

Peak Despondency

In Junior Resources ?



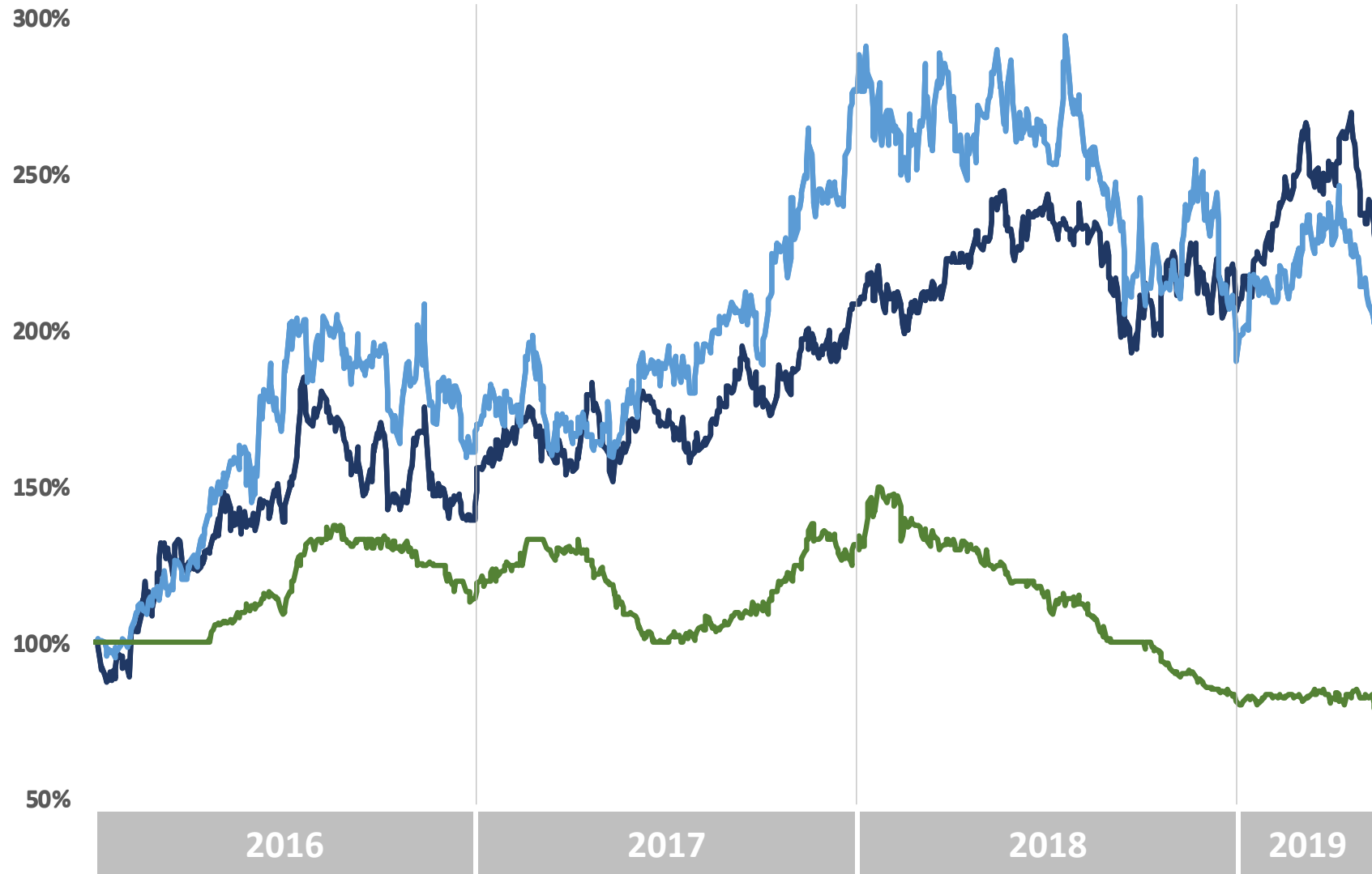
Gold Coast

Hardest conference to justify at home, but best by far to attend

Hedley Widdup

 [@HedleyWiddup](https://twitter.com/HedleyWiddup)

