

The Denver Gold Group Gold Forum – Zurich
10. – 12. April 2023

Key takeaways

- As the industry is struggling with an ageing asset base, lower grades as well as declining production, it seems that companies are slowly bringing their focus back to growth. Interestingly, companies currently prefer organic over inorganic growth
- A lot of companies are currently putting money into drilling programs to either expand their existing projects or transfer resources to reserves
 - Costs per meter drilled are typically ranging between \$100/m - \$250/m, in some rare examples, costs can go up to \$450/m – depending on the geology and availability of material/personnel
- Many companies also talked about exploration efforts to grow their resource base. Some companies said it currently much cheaper to find the ounces themselves instead of growing through M&A
 - Discovery costs per ounce of gold for the companies we met range between \$10/oz - \$50/oz – of course, most capital is needed during the development phase of a project
- When it comes to M&A, some participants said that while past take-overs were focused on already producing companies/assets, more recent deals are showing a trend of companies acquiring developers – not only due to value-considerations
- A main concern currently is the jurisdiction – it's becoming harder to get permits, especially regarding to ecological considerations – also in more “mining-friendly” locations like North America
 - In Europe on the other hand, a rethink has taken place and some companies stated they had fewer problems obtaining a licence than before, especially if a project contains a “critical mineral” such as copper – one mine in Greece even got EU-funding
- There are still some supply-chain issues felt throughout the industry. In one case, a company had to close a mine because they were lacking electrical components to run operations, which significantly influenced earnings – this speaks for diversification and a portfolio approach
- Participants said that the odds of gold prices going down are much lower than the opposite, given the current state of the world. Factors speaking for a higher gold price are private consumer debt, separation between East and West, inflation and the dwindling trust in the US-dollar - many participants expect a continuing high demand for gold from central banks
- Looking at silver, the market is facing huge deficits according to one company – they expect silver demand to reach almost 1.4bn ounces in 2023 with world mine production staying flat at around 830mn ounces – for sure something to think about
- Balance sheets remain clean, with most companies holding meaningful cash on hands with little to no debt, which leaves plenty of room for growth CAPEX as well as continued shareholder returns through dividends and share buy-backs
- It is clear that the industry still has some work to do to gain back the trust of generalist investors – according to the companies, the key is showing a good track-record of continued, high shareholder-returns as well as delivering on guidance
- Overall, the industry is showing attractive opportunities and valuations combined with sound business strategies which should not be ignored by investors and worth a closer look

Company specific highlights

► **Karora Resources (KRR CN) – Self-funded growth plan**

Karora has two producing mines feeding two centralized mills in Australia and is planning to double its production to 200koz per year by end of 2024 – all self-funded. The company recently expanded its nickel resource base at its Beta Hunt mine and is planning to increase drilling as well as its nickel by-product production. Nickel ore is sold directly to BHP with no additional processing required by Karora. The assets are surrounded by Goldfields and BHP operations, which would make the company an attractive take-over target.

► **Eldorado Gold (ELD CN) – Diversified portfolio of long-life, high-quality assets**

Recently, the company obtained financing for its Skouries mine in Greece, where commercial production is expected by end of 2025. The financing for its project is unique, as it received funding by the EU via the Greek state, owing to the importance of the minerals produced at the mine. The project is expected to deliver on average \$215mn of free cash flow per year for the first 5 years.

► **Endeavour Mining (EDV CN) – Focused on being a resilient business**

With an AISC \$950/oz, the company is among the lowest-cost producers which strongly supports cash flow generation and shareholder-returns. According to the management, the company returns \$200 per ounce produced to its shareholders, which is cumulated \$637mn in total capital returns since 2021 through buybacks and dividends. The company is planning to divest non-core assets, which further reduces its average AISC, but only after growth projects are up and running.

