

## **Item 1 Cover Page**

### **RCF MANAGEMENT L.L.C.**

1400 Sixteenth Street, Suite 200

Denver, Colorado 80202

720-946-1444

[resourcecapitalfunds.com](http://resourcecapitalfunds.com)

February 14, 2012

This brochure provides information about the qualifications and business practices of RCF Management L.L.C (“RCF” or the “Advisor”). If you have any questions about the contents of this brochure, please contact us at 720-946-1444. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by a state securities authority.

Additional information about RCF is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

REGISTRATION WITH THE SEC AS AN INVESTMNET ADVISER DOES NOT IMPLY THAT RCF OR ANY PARTNERS, OFFICERS OR EMPLOYEES OF RCF POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMNET ADVISORY BUSINESS OR ANY OTHER BUSINESS.

## **Item 2 Material Changes**

This Brochure, dated as of February 14, 2012, has been prepared in connection with RCF's initial registration with the SEC as an investment adviser. In the future, this item 2 will provide a brief summary of any material changes to our disclosure since the last annual filing of this Brochure.

## **Item 3 Table of Contents**

ITEM 1 COVER PAGE .....	1
ITEM 2 MATERIAL CHANGES .....	2
ITEM 3 TABLE OF CONTENTS .....	3
ITEM 4 ADVISORY BUSINESS .....	4
ITEM 5 FEES AND COMPENSATION .....	5
ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	7
ITEM 7 TYPES OF CLIENTS .....	8
ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS INVESTMENT STRATEGY .....	9
ITEM 9 DISCIPLINARY INFORMATION.....	23
ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	24
ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING...	26
ITEM 12 BROKERAGE PRACTICES .....	28
ITEM 13 REVIEW OF ACCOUNTS.....	29
ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION.....	30
ITEM 15 CUSTODY.....	31
ITEM 16 INVESTMENT DISCRETION .....	32
ITEM 17 VOTING CLIENT SECURITIES .....	33
ITEM 18 FINANCIAL INFORMATION .....	34

## **Item 4 Advisory Business**

RCF Management L.L.C., is a Delaware limited liability company established in 1998, primarily to provide management and investment advisory services to private equity funds specializing in investment in the mining and minerals industry. In general, the Advisor's investment activities are limited to investments across all hard rock mineral sectors, base and ferro metals, precious metals, industrial minerals, energy minerals, bulk materials, as well as engineering and service companies related to the mining industry.

The Advisor is 100% owned by six members of the firm's senior management, with a thirty percent (30%) share held by Jarrah LLC, which is ultimately controlled by RCF's co-founding partner, James McClements. The Advisor is led by James McClements, who is supported by a team of 21 professionals, all of whom have specific technical experience and expertise in the mining and minerals industry.

The Advisor currently has six clients, including four private equity funds (the "RCF Funds"), which are organized as Cayman Island exempted limited partnerships and invest on a global basis in businesses and assets relating to the mining industry. Related persons of the Advisor act as the general partner of each RCF Fund ("General Partners"). The Advisor also manages the Dampier Master Fund, Ltd ("Dampier"), a "hedge fund" organized as a Cayman Islands corporation to invest primarily in long and short positions in equity and debt interests, derivative securities, commodity futures and other hedging investments, all in the mining and natural resources industries. Finally, the Advisor manages a separately managed account (the "Separate Account"), which focuses on investments in opportunities related to gold. The RCF Funds and Dampier are collectively referred to in this Brochure as the "Funds," and the Funds and the Separate Account are collectively referred to as the "Advisory Clients."

The Adviser tailors its investment services to the specific investment objectives and restrictions applicable to each Advisory Clients. In the case of the Funds, these investment objectives and restrictions are set forth in the confidential private placement memorandum, limited partnership agreement and other governing documents applicable to each such Fund (the "Governing Documents"). Investors and prospective investors should refer to the Governing Documents for more complete information on the investment objectives and investment restrictions with respect to each Fund. Investment restrictions and objectives for any separate account are privately negotiated between Adviser and the client and are generally set forth in the Investment Management Agreement for each such account.

As of December 31, 2011, the Advisor managed US\$ 1.94 billion in assets under management, all on a discretionary basis.

## **Item 5 Fees and Compensation**

As compensation for the investment advisory services it provides to the Advisory Clients, the Advisor receives fees from each Advisory Client. Fees may be reduced as described below or waived by the appropriate party (the Investment Manager, General Partner or the Advisor depending on the account's structure) in that party's sole discretion.

### Management Fees

Each RCF Fund pays a management fee to the Advisor quarterly in advance out of the assets of the RCF Fund. The management fee varies depending on the RCF Fund but ranges from 2.0% to 2.5% per annum. In general, during the "investment phase" of an RCF Fund's life (when the Adviser is actively in the process of developing investment opportunities for the Fund's portfolio) the management fee is calculated as a percentage of the RCF Fund's aggregate subscriptions. Following completion of the investment phase, the management fee is generally calculated as a percentage of the aggregate outstanding amount of the RCF Fund's invested capital. The specific fees pertaining to each RCF Fund and the manner in which such fees are calculated are outlined in the Governing Documents for such RCF Fund. Limited partners should review the appropriate Governing Documents for fee information specific to their interest.

Dampier does not pay a management fee directly to the Adviser. However, two feeder funds (which invest all of their assets in Dampier) each pay the Advisor a management fee equal to an annual rate of 1.5% of their respective net asset values. The fee is calculated and paid quarterly in advance. Fees paid by Dampier feeder funds are calculated by Dampier's administrator and paid directly from the account.

The current Separate Account pays a management fee equal to an annual rate of 1.5% of the net value of the assets in the account. Per the agreed upon terms for each Separate Account, fees may be paid either in advance or in arrears. Fees paid by a Separate Account are calculated by the Advisor and an invoice is sent to the Separate Account for review and payment. Fees may be paid out of assets of the Separate Account at the discretion of the client but may not be directly withdrawn from the Separate Account by the Advisor.

### Performance Fees

The RCF Funds, Dampier and the Separate Account all pay performance fees to the Advisor. Please see Item 6 for further details related to this fee.

### Refundable Fees

Typically upon termination of any agreement, any prepaid, unearned fees will be promptly refunded, subject to any transaction expenses associated with the liquidation of an account.

### Other Fees and Expenses

In addition to the fees described above, each Advisory Client will typically be responsible for certain operating expenses related to its account. Each Advisory Client's agreement with the Advisor provides further details related to the expenses paid by the Advisory Client. Operating expenses will generally include but are not limited to costs, fees and expenses related to the

purchase, holding and sale of portfolio investments, any unreimbursed expenses incurred in connection with transactions not consummated, fees and unreimbursed expenses of custodians, outside counsel and accountants, any insurance or litigation expense, any taxes, fees or other governmental charges levied against the Advisory Client, costs and expenses of the Advisory Client committees and annual meetings of investors, and all extraordinary expenses.