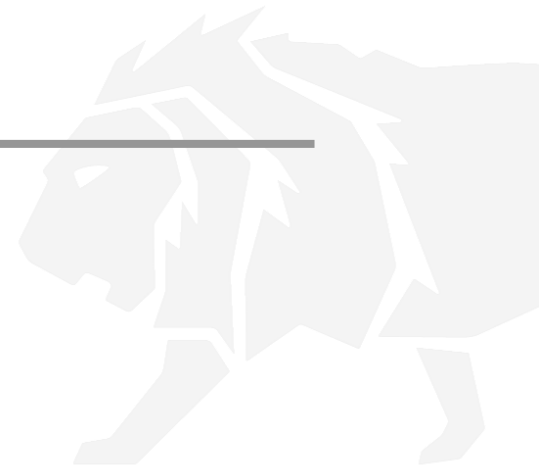
Two-speed mining equity market



ASX100 Resources
2.3x

Small Resources
2.2x


Juniors *Below* the
Indices
0.8x



Challenges for Resource Juniors

Resource Junior Company Model

Concept \neq Reality



Substantial collective overheads across the sector (investment is inefficient)

Success is far less frequent or rapid than market usually assumes

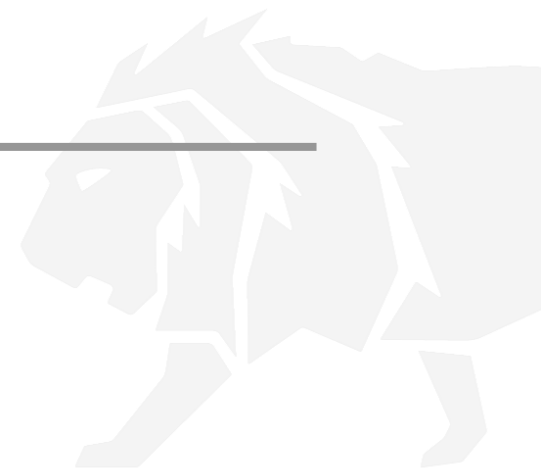
Continual need to raise money

Market struggles to value juniors

Time is not on your side...

