
Start your engines... ...and get set

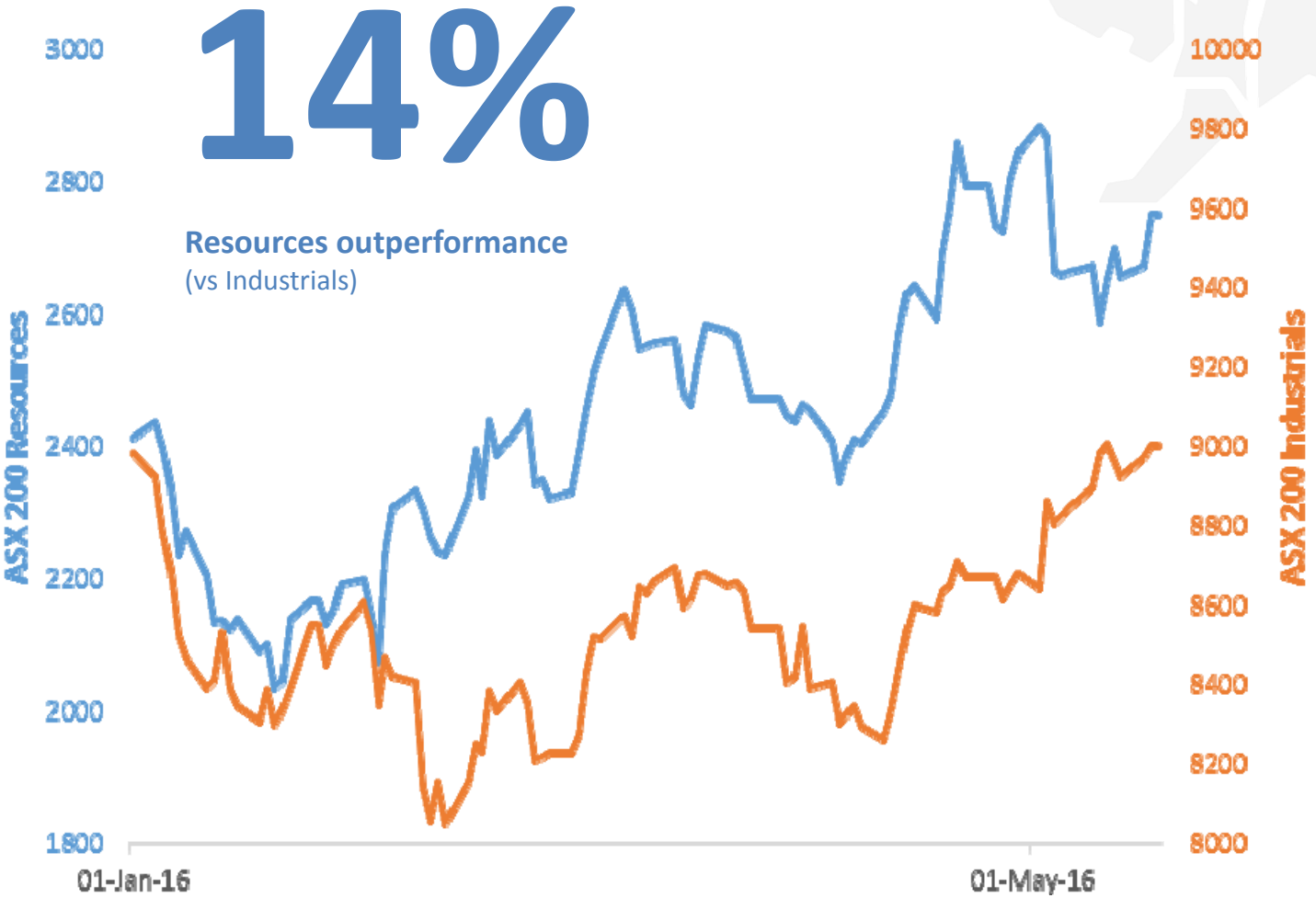
Hedley Widdup

Lion Selection Group ASX : LSX

[@HedleyWiddup](#)