All organizational expenses of a RCF Fund (not to exceed a specified cap within such RCF Fund's Governing Documents) will be paid by the RCF Fund.

All transaction, break-up and other fees (except as otherwise set forth below) received by the General Partner of the RCF Funds, the Advisor or their employees and affiliates in connection with the RCF Funds' investments will, net of applicable taxes and out of pocket expenses, offset and reduce the next payment of the management fee by an amount equal to 50-100%, depending on the RCF Fund, of such fees. Also depending on the RCF Fund, compensation received by the General Partner, the Advisor and their employees and affiliates for director services on portfolio company boards and for services as officers or consultants of portfolio companies may or may not offset the management fee.

## **Item 6 Performance-Based Fees and Side-by-Side Management**

In addition to the management fees described in Item 5 above, each of the Advisory Clients pays the Adviser a performance-based fee, as described below.

- The General Partner of each RCF Fund will receive a “carried interest” from the Fund. In general, the carried interest is equal to 20% of the RCF Fund’s Net Gain (as defined in each RCF Fund’s Governing Documents). The carried interest is payable only after each limited partner of the RCF Fund has received distributions equal to a return of capital equal to the cost basis of the RCF Fund’s disposed investments and its cumulative expenses, plus a preferred rate of return, as specified in each RCF Fund’s Governing Documents. A detailed description of each RCF Fund’s carried interest allocation can be found in the RCF Funds’ Governing Documents.
- At the end of each calendar year, an affiliate of the Advisor receives a Performance Fee equal to 20% of the portion of each investor’s pro-rata share of the net realized and unrealized appreciation in the value of the assets of Dampier. This performance allocation is subject to a high water mark such that in the event an investor’s capital account suffers a net loss in a prior year, no performance fee will be due until such net loss is fully recovered. Further details regarding the performance allocation are found in Dampier’s Governing Documents.
- The Separate Account pays the Advisor a performance fee equal to 20% of the amount by which the net asset increase in value of the Separate Account exceeds an agreed upon benchmark.

A performance fee arrangement may create an incentive for the Advisor to select and make investments that are riskier or more speculative than would be the case in the absence of a performance fee. In addition, with respect to Dampier and the Separate Account, the Advisor may receive performance-based compensation with regard to unrealized as well as realized gains, and there can be no assurance that the unrealized gains will actually be realized at the values on which the performance fee is calculated.

To the extent Advisory Client accounts are subject to different performance-based compensation arrangements, the Advisor may have an incentive to favor the client accounts that pay a higher performance fee over the client account that pay a lower performance fee. To mitigate potential conflicts of interests arising from the allocation of limited investment opportunities and expenses to client accounts with differing fee arrangements, allocation determinations will be made in accordance the Advisor’s investment allocation policy which is designed to ensure that allocations are fair and equitable over a period of time.

## **Item 7 Types of Clients**

As noted above, the Advisor currently has six (6) Advisory Clients, five of which are Funds and one of which is the Separate Account.

### Funds

The Funds are each structured to operate under exemptions from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act"). In addition, interests in the Funds are exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), in accordance with the private placement exemptions under Regulation D and Section 4(2) of the Securities Act. Depending on the Fund, investors in the Funds must qualify as "accredited investors" under the Securities Act or "qualified purchasers" under the Investment Company Act, and as "qualified clients" under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

Investments in the Funds are typically subject to a minimum investment requirement of between \$1,000,000 and \$10,000,000 depending on the Fund. These minimums may be waived in certain circumstances at the sole discretion of the General Partner of the appropriate RCF Fund or the Advisor in the case of Dampier. Investors in the Funds may include affiliated parties, funds-of-funds, high net worth individuals, institutions, endowments and foundations.

### Separate Account

The Separate Account requires a minimum investment of \$5,000,000, which may be waived at the sole discretion of the Advisor.



## **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

### **Investment Strategy**

#### RCF Funds

In general, the RCF Funds focus on making private equity investments in quality mining projects and other opportunities in the mining sector with strong fundamentals and attractive valuations. Projects range from scoping study and development projects through to producing assets. The RCF Funds do not typically invest in projects primarily focused on exploration.

The process of adding value to a mining project or business is often capital intensive, which provides opportunities for the RCF Funds to make investments. The Advisor seeks to work with strong management teams who, when provided with patient capital and support as necessary, can realize significant value. The Advisor typically keeps in close contact with each of the RCF Funds' portfolio companies and often requires representation on their boards of directors.

The RCF Funds' investments are generally privately negotiated, and the Advisor may elect to include other investors. The RCF Funds have historically only used leverage to a limited extent and anticipate that they will continue to follow that practice in the future.

The Advisor employs a range of investment styles appropriate to the different opportunities it identifies, including the provision of development capital and buyout or distressed investing. Most investments are expected to be made with an anticipated three to six-year time horizon.

The nature of the industry is such that many mining companies typically make public offerings at earlier stages in their development than companies do in other industries. Consequently, the RCF Funds often invest in publicly listed entities.

Fundamental to the Advisor's investment strategy is an emphasis on careful technical evaluation of a project or business. The Advisor expects that most of the projects the RCF Funds will consider will have completed, at a minimum, substantial drilling programs and other test work to establish the potential size, grade, metallurgical recovery and likely production scenario for the deposit. The Advisor has broad technical expertise and conducts extensive due diligence on each investment. Due diligence typically includes technical, legal, financial, marketing and country/political analysis, as well as site visits and evaluation of the company's management capabilities. Due consideration is given to anticipated commodity prices and markets, with financial analyses conducted assuming long-term commodity prices determined with reference to fundamental factors rather than spot prices.

The Advisor anticipates that the RCF Funds' respective portfolios will be diversified across a range of mineral commodities and geographic regions. Investments are expected to range in size depending on the type of investment opportunity.

#### Dampier

In Dampier, the Advisor seeks to achieve risk-adjusted returns from opportunistic investments in the mining and hard minerals sector. The Advisor believes that gains can be realized across

commodity price cycles and throughout development states of mining companies and their projects. The underlying strategy of Dampier is to use its broad exposure to all aspects of the mineral industry and its significant information flow to identify and then react to long and short investment opportunities in this highly specialized sector. Dampier seeks to capitalize on investments that are not appropriate for the RCF Funds and will utilize much of the research conducted on behalf of the RCF Funds, including technical and financial and market research.

#### Separate Account

The Separate Account strives to achieve capital appreciation through investments in long-only positions in securities where gold is the primary driver of value. The Separate Account invests primarily in publicly traded securities, and does not utilize leverage, options, futures or short positions. Investment strategies for any future separate accounts will be negotiated between the Advisor and the client and will be memorialized as part of any Investment Management Agreement.

#### Material Risks

The Adviser's investment strategies involve a significant degree of risk and are suitable only for investors of substantial means who have no immediate need for liquidity of the amount committed for investment and who can afford a risk of loss of such entire amount. Investors will be subject to a number of risks, only some of which are set forth below.