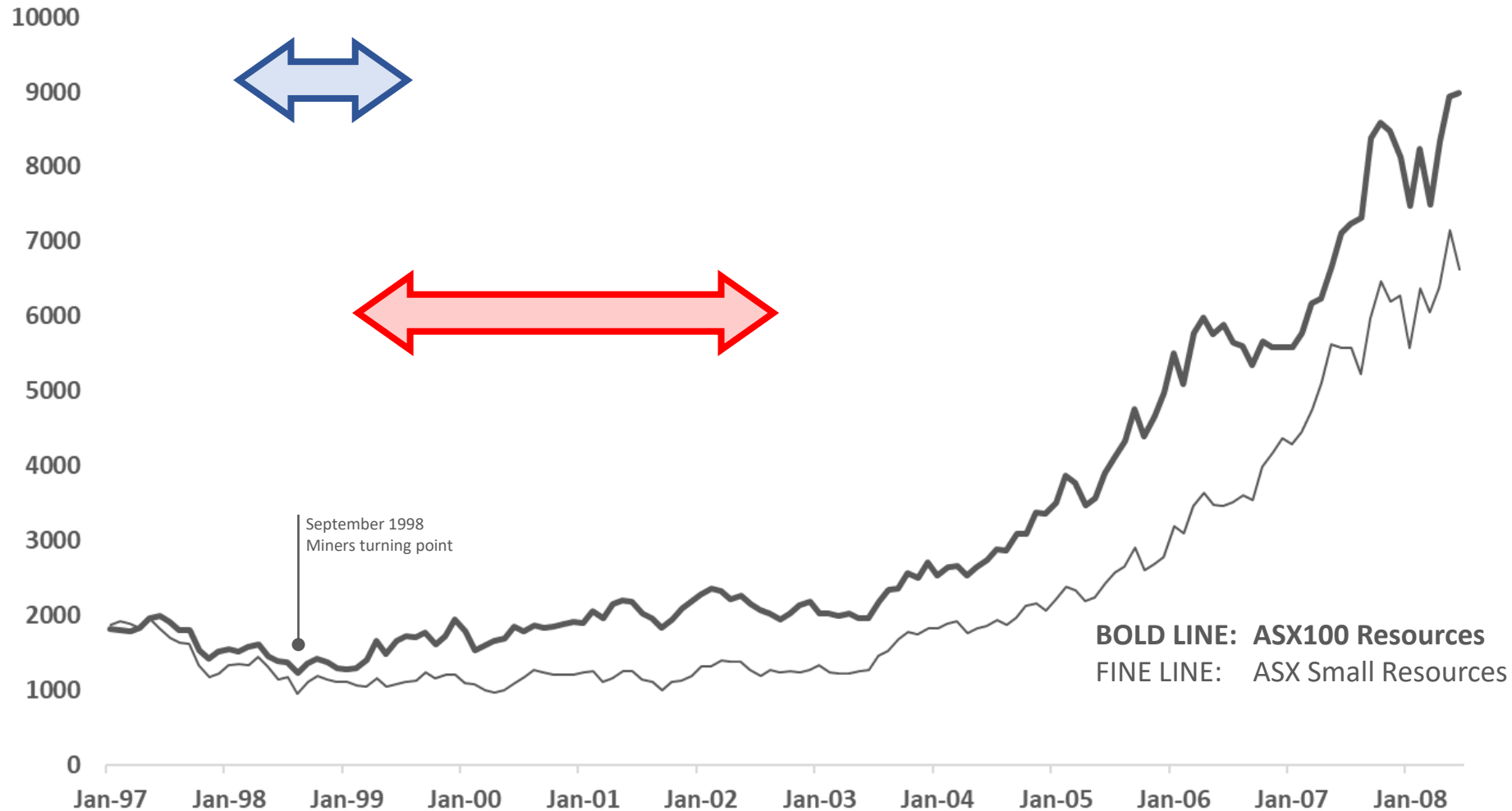
Paradox of Choice





Distraction

After a Collapse – Distractions and Recoveries



1997-2008

