
PART 2A OF FORM ADV: FIRM BROCHURE

PANDION MINE FINANCE, L.P.

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Pandion Mine Finance, L.P.
437 Madison Ave
28th Floor
New York, NY 10022
Tel: (212) 822-9780
www.pandionmetals.com

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Item 2 – Material Changes

Pandion is amending its ADV Part 2 Brochure to reflect updates since its last annual amendment filed on March 31, 2019. There are no material changes to report since the last amendment; however, this revised ADV Part 2 contains certain routine annual updates and enhanced disclosures. Recipients of the Brochure are encouraged to read the Brochure carefully in its entirety.

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Item 4 – Advisory Business

Pandion was formed in 2016 by Ryan Byrne, Joseph Archibald (collectively, the “**Portfolio Managers**”), Ospraie Management, LLC (“**Ospraie**”) and MKS Private Equity BV (“**MKS**” and together with the Portfolio Managers and Ospraie, the “**Principals**”). Representatives of each of the Portfolio Managers, Ospraie and MKS serve on the investment committee of the Firm (the “**Investment Committee**”).

Pandion provides discretionary investment advice solely to private investment funds that seek to generate significant capital appreciation primarily through investments in companies in the primary business of constructing and operating mineral mining assets globally. In particular, the Firm serves as the investment manager to a master/feeder fund complex comprised of (i) Pandion Fund I Feeder, L.P. (the “**Feeder Fund**”)¹ and (ii) Pandion Mine Finance Fund, L.P. (the “**Main Fund**”, and together with its parallel, alternative and co-investment funds, and the Feeder Fund, the “**Fund**”). The Fund’s primary investment structure is the pre-paid metal purchase agreement (“**PMPA**”). With the PMPA, the Fund pre-purchases future production at a discount to the prevailing forward price and material deliveries amortize the capital investment. The Fund generally receives a senior secured or substantially similar interest in the mineral property and assets of the company, and also seeks corporate guarantees and step-in rights as appropriate to permit the removal of management if necessary. Where possible, PMPAs are structured to include upside potential in the form of equity warrants, call options, royalty payments and/or other yield enhancements. In addition to PMPA’s, the Fund may also make opportunistic equity investments.

The investment management services Pandion provides to the Fund primarily consists of investigating, structuring and negotiating investments and dispositions, monitoring the performance of investments and performing certain administrative services. These services are provided pursuant to investment management agreements with the Fund, the Feeder Fund, and Pandion Mine Finance GP, LLC, the general partner of the Fund and an affiliate of the Firm (the “**General Partner**”).

All information contained in this brochure is based on the advisory services that the Firm offers. This brochure is not an offer to invest in the Fund. Any such offer would only be made through the provision of the Fund’s Confidential Private Placement Memorandum (the “**Memorandum**”). Information included in this brochure is intended to provide a useful summary about Pandion, but it is qualified in its entirety by information included in the Memorandum.

Pandion generally will not permit investors in the Funds to impose limitations on the investment activities described in the Memorandum or other Fund documents. (*See Item 16 – Investment Discretion*)

Pandion does not participate in any wrap fee programs.

As of December 31, 2019, the regulatory assets under management, which includes the fair market value of investments and uncalled capital is approximately \$219.9 million. All assets are managed on a discretionary basis.

¹ The Feeder Fund is an exempted limited partnership registered in the Cayman Islands that is a limited partner of the Main Fund and is only allowed to invest in the Main Fund.

Item 5 – Fees and Compensation

Management Fees

The Fund is assessed an annual management fee in exchange for investment management services. The management fee the Fund pays is provided for in the limited partnership agreement (“**LPA**”) or the investment management agreement, as applicable. The management fees for an annual period are payable quarterly in advance to Pandion or its designated affiliate. The amount of management fees payable annually by the Fund during its investment period (*i.e.*, period of time during which the Fund may draw upon the limited partners’ capital commitments to the Fund (“capital commitments”) to make new investments) is 2% per annum of the aggregate capital commitments. The amount of management fees payable by the Fund annually following the investment period is 1.5% per annum of the invested capital (*i.e.*, cost or, if written down below cost, value after taking account of such write-down) of the investments held by the Fund as of the date of payment. Management fees may be reduced by amounts equal to organizational expenses over a certain dollar amount, placement fees funded by the Fund and a portion of transaction fees and special income received by Pandion (including topping, break-up, monitoring, directors’, organizational, set-up, advisory, investment banking, underwriting, syndication, and other similar fees). Pandion may elect to defer or waive all or any portion of any management fees payable by the Fund.

