



## Investment Highlights – July 25, 2022

Canada’s first dedicated producer of Pig Iron, a critical mid-stream material for electric-arc-furnace steel mills. The plant will be the lowest emitter of CO<sub>2</sub> globally and designed to use hydrogen (instead of natural gas) when the market economics mature and become viable.

### 1. From the Bankable Feasibility Study (US\$)

Annual Tonnes	Equity	Est. CapEx	EBIDTA	IRR	NPV	Payback
425,000	30%	\$474m	\$131.6m	57.7%	\$466m	1.7 Years
800,000	30%	\$680m	\$252.4m	73.1%	\$1.04B	1.3 Years

2. Ukraine and Russia supply more than 50% of US and EU market and are now off-line.
3. 15-year Corporate Income Tax Holiday in Quebec worth an estimated US\$176-346m over the term.
4. Canadian Accelerated Investment Incentive – worth an estimated tax savings (depreciation) and CapEx recovery of 58-63% of CapEx. Plant will pay no Federal taxes for first 5-7 years of production.
5. US\$120M in infrastructure to project site by governments – electricity, natural gas, and conveyance.
6. Electricity rate discount of 20% for seven years on the L-Rate (US\$0.034/kWh) to US\$0.027/kWh – one of the lowest rates, and cleanest power in the world.
7. Technology partner is Tenova, one of the largest makers of furnaces globally who delivered a performance guarantee on nameplate production.
8. Multiple and established off-takers to secure 100% of production.
9. Project equally straddles supplying the US and Europe markets by water.
10. Permitting studies completed (18-month process at \$2m); and a three-year site selection process to validate best location (\$2.5m).

**Investment Opportunity** – Final Mile Events – tiered equity position (12–15-month time horizon for construction). Quebec government has offered to take 20% of all capital rounds (Canadian government not yet finalized).

1. **US\$2M** to initiate and finalize permitting – **20%** of project equity (month 1).
2. **US\$3M** to initiate detailed engineering and FEED engineering – **15%** of project equity (month 5).
3. **US\$5M** to finalize all events including project financing – **15%** of project equity (month 8).