

Notes/thoughts from PDAC 2025: Goldbug lives matter, everything else is just a critical mineral

written by InvestorNews | March 12, 2025

I've never been a goldbug. But I like making money. As The Donald once said, "I like money. I like making it, I like keeping it, and I like spending it."

At \$3,000 gold we are on the verge of an epic bull market in junior gold mining stocks.

I have never related to our tin foil cap wearing brothers. The world the goldbugs envision hastens the total collapse of the USD and sees the West as a series of failed states. Downtrodden souls making their way through apocalyptic scenes wearing unwashed hand-sewn clothing, all the while using their pocket knives to shave off little slivers of gold from their bars to pay for food they can barely eat with their last six teeth. The entire narrative is ridiculous. If the world is going to end, I want guns, bullets, medicine, land, water filters and so on. My plan is to take the gold from the guy using my guns – if anyone even cares at that point. The goldbug narrative is nonsense.

But... alas... **goldbug lives matter – "G-L-M"**

Investment in the junior gold mining industry has dwindled as the last of the true goldbugs have slowly been carted into retirement homes, only to have their kids sell their gold and then use that money to fund investment in crypto. **Every time a goldbug dies, a crypto bro gets his wings.**



(Anthony Milewski with gold bar)

In recent years gold focused conferences (and really mining conferences generally) have looked more like retirement parties and lifetime achievement ceremonies than bastions of commerce and ideas. We are seeing the greying, just not the greening of our industry. Think about all the big name guys that made “real” money in gold in the last cycle... its been a minute.

Frank Giustra and Ross Beaty are old enough to my grandpa, and Egizio Bianchini who was BMO’s gold analyst covering Bre-x and later went on to run BMO’s mining group has retired at least once. At 81, Eric Sprott may have single handedly kept the entire gold junior space from going under through check writing over the past decade. Even the man, the myth, the legend – The Rick Rule – is 72 years old! About the only guy under 70 to make any money in gold is Collin Kettell and his New Found Gold discovery – and as far as I know he hasn’t actually got to sell his paper yet.

I have found myself to be the youngest attendee by twenty years

or more on several occasions at these events. The crypto bros have been having all the fun. I fully admit I am jealous and regret not jumping in on meme coin mania. Had I made the switch I could own a heli skiing operation full of fluffy white powder, instead I toil on.

It all reminds me Luke 16:13 in the New Testament “No one can serve two masters. Either you will hate the one and love the other, or you will be devoted to the one and despise the other. You cannot serve both **gold and crypto.**”



(To be fair, on the chance the goldbugs were right I have had a few gold coins kicking around)

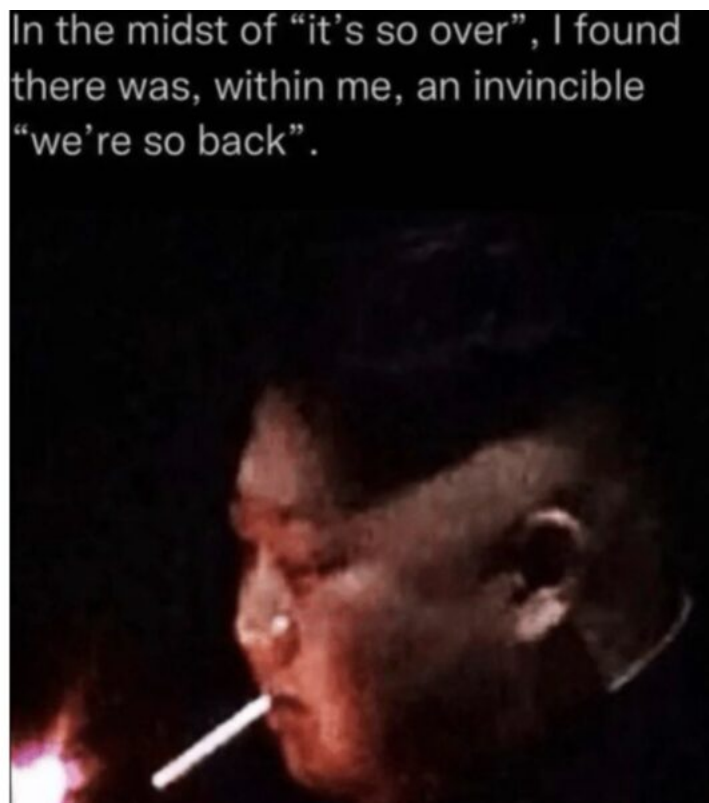
Times are changing. A gold equity bull market is near. Not even crypto can stop it.

