



US Orion Mine Finance & Swiss Fusion Capital which purchased from Solvay the Sasa Macedonia lead-zinc mine started the commodities hedge fund during most challenging time for financial markets.

Orion Mine Finance Group is starting a hedge fund at a time when most investors are fleeing commodities, confirmed the commodities market watch Bloomberg service . The \$2 billion investment firm is opening a fund in January to trade industrial and precious metals, and may eventually add equities, according to Oskar Lewnowski, the founder and chief investment officer. The business, headed by John Fallon, is called Orion Commodities Fund LP and may buy and sell derivatives, as well as physical raw materials writes Bloomberg. Orion's expansion is unusual because this year has seen some of the biggest, most well-known traders shut down their flagship commodity funds during the worst year for raw material prices since the global financial crisis of 2008. The Bloomberg Commodity Index, which tracks the performance of 22 natural resources, has plunged two-thirds from its peak to the lowest level since 1999.

"For a long time, metals were driven by financial flows, be it mining-orientated banks, commodity hedge funds, CTAs and even retail equity investors," Lewnowski said in an interview in London. "With those guys out, we are back to fundamentals. And that's an environment in which we can do well."

Orion, named for the mythical Greek hunter, was founded by Lewnowski in 2013 as a spinoff of Red Kite Group. Until now, the company has focused on mines financing, acquisitions and providing merchant services. Orion is a co-investor in Anglo American Plc's copper mines in northern Chile, and in November agreed to buy a zinc and lead mine in Macedonia. The company is also financing a gold project in Armenia.

Orion Commodities Fund is starting with five traders after hiring Red Kite's Michael Sheehan and Louis Dreyfus Commodities BV's Matthew Heap and Raphael Bonvillian as portfolio managers.

"There are three factors driving commodities: momentum-driven financial flows, physical fundamentals and macro events," Lewnowski said. "A number of funds including ourselves are equally adept in interpreting macro events. We have an understanding of momentum because we trade. We understand fundamentals because we are in the physical business." Weakening demand for raw materials from China has left oversupplied markets from copper to oil following years of investment by producers. The London Metal Exchange index of six industrial metals has lost 25 percent this year, heading for the worst year since 2008. Nickel, down 40 percent this year, is the second-worst performer in the Bloomberg Commodity Index.

“The turnaround is going to come in 2018,” Lewnowski said. “The peak price cycle was in 2011 and these cycles tend to last seven years. Nickel might actually be interesting next year. A lot of people hate it. Seventy percent of mined production is losing money. That’s a situation that cannot last.”, concludes Bloomberg on Orion business strategy.

Orion Mine Finance Group reported that it has purchased the SASA lead-zinc mine in Macedonia from Solway Investment Group for an undisclosed sum.

Orion partnered with Fusion Capital AG to establish Lynx Resources Ltd to acquire the mine (via its wholly owned subsidiary Lynx Europe SPLLC Skopje). SASA is located in the Makedonska Kamenica Municipality of Macedonia.

The transaction represents Orion’s first investment in Macedonia and its first partnership with Fusion.

Oskar Lewnowski, Chief Investment Officer of the Orion Mine Finance Group, said: “The SASA acquisition is a solid example of our commitment to investing in jurisdictions with a long mining history, and in resilient mines. Solway successfully brought SASA back into production in 2006. We are capitalizing on this opportunity to take the mine to the next level. We look forward to working with the Fusion management team to leverage SASA’s long mine-life, high-grade resource and competitive cash-cost position.”

Chris James, CEO of Lynx Resources Ltd., commented, “Fusion is pleased to partner with Orion in this significant transaction for Macedonia, and for the zinc and lead mining industry. The SASA mine has a track record of stable and profitable performance, supported by competitive first quartile cash costs. We believe the mine and its employees have a bright future, and Lynx Resources is well positioned to take advantage of an impending tightness in zinc and lead concentrates in the coming years.”