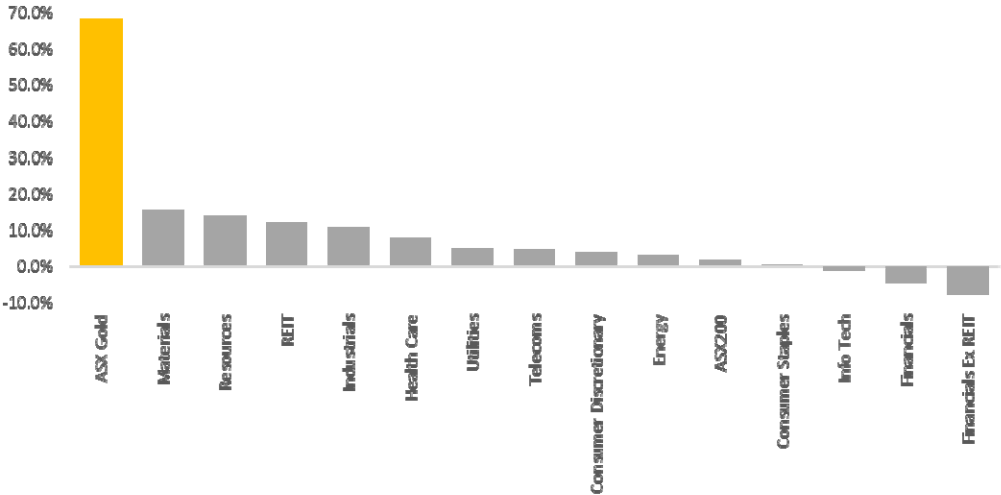
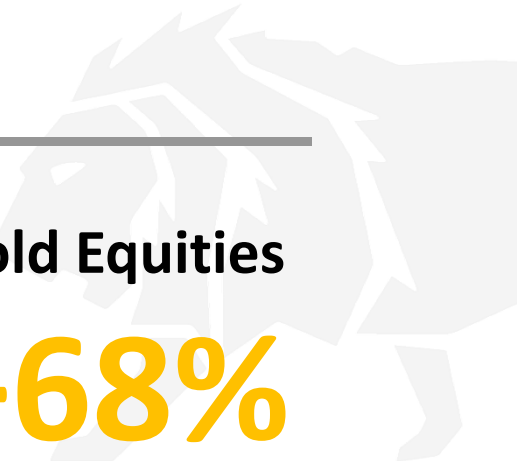
RRS Gold Coast – May 2016

Miners – *Outperforming* in 2016



Source: IRESS Data

Gold Equities – Leading the way

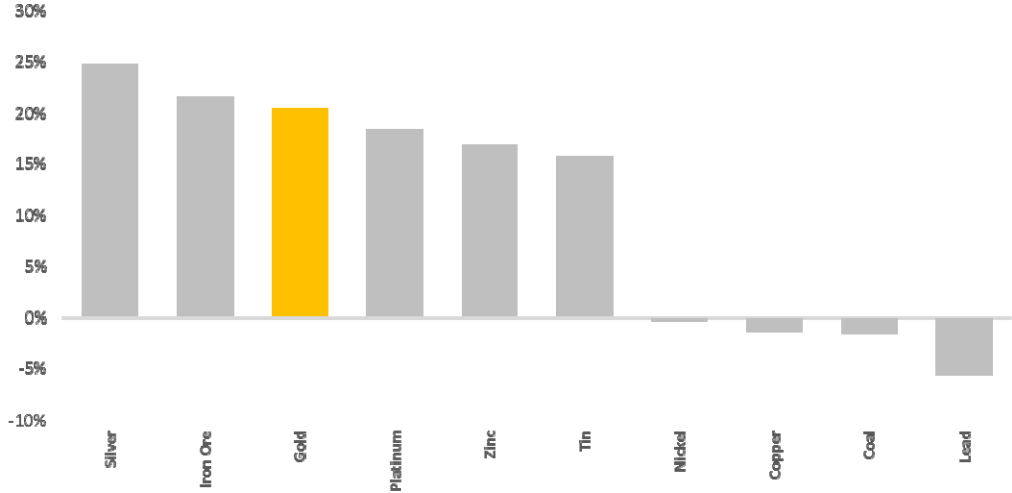


Gold Equities

+68%

(Year to date)