“It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest” – Adam Smith, Wealth of Nations

The week before PDAC was BMO’s annual mining conference. BMO’s

annual conference is, by far, the preeminent annual bank hosted mining conference. It is invite only and Ilian's most difficult time of year as the masses beg for invites, hoping for the chance at the all-you-can-drink-diet-coke-and-popcorn-station. The conference is held just close enough to Miami that when times are good the parties can rage and fund managers can complain about executive salaries whilst living their best life on 2% of billion dollar AUMs with a hotel room in Miami beach and another at the conference hotel – optionality to be sure, but far enough away that during austerity you can take your meeting at the hotel. Much like everything these days, the focus of these bank conferences in recent years has shifted from mid tier market cap companies to the largest cap names. Liquidity is king. Just ask Mark Bristo, at a spry 66, his mergers have helped NYSE listed Barrick achieve a size that allows for the big asset manager fund flows.

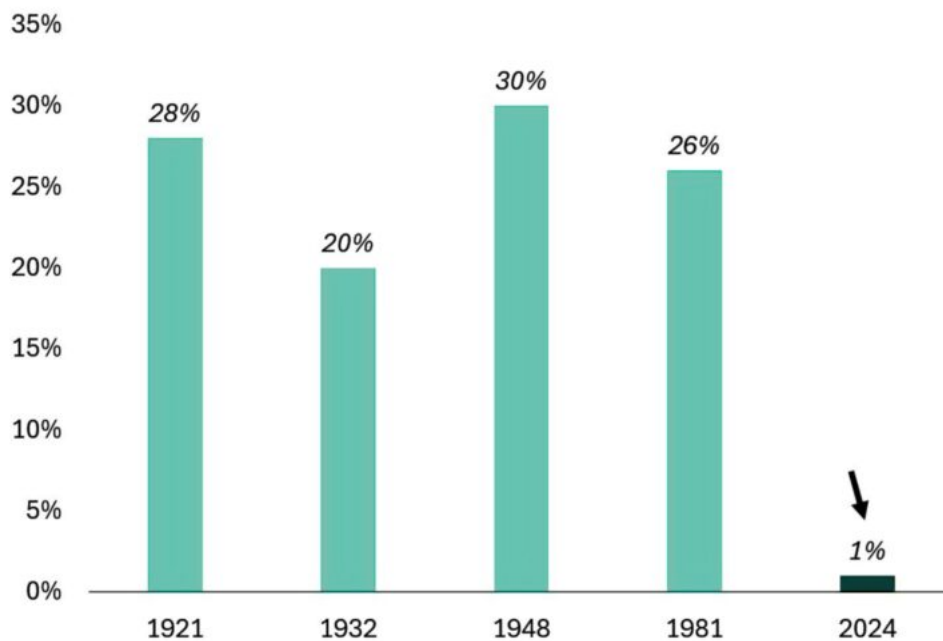
There are signs of hope



Sadly the goldbugs may slowly be moving on, but greed being the

ultimate motivator may save us. The Flash boys of BMO, ie the Millennium and Citadels etc., of the world are showing up in force at these large cap conferences. Around 25 from Millennium alone, last count, at BMO. The performance of large cap gold stocks may not yet fully reflect the current gold price, but has still been excellent – in fact, good enough to attract generalists, long only funds, and hedge funds to take look for the first time in ages.

Gold and gold miners as percentage of total global assets



Data: Bloomberg; McKinsey & Company; Tavi Costa
Source: Siberjunge.de; Erste Group Research; Lawrence Lepard For 2024

