

GROWTH APPETITE

Look Out



Sydney | Melbourne | *Then the World*

Hedley Widdup

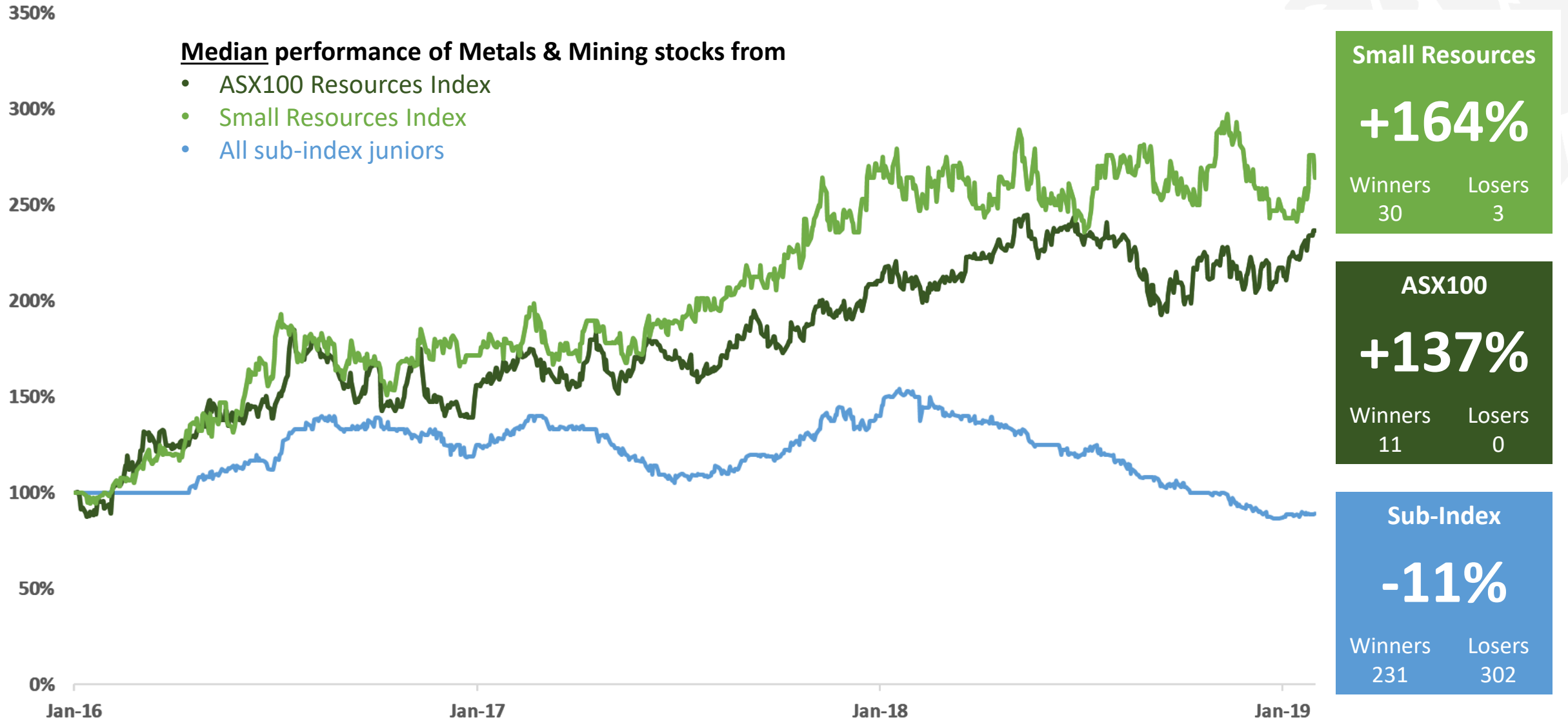
 @HedleyWiddup

BIG

MINERS HAVE GROWN

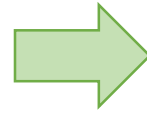
But juniors have not...yet

Metals & Mining Companies



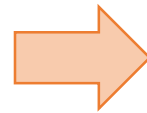
Themes attracting investors ?

- Large Capitalisation Miners
- Australian Gold Producers



✓ Institutional money
(not yet generalists)

- Risk appetite is limited



✓ Battery metals thematic
× Jurisdiction risk

-
- Fund Raising: showing favouritism

✓ Acquisition

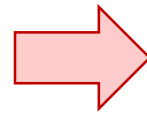
and then...

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...and then

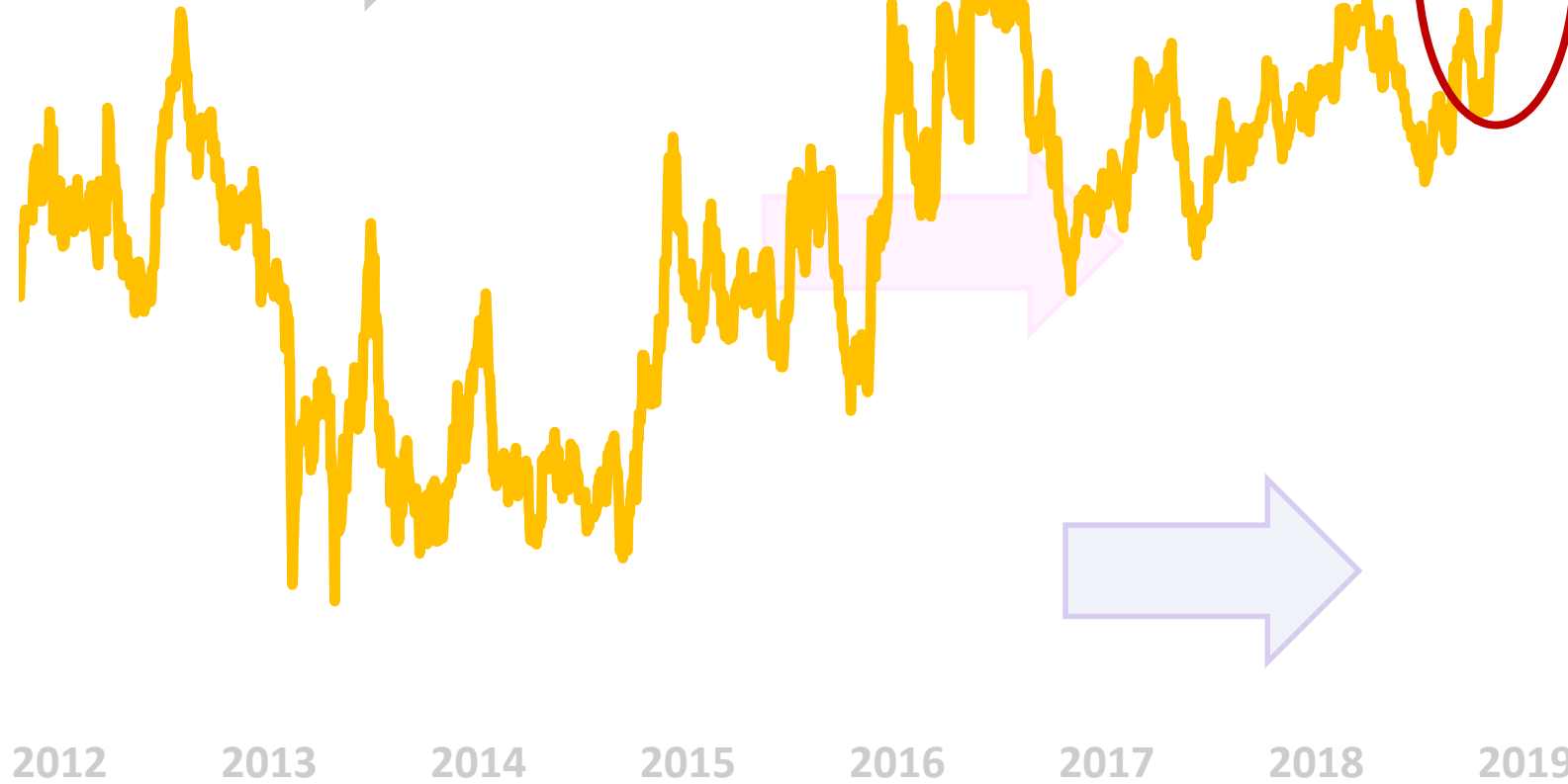
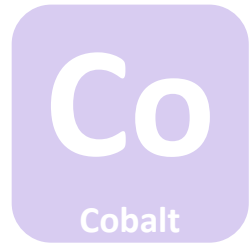
½ Exploration