Limited partners in the Fund who participated in a closing of the Fund after the initial closing are still responsible for payment of the management fee from the initial closing date, together with a payment of interest at 8% per annum thereon.

Other Fees

The Firm and its affiliates and their respective officers or employees may be entitled to received topping, break-up, monitoring, directors’, organizational, set-up, advisory, investment banking, underwriting, syndication, and other similar fees in connection with the purchase, monitoring, or disposition of investments or from unconsummated transactions (the “**Other Fees**”).

In general, Other Fees are applied to reimburse the Firm and its affiliates for out-of-pocket expenses and 100% of the remaining balance, if any, is applied to reduce the Management Fee.

Expenses

The Fund pays all costs and expenses relating to its investment activities, including, but not limited to: (i) third-party legal, auditing, consulting and accounting fees and expenses (including costs of reports to the limited partners, financial statements, and tax returns and regulatory compliance or other consulting fees relating to reports and/or filings in connection with Fund holdings); (ii) all expenses associated with the discovery, diligence, acquisition, holding and disposition of its proposed or actual portfolio investments, including third-party legal, auditing, valuation and other consulting and accounting fees and expenses, travel, insurance, storage, warehousing, indemnification and other expenses; (iii) research fees and expenses (including research subscriptions, Bloomberg subscriptions, newsletters, and research fees and expenses paid to advisors or consultants); (iv) all extraordinary expenses (such as litigation); (v) interest on and fees and expenses arising out of all permitted borrowings made by the Fund; (vi) third-party expenses relating to unconsummated transactions; (vii) fees and expenses of the Fund administrator; (viii) all expenses of liquidating the Fund; (ix) insurance costs (including directors’ and officers’ insurance, errors and omissions insurance and other similar policies) and (x) any taxes, fees or other

governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund. The additional expenses for which the Fund is responsible are set forth in the applicable LPA.

Item 6 – Performance-Based Fees and Side-By-Side Management

The General Partner of the Fund is generally entitled to a “carried interest” on the Fund’s profits in accordance with the provisions of the Fund’s LPA and Memorandum. The “carried interest” is generally equal to 20% of the investment proceeds distributed by the Fund in excess of the capital invested by the Fund’s limited partners and their allocable share of fees and expenses, and is subject to a preferred return. The General Partner is subject to a “clawback” of “carried interest” previously received to the extent that it has received cumulative distributions in excess of amounts otherwise distributable or anticipated to be distributed to the General Partner by the Fund as “carried interest”, applied on an aggregate basis covering all transactions of the Fund. In no event will the General Partner be required to restore more than the cumulative distributions received by the General Partner as “carried interest” determined on an after-tax basis.

Performance-based arrangements may create an incentive for Pandion to recommend investments that are more risky or speculative than those that would be recommended under a different fee arrangement. In addition, under a performance-based structure, the Firm may benefit when capital gains are realized and the Firm controls the timing of the realization of such capital gains. Pandion’s performance-based arrangement contains a hurdle rate, which may create an incentive to invest in assets that would be likely to surpass the hurdle rate. Pandion or its affiliates, Principals or personnel, also own a portion of the Fund. This may create a similar performance-based incentive to that mentioned above.

Item 7 – Types of Clients

Pandion primarily provides investment advice to the Fund, as described above. Private funds advised by Pandion (including the Fund) may include partnerships or other pooled investment vehicles formed under domestic or non-U.S. laws and operated as exempt investment pools under the Company Act. Investors participating in private funds advised by Pandion may include individuals, certain banks or thrift institutions, sovereign wealth funds, pension and profit sharing plans, trusts, estates, charitable organizations or other corporate or business entities (which may include entities that are owned, directly or indirectly, by Principals or other employees of Pandion).

