



## Specialists in Alternative Investments

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My name is



# James Titlow

Director – Global Commodities & Risk Management

- Orb Global Investments is an innovative company specialising in Alternative Investments with a core focus on Commodities & Foreign Exchange.
- The Risk Management and Physical Commodities side of the company focuses on the trade and negotiation of commodities in the global market place.
- Orb Global Investments has offices in Australia, Hong Kong and London
- We have in excess of \$1billion under management.

# Economic Climate

1. Post GFC Small mining and exploration companies have had to seek alternative funding as their traditional sources, Banks, IPO's and Equity investments dry up.
2. Investors have been nervous and are mostly invested in low yielding assets- Cash, Bonds, Fixed Interest. And, they are looking for alternative higher yielding investments with limited risk.
3. Huge growth of Gold ETF – \$80 billion+ worldwide.



# Royalty and Metal Stream

- Royalty and Metal Streams are simply a right to receive a percentage of production from a mine.
- Royalty Metal Stream financing is one of the fastest growing businesses in the world.
- Originated in 1981 in the Oil and Gas sector, mainly looking to secure supply
- How does this model assist miners and investors in Australia?





# Benefits of Royalty and Metal Stream Finance for Investors

- Invest directly into the commodity
- Investors do not have to contribute to the operating capital costs at the mine after the initial payment is made.
- Investment secured by the metal
- No exposure to the mining company
- No exposure to the Stock market volatility
- High Returns than comparable investments, Gold EFT's

# Benefits of Royalty and Metal Stream Finance for Miners

- Retain 100% Equity
- Lower costs than traditional financing
- Shorter time frame for the investment decision
- Opportunity to attract investors who are keen to invest directly in Gold or Silver
- Ability to structure the deal to appeal to both retail and wholesale investors.



# A Typical Metals Streaming Deal



## Initial payment upfront

US\$17,800 million +  
5.5 million Luna Gold shares @0.40c = US\$2,200  
**Total US\$20,000 million**

## In Return

Sandstorm is entitled to 17% of the life of mine gold produced from Aurizona, Brazil at US\$400 per ounce.

## At the time of the Deal

Luna's 43-101 resource estimate was just over 1 million ounces of gold.

If that was the limit of the deposit over time Sandstorm would purchase roughly 200,000 ounces at a cost of US\$400, this would net Sandstorm **\$100,000,000** (Actual gold per ounce \$900 – cost \$400 = \$500 x 200,000)

**This equates to 400%**

## Now the part that highlights Streaming Model

The Aurizona deposit has since tripled to over 3 million ounces and the price of gold has doubled to \$1,800 per ounce. So, for the original investment of \$20 million they now stand to make roughly **\$600 million** (original estimate 100 million x 3 for tripling resource x 2 for gold doubling).

**That is a return of nearly 3,000%**



# Production Pathway through Net Proceed Royalty Sales



Global  
Investments

## Summary of Potential Profit Forecast

### Assumptions:

- Based on \$1,550/ounce Gold market price
- \$532/ounce Mining and Operating Cost
- 37,502 ounces total gold recovered
- 6 year mine life – 6,000-7,000 gold ounces/year.

### Profit Forecast:

- Gross Profit: 37,908,627
- 60% to Royalty Purchasers: \$12,796,030
- 40% to Lake Victoria: \$8,530,686

### Financing-Royalty Purchase of Net Production:

- \$3 million gross investment to establish a small-scale mine and processing plant earns 60% of Net Production by participants of Royalty Purchase.
- 120 Units at \$25,000 per Unit; each Unit equals 0.5% of Net Production
- Investment Forecast – For every \$1 invested return is \$4.27 through Royalty Purchase Agreement
- 116% Internal Rate of Return (IRR) of entire project

