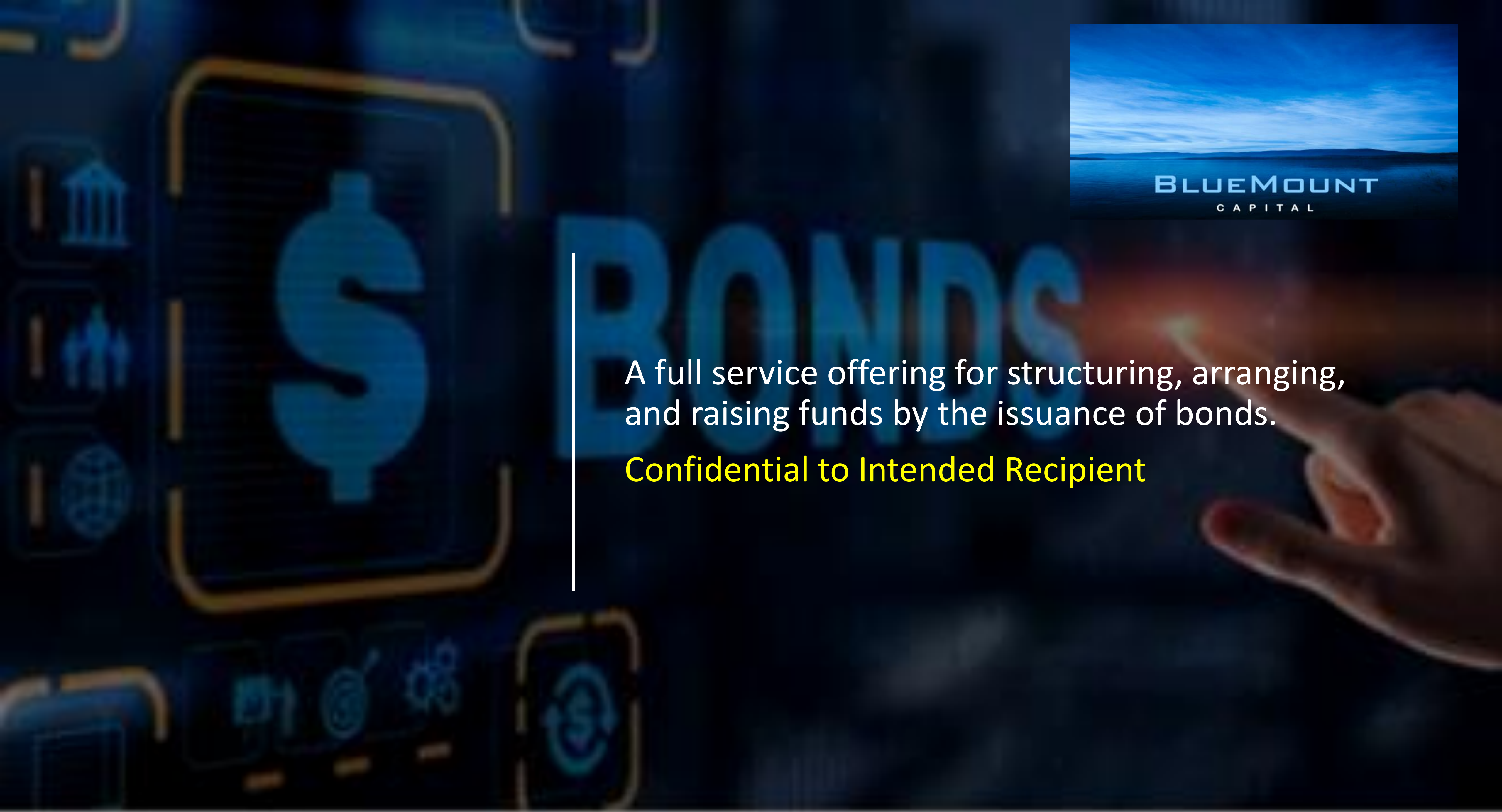

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A full service offering for structuring, arranging, and raising funds by the issuance of bonds.

