operational expertise	<ul style="list-style-type: none"> Proven track record of mine finance and value creation through the cycle, able to support management through development Built, operated, and expanded 60+ mines globally across commodities and geographies Executed and advised on >US\$250bn of mining transactions worldwide
Long-term, collaborative, value maximizing investor	<ul style="list-style-type: none"> Long-time horizon (12+ years), matching long-term capital with a long-term industry Enabling operational development by providing full funding solution and technical expertise to management teams Able to achieve better debt financing terms given cornerstone fully funded nature

Overview of Appian's global presence and investments

Appian Natural Resources Fund I and Fund II have reviewed over 2,500 projects, have made 9 investments worldwide and have supported 7 projects through to production

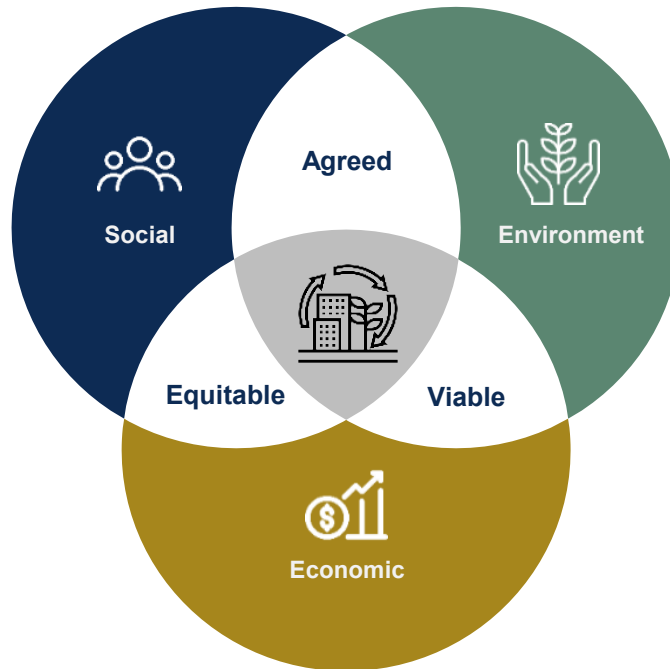


Source: Appian Capital Advisory LLP

Atlantic Nickel case study

Atlantic Nickel ESG case study | Atlantic Nickel's philosophy towards ESG

Atlantic Nickel actively practices the concept of Social Integration and considers itself only one stakeholder of many; positive impacts from the operation are the result of proactive engagement and collaboration with government, local communities and the environment



- ✓ Being integrated means that we are part of the territory just like any other member of the community or any other stakeholder
- ✓ We engage, we debate, we seek alternatives, we share our learnings and are open about areas that can improve, like in any constructive social setting

Source: IBGE 2017 data.

Note:

(1) Estimated contributions over LoM - Tax and royalties at the municipal level and local communities.

Taxes and royalties ⁽¹⁾
US\$485m
 estimated contribution over LoM

Labour force
>US\$600m
 for owner's team during LoM
 taxes and payments to employees

Social Projects
US\$1m
 committed for social projects to date

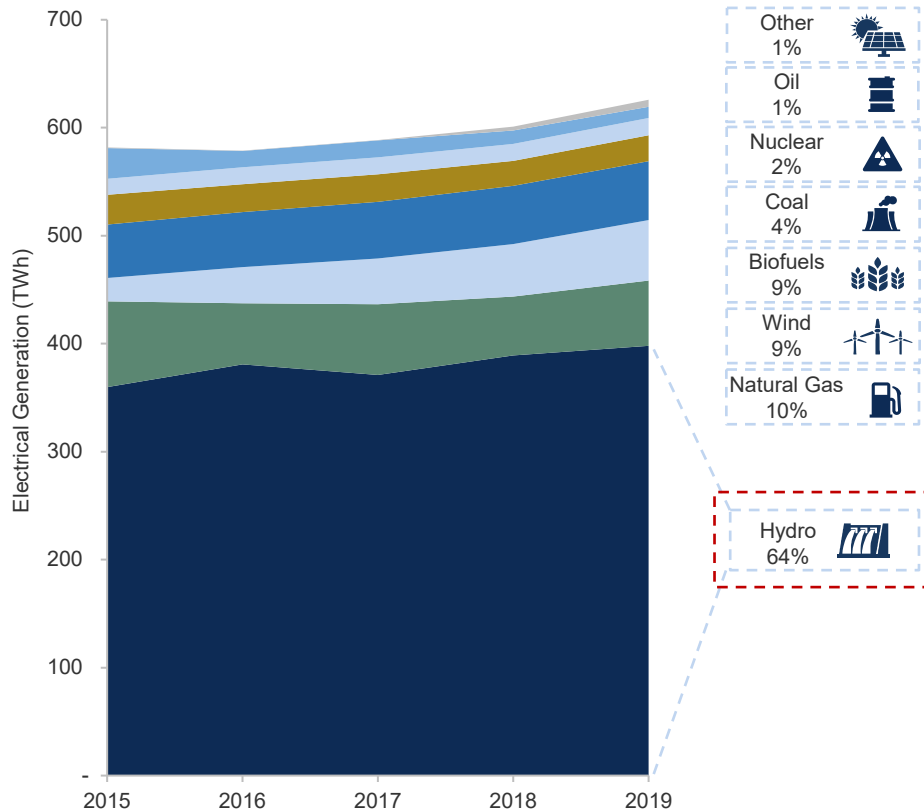
Local procurement
US\$16.5m
 of services and goods procured
 locally (2018/2020)