In addition to the other information contained in this Brochure, each prospective investor in a Fund should review the Governing Documents of the applicable Fund, and consult with his, her or its personal legal, tax and financial advisers and carefully consider and evaluate the risks before executing any documents with respect to the Funds.

#### Investment Risks

All investments risk the loss of capital. No guarantee or representation can be made that the Adviser's investment strategies will be successful, and investment results may vary substantially over time. Past performance is no guarantee of future results. Moreover, the Adviser pursues investment strategies that are focused solely on the mining sector. These concentrated investment strategies may subject investors to greater risks than would be the case with more diversified investment strategies.

**Economic and Market Risk.** The types of mining interests in which the Adviser invests are sensitive to general downward swings in the overall economy and in the sectors in which such companies operate. Factors affecting economic conditions, including, for example, credit market conditions, inflation rates, industry conditions, competition, technological developments, domestic and worldwide political, military and diplomatic events and trends, tax laws and many other factors, none of which will be within the control of the Adviser, can affect substantially and adversely the business and prospects of a portfolio company. A major recession, adverse developments in the securities markets or the inability of portfolio companies to access a sufficiently liquid credit market will have an impact on some or all of an Advisory Client's investments. A sustained period of low valuations in the public equity markets could result in substantially lower liquidation value and substantially longer periods before liquidity is achieved

in comparison with historical values, which would reduce the returns that could be achieved by an Advisory Client. In addition, factors specific to a portfolio company may have an adverse effect on the Advisory Client's investment in such company.

**Risks Inherent in the Mining and Minerals Industry.** The Advisory Clients' investments in the mining and minerals industry contain certain inherent risks. In general, most exploration efforts do not result in the discovery of commercially-mineable deposits of ore. Even after commercial mineralization is discovered, it may take a number of years until production is possible, during which time the economic feasibility of production may change. Estimates and calculations of ore resource, reserves, grades and recoveries may prove to be inaccurate. Substantial expenditures are required to establish ore reserves through further drilling, to determine metallurgical processes to extract metal and other valuable constituents from the ore and, in the case of new properties, to construct mining and processing facilities. In addition, the Advisory Clients' investments in mining projects will be subject to all of the operating hazards and other risks incident to the development of mineral properties, such as, for example, delay or denial of necessary construction, operating or environmental permits, delays or difficulties in gaining access to required power, water and other utilities, delays or difficulties in start-up, adverse environmental effects, industrial accidents, labor disputes, technical difficulties posed by unusual or unexpected geologic formations, and periodic interruptions due to inclement or hazardous weather conditions. Such risks can prevent or delay development or can result in damage to and destruction of mineral properties or producing facilities, as well as personal injury, environmental damage, monetary losses and possible legal liability. In addition, unfavorable changes in capital and operating costs and foreign exchange, and declines in commodity prices due to falling demand, oversupply and other factors may drastically and adversely affect the profitability of investments.

**Government Regulation and Environmental Matters.** Mining is subject to potential risks and liabilities associated with the pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Environmental liability may result from mining activities conducted by a portfolio company or by others prior to a portfolio company's acquisition of a property. The mineral exploration and development conducted by an Advisory Client's portfolio companies will be subject to foreign laws and regulations controlling not only the mining of and exploration for mineral properties, but also the possible effects of such activities on the environment, including the protection of certain species and the preservation of certain lands. These laws and regulations may require the acquisition of permits or other authorizations for certain activities. Moreover, environmental legislation is evolving in a manner which will require stricter standards and enforcement and increased fines and penalties for non-compliance. Insurance against environmental risks generally is not available at a reasonable price to companies in the mining industry. To the extent that any of the portfolio companies are subject to environmental liabilities, the payment of such liabilities would reduce funds otherwise available to it and could have a material adverse effect on its operations and business results.

**Foreign Operations.** The Advisor may invest in portfolio companies that operate outside the U.S. Foreign operations and investments are subject to all of the risks associated with conducting business in foreign countries, including foreign exchange controls and currency fluctuations, limitations on repatriation of earnings, foreign taxation, laws or policies of

particular countries, labor disputes and uncertain political and economic environments that could cause production difficulties or stoppages, restrict the movement of funds or result in the deprivation or loss of contract rights or the taking of property by nationalization or expropriation without fair compensation. Foreign operations can also be impacted by laws and policies of the United States affecting foreign trade, investment and taxation. There may be less publicly available information about certain foreign companies than would be the case for comparable companies in the United States and certain foreign companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies. Securities markets outside the United States, while growing in volume, have for the most part substantially less volume than U.S. markets, and many securities traded on these foreign markets are less liquid and their prices more volatile than securities of comparable U.S. companies. Settlement of trades in some non-U.S. markets is much slower and more subject to failure than in U.S. markets. There also may be less extensive regulation of the securities markets in particular countries than in the United States. Additional costs could be incurred in connection with international investment activities. Foreign brokerage commissions generally are higher than in the United States. Expenses also may be incurred on currency exchanges when the Fund changes investments from one country to another. Increased custodian costs as well as administrative difficulties (such as the applicability of foreign laws to foreign custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization and record access) may be associated with the maintenance of assets in foreign jurisdictions.

**Currency Risk.** The Advisory Clients may invest in debt and equity securities denominated in currencies other than the U.S. dollar and in other financial instruments, the price of which is determined with reference to currencies other than the U.S. dollar. However, the Advisory Clients value securities and other assets in U.S. dollars. To the extent un-hedged, the value of the client's assets will fluctuate with U.S. dollar exchange rates as well as with price changes of the client's investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which the Advisory Clients make investments will reduce the effect of increases and magnify the effect of decreases in the prices of the client's securities in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the Advisory Client's non-U.S. dollar securities.

**Unforeseen Events Risk.** The operation of one or more portfolio companies may be interrupted or otherwise affected by a variety of events outside the Advisor's control, including natural disasters (such as fire, floods, earthquakes and typhoons), man-made disasters, civil unrest, defective design and construction, mine collapse, fuel prices, environmental legislation or regulation, general economic conditions, labor disputes and other unforeseen circumstances and incidents. Certain of these events have affected mining activities in the past, and if the operation of one or more portfolio companies is interrupted in whole or in part for any period as a result of any such events, the revenues of such investments could be reduced and the costs of maintenance or restoration could be increased. There can be no assurance that such portfolio company's insurance would cover liabilities resulting from claims relating to design, construction, maintenance or operation of the mines or increased expenses resulting from such damage. In some cases, project agreements could be terminated if the events described above were so catastrophic that they could not be remedied within a reasonable period or at all.

### *Risks of Investing in the RCF Funds*

In addition to the general investment risks outlined above, an investment in the RCF Funds carries the following additional risks that are inherent in the structure and investment strategies pursued by the RCF Funds.