ASX best sector performance

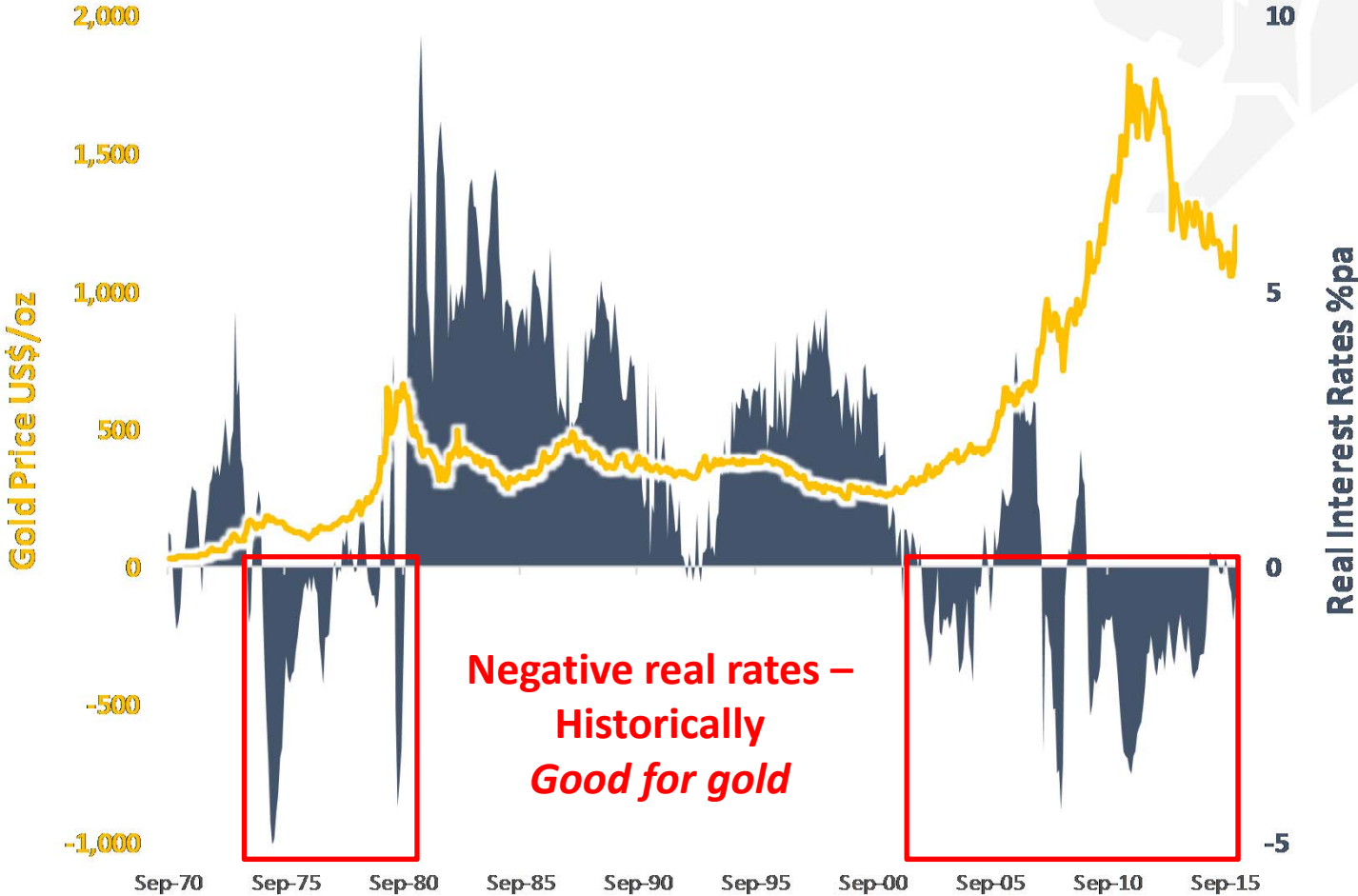


Gold Price

+21%