× Project development



- **Predominantly** Retail money
- Selective exploration funding from the industry (investment in juniors)
- Institutions avoiding this space

Commodity induced investment interest



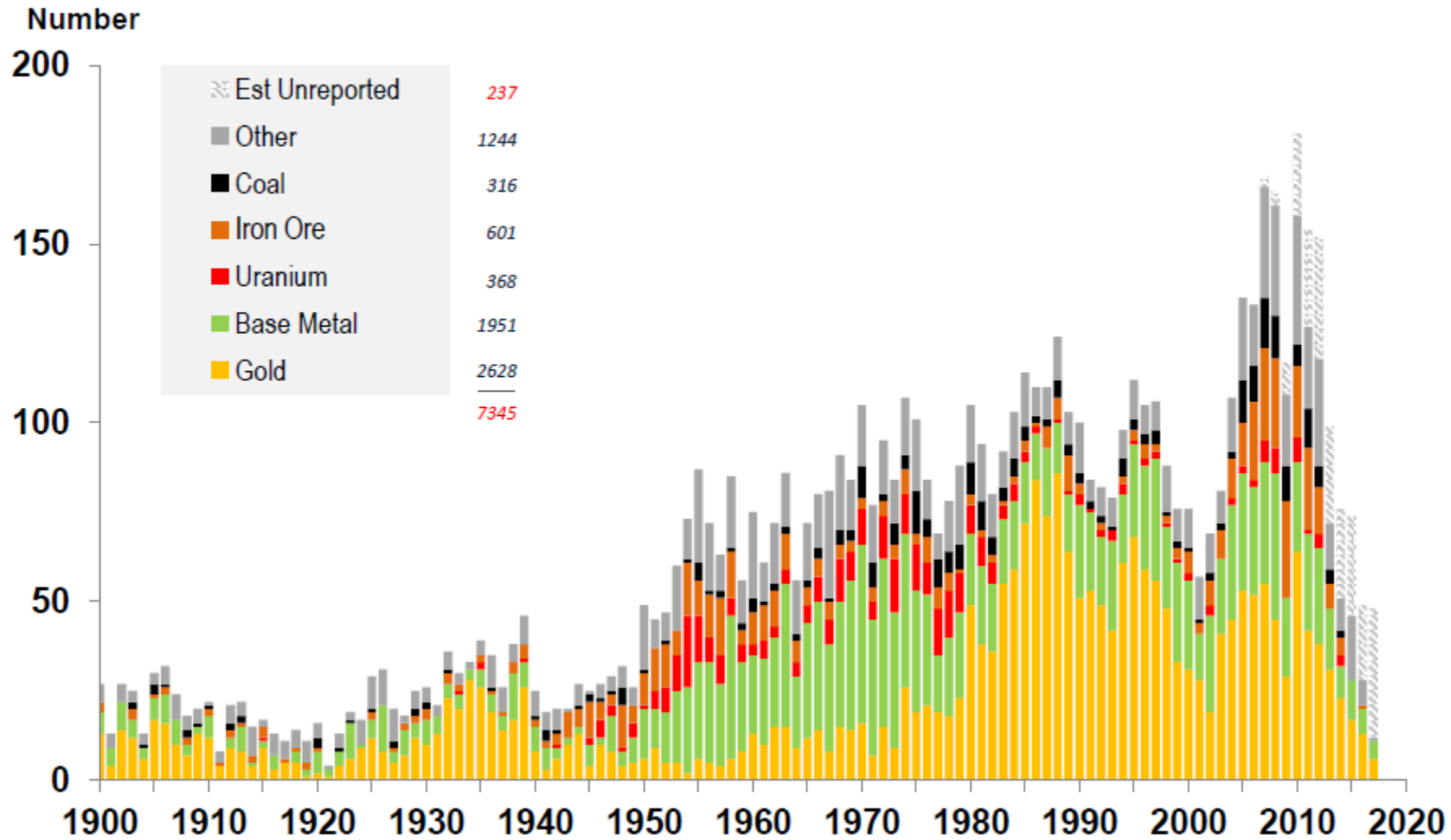
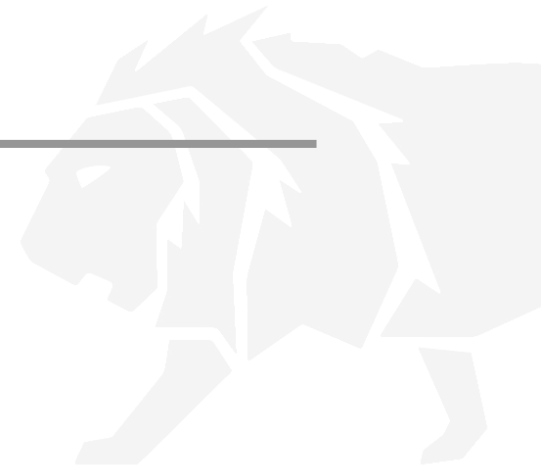
A\$ Gold
"Record Territory"