1997: East Asian Currency Crisis (macro collapse)

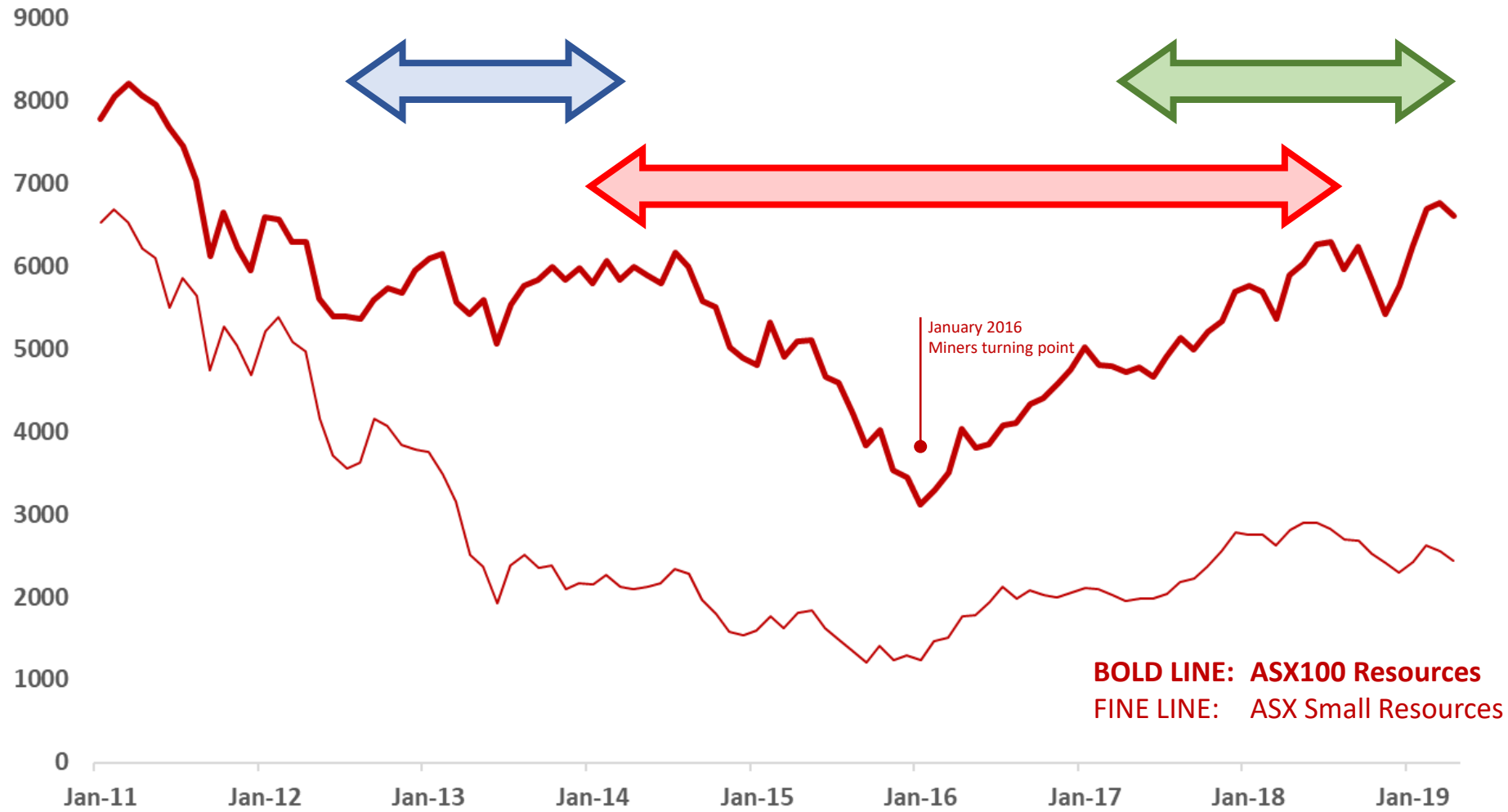
Sep 98 – May 99: Monetary Stimulus. US Rates drop from +6% to 4%