Confidential to Intended Recipient

Bonds are a compelling corporate financing option to raise non-dilutive funding at the company level or at the project level

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Bonds as a Financial Instrument

A bond is a debt instrument used by companies and governments to raise money for defined purposes. In essence, the issuer of the bond, whether a corporation or a government is borrowing money from investors to fund operations or specific projects. The lenders are paid interest on the bonds.

Generally, bonds are a subordinated debt and rank behind senior debt provided by banks but rank ahead of shareholders. Bonds may be secured or unsecured, rated by a credit rating agency, or is not rated.

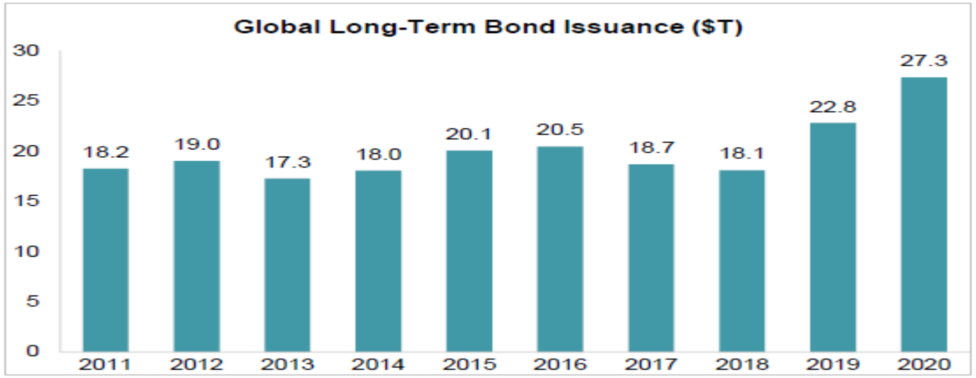
Bonds pay a coupon (interest rate) for a period (tenor) and the unit value of the bond is paid back to the investors at the end of the tenor of the bond. For listed bonds, the value of the bond can vary during their life, but at the end of the period the investors holding the bonds are paid the initial value of the bond.

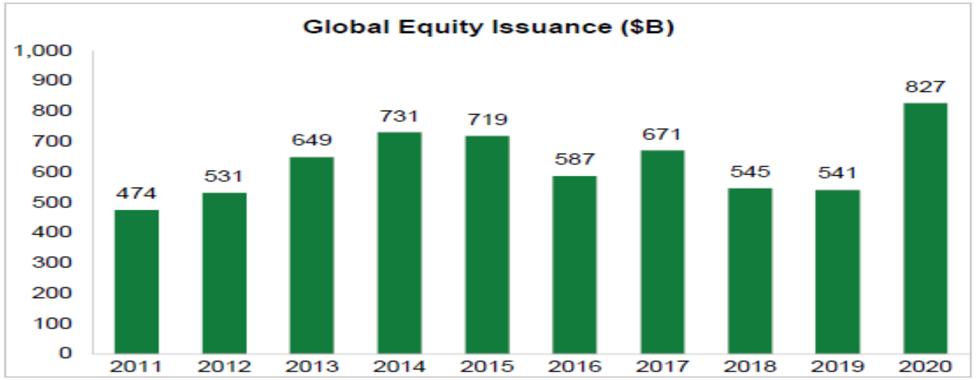
Globally, the bond market is significantly larger that the equity markets (stock exchange) in terms of funds raised by primary issuance.

The Global Primary Market for Bonds Vs. the Primary Market for Equity.

Globally and in the USA, the size of the bond market has historically been larger than the size of the equity market.

The amount of funds raised by new bond issuance a year is for most years far larger than capital raised on stock markets.





Sources: Bloomberg, Refinitiv, Dealogic
Note: Long-term is defined as a security with maturity of 13 months or longer at issuance; global equity issuance includes non-convertible IPOs and follow-on equity deals, excludes preffered shares, rights issued, closed-end funds, business development companies, and special purpose acquisition companies.

2021 Capital Markets Fact Book

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The Bond Market is a major source of funds for corporations

Globally, the size of the bond market is significantly larger than that of the stock market. Usually, more funds are raised in the bond market each year than funds raised in the stock market.