Interests in the Fund are offered on a private placement basis, and where applicable, in reliance on Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “**Company Act**”), to persons who generally are “accredited investors” as defined under the Securities Act of 1933, as amended (the “**Securities Act**”), and “qualified purchasers” as defined under the Company Act, and who are subject to certain other conditions, which are fully set forth in the offering documents of such Funds. Interests in, or shares of, the Feeder Fund are generally offered to persons who are not “U.S. Persons,” as defined under Regulation S of the Securities Act, or who are tax-exempt U.S. Persons (or entities substantially comprised of tax-exempt U.S. Persons) on a private placement basis, and who are subject to certain other conditions, which are fully set forth in the offering documents of such Funds.

Investors in the Fund are generally required to make a minimum initial investment of \$5 million as described in the Fund's Memorandum. Such minimum investments, however, may be waived or modified by the applicable General Partner of the Fund, in its sole discretion.

In order to invest in the Fund, an investor must be an accredited investor and, if subject to a performance fee, must be a qualified client as defined by Section 205 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), and Rule 205-3 thereunder.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

The Fund seeks to provide investors a superior risk-adjusted return on capital by providing financing to mining companies.

The Fund's primary investment structure is the PMPA. With the PMPA, the Fund pre-purchases future production at a discount to the prevailing forward price and material deliveries amortize the capital investment. The Fund generally receives a senior secured or substantially similar interest in the mineral property and assets of the company, and also seeks corporate guarantees and step-in rights as appropriate to permit the removal of management if necessary. When possible, each PMPA is structured to include upside potential in the form of equity warrants, call options, royalty payments and/or other yield enhancements. In addition to PMPAs, the Fund may also make opportunistic equity investments, subject to an overall limit (based on cost) at 20% of total commitments.

The Fund may invest in both public and private issuers, and in addition to the PPMA, investments may take the form of various securities, including but not limited to, common stocks, warrants, preferred stocks, options, depositary receipts, debt obligations, bonds, notes, debentures, commercial paper, and convertible securities. Such investments may result from either primary negotiations between the Fund and an issuer or as the result of any default by an issuer under the PPMA. In addition, for both speculative and hedging purposes, the Fund may invest in commodity interest contracts and related instruments, including without limitation, futures contracts, forward contracts, foreign exchange commitments, spot (cash) commodities, warehouse receipts, swap and similar transactions, contracts for differences, options on or in respect of the foregoing, other derivative and hybrid instruments, and other rights and interests in respect of the foregoing. All such investments may be privately negotiated transactions or may be traded on United States and international exchanges and markets, including with over-the-counter counterparties.

Pandion employs a rigorous investment process designed to source quality investments while mitigating investment risk. Prior to initiating any transaction, diligence is conducted on a target's mines, geographic location, management teams, as well as financial history and performance. The Fund invests primarily in North America, Brazil, Chile, Peru, Australia, Finland and other Rule of Law jurisdictions, and focuses on companies with mining assets that are currently in or nearing the production phase. The Fund also utilizes the services of industry consultants to assist in the initial and ongoing diligence processes. The principal investment strategy of using the PPMA itself provides a level of risk mitigation. The Firm seeks priority liens on the metal forward transactions and the inherent structure of the instrument provides a built-in-exit that serves to limit liquidity risk. Furthermore, where relevant and cost-efficient to do so, the Fund may seek to reduce market risk by employing a variety of hedging techniques, including the purchase or sale of, among other things, securities, options, future contracts, and/or other derivative products.

Certain Material Risks Investing in securities generally, and investing in the Fund, involves substantial risk of loss that investors should be prepared to bear. The task of identifying investment opportunities and managing private equity investments is difficult. There can be no assurance that the Fund will be able to make and/or realize any particular investment or that the Fund will be able to generate returns for their investors. The marketability and value of any such investments will depend upon many factors beyond the control of the Fund. In addition, there can be no assurance that any investor will receive any distribution from the Fund.

Portfolio investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including a portfolio company or a counterparty to a Fund or a portfolio company) to perform its obligations until it is able to remedy the force majeure event. In addition, forced events, such as the cessation of the operation of machinery for repair or upgrade, could similarly lead to the unavailability of essential machinery and technologies. These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a portfolio company or a Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which Funds may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to a Fund, including if the investment in such portfolio companies is canceled, unwound or acquired (which could be without adequate compensation). Any of the foregoing may therefore adversely affect the performance of a Fund and its investments.

