

## Public Information Summary

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**Host Country(ies)**

Worldwide

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**Name of Counterparty / Issuer**

Critical Minerals Consortium (“CMC”)

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**Project Description**

The Critical Minerals Consortium (“CMC”) consists of a capital vehicle funded by DFC equity and debt (the “CMC U.S.”), which will invest with several other vehicles (the “CMC Co-Vehicles”) managed by Orion Resource Partners LP (“Orion”) through the Critical Minerals Platform (the “Project”). The CMC Platform will invest in strategic critical minerals mining projects (the “Sub-Projects”).

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**DFC Product Type**

Direct Equity & Direct Loan

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**DFC Investment / Insured / Equity Amount**

\$900 million in addition to the \$600 million already approved

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**Total Project Costs**

Project costs for each Sub-Project to be determined at the time of underwriting.

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**U.S. Involvement**

Orion Resource Partners LP is an American asset manager headquartered in New York, NY.

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**Policy Review****Developmental Objectives**

The global shift towards new energy and advanced technologies has driven up the demand for critical minerals like lithium, cobalt, and rare earth elements. Over the past 20 years, annual trade in energy-related critical minerals has increased seven-fold, and demand is expected to triple by 2030. The increase in demand presents significant economic growth opportunities for resource-rich developing countries, where mining often constitutes over 50% of exports and a substantial portion of GDP. These countries face challenges as they seek to maximize benefits from mineral resources, such as inadequate infrastructure, outdated technology, and a lack of skilled labor, along with a reliance on informal employment, which contributes to job insecurity and exacerbates already high unemployment rates. The Project will address these challenges by investing in a pipeline of diverse mining assets across a range of geographies and critical minerals. Investment in the extraction and processing of these minerals is expected to stimulate local job creation and spur economic growth through tax revenue, royalties, local procurement, and increased export revenues.

## **Risk Assessment**

**Screening:** CMC consists of a capital vehicle funded by DFC equity and debt, which will invest with several other vehicles managed by Orion through the CMC Platform (the “Project”). The CMC Platform will invest in strategic critical minerals mining projects (the “Sub-Projects”). The CMC represents a first-of-a-kind partnership dedicated to strengthening and diversifying the critical minerals supply chain. The strategy of the CMC is to finance the expansion or construction of near production-ready mines in DFC-eligible countries. Orion, the manager for this vehicle, is a leading U.S.-based metals and mining alternative asset manager.

FIs with use of proceeds of the DFC investment that are likely to pose significant environmental and social risks are screened as Category FI-A for the purposes of assessment. Downstream investments made by the Project will still be screened for categorical prohibitions.

**Applicable Standards:** Under DFC policies, the CMC is required to comply with applicable local and national laws and regulations and applicable provisions of the 2012 International Finance Corporation’s Performance Standard (“PS”) 1 and 2.

Because the Project involves an investment in a financial intermediary, likely significant adverse environmental and social impacts will be specific to its Sub-Projects and determined at the time of Sub-Project approval. DFC policies require the CMC to maintain a management system that appropriately identifies, assesses, manages, and monitors risks of its Sub-Projects with respect to the IFC Performance Standards and IFC’s general and sector-specific guidelines. It is anticipated that the CMC’s Sub-Projects will involve heightened risks that are not otherwise Categorically Prohibited by DFC.

**Risks and Mitigation:** Risks associated with the Project include the need for a rigorous risk management system and organizational capacity at the CMC to oversee a portfolio of mining projects that are inherently high risk. Given these risks, DFC’s due diligence included desktop review of Orion’s systems and existing investments, as well as in-person site visits to two of Orion’s existing portfolio companies (one mining operation and one greenfield mining project) in Sub-Saharan Africa and Latin America, to assess Orion’s approach and competencies across the full range of IFC Performance Standards and at different stages of Orion Sub-Projects.

DFC’s due diligence found that Orion has developed a Responsible Investment Procedure that aligns with DFC’s requirements, including IFC Performance Standards. Furthermore, Orion is a signatory to the UN Principles for Responsible Investment and has a Human Rights Policy which outlines additional criteria for human rights assessment and management. Orion requires its portfolio companies to comply with the Canadian Dam Association standards, which obligates operators to use specified measures to prevent the catastrophic failure of tailings facilities and to implement best practices in planning, design, construction, operation, maintenance, monitoring, closure, and post closure activities.

The Responsible Investment Procedure establishes clear procedures for risk categorization, screening, due diligence, and monitoring of health, safety, and other relevant risks for its projects. Orion has an experienced Risk and Technical team, comprising two risk team members, four technical team members (tailings and water; geotechnical; and geology) and an additional specialist.

Orion takes an active approach to managing the risks and impacts of its Sub-Projects. This includes conducting annual monitoring visits and forming a technical advisory group with each project, which meets monthly or quarterly.

For the CMC, Orion will develop a management system that is acceptable to DFC and incorporates DFC's categorical prohibitions as part of its investment screening procedures.

Orion will also be required to establish an external grievance mechanism for the CMC. Orion will provide annual monitoring throughout the DFC investment. For each of the CMC Sub-Projects, an Orion senior team member will actively manage the relevant risks. The CMC will further retain an independent consultant, to be mutually agreed by DFC and Orion, for each Sub-Project of the CMC.

Each CMC Sub-Project will be subject to DFC review prior to approval. DFC's and Orion's teams will work together throughout the diligence, underwriting, and monitoring of each CMC investment. DFC will monitor the CMC's implementation of the risk management system and overall capacity, which may be modified as needed to ensure management systems remain commensurate with the risks of the CMC portfolio.