Bonds can raise significant amounts of money for corporate issuers if they are structured and priced correctly. Generally, US$50 million should be considered the low end of the range of raising funds by a bond structure. Institutional investors prefer bond issues of greater than US$200m and for the bonds to be rated by one of the top three global credit rating agencies.

The amount of money that can be raised by way of a bond issuance and the coupon rate depend on the credit rating and the quality of the issuer's business fundamentals, including the quality of its assets, income, margins, free cashflow, interest cover and so on.

Development projects such as new plants or mines, infrastructure developments, and stand-alone renewable energy projects can also raise funds as project bonds.

Why or when a company may want to raise funds by way of a bond issuance?

A company may choose to raise a funds by way of a bond issuance as part of its overall corporate financing strategy, for example when its traditional bankers will not lend them any more funds, and/or as an alternative to issuing new shares in an equity raising.

In cases where a company wants to finance a new project, it can choose to raise funds by way of a project bond that can be structured to 'ring fence' the funding and risk through a special purpose vehicle issuing the bond, i.e., being the borrower. In such a case, the project's assets may be suitable as security for the fund raising.

For bond issuance above US$100m, it is recommended that the issuer or the bond itself should have a credit rating from one of the top three credit rating agencies (Moody's, S&P, or Fitch). Credit ratings can be issued for the issuer of a corporate bond, or at the project bond level.

BlueMount Capital also recommends listing of the bonds on secondary markets such as the Frankfurt Stock Exchange and Irish GEM. BlueMount is also scoping the listing of bonds in Australia on suitable platforms that may include the Australian Securities Exchange of the National Stock Exchange.

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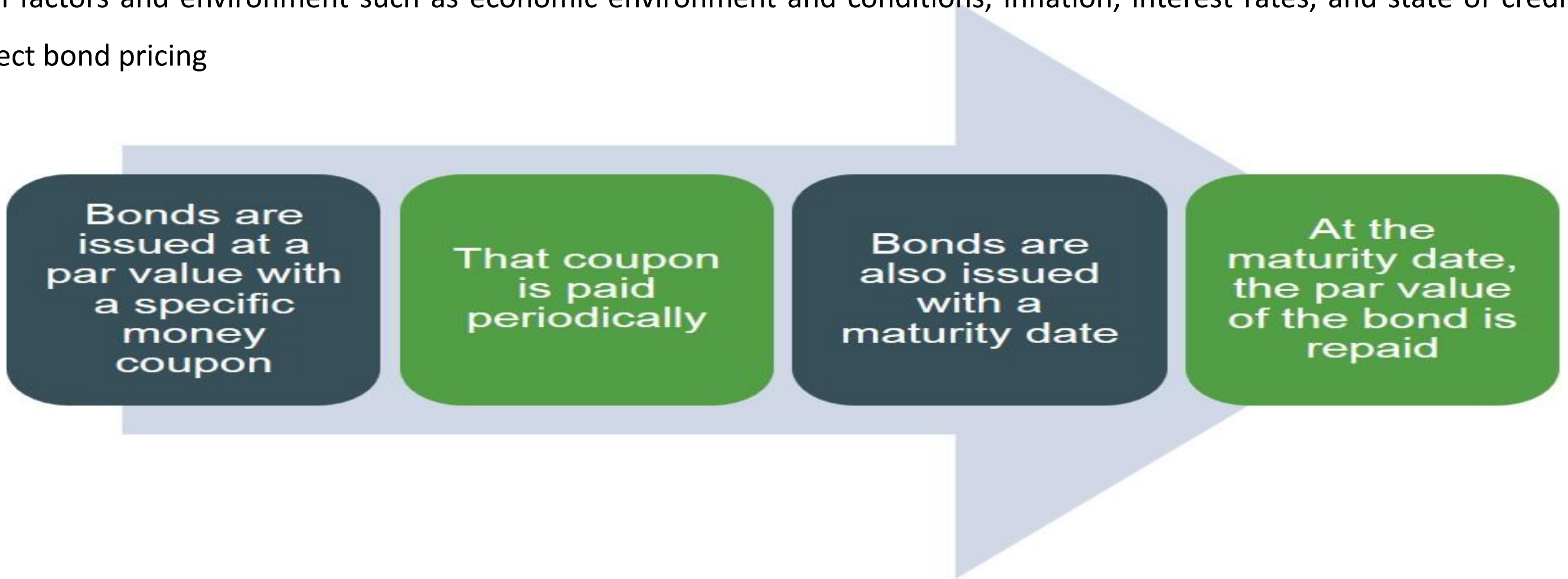
Some Features of Corporate Bonds