Investors in the Fund should carefully consider, among other factors, the following material risks involved with Pandion's investment strategies. Investors in the Fund are requested to refer to the Memorandum of the Fund for additional information on these risks and other risks. The following discussion of certain risk factors does not purport to be an exhaustive list or a complete explanation of all of the risks involved in private equity investments.

Key Risks of Pandion's Investment Strategies

Investing in the Fund is intended for sophisticated investors who can accept a high degree of risk in their portfolio, do not need regular income from the investment, and can accept a potential loss of their entire investment.

Absence of Operating History

Pandion and the Fund are newly formed entities and have no prior operating history upon which an investor can base its prediction of future success or failure. Although the Portfolio Managers have had significant experience and success in making investments in the metals and mining industry, the past performance of these investments is not necessarily indicative of the future results of the Fund's

investments. There can be no assurance that the investments to be made by the Fund will be profitable or will perform as well as expected.

Reliance on Portfolio Managers

The success of the Fund depends in substantial part upon the skill and expertise of the Portfolio Managers and others providing investment advice with respect to the Fund. There can be no assurance that these key investment professionals will continue to be associated with Pandion throughout the life of the Fund. The loss of key personnel could have a material adverse effect on the Fund. In particular, the Fund's success depends on the continued employment of Joseph Archibald and Ryan Byrne. The loss of these services for any reason could have a material adverse effect on the Fund's business.

The Fund's success also depends in part upon Pandion's and the Fund's ability to attract and retain other highly qualified personnel. The Portfolio Managers cannot assure that Pandion or the Fund will be successful in hiring or retaining qualified personnel, or that any personnel will remain employed by them.

Portfolio Company Management Risks

With respect to management at the portfolio company level, many portfolio companies 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. Although Pandion and the General Partner expect to monitor portfolio company management, management of each portfolio company will have day-to-day responsibility with respect to the business of such portfolio company. There can be no assurance that the management teams will be able to operate portfolio companies in accordance with the Fund's investment objectives.

Competitive Environment

The Fund operates in a free market and a competitive sector. There is no guarantee that competitors will not attempt to price their investments below the Fund's and therefore either (a) limit the Fund's ability to invest or (b) lower the Fund's expected target returns.

Difficulty of Locating Suitable Investments

The Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objectives and there cannot be any assurance as to the timing of its investments. An investor in the Fund must rely on the ability of Pandion to identify, structure, and implement investments consistent with the Fund's objectives and policies. Investors in the Fund do not have the opportunity to evaluate business, financial and other information that is used by Pandion in its analysis, selection and monitoring of portfolio company investments for the Fund. It is possible that the Fund will not fully invest its capital if sufficiently attractive investments are not identified or, if identified, are not consummated.

Hedging Risks

The Fund or the portfolio companies may enter into hedging transactions primarily to protect the Fund or portfolio companies from the effect of fluctuations in commodity prices and currency exchange rates. The Fund or the portfolio companies may utilize both exchange-traded and over-the-counter futures, options and derivative contracts as part of their risk management strategy. These instruments are highly volatile and are themselves subject to a high degree of risk. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. Transactions in over-the-counter contracts

may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Although derivatives are used as a part of a risk management strategy and not purely for speculative purposes, the use of these instruments could have a material adverse effect on the business, financial condition and results of operations. There can be no assurance that these hedging activities will have the desired beneficial impact on the business, financial condition or results of operations. Moreover, no hedging activity can completely insulate the Fund or portfolio companies from the risks associated with changes in interest rates and prepayment rates.

Derivatives

The Fund may invest in derivative instruments, which may include options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives typically allow an investor to hedge or speculate on the price movements of a particular security, financial benchmark, currency, index or commodity at a fraction of the cost of investing in the underlying asset. There is no assurance that derivatives that the Fund wishes to acquire will be available at any particular time, on satisfactory terms or at all. The prices of many derivative instruments, including many options and swaps, are highly volatile.

