



# Precious Metals Report

Everything you need to know about gold, platinum and palladium!

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## Preface

Dear Readers,

It is with great pleasure that we present our special report on precious metals, which follows our successful silver, battery metals and uranium reports.

In times of high inflation, low interest rates and increasing geopolitical uncertainties (e.g. the Russia-Ukraine crisis), precious metals are all the more indispensable for one's own (crisis) provision and wealth preservation. Of particular importance is the unconditional use of precious metals as a store of value and money substitute as well as a hedge for bad times. The policy of the cheap money for many years by the world-wide central banks, including zero interest policy make the life for savers, age precaution and tenants the hell. Food, fuel and energy prices are exploding, causing massive problems. The result: zero return on savings and, at the same time, exorbitantly rising prices. The specter of stagflation is spreading and causing additional worry lines.

With gold, but also with platinum and palladium, you can weather many a storm to preserve your wealth. We look positively into the future and take gold as a store of value and inflation protection. Platinum and palladium are facing revaluations, as here the Russia sanctions can lead to a shortage on the world market.

In this respect, mining companies are still valued far too cheaply. Especially budding precious metal producers have an enormous leverage on the respective metal price.

In this precious metal report, we will introduce you to some interesting companies that are suitable for speculation on rising precious metal prices. We also want to give you the necessary basic knowledge by means of our general part, so that you can make your own decisions.

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become one, up-to-date and comprehensively about the most diverse commodities and mining companies. On our website [www.resource-capital.ch](http://www.resource-capital.ch) you will find more than 35 companies and a lot of information and articles about commodities.

We would like to give you the necessary insights and inform you comprehensively through our special reports. In addition, our two commodity IP-TV channels [www.Commodity-TV.net](http://www.Commodity-TV.net) & [www.Rohstoff-TV.net](http://www.Rohstoff-TV.net) are always available to you free of charge. For on the go, we recommend our new Commodity TV App for iPhone and Android, which provides you with real-time charts, quotes and also the latest videos.

My team and I hope you enjoy reading the Special Report on Precious Metals and hope to be able to provide you with a lot of new information, impressions and ideas. Only those who inform themselves in a versatile way and take their investment matters into their own hands will be able to win in these difficult times and preserve their assets. Precious metals have endured for thousands of years and will continue to do so.

Yours, Jochen Staiger



Jochen Staiger is founder and CEO of Swiss Resource Capital AG, located in Herisau, Switzerland. As chief-editor and founder of the first two resource IP-TV-channels Commodity-TV and its German counterpart Rohstoff-TV, he reports about companies, experts, fund managers and various themes around the international mining business and the correspondent metals.



Tim Rödel is Manager Newsletter, Threads & Special Reports at SRC AG. He has been active in the commodities sector for more than 15 years and accompanied several chief-editor positions, e.g. at Rohstoff-Spiegel, Rohstoff-Woche, Rohstoffraketen, the publications Wahrer Wohlstand and First Mover. He owns an enormous commodity expertise and a wide-spread network within the whole resource sector.

# Now (almost) everything speaks for gold

## + Russia's trump cards platinum and palladium

### **Gold: Stagflation and political risks make gold indispensable as a basic investment now**

The world seems to be gradually coming apart at the seams. First the pandemic, now - partly as a direct consequence - inflation running completely off the rails, coupled with the real fear of a proper recession and thus the fear of a spectre whose existence only the older generations can remember: Stagflation! As was last the case in the 1970s, a certain supply shock in conjunction with an exuberant spiral in energy prices is playing a major role here today. Higher energy prices cause production costs to rise, which is why production is reduced. If demand does not fall at the same time, prices rise. In a certain inflationary expectation, this leads to a wage-price spiral, which further feeds stagflation. The basics of economics, the way it should not be done. Or how it should not be done - like the central banks worldwide, which pumped far too much money into the markets for far too long, for which there were far too few countervalues. Now prices are rising, which was to be expected. Added to this is the Russia-Ukraine crisis, which is causing energy and commodity prices in particular to skyrocket. Good advice now seems expensive, but the solution is so close at hand: asset protection through tangible assets. Real estate is usually out of the question, as it has already been running hot for a long time. Once again, gold remains as a store of value that has proven its worth for thousands of years. At the moment, not only much, but almost everything speaks for gold. Central banks around the world have also recognized this and have recently increased their gold stocks again strongly. The breakout above the old highs has not yet taken place, which interested investors should definitely take advantage of.