Selected Features of corporate bonds and project bonds:

- Redeemable only, or can also be convertible into equity
- Tenor is generally shorter than senior bank debt
- Can be rated or unrated by a credit agency. Investment Grade (BBB and higher) or not-investment grade, high-yield bonds
- Coupon price determined by credit rating. If no rating, the coupon is generally higher and depends on issuer's financial position, nature and quality of security, security ranking etc.
- External factors and environment such as economic environment and conditions, inflation, interest rates, and state of credit markets also affect bond pricing



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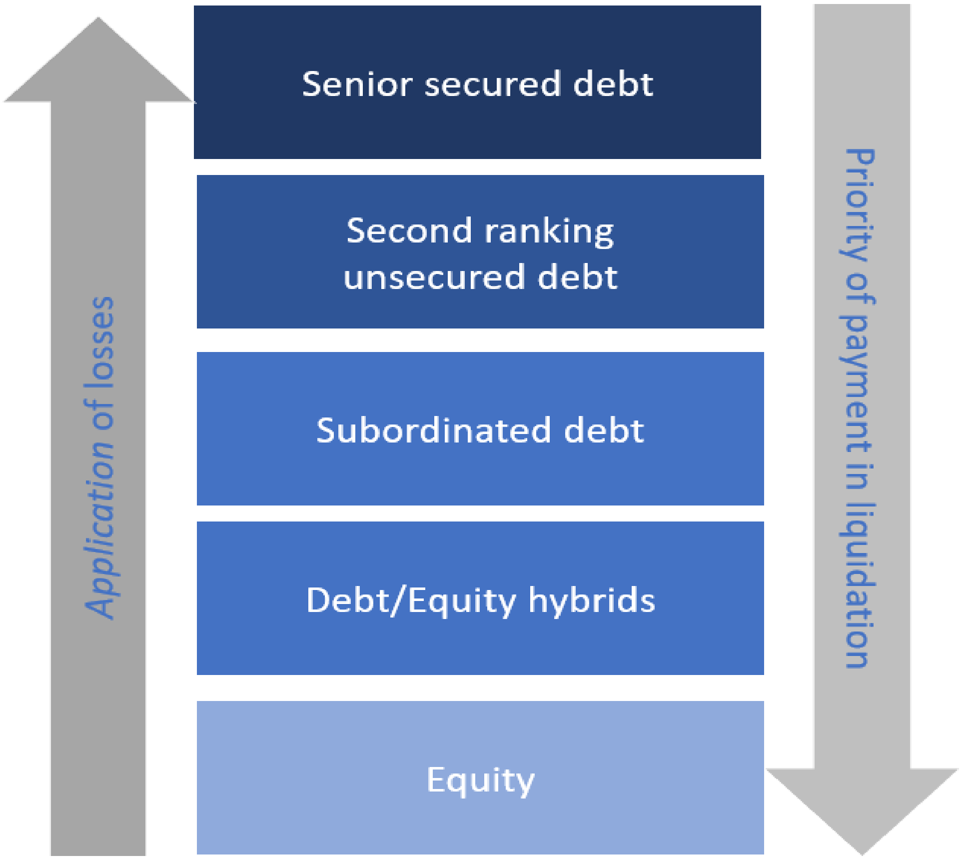
Security & Ranking of Bonds

The priority of security of corporate bond holders can sit as either second ranking debt if the bonds are secured, or as subordinated debt instruments. As the diagram shows, the lowest risk in the capital structure are the senior secured lenders. The shareholders sit last in the priority of payment and are the highest risk for the application of losses.

Generally, corporate bonds will attract a higher coupon than senior and junior secured debt and usually have a shorter tenor.

Qualifying corporates can utilise corporate bonds in their Capital Stack and still have their desired WACC for their financing purposes.