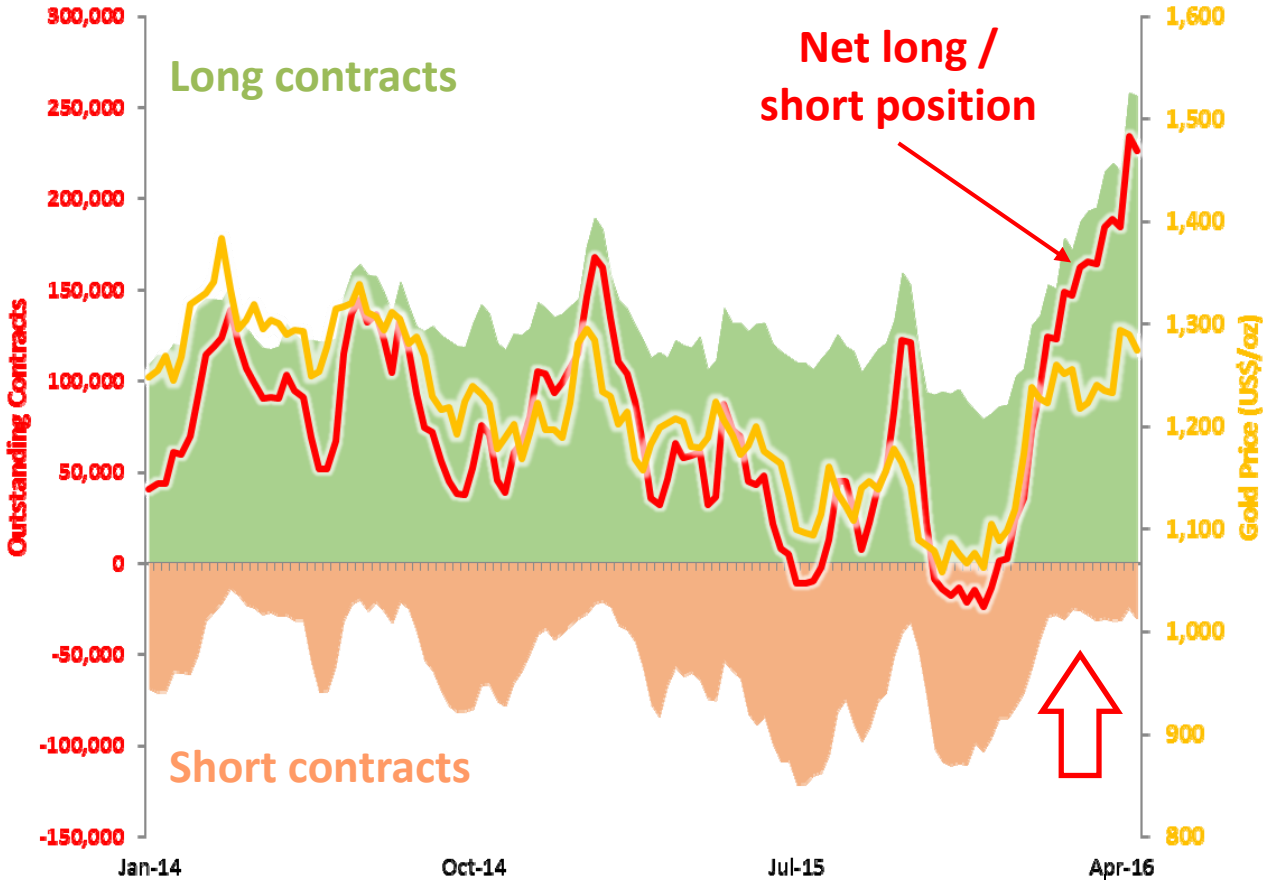
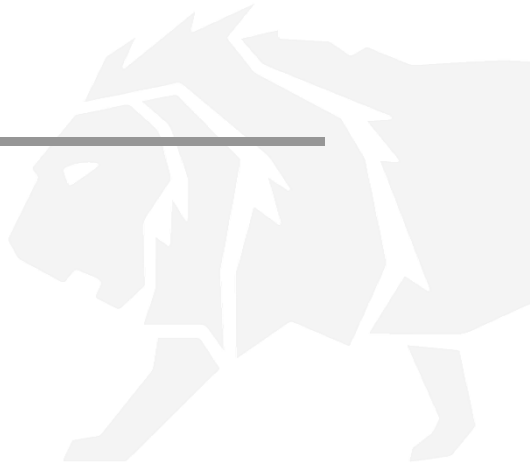
(year to date)