Atlantic Nickel ESG case study | Sustainable production of materials critical to energy transition

Atlantic Nickel's carbon footprint benefits from both Brazil's hydro focused energy mix and the advantage that processing nickel sulphide enjoys over other forms of nickel

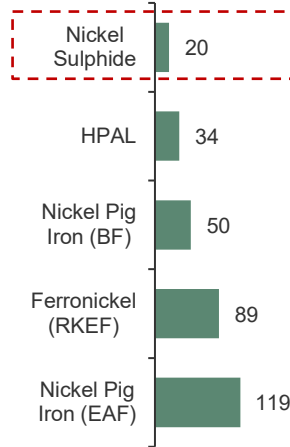
85% of Brazil's energy mix is renewable or carbon neutral

Brazil's access to cheap, renewable hydroelectric power makes it the perfect location for minimising the carbon footprint of producing battery metals



Nickel sulphide: a carbon-efficient source for batteries

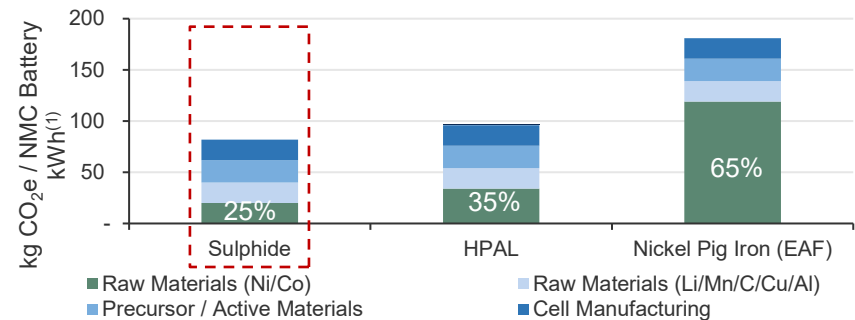
Nickel pathways: kg CO₂e emissions per kWh of NMC (811) battery capacity⁽¹⁾



- ✓ If electric vehicles are to be a net reducer of greenhouse gas emissions then battery design & components are a critical factor
- ✓ Raw materials (mining & processing) are the largest contributor to an electric vehicle's carbon footprint
- ✓ Nickel sulphide is the least carbon intensive nickel raw material for producing a battery pack
 - ▶ NiS is therefore in high demand from battery & car manufacturers

"Tesla will give you a giant contract for a long period of time if you mine nickel efficiently and in an environmentally sensitive way."

Elon Musk; July 2020



Source: IEA Brazil data & statistics and Clean TeQ.

Note:

(1) Electrical energy mix assumes FeNi and NPI production is in China, HPAL in Indonesia (using black coal) and NiS is in Australia. Note that the technology for conversion of FeNi or NPI to battery-grade sulfate has not been proven at industrial scale, may not be economically viable and may add further GHG emissions which have not been accounted for.

Atlantic Nickel's corporate values are guided by safety. A revised strategy and approach to safety has been rolled out since 2018 showing significant improvements since Appian's acquisition

Appian safety standards fully rolled-out

- Safety Golden Rules
 - Leading and Lagging indicators
 - Contractor Assessment Framework
 - Safety KPIs in 100% Performance Contracts
-
- **2.0+ million** man-hours worked without LTI
 - Lost Time Injury Frequency Rate ("LTIFR") **0.55**
 - **1,200+** Visible Felt Leadership engagements to date
 - **160,000+** hours in Safety, Health & Environmental training



Note:
Safety statistics as of end of Feb 2021.