BlueMount Capital's Value Proposition

BlueMount Capital provides corporate clients with a seamless bond issuance service, bringing together and managing all the service providers required to make the process smooth and efficient. Our clients are assigned a designated Account Manager who liaises closely with them and a designated Project Manager who coordinates and manages the process.

We work closely with fellow professional firms, including structuring agents, issuance platform, trustees, custodians, listing agents, paying agents, lawyers and other professional service providers.

We can also arrange green second opinion ratings where a green bond is being issued.

We arrange bonds for small issuers (US$20m to US$50m) and for larger issuance of US$100m to US$500m, the latter in international markets

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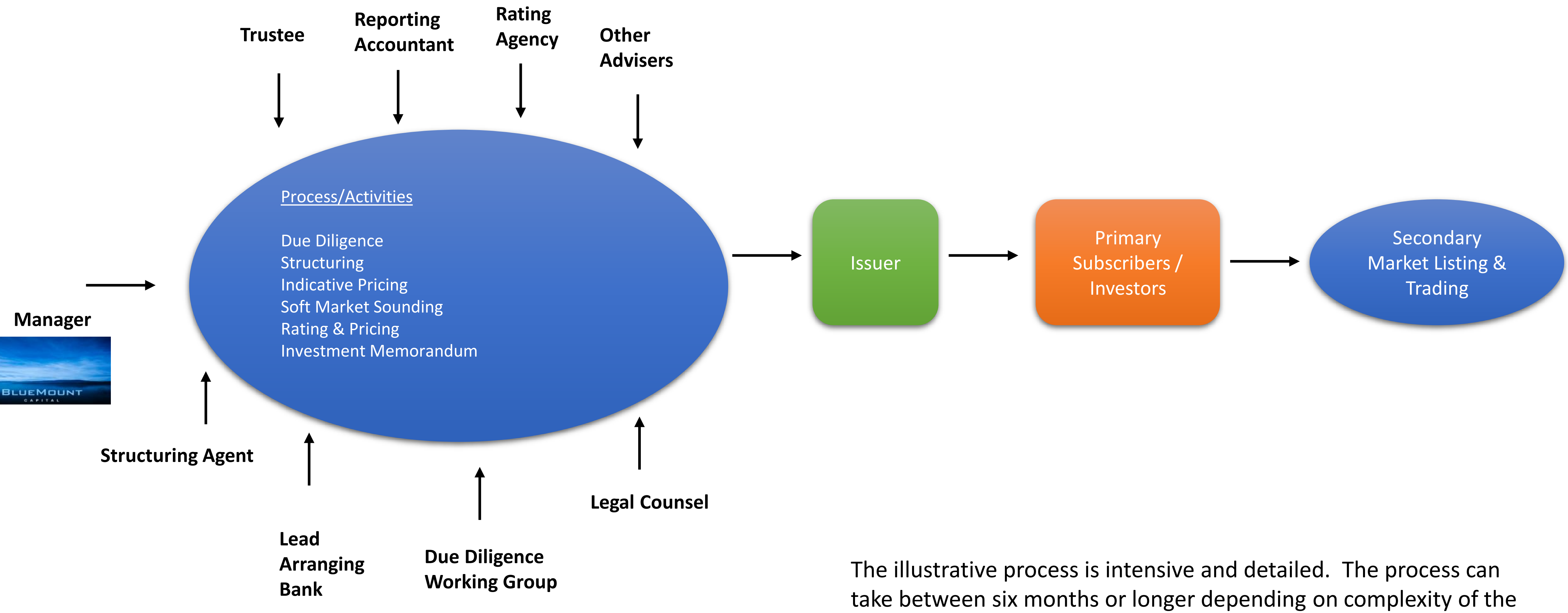
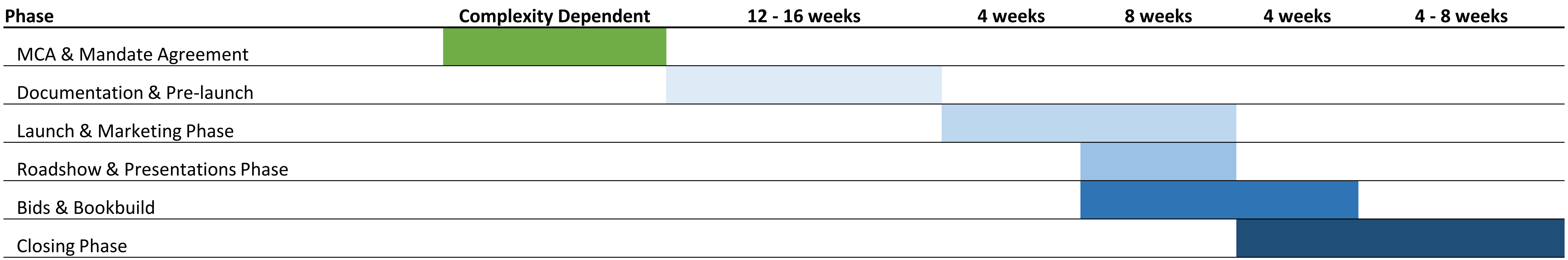
Bond parties and process