GROWTH APPETITE

is back

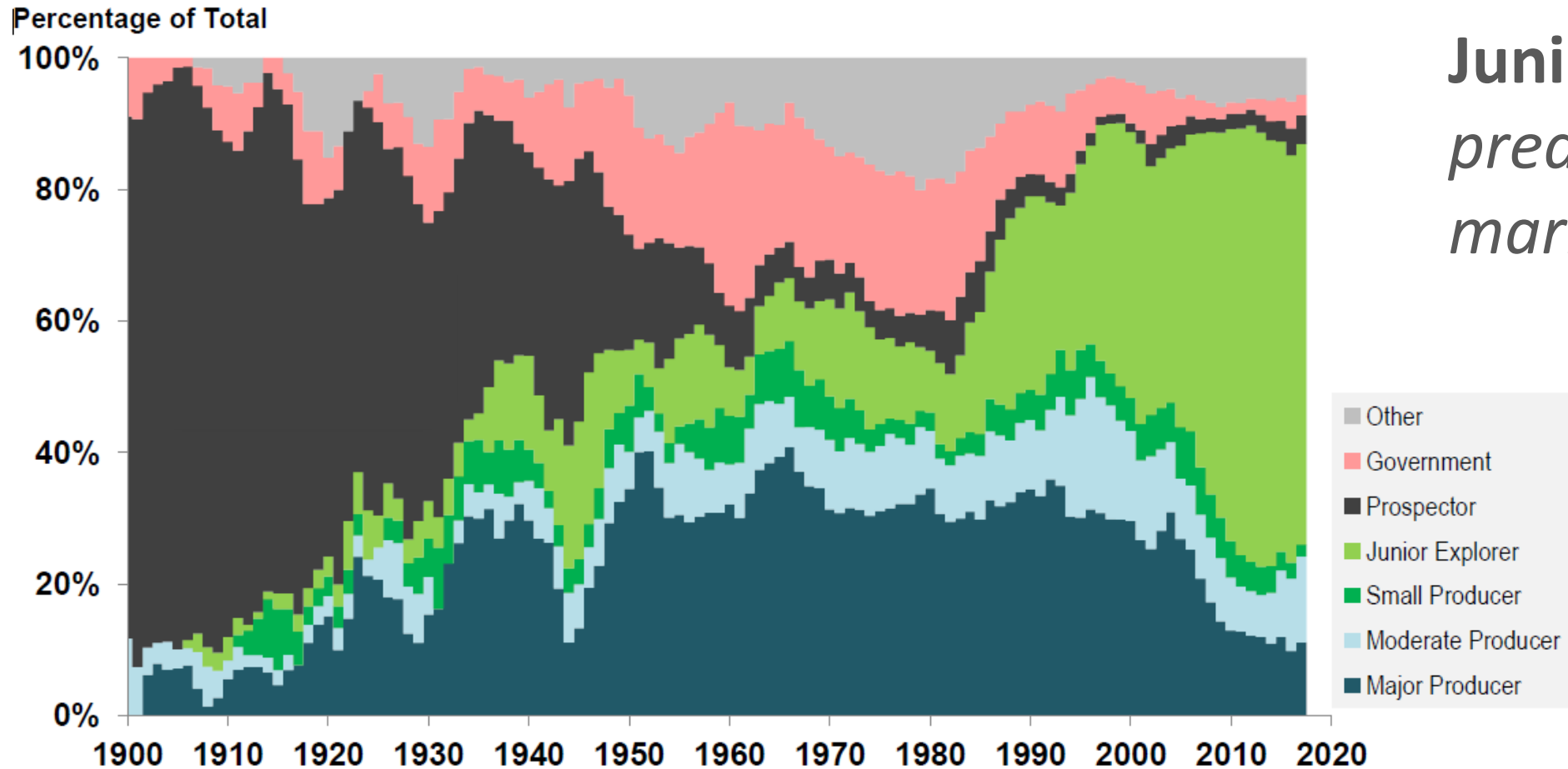
1. Exploration Discovery Rate



Declining

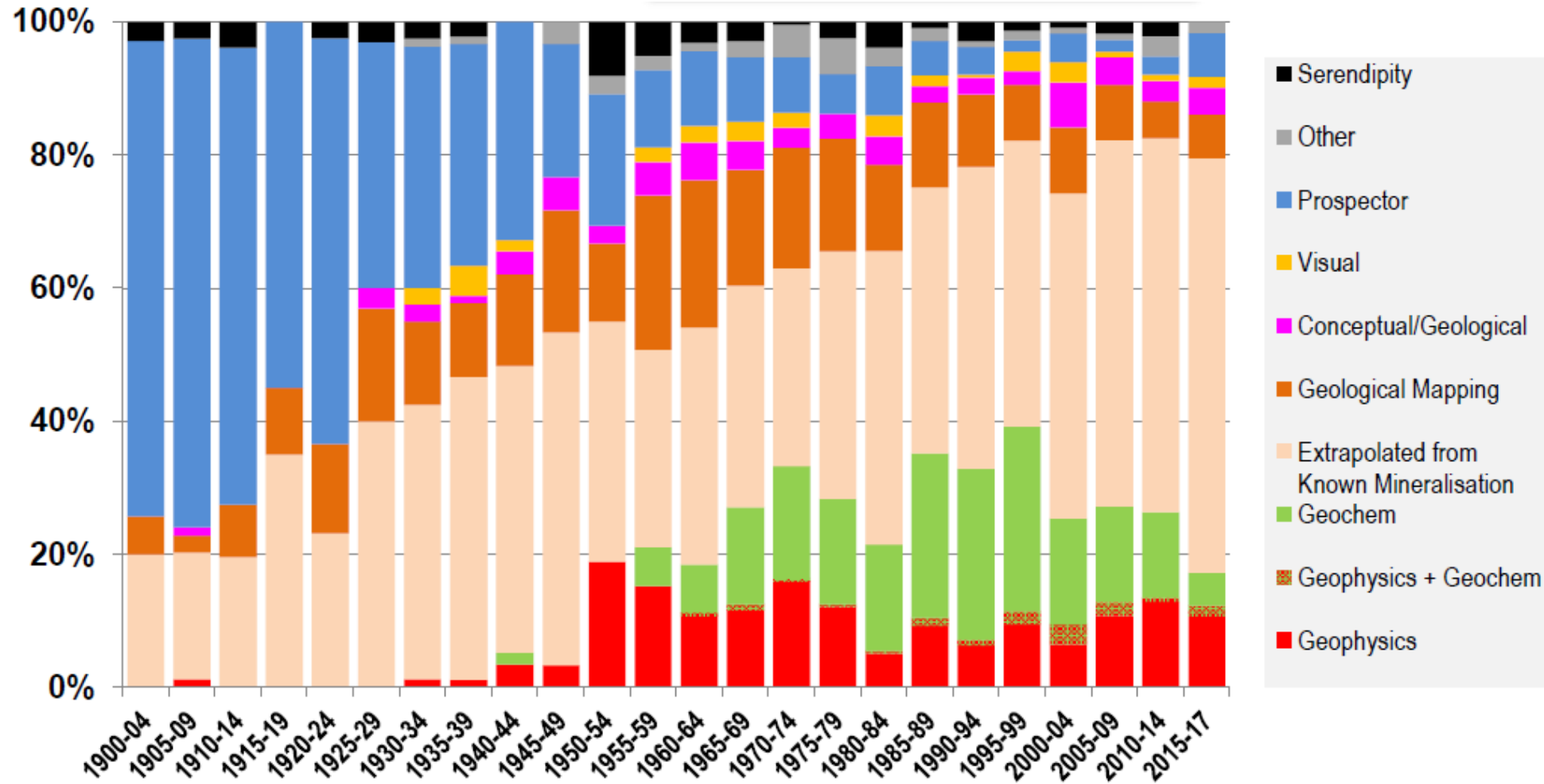
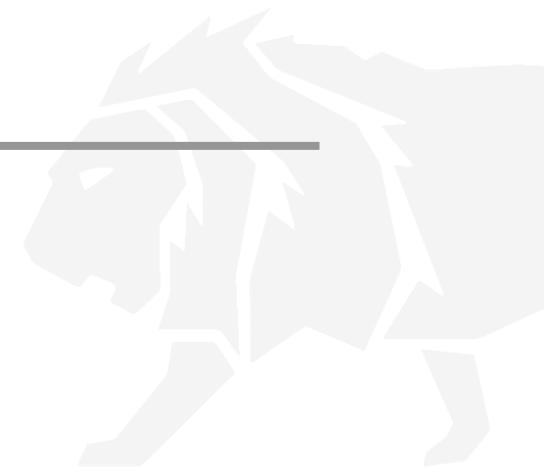
2. Discoverers – mainly juniors