Feb 99 – Sep 02: Dot com bubble

Sep 98: Major Miners begin to recover

Late 02: Junior miners begin to (slowly) recover

After a Collapse – Distractions and Recoveries



2011-2019

(2007-2008: GFC)

2011-2015: Enormous mining downturn

Jul 12 – Mar 14: Monetary Stimulus. QE3

2014 – 2018: Unicorn Breeding Frenzy (tech cos)

2017 – 2018: Cannabis

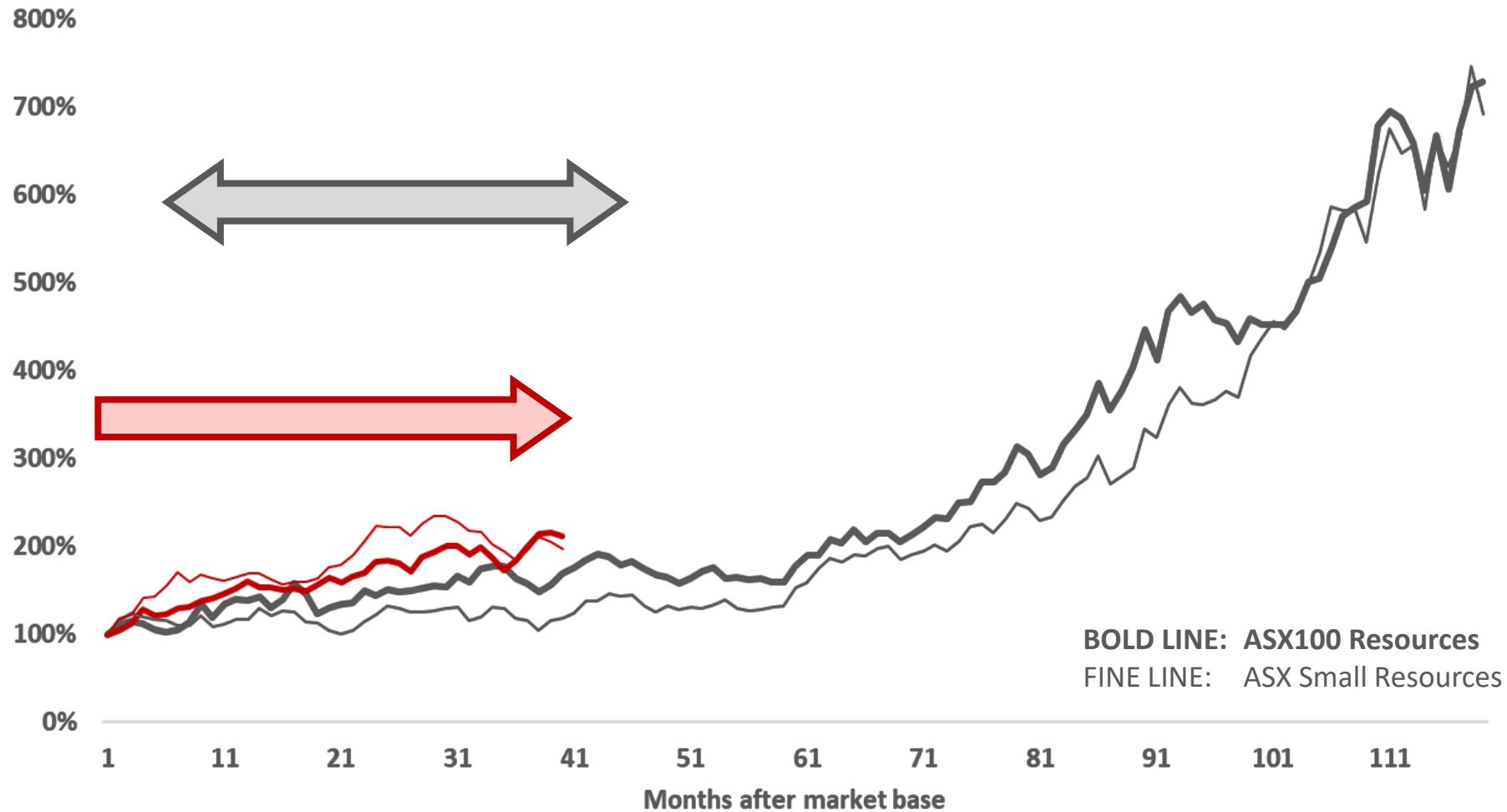
Jan 16: Major Miners begin to recover

(“Small Cap” miners recovered rapidly)

?????: What about Junior Miners ?

BOLD LINE: ASX100 Resources
FINE LINE: ASX Small Resources

Then VS Now



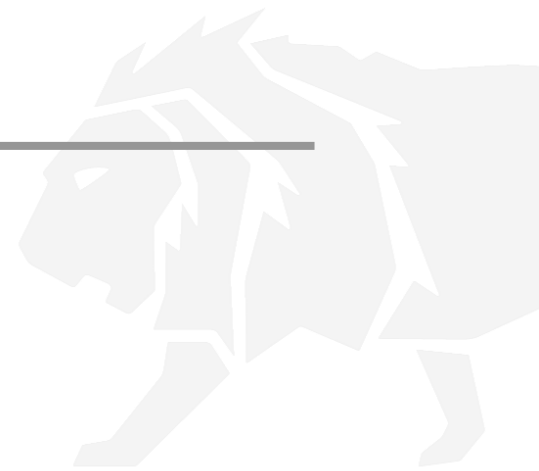
1998-2008

- Large caps recovered immediately
- Junior miners recovery was after tech bubble

2016-2019

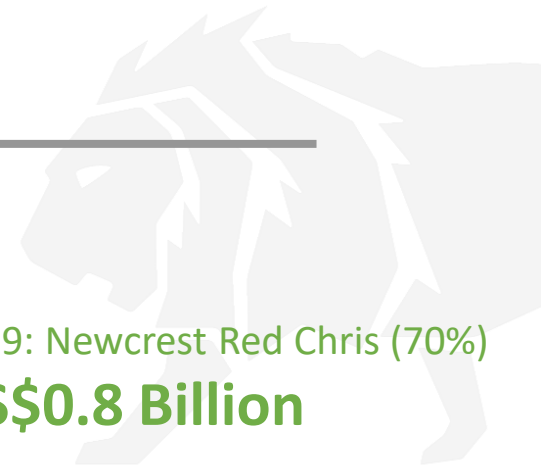
(Present boom so far)

- Large caps recovered immediately
- Distractions to the junior space still exist

