



NORANDA INCOME FUND AND BASECORE METALS ANNOUNCE STREAM AGREEMENT

Stream Proceeds to Fund Strategic Long-term Investments in Zinc Processing Facility

Toronto, Ontario, July 27, 2020 - Noranda Income Fund (TSX:NIF.UN) (the “Fund”) through its wholly-owned subsidiary, Noranda Income Limited Partnership, and BaseCore Metals LP (“BaseCore”) today entered into a definitive stream agreement over reference zinc processed and refined at the Fund’s electrolytic zinc processing facility (the “Stream”) located in Salaberry-de-Valleyfield, Quebec (the “Processing Facility”). BaseCore will advance a cash consideration of US\$40 million for the Stream. Proceeds will be used to improve the Processing Facility’s filtration and cooling processes to support increased zinc production capacity (the “Expansion Projects”) and for general corporate purposes.

“We are pleased to partner with BaseCore and to secure long-term financing that will allow us to improve our capital structure while making strategic investments that will enhance our operational efficiency and production capacity, and ultimately, improve our profitability,” stated Liana Centomo, Chief Executive Officer of Canadian Electrolytic Zinc Limited, the Fund’s Manager. “Increasing our ability to process a wider variety of zinc concentrates, especially as the availability of lower impurity local feed continues to decline, will decrease our production costs per tonne, make us more flexible and strengthen our position as a leading, low-cost producer of refined zinc metal in North America.”

“BaseCore is excited to partner with Noranda Income Fund in the first stream of its kind on a smelting operation while providing it capital to further enhance its world-class processing facility. The strength, resiliency and attractiveness of this asset and management team was apparent during our detailed review of this opportunity and we are excited at the prospects of a long-term partnership,” said Akshay Dubey, Director of Business Development of BaseCore. “We remain committed to our focus of building a portfolio of high-quality base metals streams and royalties while providing our partners with bespoke financing solutions that meet their specific needs. As evident and with the continuing support of its shareholders, BaseCore continues to be active in originating and executing on additional stream and royalty transactions despite limitations resulting from the COVID-19 pandemic.”

Transaction Terms

- BaseCore will purchase from Noranda Income Fund LME zinc warrants corresponding to 1.00% of zinc processed and refined at the Processing Facility until the later of (i) June 30, 2030 or (ii) 68 million pounds of LME zinc warrants have been delivered.
- BaseCore will make ongoing payments equal to 20% of the zinc LME cash settlement price at the time of delivery.
- BaseCore will pay US\$40 million for the zinc stream as an advance payment against the purchase price for the sale of zinc to BaseCore, that, while ensuring the cash profile is positive during the construction period, is to be paid as follows:
 - US\$12 million paid on closing
 - US\$12 million paid upon the earlier of the completion of certain construction milestones and Dec. 31, 2021
 - US\$16 million will be paid upon the earlier of the completion of certain construction milestones and June 30, 2022

- Zinc deliveries will be secured and guaranteed by each of the Fund’s subsidiaries as well as Canadian Electrolytic Zinc Limited and its immediate parent, N-Zinc Ltd. Such security will be second-lien to the Fund’s existing ABL lenders other than the security over the Processing Facility, which will be first lien.
- The Fund has granted BaseCore with a right of first refusal over all base metal streams relating to the Processing Facility for the first five years of the Stream and a right of first offer for the following five years.
- The transaction is expected to close by July 31, 2020 and is subject to customary closing conditions.

Strengthening the Processing Facility’s Position as a Leading Low-cost Producer

In alignment with the Fund’s long-term strategy to decrease its production unit costs and increase profitability, the Fund will move forward, effective immediately, with the installation of additional belt filters and related equipment to increase the Processing Facility’s filtration capacity, and two additional cooling towers in the cell house to improve cooling capacity in the summer months. The cost of the Expansion Projects is estimated at US\$32 million and commissioning is targeted for the first quarter of 2022. Once commissioned, the Expansion Projects will allow the Processing Facility to maintain its current production levels as well as to increase zinc production by approximately 20,000 tonnes per year. Assuming zinc prices of \$2,300 per tonne, treatment charges of \$200 per tonne of concentrate, and production costs and by-product revenues adjusted for inflation and higher production volumes, these investments are expected to provide an internal rate of return of approximately 30%. The Expansion Projects are included in the recently approved application under the Government of Quebec’s L-20 electricity rate reduction program and will generate approximately 16 months of electricity rate reductions.

Expansion projects overview

Increasing the Processing Facility’s filtration capacity will increase its flexibility to treat varied feeds. With local concentrate feeds diminishing and the trend of global feed grades decreasing, the Processing Facility will improve its ability to process a higher volume of impurities, namely iron, as existing equipment has reached its saturation point. This will allow the Processing Facility to maintain its current production levels as well as to increase zinc production. Construction work consists of the addition of two belt filters, one for treating residue and the other for treating process water generated for the filtering of the residue, a building to house them, and increasing cement mixing capacity to produce jarofix. The expanded filtration building will also be able to accommodate a third belt filter. The option of the installation of a third belt filter, not included in current cost estimates, will allow the operation further flexibility to react to changes in global feed qualities.