- Share of significant mineral discoveries by company type



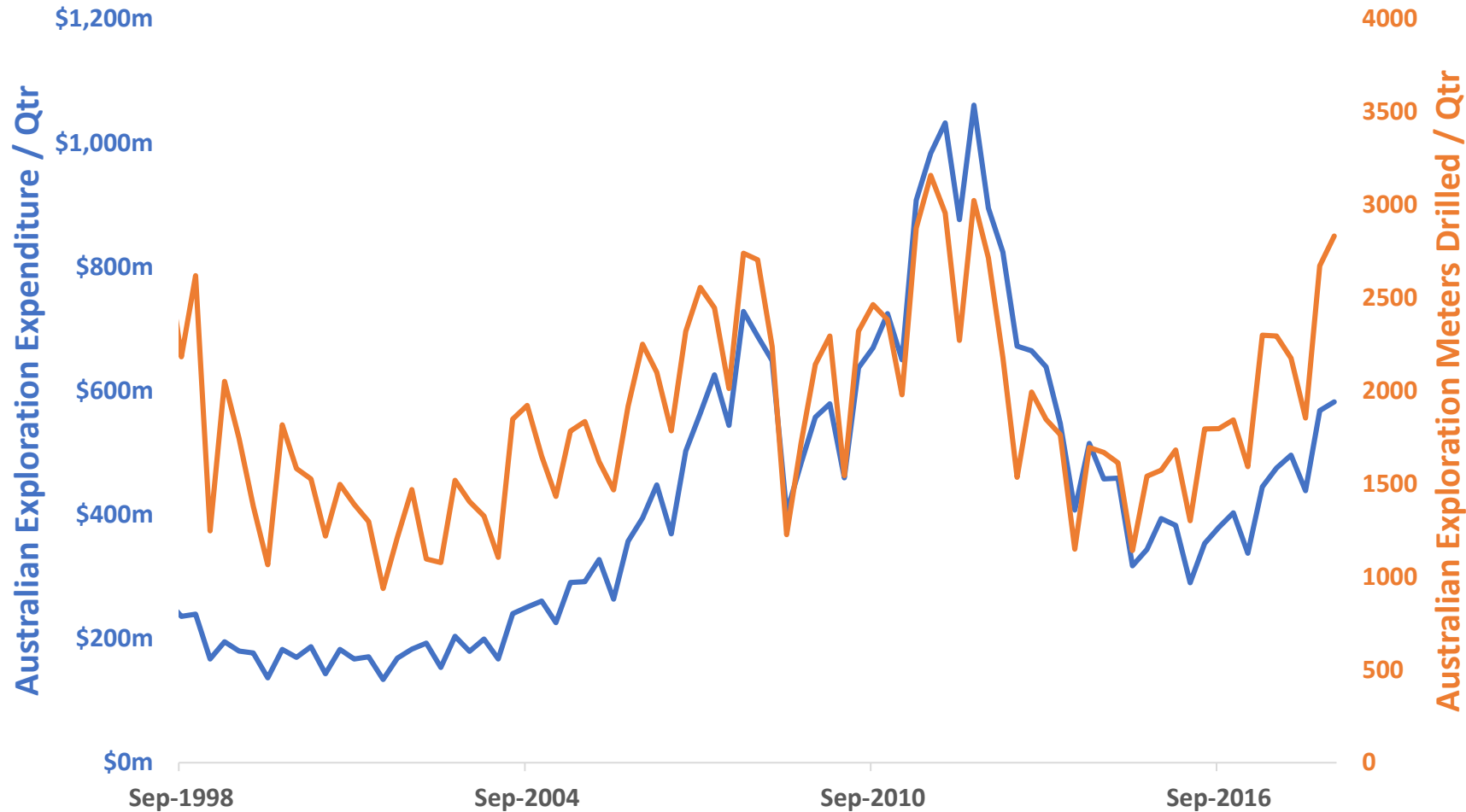
Juniors:
*predominantly
market funded*

3. How discoveries were made



Large proportion of “discoveries” are essentially brownfields

Exploration Activity



Well underway

- The industry is investing
- And the market is backing it
- US\$800m increase in gold exploration between 2017 and 2018 ¹