The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are “leveraged,” and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement cannot only result in the loss of the entire investment, but may also expose the Fund to the possibility of a loss exceeding the original amount invested.

Derivatives may be purchased on established exchanges or through privately negotiated transactions referred to as OTC derivatives. Exchange-traded derivatives generally are guaranteed by the clearing agency that is the issuer or counterparty to such derivatives. This guarantee usually is supported by a daily payment system (i.e., variation margin requirements) operated by the clearing agency in order to reduce overall credit risk. As a result, unless the clearing agency defaults, there is relatively little counterparty credit risk associated with derivatives purchased on an exchange. By contrast, no clearing agency guarantees OTC derivatives.

In addition, derivative contracts may expose the Fund to the credit risk of the parties with which the Fund deals. Non-performance of such contracts by counterparties, for financial or other reasons, could expose the Fund to losses, whether or not the transaction itself was profitable. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts.

The Fund may take advantage of opportunities in any other derivatives that are not presently contemplated for use by the Fund or that are not currently available but that may be developed, to the extent such opportunities are both consistent with the Fund’s investment objective and legally permissible for the Fund.

Leveraged Investments

Although the Fund does not plan to leverage its own capital, nor that of its portfolio companies, it may do so if required as an ultimate resource to fund additional investments. The Fund or the Fund's portfolio companies, if highly leveraged, may be more sensitive to adverse business or financial developments or economic factors. Moreover, rising interest rates may have a more pronounced effect on the profitability or survival of such companies. If for any of these reasons the Fund or a portfolio company is unable to generate sufficient cash flow to meet principal or interest payments on its indebtedness, the value of the Fund's investments generally, or in such portfolio company specifically, could be significantly reduced or even eliminated.

Additional Risks Relating to Fund Investments

Mining and Processing

The portfolio company business operations are subject to risks and hazards inherent in the mining industry that may result in damage to the portfolio company's property, delays in its business and possible legal liability. Any of these can materially and adversely affect, among other things, the development of properties, production quantities and rates, costs and expenditures, and production commencement dates. Such risks could also result in damage to, or destruction of, mineral properties or processing facilities, personal injury or death, loss of key employees, environmental damage, delays in mining, monetary losses and possible legal liability.

Mine Development

The economic feasibility analysis with respect to any individual project of a target portfolio company is based upon, among other things: the interpretation of geological data obtained from drill holes and other sampling techniques; technical studies (where applicable, and which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed); metals price assumptions; the configuration of the ore body; expected recovery rates of metals from the ore; comparable facility and equipment costs; anticipated climatic conditions; and estimates of labor, productivity, royalty, tax rates, or other ownership burdens and other factors.

The portfolio company's development projects are also subject to the successful completion of technical due diligence, the issuance of necessary permits and the receipt of adequate financing to bring the project to full production. Although technical due diligence is completed, actual operating results of its development projects may differ materially from those anticipated. Uncertainties relating to operations are greater in the case of development projects.

No Assurance of Title or Boundaries

Title to the Portfolio's Company's properties may be challenged or impugned, and title insurance is generally not available. The Portfolio's Company's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the portfolio company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Governmental and Environmental Regulation

The portfolio company projects are subject to extensive foreign laws and regulations, which include laws and regulations governing, among other things: exploration; development; production; exports; taxes; labor standards; mining royalties; price controls; waste disposal; protection and remediation of the environment; reclamation; historic and cultural resource preservation; mine safety and occupational

health; handling; storage and transportation of hazardous substances; and other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing the portfolio companies' mines and other facilities in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the Company would not proceed with the development of, or continue to operate, a mine.

Political and Economic Risks

Some countries in which the Fund may invest are engaged in programs to reform their political and economic systems toward more open market-oriented systems. However, there can be no certainty that these reforms will ultimately be successful, or that once implemented the changes will remain in place. The ultimate extent and timing of these reforms will likely proceed at a different pace in each country and will be influenced by both internal and external political and economic factors, the trade patterns and credit policies of trading partners, and other world developments. During much of the twentieth century, the target countries exhibited significant political and economic instability, high rates of inflation and interest, currency devaluation and periodic adverse government policies toward private business. Some of the target countries have, over the past few years, demonstrated improved economic and political stability, as well as promotion of business formation and development, but there can be no certainty that such trend will continue.