# Production Pathway through Net Proceed Royalty Sales cont.



Global Investments

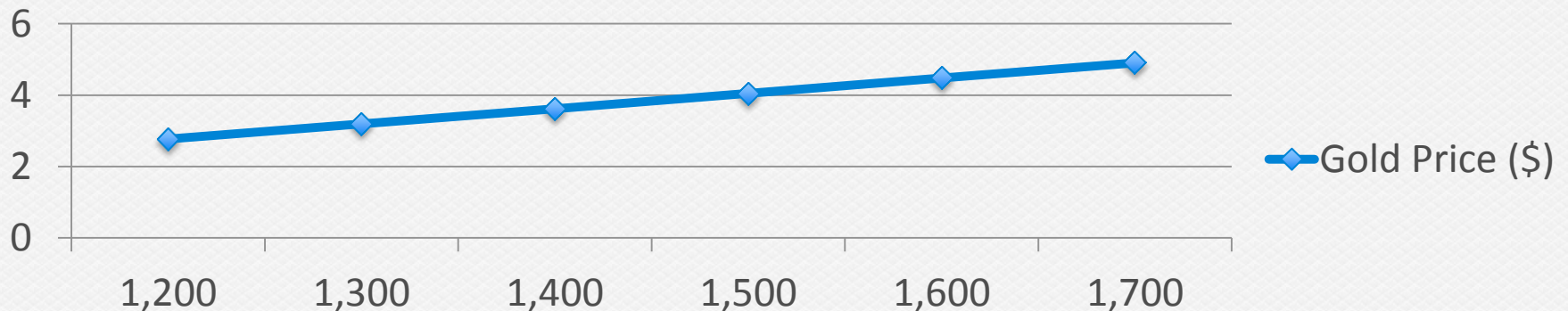
## 60% Profit Forecast to Royalty Purchasers over Six-Year Production Forecast

| Year                         | -                     | 1           | 2           | 3           | 4           | 5           | 6           | Total                     |
|------------------------------|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------------|
| Gold Production              | Ounces                | 3,718       | 6,374       | 6,374       | 7,012       | 7,012       | 7,012       | 35,502*                   |
| Royalty Purchasers 120 Units | 60% of Net Production | \$1,366,634 | \$2,342,801 | \$2,182,553 | \$2,418,863 | \$2,418,863 | \$2,242,589 | \$12,796,029 <sup>#</sup> |
| Per Unit (\$25,000)          | -                     | \$11.389    | \$19,523    | \$18,188    | \$20,157    | \$18,688    | \$18,688    | \$106,634                 |

\*based on an Open Pit Conceptual Target of 44,200ounces, with a cut-off grade of 1.0 grams; open pit extended to 40 meters with average grade of 3.11g/t; <sup>#</sup>based on 120 units purchased

### Profit Forecast Variables

- Gold Price: forecast return based on \$1,550/oz gold is \$4.27/\$1 invested; at \$1,770/oz gold return is \$5.21/\$1 invested
- Contract Mining Cost (\$2.90/t) and Processing Cost (\$18.50/t) - \$532/ounce
- Average gold grade: based on 3.11 g/t
- Recovery Rate: based on 85%; at 95% recovery return is \$5.02/\$1 invested
- Gold Target: based on 44,200 ounces within 40m; target potential could be much larger - open at depth and horizontally



# How to take Advantage of this Investment Opportunity

## Investors

- Book an obligation free appointment with Orb Global Investments
- Attend a free information seminar
- Direct Investments / Managed Funds
- Orb Global Royalties Commodity Fund (Launch TBA)

## Mining Companies

- Book an obligation free appointment with Orb Global and together we'll establish your needs and discuss your options.

# Historical Performance

## Orb Global Currency & Commodity Fund

| Year                | 2008          | 2009          | 2010          | 2011          | 2012  |
|---------------------|---------------|---------------|---------------|---------------|---|
| 1 <sup>st</sup> Qtr | 13.27%        | 17.47%        | 34.64%        | 27.07%        | 13.48%  |
| 2 <sup>nd</sup> Qtr | 21.41%        | 11.30%        | 31.33%        | 29.94%        | 21.48%  |
| 3 <sup>rd</sup> Qtr | 18.13%        | 27.39%        | 10.98%        | 13.09%        | 14.96%  |
| 4 <sup>th</sup> Qtr | 21.26%        | 24.84%        | 11.26%        | 7.54%         |   |
| <b>TOTAL NAV</b>    | <b>74.07%</b> | <b>81.00%</b> | <b>88.21%</b> | <b>77.64%</b> | <b>49.92%</b><br>not inclusive of last<br>qtr |

All Data has been verified by Saxo Bank via Saxo Trader platform. All data has been audited by PKF Chartered Accountants & Deloitte Private – AUSTRALIA.



# Want to Know More?



## Orb Global Royalties and Metal Streams Commodities Seminar

12<sup>th</sup> and 13<sup>th</sup> February 2013

Orb Global Investments Headquarters  
Level 4, 5 Elizabeth Street  
Sydney

Call 1300 333 ORB to book your spot!





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