Notes from Mining Indaba, thoughts about the market and making money in 2025

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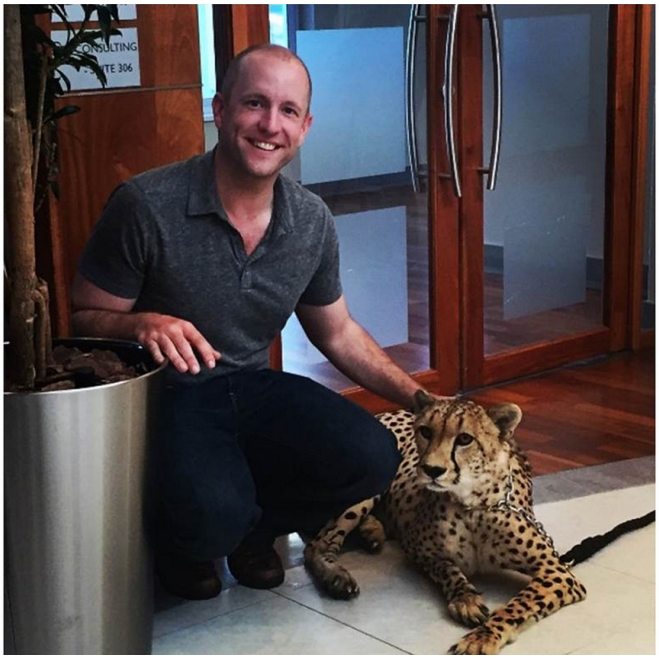
Last week I found myself at a cocktail event in Camps Bay hosted by a large mining private equity firm, an Indaba tradition. As I stood looking out over the blue ocean with sea birds floating in the sky on a gentle breeze, a few brave souls surfing in the frigid shark infested waters, and an ice cold Diet Coke sloshing around in my cup, **it got me thinking about the ghosts of Indaba's past and the outlook for the future – and to make money this year, 2025.**

Long since past are the days of investment bankers riding boats to the Bay Shore Club and then climbing on stage while dancing to Gangnam Style in front of cheering crowds spraying champaign in the air (I admit it was an epic party). None of the cocktail events I attended had leopards, rock bands or girls dressed in space costumes, alas, there were no men on stilts performing circus acts. Even Stan Bharti and his crew were absent from Indaba this year!

Instead, a mostly aged group of executives, bankers and investors moved between events and meetings hoping for the best and praying for one more bull market.

It's coming.

More near the end, but we are kicking off The Green Room







Observations, Notes, and Thoughts From the Front Line:

Where have all the cowboys gone? A decade ago when attending Indaba the events were rammed with hedge funds and family offices who were willing to take a punt, participate in placements, and god forbid, buy stock on market. Today everything is different. There are basically two sources of capital – PE style funds and streaming and royalty companies. At one event I looked into the crowed and could see representatives from a handful of the largest mining PE funds. Each firm dying to write you a ticket for US$150 million or provide you 18% debt or some other structured product. Not a single one of the firms is willing or able to put up a ticket for $3 million or buy on market. Instead the industry is at a stalemate, a junior mining company with a $20 million market cap cannot raise $200 million to build a mine with a $500 million NPV. The rerating in these names was once driven by hedge funds that no longer exist or have moved on. Osprey, Firebird, Passport Capital, RAB Capital, and others – all once big check writers are all but absent from

the scene.

Asset allocators, the ones sitting at University endowments around the United States and/or wearing Patagonia vests in Connecticut, have deemed the private equity model as the safer way to invest in mining. Valuations for private transaction and structured products are not set at the whims of the market gods, but instead carefully manicured by teams of analysts – ensuring optimized paper returns and staving off volatility. In my opinion, the success of private equity around ten years ago created a scenario where asset allocators (Patagonia crowd) have over allocated to private equity firms. This has resulted in the mining PE firms getting so large they can no longer play at the small end of the market. It has also meant that the mining private equity industry has taken oxygen out of the room for other types of investment vehicles that the industry greatly needs. There is no question we need mining PE firms, its just the case that we need market players as well (and more of them).

Sure the crews from the likes of Millenium still show up to events (I am confident there will be 30 of them at the BMO conference), but they really only chase liquidity and rent stocks. I doubt many have a horizon beyond weeks or months and require market caps and daily volume that far exceeds any relevance to juniors.

This stalemate represents a huge opportunity. We will come back to this later.

There are heroes among us. There are some green shoots on the market player front. Funds like Terra Capital, Tribeca, and Extract Capital continue to grow and play at levels that are relevant to everyone. There are whispers out of London that for the first time in ages some of the more market oriented vehicles are receiving inflows. The gold price will help this. Either

way, I am rooting for these guys in a big way! We need you.

The Middle East as a source of capital* Everyone is talking about capital from the Middle East as if it is a silver bullet. Bottom line, I have met with a bunch of these groups and was recently in the Dubai for meetings… if you want $300 million to infinity – yeah there is $$$. If you need $5 million, no chance. That could always change, but I don't see that change happening overnight.

The Greying, but not greening of the mining industry? Not so long ago mining events globally were rammed with young people looking for opportunity. Not just as bankers and investors, but as executives and entrepreneurs. Trying their hand at making a fortune. Today most of these mining events feel like retirement parties. I am in my early 40s and the youngest person at many of these events. Jokes aside, I can't tell you how many conversations I had last week with guys that are already well passed retirement age. There are few, if any, young mining engineers, bankers or fund analysts. Of course it makes sense why this is the case, you need to be making money to pay them and tech and crypto have been sexy for a long time now. Not to mention, the equity markets have been closed. But as the industry continues to be hollowed out by people aging out and no real pipeline of young people coming in to the industry the set up continues for frantic market – when it turns.