1. According to S&P Global Market Intelligence, based on a survey of 933 companies

Chart data source: ABS

1990's

2000's



China Inc

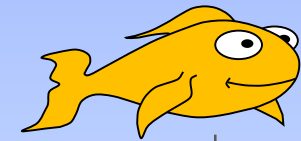
- Private, listed & SOE

Mid Tier

- WMC, MIM, Pasminco, etc

Micro Cap

- Explorers

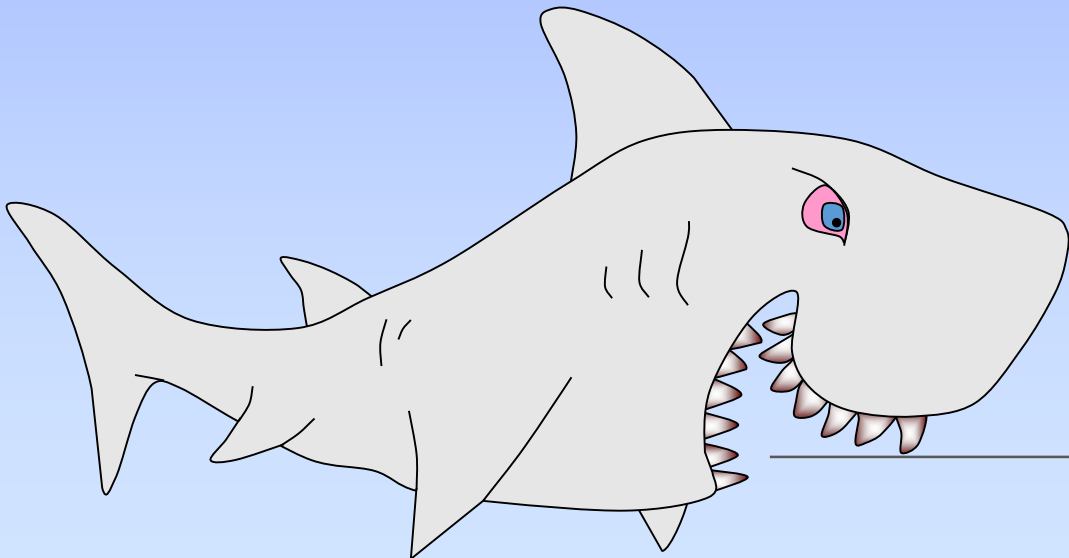


Junior Miners

- Single asset companies

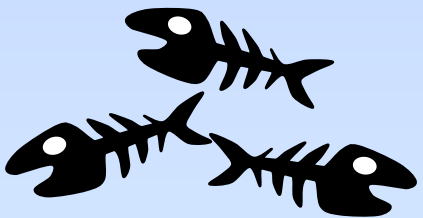
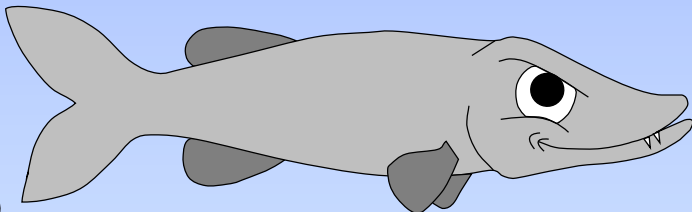
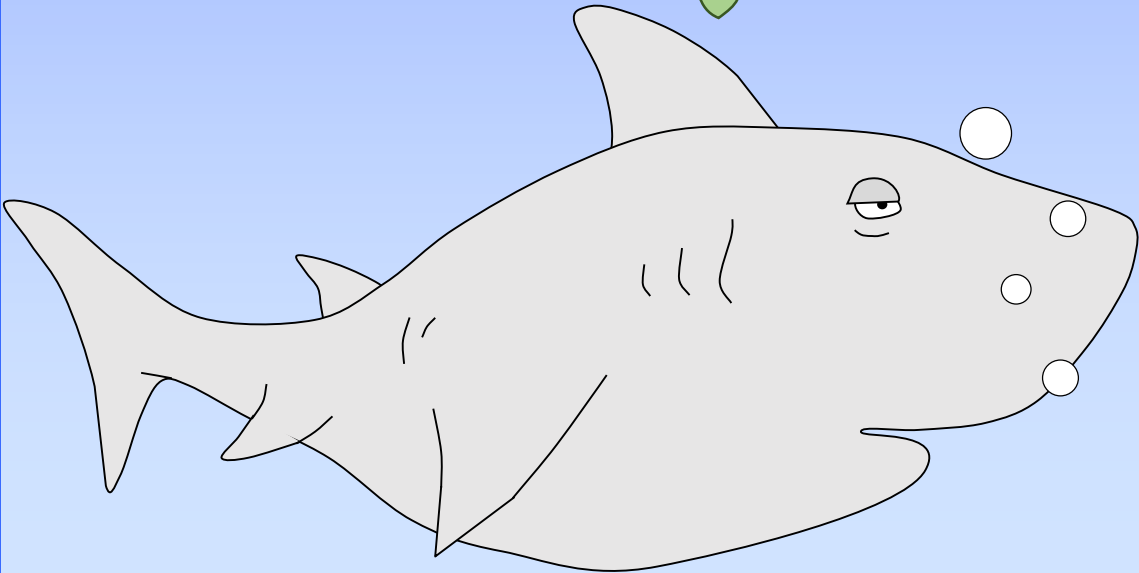
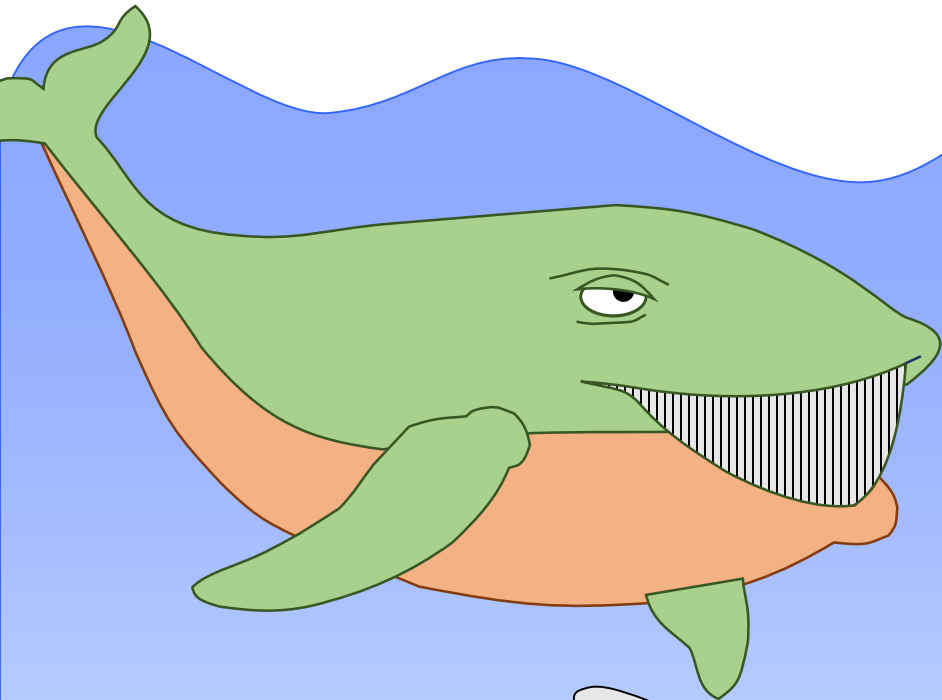
Major Miners