The illustrative process is intensive and detailed. The process can take between six months or longer depending on complexity of the bond, cross-country due diligence, regulatory approvals if required and so on.

Illustrative Bond issuance time line

Illustrative Timeline for Bond Funding



The above illustrative bond issuance process summarises a complex and involved process. There are several areas that could slow down the process, including legal and regulatory approvals, shareholder approvals, due diligence questions, the investment-readiness of the client, the current constraints on travel, the timely provision of independent or third party reports and the like. These will impact mostly in the pre-launch phase, and in some cases there will be conditions precedent for governmental and securities agency approvals for the issuance or the receipt of funds. A detailed timeline process is provided to the client as part of the onboarding process.

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Comparative illustrative costs of funding

The costs of a bond issuance are in line with other funding methods or instruments.

The estimates in the table are for transactions of more than US$100m in international markets. The variations in costs, especially commissions are based on the quality of the company behind the issuance of the financing instruments. First time issuers are more expensive. Costs of a new bond issue, including the coupon will be affected by the credit rating if this is used, quality of issuer assets and/or earnings, history of issuer and management.

Funding Method, or Instrument	All Professional Fees	Lead Manager Fees	Commission Fee on funds raised
IPO on international Market	~ US$2m-$3m	~ 1.0%	~ 5.0% to 6.0%
Corporate Bond	~ US$500,000	~ 0.5% to 1.0%	~ 5.0%
Sukuk	~ US$350,000	~ 1.0%	~ 5.0%
Private Placement	~ Negotiable	~ Negotiable	~ 3.0% to 7.0%

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Case Studies

As every situation is special, the following case studies are provided as examples as how bond structuring solutions can achieve a desired result for a client.

Case Study 1: High-Yield Green Bond

A new materials company completed its final investment decision study and valued its project at c. $500m (NPV$_{7.5}$). It was able to secure c. 40% in senior debt and committed to 20% in equity. BlueMount Capital was able to structure *a high-yield green bond* for the balance of the funds and still have a WACC of 7.5%, the discount rate use for the project NPV.

Case Study 2: Non-Dilutive Securitised Project Bond

An iron ore exploration company with a Tier One Asset as its principal focus wanted to bring a non-core iron ore mine into production, but the cost of equity was too dilutive. BlueMount worked with the client to solve the problem by using a special purpose vehicle to own the non-core asset and structure a high-yield *project bond* and offering the bond holders first ranking security over the mining asset and project cashflows. This achieved the client's objective of separating the small mine from its Tier One Asset and avoided shareholder dilution.

Your full service partners - the essence of 360º service

As your Manager for bond issuance and fund raising, BlueMount Capital brings together a full-service team of expert and experienced channel partners including:

- ✓ Structuring Agent
- ✓ Credit rating agency
- ✓ Legal advisers
- ✓ Distribution
- ✓ Listing Agent
- ✓ Custodian
- ✓ Trustee

Contact details for further information …

- Dr Saliba Sassine, Managing Director
- M: +61 412 533 966
- E: saliba.sassine@bluemountcapital.com

Contact details for further information …

- Len McDowall, Director
- M: + 61 418 673 066
- E: len.mcdowall@bluemountcapital.com