Commodities



Source: IRESS Data, US Bureau of Labor Statistics

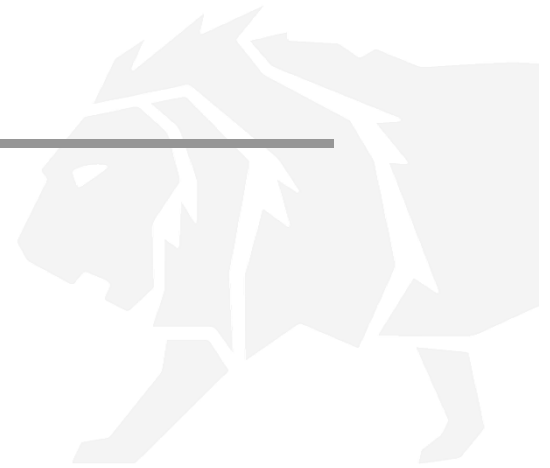
Commodities



- Long bets on gold at record levels
- Short bets have diminished

Source: IRESS Data, US Commodity Futures Trading Commission

Costs – rapidly improving



People

- Salaries down 30-50%
- Can hire “A” team, rather than “C” or “D” team

Fuel

- Diesel – haulage, light vehicle and site generation savings

Steel

- Key input to processing infrastructure

Consultants / Contractors

- Massive margins removed
- Some are “risk sharing” to win jobs

Little to no margin built into sentiment for future cost improvements

Mining Mergers & Acquisitions

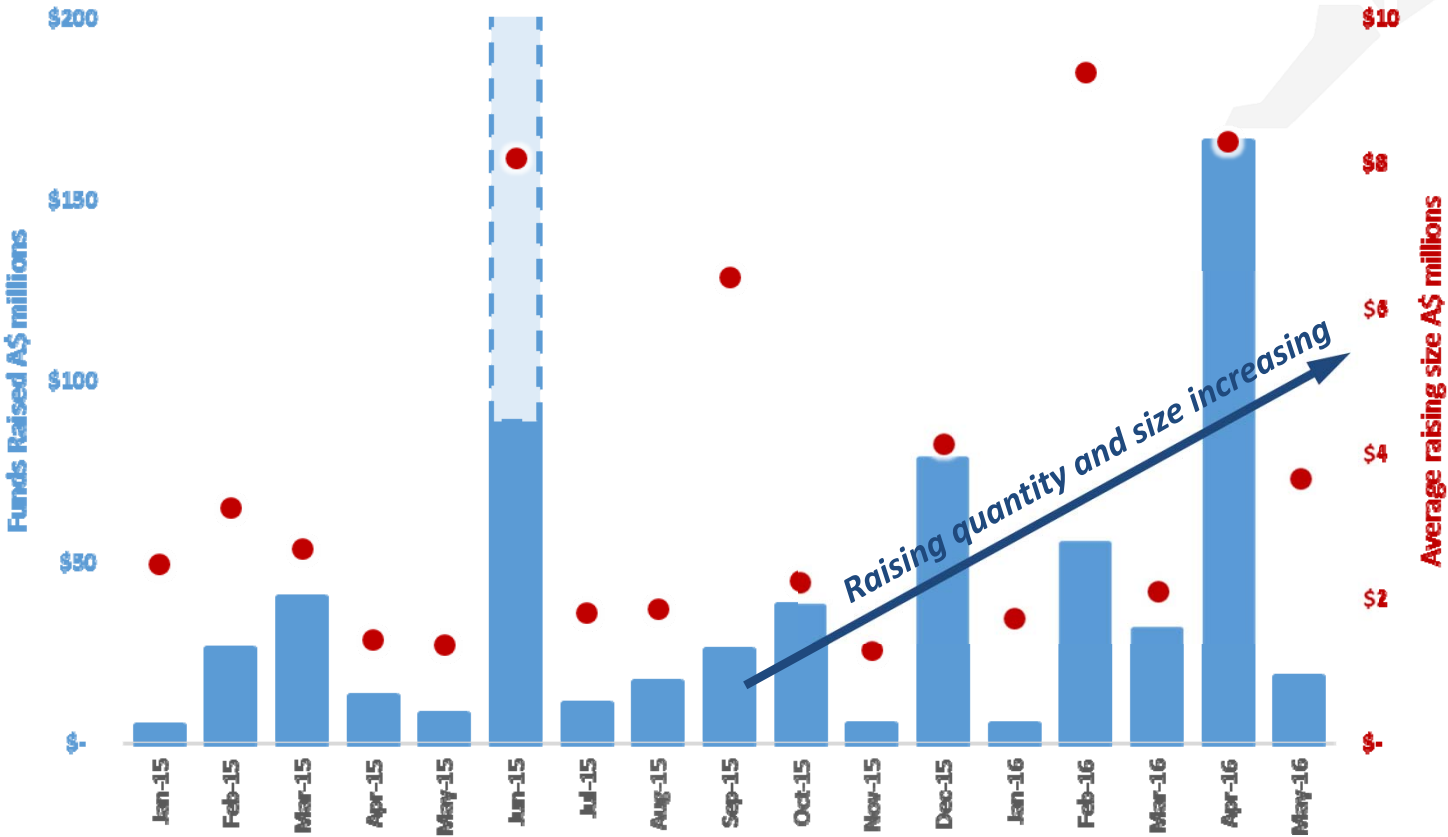
2013	2014	2015	2016
<ul style="list-style-type: none">• Small, cash acquisitions• Funded by small raisings	<ul style="list-style-type: none">• Growing deal size• Cash considerations• Funded by larger raisings	<ul style="list-style-type: none">• Largest deals were paper takeovers• Other large deals were cash funded by large raisings (including debt)• Began to see balance sheet funded (small) deals	<ul style="list-style-type: none">• Small, balance sheet funded deals• Rumours of larger parties with interest• Enquiries from Chinese and P/E rising• All balance sheet funded