**Illiquidity of Interests.** An investment in an RCF Fund is a long-term commitment. Interests in the RCF Funds are highly illiquid and have no public market value. No secondary market for client interests will be established or supported by the Advisor. Furthermore, the sale or transfer of an interests in the RCF Funds is subject to approval of the General Partner in the case of an RCF Fund. There may be additional restrictions in the Governing Documents of each RCF Fund. An investment in the RCF Funds is suitable only for persons and entities which have no need for liquidity with respect to their investment. Voluntary withdrawals from the RCF Funds are not permitted except under certain limited circumstances, generally relevant only with respect to Limited Partners subject to ERISA.

**Reliance on the General Partners and the Advisor.** The respective investors have no right or power to participate in the management of the RCF Funds. Accordingly, no investor should purchase any interest in an RCF Fund unless it is willing to entrust all aspects of management of the RCF Fund to the respective General Partner and/or the Advisor. Investors will be relying on the management expertise of each General Partner, and the Advisor in identifying, acquiring, administering and disposing of investments by the RCF Funds. The limited partners in RCF Funds will not receive detailed financial information issued by portfolio companies in which the RCF Fund invests, which will be available to the Advisor. In addition, if for any reason one or more members of the Advisor should cease to be involved in the management of the Advisor, suitable replacements may be difficult to obtain, with the result that the performance of the Advisory Clients may be adversely affected.

**Limited Recourse and Indemnification.** The Governing Documents of the RCF Funds limit the circumstances under which each General Partner, the Advisor, and their affiliates, including their officers, directors, partners, employees, shareholders, members, and other agents (the “Covered Persons”), can be held liable to RCF Funds or their investors. As a result, investors may have a more limited right of action in certain cases than they would have in the absence of such a limitation. In addition, the Governing Documents provide for indemnification of the Covered Persons regarding activities undertaken by them on the RCF Fund’s behalf. Any indemnification claim may be paid out of RCF Fund assets, and limited partners may be required to return distributions in satisfaction of such a claim.

**Limited Number of Investments and Diversification.** The RCF Funds intend to participate in a limited number of portfolio investments, and, as a consequence, the aggregate return of the RCF Funds may be adversely affected by the unfavorable performance of even a single portfolio investment.

**Reliance on Portfolio Company Management.** Although it is the intent of the RCF Funds to invest in companies with strong and stable management, there can be no assurance that the existing management team of a portfolio company, or any new one, will be able to operate such

company successfully. Many portfolio companies may rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. Furthermore, although each General Partner and the Advisor will monitor the performance of each portfolio company, it will be primarily the responsibility of company management to operate its business on a day-to-day basis.

**Hedging Policies/Risks.** In connection with the acquisition of its investments, the RCF Funds may employ, or individual portfolio companies may employ, hedging techniques designed to protect investments or operations against adverse movements in commodity prices, currency or interest rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the RCF Funds or a portfolio company may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency exchange rates may result in a poorer overall performance for the Fund or portfolio company than if it had not entered into such hedging transactions.

**Title to Properties.** Although each portfolio company may seek to confirm the validity of its rights, title or contract rights with respect to each mineral property in which it has a material interest, there is no assurance that title to its properties will not be challenged or impugned. Title insurance generally is not available and the portfolio company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained.

**Control Position Risk.** The RCF Funds will generally seek investment opportunities that allow the RCF Funds to acquire control or exercise influence over management and the strategic direction of the particular portfolio company. The exercise of control over a company imposes additional risk of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability characteristic of business operations generally may be ignored. The exercise of control over a portfolio company could expose the assets of the RCF Funds to claims by such portfolio company, its security holders and its creditors. While the Advisor intends to manage the RCF Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

**Potential for Contingent Liabilities.** In connection with the disposition of an investment in a portfolio company, the RCF Funds may be required to make representations about the business and financial affairs of the portfolio company. It may also be required to indemnify the purchasers of such investment to the extent that any such representations prove to be accurate. These arrangements may result in contingent liabilities which might ultimately have to be funded by the Partners, to the extent that the Partners have received prior distributions from the RCF Funds, or out of commitments not yet drawn down.

**Penalty for Failure to Make Capital Contributions.** If a limited partner fails to make any installment payment of its subscription to an RCF Fund, subject to certain exceptions, such limited partner may be subject to substantial penalties under the applicable limited partnership agreement, including the forfeiture of a substantial portion of such partner's interest in the applicable RCF Fund.

**Timing of Distributions.** Distributions will be made at the sole discretion of each General

Partner. Monies available for distribution may first be used or reserved to satisfy any funding call notice from the participants in an RCF Fund investments or to repay any borrowings incurred by the RCF Fund or to satisfy any liabilities of the RCF Fund (whether actual or contingent) including any indemnification obligations to or of the RCF Fund. Monies distributed to investors by the RCF Fund may be subject to recall to enable the RCF Fund to meet its indemnification obligations or where it is required to return a distribution to any RCF Fund investments.

**Distributions in Kind.** The RCF Funds reserve the right to distribute assets in the form of portfolio company securities to their investors. Except as provided in the Governing Documents, such distributions will be made solely at the discretion of the respective General Partner. Distributed securities may be subject to a variety of legal or practical limitations on sale. In particular, immediately following a distribution of securities, trading volume may be insufficient to support sales by the investors without such sales triggering a price decline, which makes it difficult or impossible for all investors to sell such securities at the distribution price. Even if this occurs, the distribution price of such securities will be established under the provisions of the applicable limited partnership agreement and will not be adjusted to reflect actual sale prices obtained by the investors.

**Limited Access to Information.** The rights of limited partners to information regarding the RCF Funds and their respective portfolio companies will be specified, and strictly limited, in the Governing Documents. In particular, it is anticipated that each General Partner will obtain certain types of material information that will not be disclosed to limited partners. For example, a General Partner may obtain information regarding portfolio companies (e.g., via members of the General Partner serving as advisors to, or officers/directors of, portfolio companies) that is material to determining the value of securities issued by such portfolio companies. Such information may be withheld from limited partners in order to comply with duties to such portfolio companies or otherwise to protect the interests of such portfolio companies or the Fund. Decisions by a General Partner to withhold information may have adverse consequences for limited partners in a variety of circumstances, including determining an appropriate price on value for the interest and subjecting the General Partner to investor oversight.

**Freedom of Information/Sunshine Laws.** Under “freedom of information,” “sunshine,” “public records” and similar laws, certain governmental or other regulated entities such as state universities and pension RCF Funds may be required to publicly disclose confidential information regarding the Fund or its portfolio companies, notwithstanding contractual obligations (such as those contained in the Partnership Agreement) to the contrary. Any such disclosure could have a material adverse effect upon the RCF Fund or its portfolio companies, and could even expose an RCF Fund, the General Partner or the members of the General Partner to claims for damages brought by portfolio companies or other persons related thereto. The Governing Documents will not prohibit such entities from being admitted to the RCF Fund.