Gold miners: cash flow per share estimate vs prices

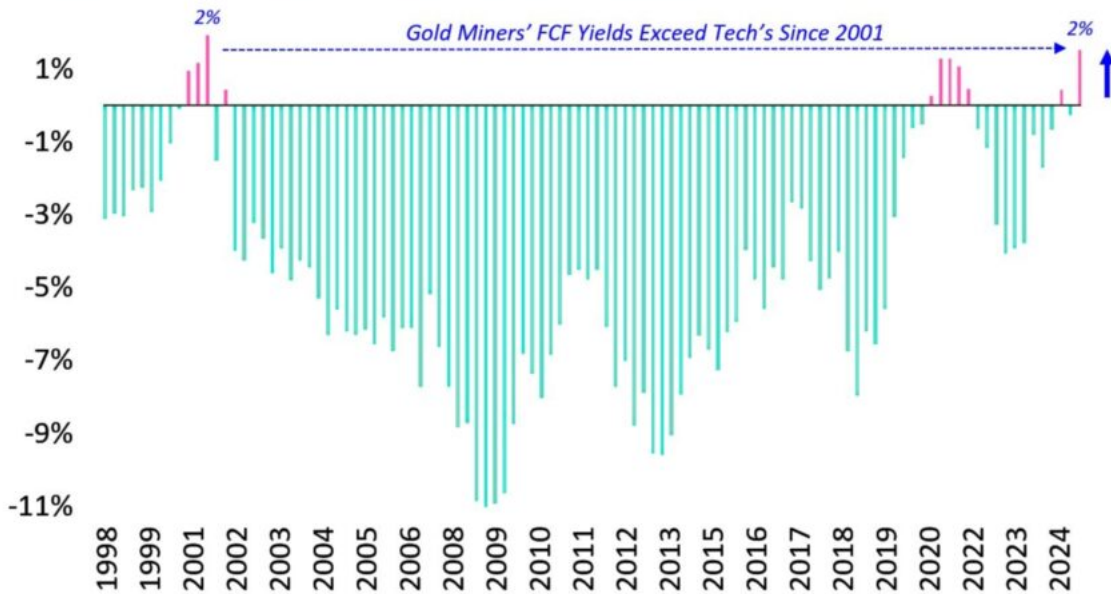
Forward 2-Year Cash Flow Per Share Estimate - Chart As of 2/25/2025
Universe: Philadelphia Gold & Silver Exchange



Source: Bloomberg; Tavi Costa, 2025 Crescat Capital LLC

Gold miners vs Tech stocks

Median free cash flow yield with EV differential (chart as of 2/26/2025)



Gold Miners: Top 20 by Market Cap in the Canadian & US Stock Exchanges
Tech Stocks: Top 20 by Market Cap in the Canadian & US Stock Exchanges

Source: Bloomberg; Tavi Costa, 2025 Crescat Capital LLC

Sure, inflation has eaten into the profits of all mining companies, but the gold move has far outweighed inflation in terms of the potential profitability for the large cap gold stocks. I have lamented in other notes the liquidity problem,

issues with the TSX, passive investing and so on, but the gold move has been so strong that, if it holds, not even the Flash Boys of BMO are going to be able to overlook the junior gold names. This is the perfect set up for junior gold mining stocks, which by nearly every measure are still insanely cheap.

Which brings us to PDAC

It is still hard to raise money for a microcap gold exploration/development company. I mean really hard. You can see it on the floor of the show. There are no “booth babes” and in general very little money was spent on the booths themselves – we even saw CEOs manning booths. I am impressed to report that DEI efforts in the mining sector have made progress, I spotted a “Furry” on the floor of PDAC.



(PDAC 2025)

At one point over the course of the week I had the original “Cigar Guy” through my office in the lobby of the Shangri-La.

Scott has held a lot of hats over the years, but is currently running O2 Gold with a property in the Southern Abitibi Region of Quebec. He has been out raising and his basic description is that it would be easier to sell cancer than raise for a junior gold co. -> Brother hang on...it's coming!



For the first time in as long as I can remember there is quiet optimism among the men and women that run the junior companies. There are whispers, ever so faint, that the good times are coming back, junior gold companies are going to raise equity this year. No amount of headwinds are going to stop these flows at \$3,000 gold. Don't even get me started on gold M&A.

If it ain't gold, it's got to be critical!