Your project is worth whatever the market will bear, valuations can't seeming get much lower. My thinking is tempered by meetings including folks who had big wins in cycles gone by: Mr. Uranium has a copper project with over 14 billion pounds of copper and $350 million spent historically, and a market cap of approximately $7 million; Chief Wa'de has a nickel project that is ready to build, a small CAPEX, and a good partner, hundreds of millions spent last cycle to bring it through BFS – last

cycle it traded at over a billion dollar market cap, today he struggles to find a $10 million check. I sat with the CEO of a gold company whose grades are insane and 55k strike on some of the best land out there, $4 million market cap, no bid.

I can rattle off ten similar situations with real assets that are trading at a fraction of their value (by any measure). *The opportunities in our industry are now approaching once in a generation levels, it is our job to tell people they exist.*

In 2025 narratives and thematic drive investment – at the time of this publication, I believe that the themes that will drive 2025 opportunities include: Gold is great and silver is sexy; Donald Trump Presidency (there are rumored announcements that will drive certain markets); Trump executive action(s) around US based development projects,Canada grows more friendly to building mines, Critical minerals; US and North American projects to get a bid; minor metals will have huge price swings with many of them having nearly all refining capacity in China (never forget – “I’d rather make a small fortune selling too early, than lose a large fortune selling too late”), Chinese are looking for copper, uranium is the bell of the green energy and data center ball, and nickel could have a sleeper move up to 20 k that would take some of the equities from the pits of hell.



China is looking for copper. People are going to make money in copper stonks. I had a meeting with not less than 10 large Chinese conglomerates at Indaba. Every single one of them is looking for copper assets (outside the US and Canada). As an aside, in at least four of those meetings the Canadian rules around strategic assets came up. Management teams are going to really need to consider their structure if they want to get a bid from a Chinese company.

"If we all pull together, we'll all come together" – as an industry we need to stop being so negative. I had the opportunity to talk with several investors out of silicon valley. They were struck by how negative everyone is about everyone else. I suspect that stems in part from the fact that it has been so hard for so long – people inside the industry (funds and companies alike) see raising capital or having success as a zero sum game. The point these investors made is that in SV investing is a team sport and you don't find the level of negativity that you do in our industry. I think this is an important observation and worth considering.

Liquidity in junior stocks costs money, if your management team doesn't understand that, best of luck to you. I have written on this in the past, but it was a topic of nearly every conversation. How do we get the junior stocks to trade. As discussed above, part of the issue is the lack of hedge funds and market plays, part of it is passive investing strategies, success of tech and the larger markets and I can go on. I probably will again at a later date. But one thing that continues to be crystal clear is that you can't fight the tape and you have to always be spending on digital. By far the most effective way to reach the retail audience is via digital marketing and content. Successful companies are spending eye watering amounts of money on these tactics. You can waste a lot of money on stupid strategies or with firms that don't know what you are doing. But for me to invest in any company at this point I want the CEO to understand content and digital marketing on at least a basic level so they don't get scammed and are able to use modern marketing techniques. You should too.

How I Am Playing 2025

Our modern lives cannot exist without mining. On some level, nearly everything we use is either grown or mined. The computer or phone you are reading this on, the car you drive, the power to your house. We are consuming these resources at rates never experienced in human history. The mining sector has been under invested for more than a decade. Returns in the S&P, cryptocurrency, tech, structural changes to capital markets and the long tail of the last bull market are all factors that have contributed to our sector not being interesting.

We are launching The Green Room, come along for the ride. When I started down the path of founding The Oregon Group I didn't really know where it would lead. Christian and I have been

putting out our thoughts and content on commodities now for a few years. We have done consulting work and advisory work too. I am overwhelmed by the response and number of people that read us regularly. I am really proud of what we have done.

We believe that the markets are at or near their lows for certain types of commodity opportunities. We think that the best way to help to bring people back to mining opportunities is have them be involved in stories early. Sure these can be the riskiest, but they can also be the most rewarding.

The Green Room

To that end, we are launching **The Green Room**

We have decades of experience and our partners are among some of the most well know promoters, entrepreneurs, bankers and experts. We have access and relationships that few, if anyone, who hasn't been sitting in the industry for decades has. We want to invite you to join us on the journey. There will be wins, and I can promise you there will be losses. But… you will get shown the same opportunities that we are looking at.

The Green Room will be an annual subscription that gives you the same opportunities at the same entry point that we are in. The Oregon Group will not take any fees on these investments.

Opportunity 1: I am investing in the seed round of a private uranium royalty company with 14 royalties, twelve of them in the Athabasca basin and a pipeline that is impressive. If you are interested and know me, drop me an email. Otherwise, I invite you to join The Green Room for details and an introduction to the CFO of the company.

Future Opportunity 2: Not fully baked, a well known mining entrepreneur in Africa is putting together a an exciting copper

play. I spent quite a bit of time with him at Cape Town. It is exciting! Ww will update The Green Room on details as it develops and the company is put together. I have secured an allocation in the seed round for Green Room members.

Future Opportunity 3: Mr Uranium is putting together a large uranium asset package in Africa. Reminds me of the good old days. More to come as it develops!

Future Opportunity 4: A PP into a TSX listed company that has a historically operating copper mine in the US. Management is looking to refresh historic work and catch the Trump wave of making mining great again in America.