**Tax Risks.** The Advisor structures each RCF Fund’s investments in a manner that is intended to achieve the RCF Fund’s investment objectives. There can be no assurance, however, that the structure of any investment will be tax efficient for any particular investor or that any particular tax result will be achieved. Also, tax reporting requirements may be imposed on investors under the laws of the jurisdictions in which investors are liable for taxation or in which the RCF Fund makes portfolio investments. Prospective investors should consult their own professional

advisors with respect to the tax consequences to them of an investment in the RCF Fund under the laws of any jurisdiction in which they are liable for taxation. Furthermore, the RCF Fund's returns in respect of its investments may be reduced by withholding or other taxes imposed by jurisdictions in which the RCF Fund's portfolio companies are organized, although the RCF Fund's General Partner will attempt to structure the RCF Fund's investments in a manner that will minimize the impact of such foreign withholding or other taxes. In addition, certain of the RCF Fund's portfolio investments may be issued with "original issue discount" or may result in the receipt of ordinary dividend income without a corresponding receipt of cash or property. Consequently, an investor's share of taxable income of the RCF Fund (and possibly the income tax payable with respect to that income) may exceed the cash or other property distributed by the RCF Fund to such investor. The tax rules or their interpretation in relation to an investment in the RCF Fund may change during the life of the RCF Fund. In particular, both the level and basis of taxation may change. This may affect returns to an RCF Fund's limited partners.

**Proposals to Change U.S. Tax Treatment of Carried Interest.** It is possible that legislation could be proposed that, if enacted, may increase the United States Federal income tax liability of members of each General Partner. It is not clear whether such legislation, or any other legislation of similar effect, will be enacted. Under each RCF Fund's Governing Documents, each General Partner retains broad discretion to amend the applicable partnership agreement in such a manner as to minimize the adverse tax consequences of any such legislation upon the General Partner and its partners. More generally, any adverse changes to the tax treatment of carried interest may make it more difficult for each General Partner to attract or retain the qualified U.S. personnel necessary for effective management of the RCF Funds.

**Diverse Limited Partner Group.** The Limited Partners of any RCF Fund may have conflicting investment, tax, and other interests with respect to their investments in the fund. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of investments made by the RCF Funds, the structuring or the acquisition of investments, and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the RCF Fund's General Partner, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations. In selecting and structuring investments appropriate for each partnership, each General Partner will consider the investment and tax objectives of the RCF Fund and their respective partners as a whole, not the investment, tax, or other objectives of any Limited Partner individually.

#### *Risks of Investing in Dampier*

In addition to the general investment risks outlined above, an investment in Dampier carries the following additional risks that are inherent in the structure and investment strategies pursued by Dampier. In particular, Dampier's investment program utilizes investment techniques such as futures, options, derivatives, margin transactions and short sales that can, in certain circumstances, magnify the negative impact of adverse market conditions on Dampier's investment performance.

**Hedging Transactions.** Dampier may utilize financial instruments such as forward contracts, options, futures and swaps for hedging purposes or as part of its trading strategies. Hedging



against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Hedging transactions may also limit the opportunity for gain if the value of the portfolio position should increase. The success of Dampier's hedging transactions is subject to the movements in the direction of securities prices and currency and interest rates. The degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Dampier may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent Dampier from achieving the intended hedge or expose Dampier to risk of loss.

**Commodity Price Volatility.** The financial results of the companies in which Dampier invests, and of Dampier itself, will be affected by the prices of metals and minerals in world markets. The price of metals and minerals can fluctuate rapidly and are affected by numerous factors beyond the Advisor's control, including the laws of supply and demand, as well as inflation, interest rates and production costs.

**Futures.** Futures prices are highly volatile. Such volatility may lead to substantial risks and returns, generally much larger than in the case of equity or fixed-income investments. Dampier may trade futures on a leveraged basis due to the low margin deposits normally required for trading. As a result, a relatively small price movement in a futures contract may result in immediate and substantial gains or losses for Dampier. Futures trading at times may be illiquid. Certain exchanges do not permit trading particular futures at prices that represent a fluctuation in price during a single day's trading beyond certain set limits, which could prevent Dampier from promptly liquidating unfavorable positions, subjecting Dampier to substantial losses. In addition, the U.S. Commodity Futures Trading Commission ("CFTC") and various exchanges impose speculative position limits on the number of futures positions a person or group may hold or control in particular futures. For purposes of complying with speculative position limits, Dampier's outright futures positions will be required to be aggregated with any futures positions owned or controlled by the Advisor or any principal of RCF. As a result, Dampier may be unable to take futures positions in particular futures or may be forced to liquidate positions in particular futures. Unlike trading on U.S. commodity exchanges, trading on non-U.S. commodity exchanges is not regulated by the CFTC and may be subject to greater risks than trading on U.S. exchanges. For example, some non-U.S. exchanges are "principals' markets" in which no common clearing facility exists and a trader may look only to the broker for performance of the contract. In addition, unless Dampier hedges against fluctuations in the exchange rate between the U.S. dollar (in which interests in Dampier are denominated) and other currencies in which trading is done on non-U.S. exchanges, any profits that Dampier might realize in trading could be reduced or eliminated by adverse changes in the exchange rate, or Dampier could incur losses as a result of those changes.

**Short Sales.** Dampier will engage in "short sale" transactions. A short sale involves the sale of a security that Dampier does not own in the hope of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, Dampier must borrow the security, and Dampier is obligated to return the security to the lender, which is

accomplished by a later purchase of the security by Dampier. Short selling can result in profits when the prices of the securities sold short decline. In a generally rising market, Dampier's short positions may be more likely to result in losses because the environment would be more conducive for the securities sold short to increase in value. A short sale involves the theoretically unlimited risk of an increase in the market price of the securities sold short.

**Leverage.** Dampier expects to use leverage, or borrowing, in order to enhance its investment performance. There are no restrictions on Dampier's borrowing capacity other than limitations imposed by lenders and any applicable credit regulations. Loans generally may be obtained from securities brokers and dealers or from other financial institutions, and will be secured by securities or other assets of Dampier pledged to such institutions. Borrowing will tend to magnify the profits or losses of Dampier. The level of interest rates at which Dampier can borrow will affect the operating results of Dampier. If securities pledged to brokers to secure Dampier's margin accounts decline in value, Dampier could be subject to a "margin call," pursuant to which Dampier must either deposit additional funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of Dampier's assets, Dampier might not be able to liquidate assets quickly enough to pay off its margin debt.

**Convertible Instruments.** Dampier may invest in convertible instruments. A convertible instrument is a bond, debenture, note, preferred stock, or other security that may be converted into or exchanged for a prescribed amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. Convertible debt instruments have characteristics of both fixed income and equity investments. Dampier may invest in convertible instruments that have varying conversion values. If a convertible instrument held by Dampier is called for redemption, Dampier will be required to permit the issuer to redeem the instrument, or convert it into the underlying stock, and will hold the stock to the extent the Advisor determines that such equity investment is consistent with the investment objectives of Dampier.