- BHP, Rio Tinto, etc



2017/2018

- Major Miners – over fed
- China Inc – filter feeding
- Mid Tier – over fished, new generation are feeding
- Juniors & Micro Caps – breeding stalled (funding)



2018 / 2019

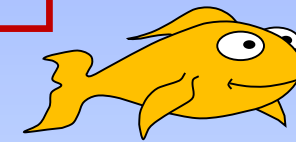
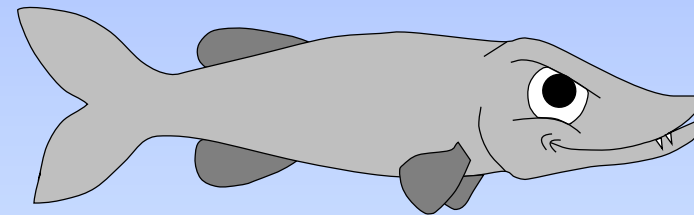
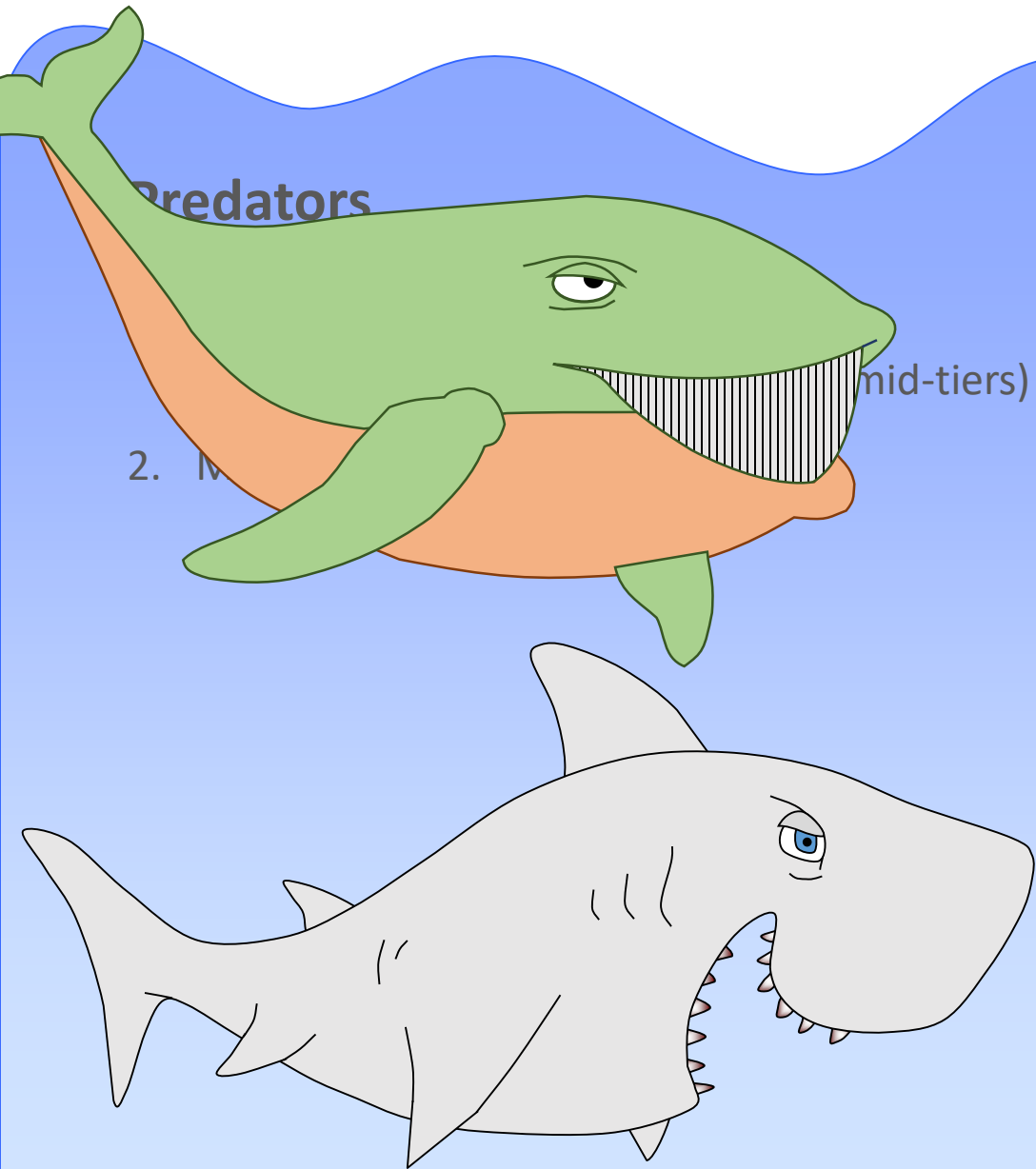
Predators