Evolution from market funded (ie issuing paper) to balance sheet funded deals



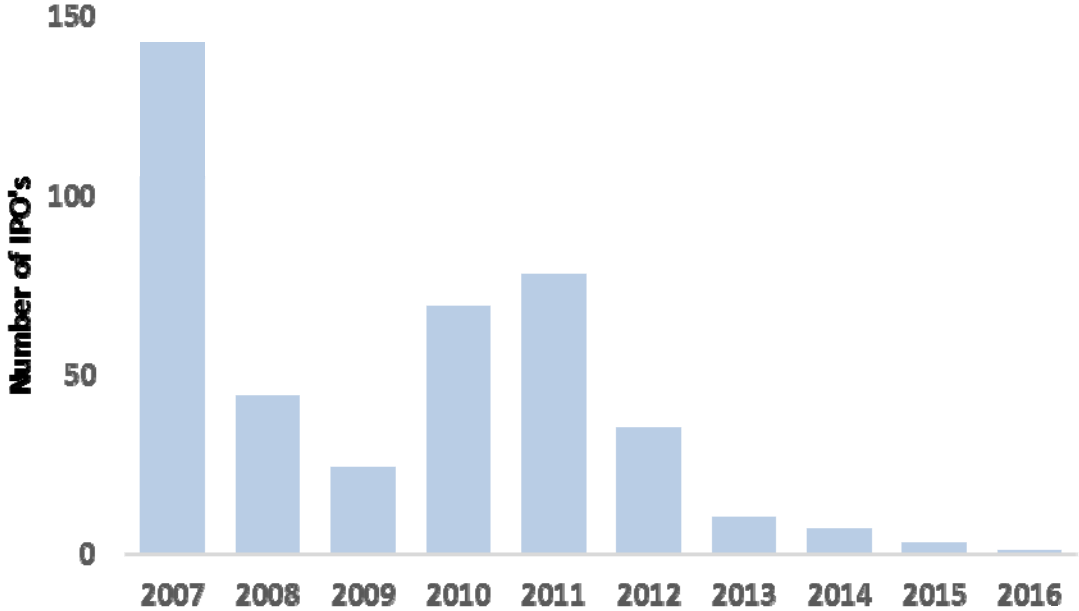
In each case, trend of increasing deal size