**Forward Currency Contracts.** Dampier may invest in forward currency contracts with banks, financial institutions or dealers acting as principal. Forward currency contracts may not be liquid in all circumstances, so that in volatile markets, to the extent Dampier wishes to do so, it may not be able to close out a position by taking another position equal and opposite to such position on a timely basis or without incurring a sizeable loss. Closing transactions with respect to forward currency contracts usually are effected with the currency trader who is a party to the original forward contract and generally require the consent of such trader. There can be no assurance that Dampier will be able to close out its obligations. There are no limitations on daily price moves in forward contracts. Banks and other financial institutions with whom Dampier may maintain accounts may require Dampier to deposit margin with respect to such trading. Banks are not required to continue to make markets in forward contracts. There have been periods during which certain banks have refused to quote prices for such forward contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Trading of forward contracts through banks is not regulated by any U.S. governmental agency. Dampier will be subject to the risk of bank failure and the inability of, or refusal by, a bank to perform with respect to such contracts.

**Options.** Dampier may invest in, or write, options. The purchaser of a put or call option runs the risk of losing his entire investment in a relatively short period of time if an option expires unexercised. The uncovered writer of a call option is subject to a risk of loss should the price of the underlying security increase, and the uncovered writer of a put option is subject to a risk of loss should the price of the underlying security decrease.

**Swaps and Derivatives.** Dampier may invest and trade in swaps, “synthetic” or derivative instruments, certain types of options and other customized financial instruments issued by banks, brokerage firms or other financial institutions. A swap is an agreement between Dampier and a financial intermediary whereby cash payments periodically are exchanged between the parties based upon changes in the price of an underlying asset (such as an equity security, an index of securities, or another asset or group of assets with a readily determinable value). For example, an interest rate swap involves one party agreeing to make periodic fixed payments to the other party in return for the other party agreeing to make periodic payments to the first party that vary with the prime rate or another variable interest rate indicator. Swaps and other derivatives are subject to the risk of non-performance by the swap counterparty, including risks relating to the financial soundness and credit worthiness of the swap counterparty. Swaps and other forms of derivative instruments are not guaranteed by an exchange or clearing house or regulated by any U.S. or foreign governmental authority. It may not be possible to dispose of or close out a swap or other derivative position without the consent of the counterparty, and Dampier may not be able to enter into an offsetting contract in order to be able to cover its risk.

**Illiquid Assets.** Certain investment positions held by Dampier may be illiquid. Dampier may invest in “restricted” securities and securities traded on foreign exchanges. Dampier may not be readily able to dispose of such securities, and in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. An exchange or regulatory authority may suspend trading in a particular security or contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

**Limited Liquidity.** An investment in Dampier is suitable only for sophisticated investors who have no need for liquidity in their investment. An investment in Dampier provides limited liquidity, since shares in Dampier are not freely transferable and redemptions are generally only permitted at certain periods upon prior written notice to the Advisor.

**Absence of Regulatory Oversight.** Although Dampier may be considered similar to an investment company, it is not required to, and does not intend to, register as such under the Investment Company Act. Accordingly, certain provisions of the Investment Company Act (which, among other things, require investment companies to have a certain number of disinterested directors and regulate the relationship between the adviser and the investment company) will not be applicable. Interests in Dampier have not been and will not be registered under the Securities Act, in reliance upon an exemption therefrom available under Regulation D under the Securities Act. Accordingly, interests in Dampier will be offered only to investors that, among other requirements, are accredited investors within the meaning of Regulation D, such that the offering of interests in Dampier will not constitute a public offering.

**Imposition of Tax Regardless of Cash Distributions.** Investors must recognize for income tax purposes their pro rata shares of the taxable net income of Dampier, regardless of whether the investors requested a partial withdrawal from Dampier to cover their tax liabilities. Dampier may generate taxable income for an investor even though the value of the investor's interest in Dampier has declined. An investor may have to use personal funds to pay the income tax owed on the income or gain allocated to the investor. Sufficient information may not be available in time for investors to determine accurately an amount to withdraw to pay taxes for a given fiscal year.

**Unrelated Business Taxable Income.** As a result of Dampier's expected use of leverage in connection with its investment activities, it is likely that a portion of Dampier's income will be treated as unrelated business taxable income. As a result, U.S. investors who are exempt from U.S. federal income tax will have to recognize unrelated business taxable income. Certain tax-exempt investors, such as charitable remainder trusts, that do not wish to generate any unrelated business taxable income, should carefully consider which feeder fund to invest in.

**Brokerage and Other Arrangements.** In selecting brokers or dealers to effect portfolio transactions, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Adviser may cause commissions to be paid to a broker or dealer that furnishes or pays for research or other services at a higher price than that which might be charged by another broker or dealer for effecting the same transaction. Research services obtained by the use of commissions arising from portfolio transactions may be used by the Adviser in its other investment activities, and, therefore, Dampier may not, in any particular instance, be the direct or indirect beneficiary of the research services provided.

**In-Kind Distributions.** If significant withdrawals are requested, the Advisor may not be able to liquidate the Dampier's investments at the time such withdrawals are requested or may be able to do so only at prices which the Advisor believes do not reflect the true value of such investments and which would adversely affect the return to investors. The Advisor does not currently intend to make distributions in-kind of Dampier's portfolio investments; however, under the foregoing circumstances, investors may receive in-kind distributions of securities or obligations in Dampier's portfolio. Such securities and obligations may not be readily marketable or salable and may have to be held by the investors for an indefinite period of time.

#### *Potential Conflicts of Interest*

The Advisor may, from time to time, face conflicts of interest relating to its dealings with the Advisory Clients. The Adviser and its principals may invest for their own accounts, as well as for accounts that they manage for other Advisory Clients. Such other Advisory Clients and accounts may be subject to different fees and expenses, and the Advisor or its affiliates may own interests in some of such other funds and accounts. The Advisor will determine how investment and trading opportunities are allocated among the accounts that it manages, even though it may face potential conflicts of interest in making such allocations. The Advisor will act in a manner that it considers fair and equitable in allocating investment opportunities among the Advisory Clients.

The Advisor and its affiliates may engage in other activities, and will determine how much time and attention they will devote to the affairs of each Advisory Client. The Advisor determines how certain expenses are allocated among the Advisory Clients. The Advisor may determine the value of illiquid securities held by Advisory Clients. Although it has no current intention to do so, the Advisor may enter into side agreements with specific investors in a Fund providing for different fees, withdrawal rights, access to information about the client's investments, or other matters relating to an investment in the client.