Quality of Information

Financial information at the enterprise level is often not as reliable as can be expected in other more developed regions. While there is a trend toward improved reporting of accurate financial results and increased enforcement of statutes concerning financial and tax reporting, and while steps will be taken to validate and, if necessary, reconstruct financial information on which investment decisions are made, there can be no assurance that the financial information can be made as reliable as in other regions.

All of these risks, and other important risks, are described in detail in the Memorandum. Prospective investors are strongly urged to review the Memorandum carefully and consult with their own financials, legal and tax advisers, before investing in the Fund.

Item 9 – Disciplinary Information

There are no legal or disciplinary events that are material to a limited partner's or prospective limited partner's evaluation of Pandion's advisory business or the integrity of Pandion's management.

Item 10 – Other Financial Industry Activities and Affiliations

Pandion is not registered, and does not have an application pending to register, as a securities broker-dealer, futures commission merchant, commodity pool operator, commodity trading adviser or an associated person thereof.

Ospraie is registered with the U.S. Commodity Futures Trading Commission (the "CFTC") as a commodity pool operator and commodity trading advisor and is a member of the National Futures Association (the "NFA").

MKS is part of the MKS PAMP Group which is an industrial and financial services group specializing in all aspects of the precious metals business, from refining, fabrication, distribution to trading, drawing on more than 60-years of experience.

As discussed above, an affiliate of Pandion serves as the General Partner of the Fund. These affiliated advisers are under common control and subject to Pandion's Code of Ethics and Advisers Act compliance program pursuant to the requirements of the Advisers Act.

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

Code of Ethics

The Code of Ethics (the “Code”) sets forth a standard of business conduct expected of all Pandion employees, reflecting the Firm's fiduciary obligations, supervisory requirements, and duty to company with applicable federal securities law. Employees are provided with a copy of the Code and are required to sign and acknowledge that they have read and understand it on an annual basis.

Personal Trading

The Code requires personal trades to be pre-cleared by the Chief Compliance Officer or his designee for all covered securities which include all debt and equity securities (including initial public offerings and private placements); options on securities, on indices and on currencies; limited partnership and limited liability company interests, including interest in private investment funds (such as hedge funds), and interests in investment clubs; and foreign unit trusts and foreign mutual funds. Any exceptions to this policy must be expressly approved by the Chief Compliance Officer or his designee.

The Code requires all access persons to provide personal trading account information after commencing employment with the Firm. At the end of each calendar quarter, access persons are required to confirm that all brokerage accounts opened and all transactions that occurred during the preceding quarter have been reported.

Conflicts of Interest

Participation or Interest in Client Transactions. As described in Items 5 and 6 above, the Firm and its affiliates are generally entitled to receive management fees and a carried interest from the Fund. The General Partner also makes capital commitments to the Fund. Furthermore, employees may receive fees from the Funds' portfolio companies for performing consulting and other services for, or serving as directors (or similar positions) of, such companies. Each of the foregoing may represent a material financial interest in the securities that it recommends to its client accounts.

As described in Item 5 above, the management fees that the Firm receives from the Fund after the termination of the commitment period is based on “invested capital”. To the extent that an investment is written down to below cost, for purposes of calculating the Firm's management fee, the invested capital in such investment would be reduced by the amount that the investment has been written down and would result in us receiving a reduced management fee. The forgoing, which could incentivize us to refrain from writing down investments, is mitigated by the fact that, annually, Pandion's valuations are reviewed by the Fund's independent public auditors.

Pandion's entitlement to performance fees from the Fund may incentivize us to cause the Fund to make more speculative investments than would be the case in the absence of such performance fee arrangement.

However, the capital commitments made by the partners of Pandion (which capital commitments are invested pro rata with the commitments of the Fund's limited partners), as well as the General Partner's "clawback" (as described in Item 6), may mitigate the effects of such conflict of interest.

The Firm's ability to receive fees (and related expense reimbursements) from the Fund's portfolio companies for performing consulting and other services for, or serving as directors (or similar positions) of, such companies represents a potential conflict of interest since the Firm generally has substantial control or influence over such companies. This potential conflict of interest is mitigated by the fact that all such fees are disclosed to the Fund limited partners and such fees generally offset management fees otherwise payable by the Fund (as described in Item 5 above).