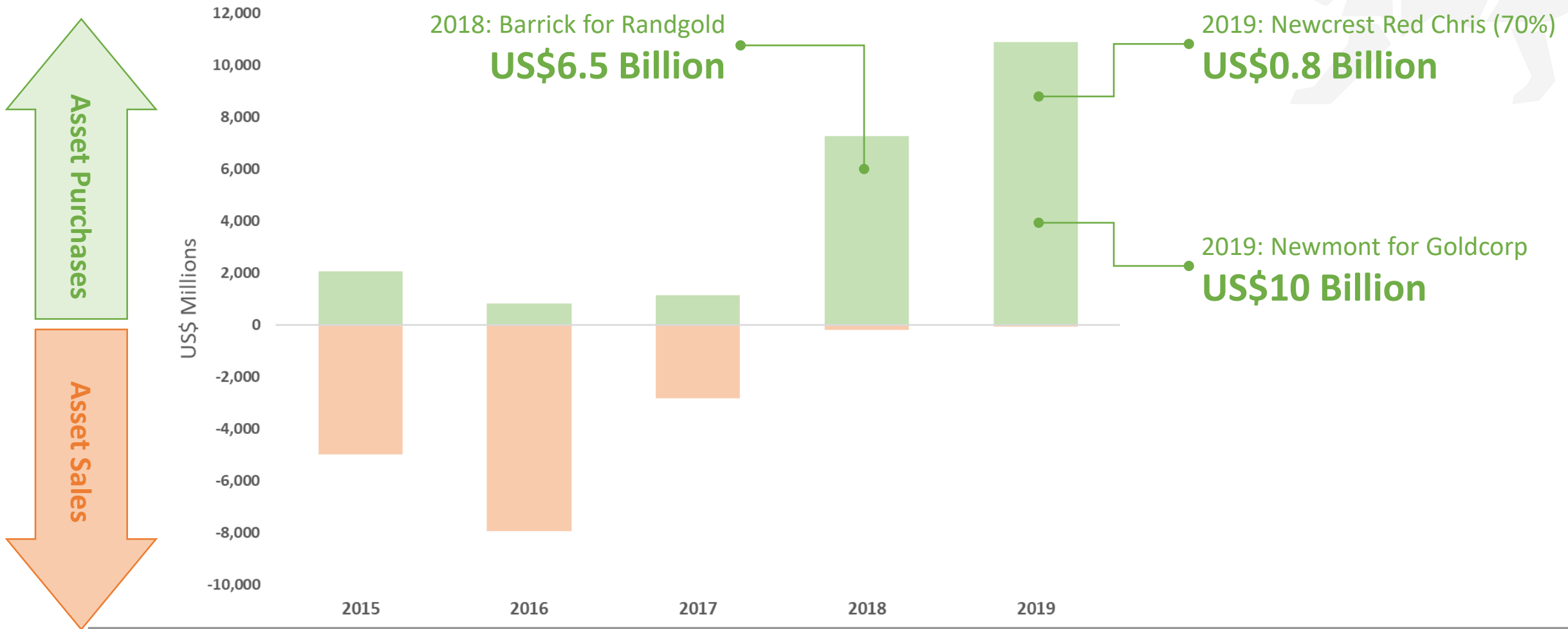


= 4.67g/t Au Eq ?