Pursuant to the terms of the Governing Documents of each Fund, the Advisor and its affiliates generally will not be liable to the Funds or their investors for the consequences of their conduct, and will be indemnified by the Funds against any losses they may incur, in the absence of bad faith, willful misconduct or gross negligence. As a result of these provisions, the Funds (and not the Advisor) may ordinarily be responsible for any losses from trading errors and similar human errors, absent bad faith, willful misconduct or gross negligence.

Certain Funds may have established Limited Partner Committees in accordance with the Fund's Governing Documents. In the event that a Limited Partner Committee has been established for a Fund, the Advisor may seek the advice of the appropriate Limited Partner Committee in situations where conflicts arise between the Advisor and one or more Funds. Guidelines for when a Limited Partner Committee may be consulted are outlined within the Governing Documents for each relevant Fund.

#### **Access to Insider Information.**

As a result of participation by representatives of the Advisor on boards of certain companies, and/or as a result of confidentiality agreements or non-disclosure agreements entered into by an RCF Fund or the Advisor, Advisory Clients may be deemed to be in possession of material, non-public information. Such possession of material, non-public information may create a conflict of interest between the representatives' and the Advisor's duties and obligations to the companies on whose boards these representatives participate and the Advisory Clients' ability to effect purchases and sales of the securities of such companies in the best interest of each Advisory Client.

#### **Conflicts With Investments.**

Officers and employees of the Advisor will serve as directors (or equivalent) of certain investments and, in that capacity, will be required to make decisions that consider the best interests of such investment and its shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interest of the portfolio company may not be in the best interests of the RCF Fund holding the investment in the portfolio company, and vice versa. Accordingly, in these situations, there will be conflicts of interests between such individual's duties as an officer or employee of the Advisor and such individual's duties as a director (or equivalent) of the portfolio company.

#### **Resolution of Conflicts.**

Any conflicts of interest that arise between an RCF Fund, on the one hand, and the Advisor, any existing or future Advisor-managed investment vehicle or any of the other Advisory Clients, on the other hand, will be discussed and resolved on a case-by-case basis by the relevant parties and in accordance with each Advisory Clients Governing Documents. Limited partners should be aware that such conflicts will not necessarily be resolved in favor of their Fund's interests.

**Allocation of Investment Opportunities.**

Although it has no current intention to do so, the General Partner of each RCF Fund reserves the right to form one or more Co-Investment Funds to invest with the respective RCF Fund. All allocations of investments between the RCF Fund and the Co-Investment Fund shall be made by the RCF Fund's General Partner. In addition, each General Partner may allocate other opportunities for individual co-investments as that General Partner deems appropriate, both to Limited Partners within an RCF Fund and to third parties. Such allocation decisions may involve conflicts of interest.

**Side Letters.**

Pursuant to various arrangements (including but not limited to side letters) with each RCF Fund, certain investors, including those deemed to involve a significant or strategic relationship, may receive additional rights and/or additional information relating to their investment that might not be provided to all investors.

**Conflicts with RCF Funds**

In order to avoid conflicts with the RCF Funds, Dampier will not invest in current or likely RCF Fund portfolio companies, will make no investments in companies under active due diligence by the RCF Funds, and will divest any investment positions that become the subject of a potential or actual investment by the RCF Funds.

## **Item 9 Disciplinary Information**

The Advisor and its principals have not been the subject of any material legal proceeding required to be disclosed in response to this item.

## Item 10 Other Financial Industry activities and Affiliations

### *Registered Broker-Dealers*

Neither RCF nor any of its management persons are registered as a broker-dealer or a registered representative of a broker-dealer. In addition, RCF and its management persons are not affiliated with any broker-dealer.

### *Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors*

Neither RCF nor any of its management persons are registered as a registered futures commission merchant, commodity pool operator or commodity trading advisor.

### *Relationships with Related Persons*

As discussed in Item 11 below in the subsection titled “*Participation or Interest in Client Transactions and Personal Trading*,” RCF and its related persons are, directly or indirectly, the general partners, limited partners and/or managing members of the general partner of each of the RCF Funds. RCF and its related persons manage multiple RCF Funds. This can create conflicts in the allocation of time, resources and investment opportunities among the RCF Funds. Please refer to the Governing Documents of the relevant Fund for complete information on the requisite time commitments (if any) of RCF and its related persons to the RCF Funds and the allocation of investment opportunities among the Funds. Please also refer to the description of RCF’s investment allocation policy described in the subsection “*Side-by-Side Management*” above in Item 6.

Employees of RCF and its affiliates may serve as officers, advisors, directors or in comparable management functions for portfolio companies in which the RCF Funds invest, or provide other services to portfolio companies, and may receive compensation in connection therewith. In connection with such activities, employees of RCF may be given access to confidential information relating to companies in which the RCF Funds invest or may otherwise become subject to legal or contractual restrictions on their ability to effect transactions for the RCF Funds. As a result, the RCF Funds may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or equity securities of certain portfolio companies, which prohibition may have an adverse effect on the RCF Funds. The above individuals may spend a substantial portion of their time with these related management activities.

From time to time, certain RCF Funds may hold or may acquire positions in portfolio companies in which other RCF Funds invest or have invested. Such investments may be coincident with or precede one another. Follow-on investments in companies in which an RCF Fund and one or more other RCF Funds have invested may not necessarily be pro rata based on existing ownership in such companies. The RCF Funds may have divergent interests with respect to exit strategies from such investments, restructuring the capital structure or business of such companies or other matters affecting the investment in such companies. To the extent that multiple RCF Funds hold an interest in the same company, disposition opportunities with respect



to that investment shall, to the extent practicable, be allocated among such Funds on a basis that is fair and equitable to each RCF Fund as determined by RCF taking into account all relevant facts and circumstances.

*Selection or Recommendation of Other Advisers*

RCF does not recommend or select other investment advisers for its clients and does not receive compensation from such advisers in a manner that would create a material conflict of interest. RCF does not have other business relationships with other advisers that create a material conflict of interest.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### *Code of Ethics*

The Advisor has adopted a Code of Ethics (the “Code”) under Rule 204A-1 of the Advisers Act expressing the Advisor’s commitment to ethical conduct. The Code describes the Advisor’s fiduciary duties and responsibilities to clients, and sets forth the Advisor’s practice of supervising the personal securities transactions of supervised persons with access to client information. Under the Code, all applicable personnel have a duty to act only in the best interests of the Advisory Clients. It is the expressed policy of the Advisor that no person employed by the Advisor shall prefer his or her own interest to that of an Advisory Client. Furthermore, the Code contains policies and procedures with respect to personal securities transactions by employees and related accounts that are designed to prevent front-running, scalping, and the misuse of inside information. The Advisor’s directors, officers and employees are precluded from having direct economic interests in portfolio investments of the Advisory Clients.

The Advisor will provide a complete copy of the Code to any client or prospective client as part of the due diligence process upon request to the CCO at the Advisor’s principal address.