Principal Transactions. The Firm does not anticipate entering into principal transactions where the Firm or any affiliates purchase or sell any securities for its own accounts from or to the account of the Fund. In the event that Pandion or any of its affiliates do engage in a principal transaction, the Firm may seek the approval of the Fund's limited partner advisory board in accordance with the terms of the Fund's LPA and such transaction would be undertaken only in compliance with Section 206(3) under the Advisers Act.

Cross Transactions. In the event that the Firm causes the Fund to enter into any cross transaction, the Firm may seek the approval of the Fund's limited partner advisory board in accordance with the terms of the Fund's LPA.

Additional Conflicts. There are no restrictions on the ability of the Ospraie, MKS or any of their respective principals, personnel or affiliates (other than Pandion) to manage accounts of other clients following the same or different investment objectives, philosophies, and strategies as those used for the Fund. As a result, conflicts of interest will arise if Ospraie, MKS or their respective principals, personnel or affiliates pursue investments within the scope of the Fund's investment strategy and guidelines.

In addition, Pandion, Ospraie, MKS or their respective principals, personnel, affiliates and certain portfolio companies in which any of the foregoing may have an interest are active participants in the commodities sector. As such, Pandion expects such persons from time to time to have relationships with the Fund's portfolio companies or affiliates of those portfolio companies. Such relationship could take any number of forms, including, without limitation, off-take, refining, trading and hedging arrangements. In addition, Pandion, Ospraie, MKS or their respective principals, personnel, affiliates and certain portfolio companies in which any of the foregoing may have an interest, may provide financing to such portfolio companies or their affiliates. Any of the foregoing will give rise to conflicts of interest.

MKS is engaged in the business of precious metals trading. MKS' interest in Pandion may create an incentive for Pandion to use the services of an affiliate of MKS in connection with the Fund's trading activities. Notwithstanding this potential conflict of interest, Pandion selects trading counterparties on behalf of the Fund in accordance with its fiduciary obligations.

In addition, MKS currently owns and operates precious metal refineries, and may increase or expand such activities in the future. MKS has established relationships with many mining companies, and continues to develop relationships and conduct transactions with additional mining companies. These relationships and transactions include the purchase of metal production from such mines for MKS' precious metal refineries, and may include credit extensions or other financial accommodations or incentives. MKS' interest in such transactions may create an incentive for Pandion to focus or direct the Fund's financing

activities to mining companies with which MKS either has a relationship or with which MKS desires to enter a relationship. Such interests may also create an incentive for the Fund to, limit, reduce, restrict or forego entirely opportunities for financing to certain mining companies in favor of other mining companies with which MKS either has such a relationship or desires to enter into such a relationship.

Please see the Memorandum for a more detailed discussion of conflicts of interest.

Item 12 – Brokerage Practices

Trading and Best Execution

Pandion focuses on making investments in portfolio companies through PMPAs which are negotiated, and the quality of transaction-related services varies greatly. However, Pandion seeks best execution with respect to all types of Fund transactions, including equities, options, futures, foreign currency exchange, and any other types of transactions that may be made on behalf of the Fund. Pandion has the authority to select prime brokers, executing brokers and futures commissions merchants (collectively, the “**Brokers**”) for the Fund.

Factors that Pandion considers in recommending or utilizing a Broker may include (i) the price, (ii) the Brokers’ facilities, reliability and relative creditworthiness, (iii) the ability of the Broker to effect the transactions, (iv) the provision or payment by the Broker of the costs of brokerage or research products or services, and (v) the ancillary services provided by such Broker such as capital introduction services, the generation of investment ideas and research services provided. The applicability of specific criteria varies depending upon the nature of the transaction, the market in which it is executed, and the extent to which it is possible to select from among multiple Brokers. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Broker’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Pandion seeks competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions.