2. M

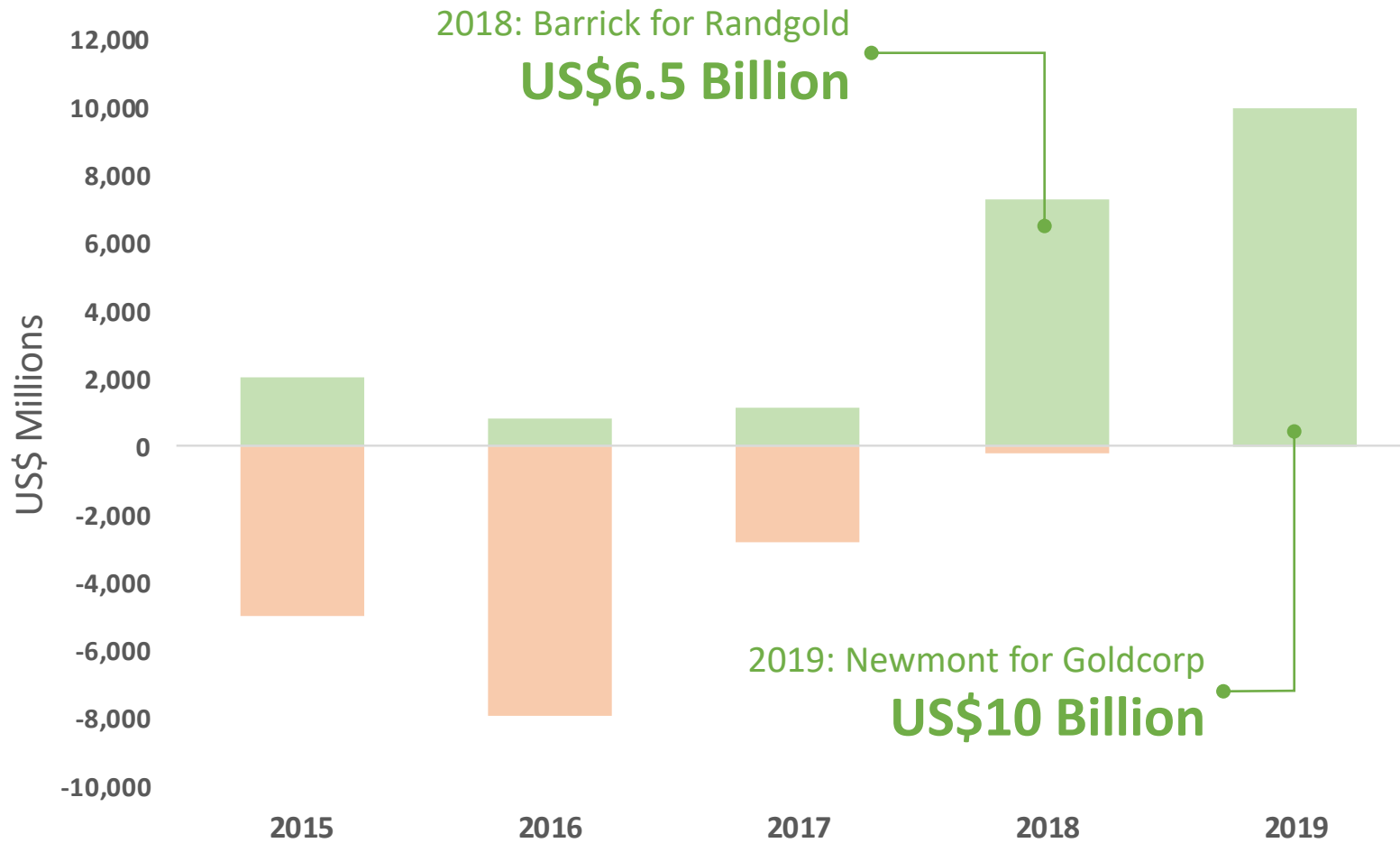
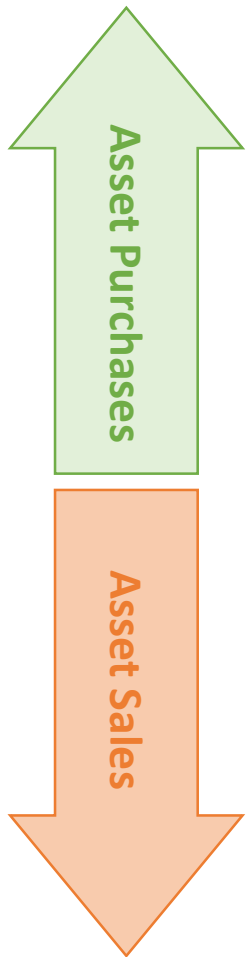
(mid-tiers)

Deal style

- Projects discarded by majors
- Small \$ investments (equity / JV) in juniors
- Large, low / nil premium mergers



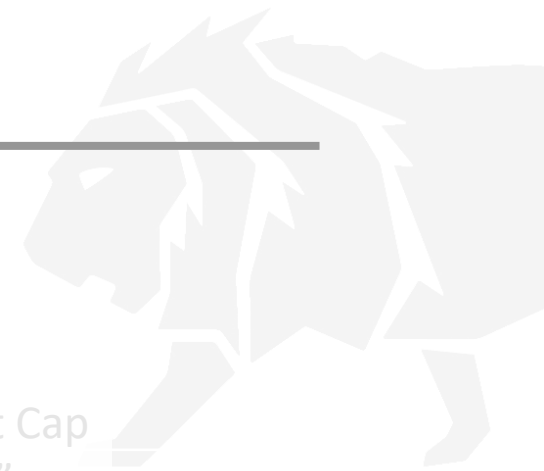
Top 10 Gold Producers¹ – Asset Sales & Purchases



1. Based on 2017 gold production

Source: company press releases

Gold Producers – Institutional Landscape



Gold Company	Market Cap US\$ Billions	2018 Production Au Eq Moz	
Barrick	21	6.6	
Newmont (+ Goldcorp)	17 (+9)	7.8	+US\$10 Billion Market Cap "Generalist Co's"
Newcrest	12	2.3	
Agnico Eagle	10	1.7	
Kirkland Lake	5.9	0.7	
Anglogold	5.2	3.5	
Evolution	4.5	1.0	
Kinross	3.9	1.8	
B2 Gold	3.8	1.0	
Northern Star	3.7	0.6	
Gold Fields	3.0	2.0	
Yamana	2.6	1.1	