Gold Forum Europe 2023 - Watchlist - Participating Companies



Name	Bloomi	Market Cap \$bn	Last Price	52 Week		Performance in USD				% Change EPS			P/E			P/CF	Div yield	P/B	EBITDA Margin		FCF Yield			EV/EBITDA		NetDebt/ Equity	Analyst Rating
				High	Low	-W1	-1M	YTD	-1Y	22/23	23/24	24/25	2023	2024	2025				23Y	24Y	23Y	24Y	25Y	23Y	24Y		
AGNICO EAGLE MINES LTD	AEM CN	26.06	76.5	84.7	48.9	1.5%	24.6%	9.1%	-12.7%	27%	5%	-1%	30.2	26.6	27.5	11.8	2.8	1.6	77%	49%	3%	4%	3%	10.5	8.4	5%	4.9
ROYAL GOLD INC	RGLD US	9.09	138.4	147.1	84.5	1.5%	22.0%	22.8%	-3.6%	10%	29%	8%	34.5	28.7	25.8	21.8	1.1	3.3	34%	78%	5%	6%	6%	20.7	15.4	17%	3.8
ENDEAVOUR MINING PLC	EDV CN	6.53	35.5	36.3	22.8	1.8%	30.8%	22.9%	-0.1%	844%	1%	13%	16.3	14.6	16.6	6.4	3.1	1.8	34%	52%	4%	9%	14%	8.1	4.8	-2%	4.9
ALAMOS GOLD INC-CLASS A	AGI CN	5.23	17.9	18.2	8.7	2.3%	31.0%	30.9%	49.8%	366%	13%	-1%	31.7	28.7	27.5	17.4	0.8	1.9	19%	53%	2%	2%	0%	17.9	10.6	-5%	4.1
HECLA MINING CO	HL US	3.96	6.6	7.4	3.4	2.2%	27.3%	18.3%	-5.6%	290%	-24%	26%	62.1	60.4	53.5	40.7	0.2	1.8	75%	35%	0%	2%	4%	32.4	14.5	22%	4.6
TRIPLE FLAG PRECIOUS MET	TFPM CN	3.20	21.4	22.0	13.2	2.8%	22.4%	14.7%	-1.9%	27%	19%	-9%	39.3	32.4	31.4	21.0	1.3	1.9	81%	82%	3%	5%	5%	27.2	16.8	-6%	4.6
OSISKO GOLD ROYALTIES LTD	OR CN	3.03	22.2	22.9	11.9	-1.1%	25.7%	36.3%	19.0%	180%	13%	16%	41.8	37.0	32.0	36.4	1.0	2.3	8%	83%	2%	5%	6%	22.8	17.8	3%	4.7
HARMONY GOLD MINING CO LTD	HAR SJ	2.85	8'503.0	8'540.0	3'333.0	2.4%	46.1%	33.7%	-4.3%	488%	48%	-13%	13.2	8.7	11.8	8.3	0.3	1.7	16%	22%	1%	5%	9%	14.6	4.9	2%	2.2
FIRST MAJESTIC SILVER CORP	AG US	2.08	7.6	14.6	5.5	1.2%	23.9%	-9.4%	-44.7%	94%	2926%	-29%	189.0	14.9	19.9	--	0.3	--	31%	32%	2%	13%	9%	21.6	7.9	4%	3.8
ELDORADO GOLD CORP	ELD CN	2.03	14.8	15.7	6.9	1.6%	20.3%	31.2%	-6.5%	113%	70%	114%	39.6	26.7	12.8	11.5	0.0	0.6	21%	42%	-10%	-6%	9%	8.1	4.9	6%	3.5
EQUINOX GOLD CORP	EQX US	1.75	5.6	9.1	2.4	0.2%	55.1%	70.7%	-34.7%	30%	117%	1006%	--	33.7	11.5	--	0.0	--	29%	27%	-20%	-9%	1%	11.9	6.4	27%	3.2
DUNDEE PRECIOUS METALS INC	DPM CN	1.50	10.5	10.6	5.4	2.1%	20.5%	61.2%	24.6%	416%	-27%	-24%	8.6	12.2	12.1	6.5	2.1	1.5	30%	38%	13%	8%	3%	6.5	4.7	-43%	4.8
IAMGOLD CORP	IAG US	1.45	3.0	3.8	0.9	3.4%	42.3%	17.4%	-16.3%	85%	1296%	170%	--	16.6	4.3	--	0.0	--	46%	-41%	2%	40%	7.5	3.7	26%	3.2	