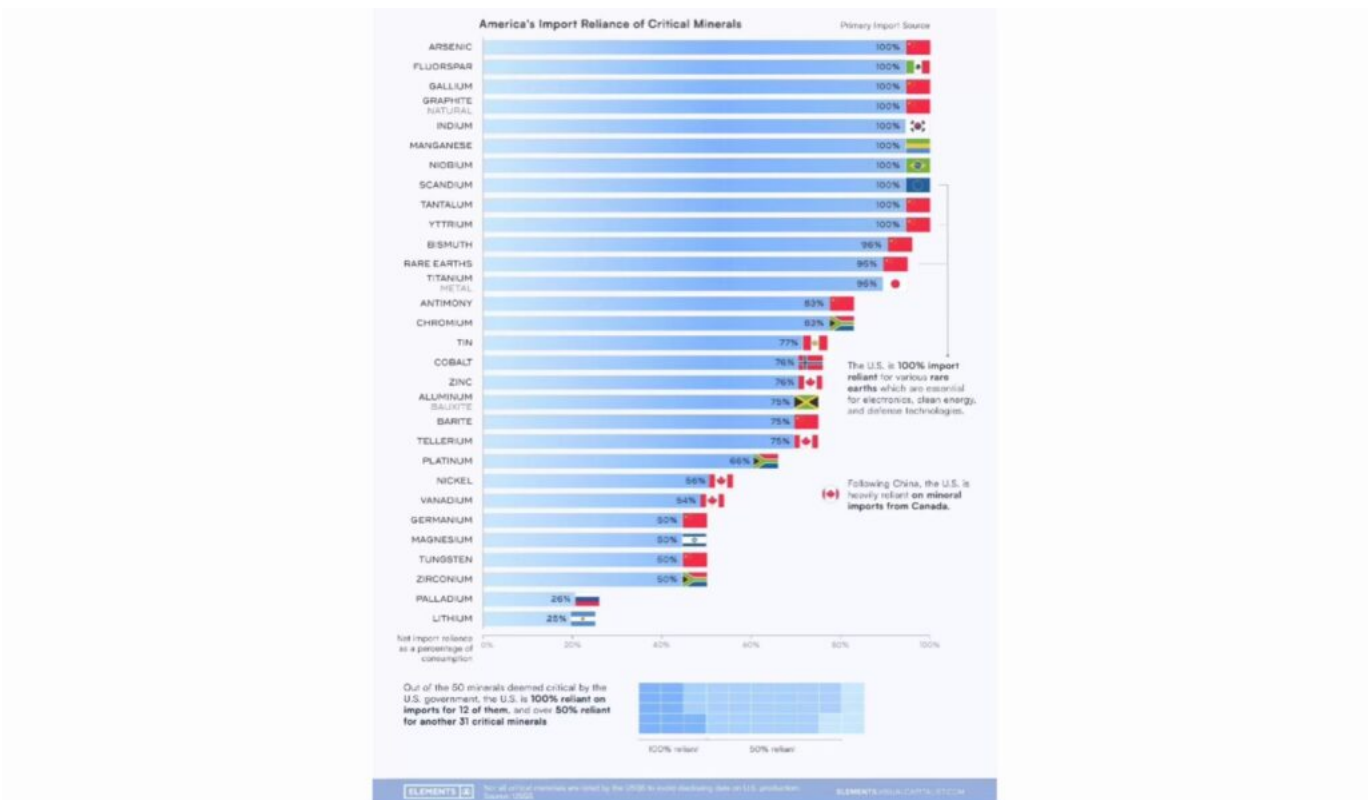
The gold narrative and bull market is being done the good old fashioned way, metal price moves drives interest in majors and that is going to trickle down to junior gold stocks. BTW this is great for the entire sector and speculation more generally.

What else is going to get a bid? Critical Minerals ->

China's definition of 31 critical minerals



Source: Sinolytics



What to make of all things Critical Minerals?!? First of all, what's in a name? At this point, as far as I can see, basically

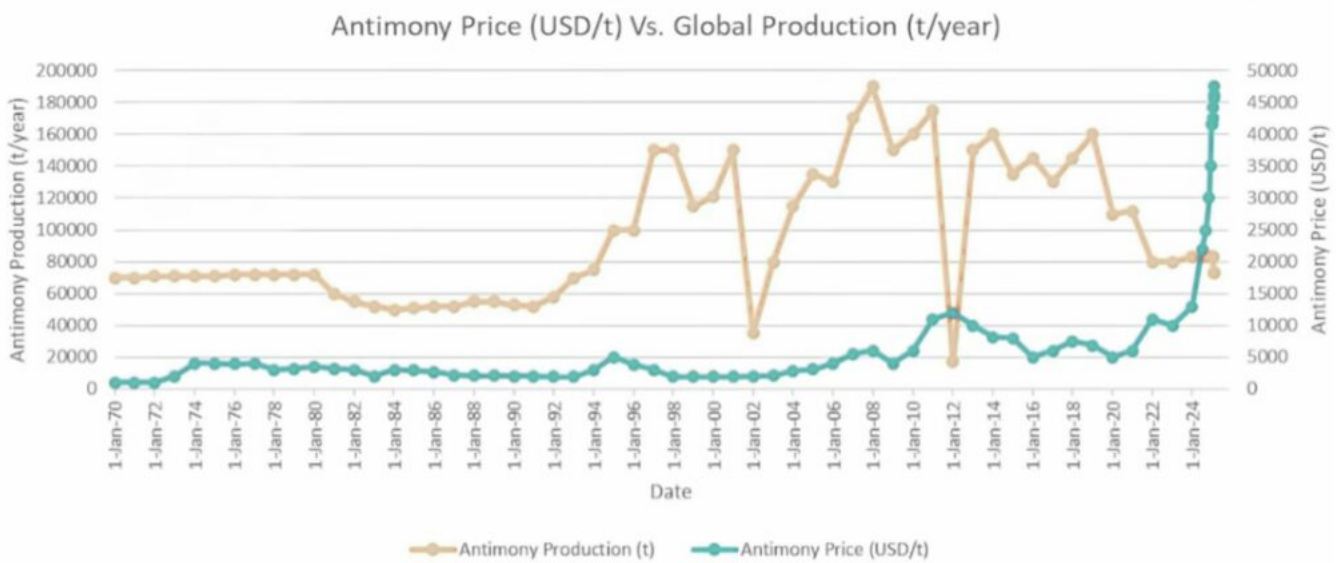
all metals are being labeled critical. It's the new buzz word as China controls the production and refining for many of them. On the one hand you have the gallium, germanium, antimony metals of the world, then you have things like uranium, copper and nickel – also all critical. As far as I can tell, governments have started to wake up to the supply chain issues and panicked by deeming everything critical. Even the Donald is getting in on the game with his Ukraine critical mineral overtures.