Atlantic Nickel ESG case study | Social – community engagement (1/2)

Atlantic Nickel has a consistent presence among local communities and government. The company prioritizes its investments according to local needs, aiming strategic and sustainable long-term development

The STEM Program

- STEM Brazil is a training program in STEM disciplines (Science, Tech., Eng. and Math) combined with practical projects and local context
- The programme is a new partnership between the company, local govnt. and Educando (NGO)
- The main objectives are:
 - ▶ Develop practical activities in line with school curriculum
 - ▶ Equip school with all required materials for 2 years of such practical activities
- Program uses both in person and virtual training and follow-up
- Participants have support during and after conclusion of the program
- At first, the program aims to benefit 5 schools, helping an estimated 300+ students and training approximately 30 teachers
- Program expected to commence in the upcoming academic year



The Cocoa Project

- The Cocoa Project is an Atlantic Nickel initiative with the farmers association
- The objective is to help 8-10 families from Itagibá to produce cocoa and chocolate on 50 ha of agricultural land provided at a free lease
- To improve farmers' technical skills and familiarity with key technology, they have access to a technical team consisting of an agronomist, an agricultural technician and a production technician provided by the project
- In 2020, 10 families directly benefitted from the program with US\$11,6k invested



The External Monitoring Commission (CAE)

- CAE is a formal institutional link between Atlantic Nickel, local government and communities
- The commission works as a consultative body, allowing for the follow up of company activities and formal dialogue between the parties
- The main objectives of CAE are:
 - ▶ Promote dialog and transparency
 - ▶ Follow up with social projects implementation
 - ▶ Follow up compliance towards conditionings
 - ▶ Enhance engagement with communities
- CAE formal meetings occur bimonthly



Atlantic Nickel has a consistent presence among local communities and government. The company prioritizes its investments according to local needs, aiming strategic and sustainable long-term development

PROMART (Music and Art Project)

- Support of the Music and Art Project – PROMART, an institution engaged in promoting social inclusion
- This program aims to provide children and teenagers a more comprehensive education opportunity
- During the COVID-19 pandemic, activities of PROMART were transferred to a virtual format. This virtual program directly benefitted 120 children with online classes and baskets of basic goods providing increased food security for students' families
- Over 2020, US\$11.6k was invested by Atlantic Nickel in the PROMART program



Environmental Education Program

- This initiative disseminates understanding of environmental issues (both related and unrelated to the operation of the Santa Rita mine) and relevant mitigation measures
- The initiative promotes environmental education according to guidelines and procedures established in CEPRAM Resolution No. 4610/2018 and its amendments, including the following components:
 - ▶ Disclosure Actions
 - ▶ Social Communication Plan
 - ▶ Socioenvironmental Workshops
 - ▶ Support for Socio-Environmental Experiences
 - ▶ Formative Processes



Environmental Stewardship – Atlantic Nickel will revegetate 50ha of land in 2021; water quality is extensively monitored and 85% of water is reused at site

Key takeaways

- Environmental conservation and preservation and best-in-class execution of activities are baseline standards for Atlantic Nickel
- Revegetation Project
 - ▶ Areas comprising Atlantic Nickel’s footprint are revegetated, promoting the regeneration of the environment by planting seedlings of the local biome (Atlantic Forest)
 - ▶ In 2020, 20ha were recovered, and 8,948 seedlings were planted
 - ▶ In 2021, the company aims to recover 50ha with 53k seedlings planted
- Water Quality Monitoring
 - ▶ Atlantic Nickel monitors water quality at 30 locations around the operation
 - ▶ Recirculation project: 85% of water is reused

Watering of planted seedlings



Revegetation



Water quality monitoring



Appian Way Charitable Foundation

The Appian Way Charitable Foundation ('AWCF')

Vision

- AWCF's vision is to contribute to the relief of poverty, primarily in the regions that Appian operates, through the advancement of education for the public benefit of all, thus contributing to a world where every person is living and working to their full potential

Mission

- AWCF's mission is to promote the well-being of people by supporting programs focused on the improvement of education and health and the advancement of women and children
 - The Foundation seeks to contribute to the health and equal education of the children in the communities and principal regions Appian invests into with the aim of contributing to lifting people out of poverty, improving long-term environmental stability and health and empowering women and girls
 - With this aim in mind, the AWCF looks to support projects and programs that will create the maximum impact for each dollar spent. To start with, the Foundation assists Appian's portfolio companies in allocating capital into the most impactful social programs

Objectives

- The Foundation's objectives and priorities are the following:
 - Reviewing previous ESG budgets and programs (social, environmental and community plan) of portfolio companies as well as reviewing suggested future spending programs
 - Developing selection criteria to rank the programs submitted for potential sponsorship, focusing on delivering value and establishing the amount of benefit delivered, e.g. people assisted, cost, short- and long-term impact
 - Providing a recommendation to our portfolio companies which projects they should sponsor

Project Selection Criteria

1. Does the project cover the 3 sustainability areas (social, environmental, economically feasible)?
2. What is the direct return? (e.g. job opportunities for participants etc)
3. Number of beneficiaries
4. What is the cost-benefit of the social project?
5. Distance of the project from portfolio company
6. Short-term vs long-term impact of the project
7. How many partners are involved in the project?
8. What is the regional impact / global reach?
9. How long has the project been in existence?