MAG SILVER CORP	MAG CN	1.41	18.4	23.3	13.6	2.8%	23.7%	-12.6%	-21.7%	349%	12%	-2%	17.3	13.3	15.2	--	0.0	3.4	11%	34%	5%	7%	5%	--	9.1	-7%	4.6
COEUR MINING INC	CDE US	1.34	4.2	5.4	2.5	-1.4%	46.0%	23.8%	-14.8%	39%	210%	316%	--	65.0	13.4	46.4	0.0	1.4	9%	24%	-13%	8%	6%	21.6	7.7	53%	3.4
FORTUNA SILVER MINES INC	FSM US	1.17	4.0	4.6	2.1	1.0%	26.4%	7.2%	-5.0%	--	-200%	-333%	28.9	15.3	16.1	--	0.0	--	25%	39%	3%	16%	11%	23.1	4.6	12%	3.4
WESDOME GOLD MINES LTD	WDO CN	0.89	8.3	15.5	6.0	3.4%	34.0%	11.2%	-48.0%	768%	13%	101.1	11.6	10.3	18.7	0.0	3.0	24%	53%	-4%	9%	10%	18.0	5.5	7%	4.0	
ENDEAVOUR SILVER CORP	EDR CN	0.81	5.7	7.3	3.4	5.8%	50.1%	31.0%	-19.2%	233%	44%	351%	42.5	29.5	6.5	14.5	0.0	2.6	44%	26%	-6%	-12%	7%	14.7	14.6	-24%	4.1
SILVERCORP METALS INC	SVM US	0.70	4.0	4.1	2.0	3.1%	35.8%	34.5%	6.1%	-39%	62%	-5%	30.6	19.0	19.9	--	0.6	--	1%	-1%			6.1	--	-36%	5.0	
I-80 GOLD CORP	IAU CN	0.63	3.5	4.2	2.0	2.6%	24.3%	-8.4%	-5.1%	100%			--	143.8	30.8	--	0.0	1.8	26%	36%	-14%	-15%	-11%	--	15.2	20%	4.9
KARORA RESOURCES INC	KRR CN	0.58	4.6	7.6	2.4	-1.8%	10.5%	-1.4%	-39.3%		129%	11%	16.2	9.1	9.5	8.7	0.0	2.3	34%	40%	5%	10%	15%	8.9	4.0	-6%	4.7
AURA MINERALS INC	ORA CN	0.58	11.0	12.3	6.5	5.5%	18.5%	38.7%	-13.2%				4.8	3.4	2.1	6.1	3.5	1.9	3%	49%	18%	32%	51%	5.3	2.5	40%	4.5
GOGOLD RESOURCES INC	GGD CN	0.50	2.1	3.2	1.4	-5.1%	11.5%	-4.3%	-35.3%	-600%	-50%	1573%	--	--	6.7	--	0.0	1.9	4%		-8%	-23%	13%	--	--	-25%	4.8
SKEENA RESOURCES LTD	SKE CN	0.49	8.5	14.2	5.6	2.1%	20.5%	18.0%	-42.0%	100%			--	--	61.9	--	0.0	4.8			-11%	-34%	-50%	--	--	-27%	4.9
NEW PACIFIC METALS CORP	NUAG CN	0.46	3.9	4.8	2.6	7.7%	27.1%	30.4%	-10.6%				--	--	--	--	0.0	3.9	10%		-5%			--	--	-15%	5.0
OREZONE GOLD CORP	ORE CN	0.39	1.5	1.8	1.1	4.1%	19.2%	16.9%	-18.6%				6.4	6.6	3.9	--	0.0	4.7	54%	44%	13%	5%	37%	120.9	4.4	170%	5.0
ALKANE RESOURCES LTD	ALK AU	0.36	0.9	1.3	0.5	8.9%	37.4%	63.2%	-33.3%	-47%	-10%	68%	14.7	16.9	9.3	5.8	0.0	1.9	42%		1%	-8%	13%	4.8	6.5	-25%	4.7
GOLD ROYALTY CORP	GROY US	0.33	2.3	4.4	2.0	6.9%	13.2%	-0.4%	-42.6%	100%			--	--	--	--	1.7	0.6			-1%	1%	7%	--	--	0%	4.2
MARATHON GOLD CORP	MOZ CN	0.27	0.9	2.9	0.7	10.6%	12.0%	-12.0%	-68.6%		-17%	508%	--	--	3.6	--	0.0	1.0			-55%	-37%	47%	--	--	-28%	4.3