Liquidity: ASX Gold Miners fund raising



Source: IRESS Data, ASX, Company reports

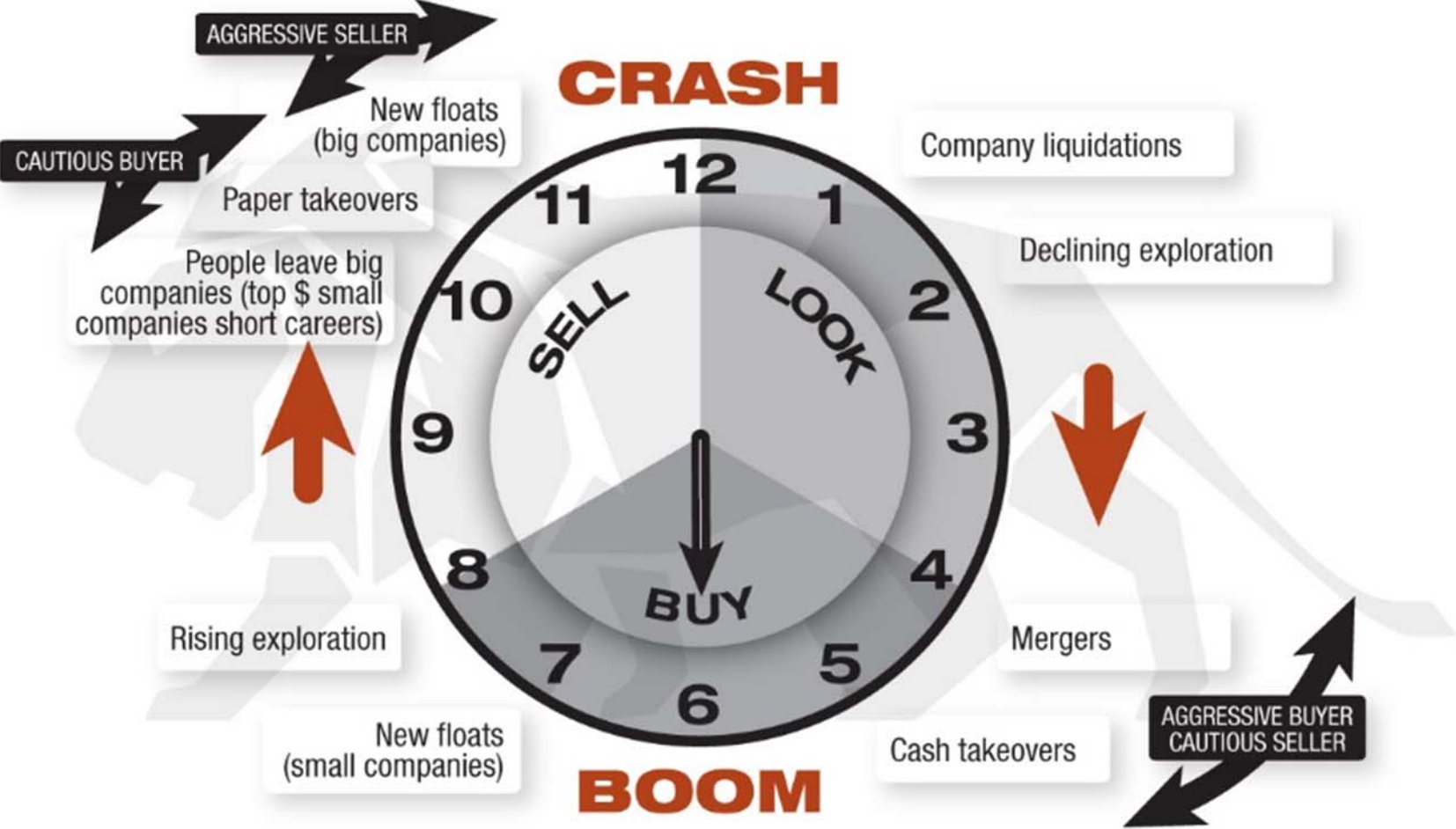
Liquidity: ASX Mining IPO's



- IPO market *closed* in 2015
- RTO's were favoured pathway
 - Decreasing trend, regulatory barriers
- Several IPO's now in preparation

Source: IRESS Data, ASX, Company reports

Lion Clock – 6 O'clock. The boom has started



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