BUT – Growth oriented thinking re-emerging



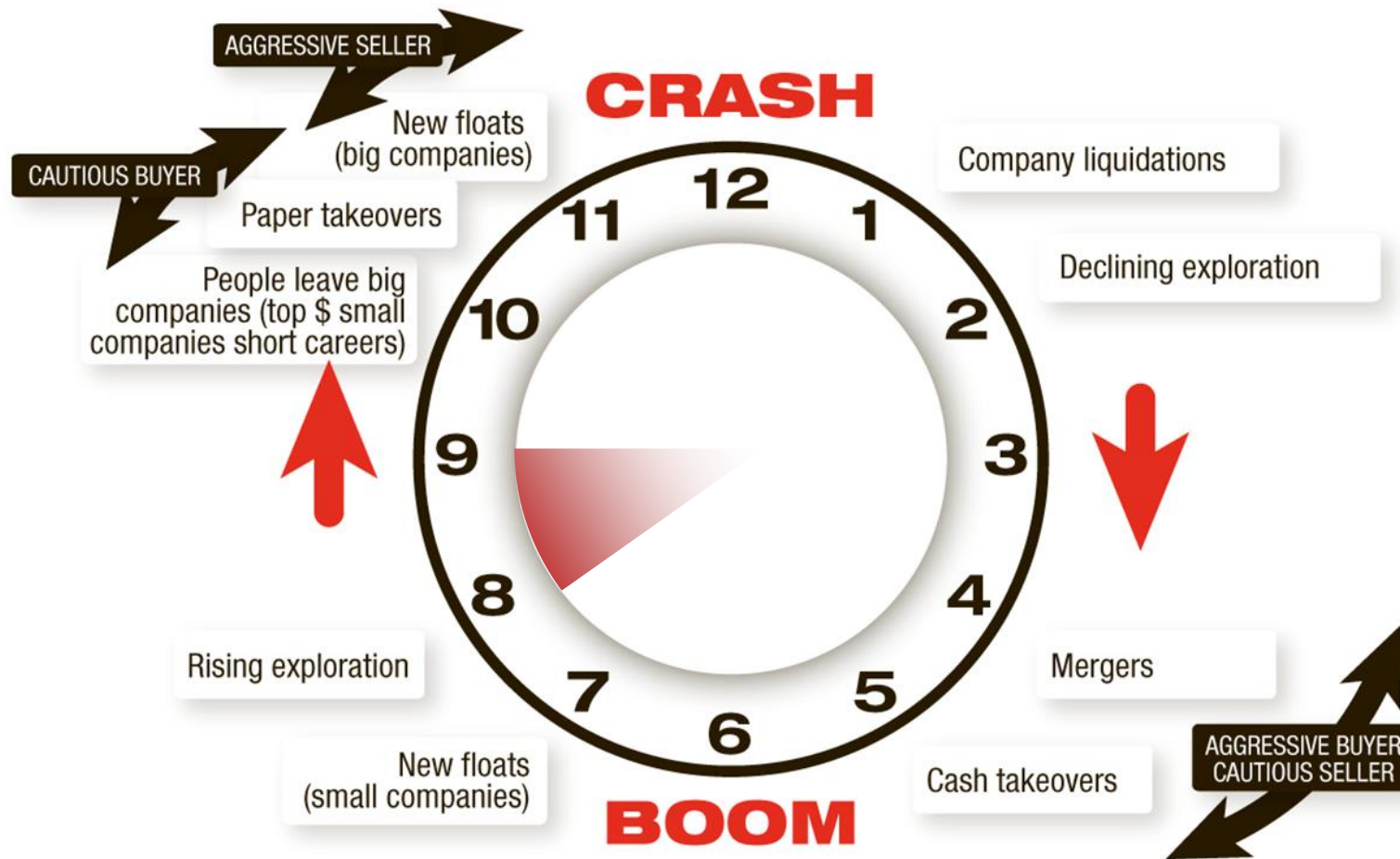
Top 10 Gold Producers¹ – Asset Sales & Purchases



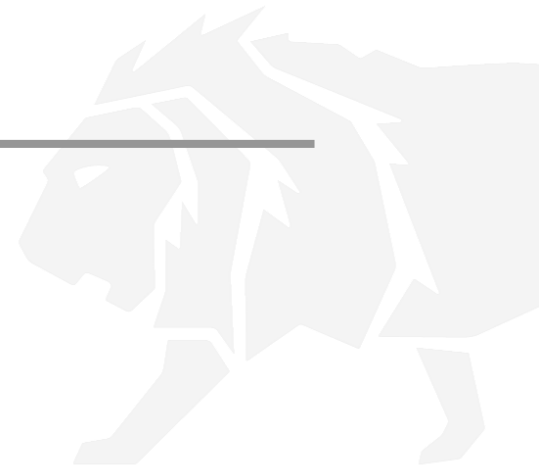
1. Based on 2017 gold production

Source: company press releases

Lion Mining Clock



- ✓ Exploration activity increasing
- ✓ Growth oriented thinking has re-emerged
- ✓ Large acquisitions (gold)
- × Canadian market holding back global sentiment – distracted by cannabis



- Listed Mining Investment Fund
- Target: Micro cap miners / Project developers
- Long term track record: **7.5%pa over 22 years**
- Pani: **World Class gold project** for development in Indonesia

ASX : LSX

LION SELECTION GROUP

Listed Mining Investment Company • Managed Portfolio exposure to Highest Growth Miners • Celebrating 22 Years of Performance