CONTANGO ORE INC	CTGO US	0.21	29.2	30.5	21.0	2.8%	27.5%	27.4%	14.5%				--	--	--	--	0.0	--						--	--	-174%	5.0
ELORO RESOURCES LTD	ELO CN	0.21	3.8	5.0	2.9	3.2%	14.5%	-4.5%	-25.5%				--	--	--	--	0.0	5.7	47%		-9%			--	--	-5%	4.5
ROBEX RESOURCES INC	RBX CN	0.18	0.3	0.4	0.2	-0.1%	-4.5%	-16.1%	-23.0%				--	--	--	4.7	0.0	1.4			3%			4.6	--	0%	--
GALIANO GOLD INC	GAU CN	0.15	0.9	0.9	0.5	7.5%	44.8%	28.2%	28.4%		0%	267%	45.6	45.6	12.4	54.5	0.0	0.9	4%		-1%	9%	43%	--	7.5	-32%	4.0
PLATINUM GROUP METALS LTD	PLG US	0.15	1.5	2.3	1.2	3.4%	9.5%	-13.8%	-27.9%				--	--	--	--	0.0	--			-7%	-7%	-7%	--	--	-22%	4.3
NORTHERN DYNASTY MINERALS	NAK US	0.14	0.3	0.4	0.2	7.3%	24.4%	19.1%	-33.4%				--	--	--	--	0.0	--						--	--	-10%	5.0
WALLBRIDGE MINING CO LTD	WM CN	0.12	0.2	0.4	0.1	-2.9%	16.0%	-5.2%	-54.6%				--	--	--	--	0.0	0.5	23%		-26%			--	--	-8%	4.5
AVINO SILVER & GOLD MINES	ASM US	0.11	1.0	1.0	0.5	2.5%	46.0%	41.6%	-0.4%		54%	-37%	14.4	9.3	14.9	--	0.0	--	36%		2%	0%		10.9	5.2	-5%	5.0
FIRST MINING GOLD CORP	FF CN	0.11	0.2	0.3	0.2	8.5%	11.1%	-4.7%	-37.6%		0%	0%	--	--	--	--	0.0	0.7			-10%	-10%	-17%	--	--	-6%	4.8
VISTA GOLD CORP	VGZ US	0.07	0.6	1.1	0.5	-2.6%	21.1%	26.9%	-39.6%				--	--	--	--	0.0	7.4			-10%			--	--	-81%	5.0
CONDOR GOLD PLC	CNR LN	0.07	31.3	37.8	15.1	13.3%	104.3%	108.3%	-12.3%				--	--	--	--	0.0	1.1			-6%			--	--	-1%	5.0
REVIVAL GOLD INC	RVG CN	0.05	0.8	0.9	0.4	-0.1%	1.1%	29.5%	5.4%				--	--	--	--	0.0	6.8			-15%			--	--	-29%	4.5
SOLITARIO ZINC CORP	XPL US	0.04	0.7	0.9	0.5	-1.2%	-8.5%	6.4%	-19.0%				--	--	--	--	0.0	2.0			-8%			--	--	-24%	5.0
HELIOSTAR METALS LTD	HSTR CN	0.04	0.4	0.5	0.2	-4.2%	45.7%	45.7%	-28.1%				--	--	--	--	0.0	1.8			-27%			--	--	-9%	--
CANAGOLD RESOURCES LTD	CCM CN	0.03	0.3	0.3	0.2	-3.8%	29.8%	44.9%	-21.8%				--	--	--	--	0.0	0.9			-30%			--	--	-15%	5.0
NORTHISLE COPPER & GOLD INC	NCX CN	0.02	0.2	0.4	0.1	-14.0%	-6.7%	-13.6%	-61.9%				--	--	--	--	0.0	2.1			-28%			--	--	-50%	5.0
GOLD TERRA RESOURCE CORP	YGT CN	0.02	0.1	0.3	0.1	-0.1%	-11.8%	-21.6%	-50.3%				--	--	--	--	0.0	0.6	0%		-23%			--	--	-5%	4.0
Sector (arithmetic mean)		1.77				2.1%	25.4%	19.4%	-18.2%	146%	211%	154%	37.7	28.1	18.0	19.0	0.4	2.3	30%	41%	-6.9%	-0.2%	9.7%	18.7	8.3	-7%	4.4