Soft Dollars

In return for effecting securities transactions through a Broker, Pandion may receive certain investment research products and related services which assist Pandion in its investment decision-making process for the client, all of which are generally intended to be in compliance with Section 28(e) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). Pandion also may, from time to time, receive soft dollar credits in respect of transactions involving instruments outside of the safe harbor (*e.g.*, futures), provided the goods and services received from such transactions are of the type that fall within Section 28(e) of the Exchange Act. Research products and related services furnished by Brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies, data and forecasts; statistics and pricing services; as well as discussions with research personnel and other services utilized in the investment management process.

If Pandion uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, it would receive a benefit because it would not have to produce or pay for the research, products or services. Pandion may then have an incentive to select a broker based on its interest

in receiving the research or other products or services offered by such broker, rather than on its clients' interests in receiving most favorable execution.

Where a product or service obtained with client commission dollars provides both research and non-research assistance to Pandion, Pandion will make a reasonable allocation of the cost which may be paid for with client commission dollars.

Item 13 – Review of Accounts

Pandion's portfolio investments are regularly reviewed by the Portfolio Managers and the Investment Committee. The Principals meet periodically to monitor all operations, overall performance, financial performance, and strategic direction of each portfolio company owned by the Fund.

The Fund is audited on an annual basis by an independent public accounting firm. The Firm generally provides Fund limited partners with (i) audited annual financial reports, (ii) unaudited quarterly financial reports, and (iii) annual tax information for the completion of tax returns. In addition to the information provided to all investors, Pandion may provide certain limited partners with additional information or more frequent reports that other limited partners will not receive, possibly enabling such limited partners to better assess the prospects and performance of the Fund. In addition, limited partners may be provided with information about Pandion and the Fund in response to questions and requests, and/or in connection with due diligence meetings and other communications, but such information will not be distributed to other limited partners and prospective limited partners who do not request such information. Each limited partner is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by Pandion is sufficient for its needs.

Item 14 – Client Referrals and Other Compensation

Pandion does not compensate any third parties for client referrals. However, Pandion and its affiliates may enter into placement agent agreements whereby third-party placement agents may introduce investors to the Fund. Placement agents may collect fees from the Fund, which will reduce the amount of capital available to the Fund for making investments, but an amount equal to the payments made by the Fund to such placement agents is a reduction item in the calculation of the management fees paid by the Fund.

Item 15 – Custody

Pandion uses third party unaffiliated qualified custodians to hold the funds and securities (other than privately offered uncertificated securities with limited transferability) of the Funds in accordance with current SEC rules and regulations. Although Pandion is deemed to have custody of underlying assets of the Funds, Pandion relies upon the pooled investment vehicles exemption from reporting and surprise examinations. Accordingly, the Funds are subject to a year-end audit by an independent public accounting firm that is registered with, and subject to inspection by, the Public Company Accounting

Oversight Board, and audited financial statements of each Fund will be provided to the investors of such Fund within 120 days of the end of the fiscal year.

Item 16 – Investment Discretion

The Firm has entered into an investment management agreement with the Main Fund. The agreement, together with the management authority granted to the General Partner pursuant to the LPA, provides Pandion with full discretion to determine investments to be purchased and sold on behalf of the Main Fund and the terms of the related transactions. Limited partners in the Fund generally may not place any limit on Pandion's authority beyond the limitations set forth in the Memorandum and other Fund documents.

Item 17 – Voting Client Securities

While the securities evidencing the private equity investments made by the Fund are not typically the subject of proxies, there could be certain circumstances where the Firm, having discretionary authority, may be asked to vote the securities of the Fund on restructuring or other corporate matters. To the extent applicable, the Firm will ensure that a record of each securities position held by the Fund is maintained and, where any such vote is to occur, the Firm will ensure that all relevant information, disclosure materials and such proxies or consents as necessary for the Firm to be able to cast votes are delivered in a timely manner.

The Firm also determines whether there is, or appears to be, a material conflict of interest that could influence the voting decision in a manner that would be adverse to the interests of the Fund. If the Firm determines that there is no material conflict of interest, then it will make the voting determination and take the required voting action. If the Firm determines that, due to a conflict of interest, the Firm is not capable of making an independence determination as to the voting decision, then the voting decision may be recommended by the Fund's limited partner advisory board.

Item 18 – Financial Information

Pandion is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual and fiduciary commitments to its clients, nor has it been the subject to any bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

Not applicable