Royalty / Streaming Co's	
Franco Nevada	13
Wheaton	9
Royal Gold	6

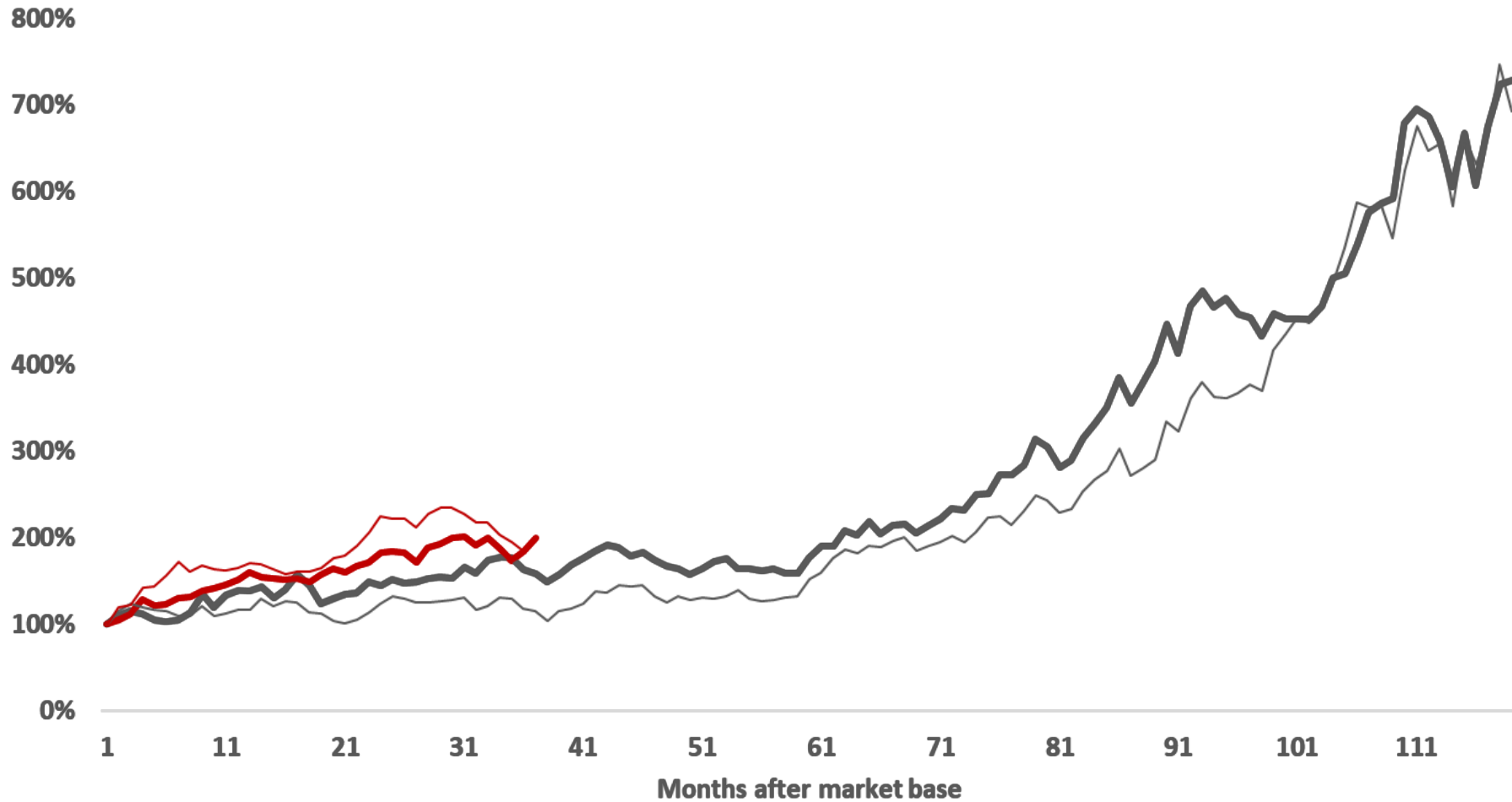
What is the industry thinking...?



When an industry starts to consolidate, it happens quicker than people think. It is like musical chairs. You better find the best partner you can and get something done, because when partners are gone, they are gone

Ian Telfer, Chairman of Goldcorp
January 2019

Then VS Now



1998-2008

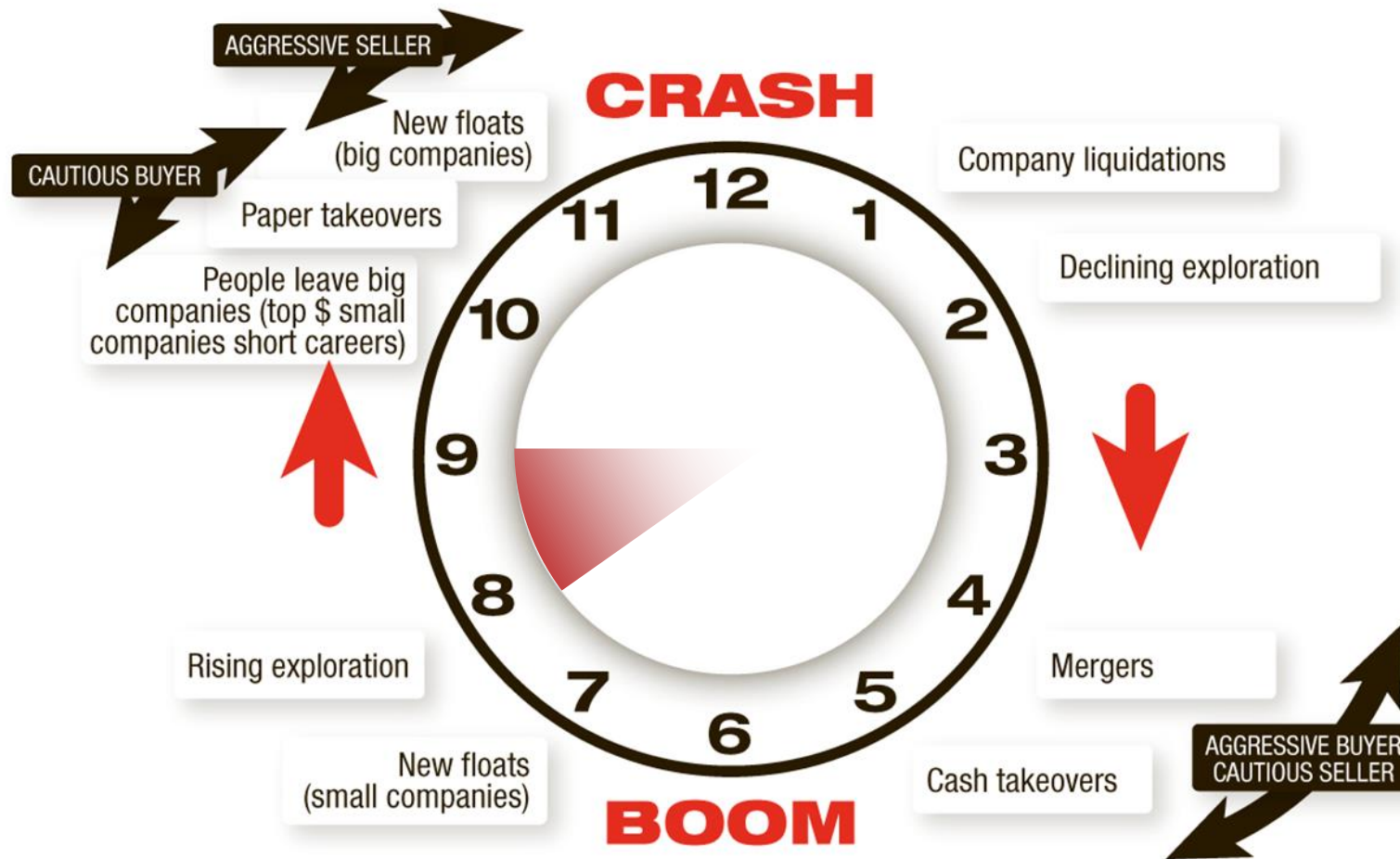
- Large caps lead performance (greatest, most rapid growth)

2016-2019

(Present boom so far)

- Stronger start by “small caps”

Lion Mining Clock



- Industry is investing, and the market is backing it
- Now seeing large, but not hostile or highly priced acquisitions (gold)
- ***Growth appetite has returned***

-
- Listed Mining Investment Fund
 - Target: Micro cap miners / Project developers
 - Long term track record: **8.2%pa over 21 years**

ASX : LSX

LION SELECTION GROUP

Listed Mining Investment Company • Managed Portfolio exposure to Highest Growth Miners • Celebrating 20 Years of Performance