The other key project is aimed at increasing the cooling capacity of electrolyte in the cell house where zinc is plated with the installation of two additional cooling towers. The zinc plating process generates heat and increases the temperature of the electrolyte. The cell house electrolyte must be maintained at a maximum temperature to operate efficiently and for the proper plating process to occur. To maintain the optimal temperature, the electrolyte is continually pumped through cooling towers. During the summer months, the plant’s throughput must be reduced to respect its current cooling capacity.

Attractive Addition to BaseCore’s Leading Base Metals Royalty and Streaming Portfolio

This investment provides BaseCore with long-term exposure to a high-quality cash flowing stream on an asset attractively placed on the global cost curve and will be a key contributor to BaseCore’s portfolio which includes Net Profit Interests on the world-class Antamina mine and Highland Valley mine along with royalties on the development stage El Pilar and Horne 5 projects. The profile of the Processing Facility and Stream aligns strongly with BaseCore’s investment criteria including jurisdiction, maturity and ESG performance while providing exposure to a key base metal commodity in zinc. BaseCore continues to be committed to working collaboratively with potential partners to establish financing structures that assist them in meeting their objectives while providing BaseCore with exposure to the underlying base metal commodity.

Related Party Transaction and Approval Process

The Stream is considered to be a related party transaction pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions (“MI 61-101”) as Glencore Canada Corporation (“Glencore Canada”), a limited partner in BaseCore, is a control person of the Fund.

To review and evaluate the merits of the Stream, the Audit Committee of the Board of Trustees of the Noranda Operating Trust (the “Audit Committee”) comprised entirely of Trustees independent of the related party, reviewed

the potential transaction. The Audit Committee, with the assistance of financial and legal advisors, undertook a deliberate and full consideration of the Stream and various financing alternatives. The Stream was determined to be the most advantageous offer. Upon the recommendation of the Audit Committee that, among other things, the Stream is in the best interests of the Fund and the Stream is on reasonable commercial terms that are not less advantageous to the Fund than those that were available from arm's length parties, the Board of Trustees (other than interested Trustees who abstained from voting as a result of their relationship with Glencore Canada) unanimously approved the Stream.

The formal valuation requirement pursuant to Section 5.4 of MI 61-101 is not applicable to the Stream. The Stream is exempt from the minority approval requirements of MI 61-101 as the Stream is (i) on reasonable commercial terms that are not less advantageous to the Fund than if the Stream was obtained from an arm's length party, and (ii) not convertible or repayable, directly or indirectly, into equity or voting securities of the Fund or any subsidiary of the Fund. As noted above, the Stream is expected to close by July 31, 2020 which is reasonable and necessary given the customary nature of the closing conditions and the desire to provide funding to promptly progress the investment projects in the Processing Facility.

In accordance with the terms of BaseCore's constating documents, the Stream was approved by the Board excluding Glencore representatives, as a result of Glencore Canada's interest in the Fund.

Forward-Looking Information

Certain information in this press release, including statements relating to the scope, timing and completion of the investments in the Processing Facility, the impact of the investments on the operations of Processing Facility and the operating and financial results of the Fund and expected closing date of the Stream are forward looking information. In some cases, but not necessarily in all cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, results or benefits from the Stream contain forward-looking information. Statements containing forward looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Forward-looking information is necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable as of the date of this press release, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the factors described in greater detail in the "Risk Factors" section of the Fund's Annual Information Form dated March 30, 2020 for the year ended December 31, 2019 and the Fund's other periodic filings available at www.sedar.com. These factors are not intended to represent a complete list of the factors that could affect the Fund; however, these factors should be considered carefully. There can be no assurance that such estimates and assumptions will prove to be correct. The forward-looking statements contained in this press release are made as of the date of this press release, and the Fund expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law.

BaseCore Metals LP, an independent 50/50 joint venture between Glencore Canada Corporation and Ontario Teachers' Pension Plan Board, is a leading base metals focused streaming and royalty company. BaseCore Metals provides strategic, long-term and friendly financing to mining operators giving them superior access to capital for funding of exploration and development, mine expansions, mergers and acquisitions, balance sheet flexibility and reclamation obligations. Further information about BaseCore Metals can be found at: www.basecoremetals.com.

Noranda Income Fund is an income trust whose units trade on the Toronto Stock Exchange under the symbol "NIF.UN". Noranda Income Fund owns the electrolytic zinc processing facility and ancillary assets (the "Processing Facility") located in Salaberry-de-Valleyfield, Québec. The Processing Facility is the second-largest zinc processing facility in North America and the largest zinc processing facility in eastern North America, where the majority of zinc customers are located. It produces refined zinc metal and various by-products from sourced zinc concentrates. The Processing Facility is operated and managed by Canadian Electrolytic Zinc Limited, a wholly-owned subsidiary of Glencore Canada Corporation. Further information about Noranda Income Fund can be found at:

www.norandaincomefund.com.

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