### *Participation or Interest in Client Transactions*

As general partners, limited partners or managing members of the General Partners of each of the RCF Funds, the Advisor and its related persons will have indirect beneficial interests in the securities owned by the Advisory Clients and will share in the profits and losses generated by the Advisory Clients’ portfolio investments. In addition, related persons of the Advisor may have an interest in portfolio investments that the Advisor recommends to the Advisory Clients. Such participation restriction shall not apply to a related person if such person’s only interest in a security is (i) held indirectly through one of the general partner entities, the RCF Funds or otherwise, or (ii) related to such person’s service as a director or advisor of a portfolio entity to facilitate the Advisor’s ability to monitor the investment in such portfolio entity. To the extent such restriction does apply, however, the final investment decision shall be independently reviewed by the CCO.

In certain situations, related persons of the Adviser may purchase interests in portfolio investments held by one or more of the RCF Funds. All such purchases are subject to compliance with the Adviser’s Code of Ethics as described above.

### *Personal Trading*

The Advisor’s Personal Trading Policy seeks to address any possible conflicts of interest that may arise between investment recommendations in the interests of the Advisory Clients and employee’s personal investments for their own accounts. The Advisor’s policies and procedures generally seek to address such issues by imposing reporting requirements on employees and limitations on investments that employees may make in reportable securities. Generally, employees will be subject to limitations and restrictions on their ability to invest in securities

which may be of interest to the Advisory Clients. In limited circumstances, and where the Advisor does not possess any material, non-public information about the company, employees may be permitted to trade in very large, highly liquid names in the mining and mining services area. The Advisor's Code of Ethics permits these transactions only when they do not compete with the interest of the Advisory Clients. Any conflicts that arise will be reviewed by the CCO.

## **Item 12 Brokerage Practices**

Subject to the investment objectives, policies and restrictions of each Advisory Client as set forth in each Advisory Client's Governing Documents, the Advisor has discretionary authority to determine the type, amount, and price of securities and investments to be bought and sold on behalf of each Advisory Client, including the selection of, and commissions paid to, brokers. In selecting brokers to effect transactions on behalf of an Advisory Client, the Advisor considers such factors as price, ability to effect the transactions, the brokers' facilities, reliability and financial responsibility, special execution capabilities, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, efficiency of execution and error resolution, quotation services, the availability of stocks to borrow for short trades, custody, recordkeeping and similar services, and any research or investment management-related services and equipment provided by such brokers. While the Advisor seeks best execution, best execution may not mean the lowest available commission cost.

The Advisor does not currently utilize Soft Dollar Benefits. If the Advisor adjusts its practices in the future to include Soft Dollar Benefits, it is expected that all Soft Dollar arrangements will fall within safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended.

### **Item 13 Review of Accounts**

Investments in each of the Advisory Clients' accounts are continuously reviewed by a team of investment professionals. The team generally includes Partners, Principals and other investment professionals of The Advisor. The Advisor closely monitors the portfolio investments of each Advisory Client and generally maintains an ongoing oversight position in the portfolio companies of the RCF Funds.

Investors in the RCF Funds and Dampier will typically receive audited financial statements of the relevant Advisory Client within 120 days after the fiscal year end. Investors also receive periodic letters from the Advisor as well as unaudited monthly or quarterly statements. Separate Account clients may receive additional information from the Advisor as determined in their advisory agreement.

## **Item 14 Client Referrals and other Compensation**

As noted above in response to Item 5, the Advisor or its affiliates may serve in additional capacities to portfolio companies and may earn additional fees, for example transaction or break-up fees, fees received for director services on portfolio company boards and for services as officers or consultants of portfolio companies. This compensation may or may not be shared with RCF Funds or other Advisory Clients through a reduction or off-set against management fees that would otherwise be applicable as described in the Offering Documents of the relevant Advisory Client.

Fees received as a result of serving on the boards of portfolio companies may or may not offset against any fees paid to the Advisor or its affiliates by any Advisory Client as outlined in the appropriate Governing Documents. Serving on such boards may give rise to conflicts to the extent that an Employee's fiduciary duties to a portfolio company as a direct may conflict with the interests of an Advisory Client.

## **Item 15 Custody**

While the Advisor does not maintain physical custody of any assets of any of the Advisory Clients, the Advisor may be deemed to have custody over the assets of the RCF Funds and Dampier as a result of its authority over the RCF Funds and Dampier due to the relationships as described in Item 4 above. The Advisor will generally provide to investors in the RCF Funds and Dampier annual audited financial statements, prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) no later than 120 days after the end of each fiscal year. In addition, upon the final liquidation of any RCF Fund or Dampier, the Advisor will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such RCF Fund or Dampier to all investors promptly after completion of the audit.

In addition to periodic information from RCF, investors in Dampier receive periodic account statements from Dampier’s third-party administrator.

The Advisor provides certain account and performance information to its Advisory Clients and underlying investors. The Advisor strongly urges all Advisory Clients and investors to compare the information received directly from the Advisor with the information received from the Advisory Clients’ auditors, administrator or qualified custodian..

## **Item 16 Investment Discretion**

The Advisor provides investment advisory services to each RCF Fund pursuant to an Investment Advisory Agreement. Investment advice provided to the RCF Funds is subject to the direction and control of the affiliated General Partner of each RCF Fund. Any restrictions on investments, which generally include a restriction from investing outside the mining and minerals industry, for each RCF Fund is established by the General Partner of the applicable RCF Fund and are set forth in the documentation received by each Limited Partner.

The Advisor provides investment advisory services to Dampier and the Separate Account pursuant to an Investment Management Agreement which provides for investment discretion on the part of the Advisor. Any investment restriction for Dampier is established in the offering documents for each feeder fund and provided to investors prior to investment. The restrictions for Dampier generally include investing only in securities in the mining sector and avoiding investments in current or likely RCF Fund portfolio companies including companies under active due diligence. Dampier may also be required to divest a position that becomes the subject of a potential investment by an RCF Fund. Any investment discretion created with regards to a separate account will be created via an Investment Advisory Agreement with each Separate Account. Any restrictions on investments made by a Separate Account will be established using the same Investment Advisory Agreement.



## **Item 17 Voting Client Securities**

RCF intends to vote proxies and similar corporate actions in the best interest of each Advisory Client. The determination of how to vote will be reviewed on a case-by-case basis and may include a decision that it is in the Advisory Client's best interest to abstain from voting. In the event that a material conflict of interest exists between an Advisory Client and any other Advisory Client, RCF may seek the advice of the applicable Limited Partner Committee, if the conflict involves an RCF Funds, the Advisor or General Partner, as appropriate, may defer to the investors in the applicable Advisory Client, defer to the voting recommendation of an independent third-party of proxy voting services or take other such actions in good faith which would serve the best interest of the Advisory Client.

## **Item 18 Financial Information**

RCF has not been the subject of a bankruptcy proceeding and has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.