Minor metals make you money, but can lose you a fortune. [Always be selling!!!!](#)

For my own purposes, I break down critical minerals as a sub category of minor metals (a traditional label). Minor metals are having and going to continue to have a moment. **There is money to be made!!!** Many, if not just about all minor metals, are refined in China. We are talking 95% plus global installed refining capacity is in China for many metals.

Look at what has happened to antimony recently ([the fire retardant that caught fire](#)). Refining is controlled by China and a series of tariffs have sent the metal skyrocketing with no sign of slowing. Antimony, like all of the minors metals is critical to a number of industries, including the military complex. Metal prices like this create winners in juniors.

Antimony price (USD/t) vs Global production (t/year)



[Tungsten to the moon in 2025](#). I believe we are going to see a big tungsten move this year. I spoke with a few traders and the market is already tight. One trader noted, “there is no volume to be found.” I can’t predict what random Wednesday this minor is going to go, but the set up is in place.

Don’t fall in love. Never forget to sell. [Cobalt as a cautionary tail](#). It is important to remind everyone, -> [you never really own a minor metal, you rent it](#) <- The Congo just suspended cobalt, a critical metal, exports due a glut of supply.

Cobalt looks to be in over supply for years to come as the base case, and possibly longer.

There is huge money to be made in minor metals, but you have to remember to sell. We are seeing a wave of juniors convert their projects into “fill-in-the-blank” minor metal. There are going to be some big winners: [Fluorspar](#), [tungsten](#), [antimony](#), [gallium](#), [germanium](#) etc. But I caution you again, don’t fall in love. Take the 4x and move on...or... I promise you will get slaughtered. But also don’t forget to be tourist – even some of

the trash equity names are going to get a moment in the sun and make people a ton of money if they sell.

The promise of “Critical Base Metals.”

Copper tariffs in the US, nickel ore supply issues from the Philippines to Indonesia, uranium as a true clean energy – there are a host of drivers between these metals. The Trump presidency and the geopolitical landscape that it is creating are a major driver. At both BMO and PDAC there were US Government representatives looking to fund projects in North America. Think tanks and other groups are now chipping in with their views.

My **biggest take away** is that, within these metals, there may not be a general metal wide bid, but, instead, a good US copper project will get funded, uranium outside of Russia or China controlled Africa is key, North American nickel projects are of interest to the US government, etc.

Speculation is going to pour into the critical metals sector. Some minor metals are going to have crazy moves.

Copper is a big boy game, and all the majors are on the hunt. A CEO of a PNG copper play told me they recently had an outpouring of M&A interest as the copper price started to move.

The uranium spot price may be down from recent highs, but the metal remains critical to energy security.

Also -> Don't forget -> minor metals have opaque pricing mechanisms. Last year at PDAC it was more bouncy for uranium, my first true love, but interest and the importance of the metal has not faded and the trade is far from over.

The uranium industry envisioned as super heros for a PDAC party.

a **final thought about management teams**. Lots of the usual suspects were floating around deal making. One thing I heard time and time again this year at PDAC is that it's challenging to find management teams. No one wants the job. The short duration of many of the commodity cycles, the constant harassment online, activists, and so on. It will be interesting to see what happens as we enter a better market. Large equity positions and/or higher salaries are going to be commanded by the most competent teams.



Until next year PDAC!