### **Palladium: dependence on Russia is enormous**

Similarly with palladium: Here, too, the old high was not overcome, but an investment in physical palladium is only suitable for value preservation to a limited extent. This is because pal-

ladium is primarily an industrial metal. It is mostly used in catalytic converters of gasoline vehicles, which is why palladium has been able to develop at a record high in recent years - due to the shift away from diesel engines to gasoline and hybrid engines. Better and better catalytic converters demand more and more palladium, although production has been falling steadily for years. This could be compounded in the coming months and years by the fact that sanctioned Russia has been responsible for just under half of the world's palladium production to date. 39% of the palladium mined worldwide in 2020 came from Russian mines, and the trend is rising, as the (formerly) big competitor South Africa is transporting less and less palladium to the earth's surface. There is a danger here that this large Russian chunk will no longer be accessible to Western countries for the time being. Rising prices are likely to be the consequence.

### **Platinum: „Golden“ future ahead!**

Platinum is the only one of the three most important precious metals that has not been able to perform excessively well in recent years. The increasing shift away from diesel as the number one combustion engine led to a decline in demand for platinum, which is mainly used in diesel catalytic converters. But the future looks promising. For in the foreseeable future, platinum will increasingly be used in catalysts to accelerate the reaction of hydrogen and oxygen in fuel cells. The main focus here is on the mass use of fuel cells in commercial vehicles, above all in trucks.

For both platinum and palladium, a drastic drop in supply is to be expected in the coming years, as the important South African mines in particular will not be able to maintain their production to the usual extent. Even rising prices are unlikely to contribute to an improvement.

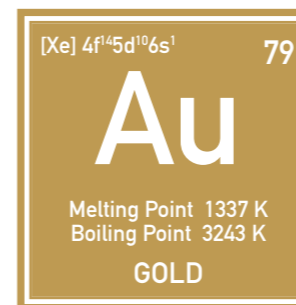
### **What are precious metals?**

From a purely chemical point of view, precious metals are metals which are corrosion-resistant, i.e. which are permanently chemically stable in a natural environment under the influence of air and water. The group of precious metals primarily includes gold and silver, as well as the so-called platinum metals platinum, palladium, ruthenium, rhodium, osmium and iridium. Mercury is also a precious metal. In addition, there are a number of so-called se-

mi-precious metals, including copper. A third group is formed by the so-called short-lived (radioactive) transition metals, such as Darmstadtium or Roentgenium, which, however, play virtually no role in practice.

## **Gold: Stability of value is the greatest trump card**

Gold is a chemical element with the element symbol Au and the atomic number 79. Due to its moderate melting temperature, it is very easy to work mechanically and does not corrode. It is extremely rare, and its yellow luster is also durable, which is why it is considered imperishable and is therefore largely processed into jewelry or used in coin or bar form to store value. Gold is also considered to be easily alloyable, which makes it very attractive as a material. Gold has proven its worth as a store of value for thousands of years and is therefore mainly considered an investment.



### **Appearance, corrosion resistance, good workability and good contact are the most important properties**

Not only in the form of investment objects such as jewelry or coins, but also in medical applications, gold scores above all with its

corrosion resistance. In dental prosthetics, for example, additional precious metals such as platinum are added to achieve the necessary hardness. In industry, gold is used primarily in the construction of circuits as a gold-plating additive for wires, printed circuit boards, switching contacts and connectors.

### **Occurrence and extraction**

Gold occurs very rarely in nature, but it is pure. On average, there are only 4 grams of gold per 1,000 tons of rock in the earth's crust. It is found in primary raw material deposits as gold-bearing rock (gold ore) as well as in secondary deposits, among others in placer deposits. Up to 20% of the gold mined annually is extracted as a by-product, mainly from copper, nickel or other precious metal mines.

### **Supply situation**

According to the World Gold Council, a total of 3,474.7 tons of gold was mined in 2020 and 1,292.3 tons was recovered from recycling. Thus, the total gold supply (including recycling and hedging) fell by about 187 tons to 4,721.1 tons compared to 2019. In 2021, 3,560.7 tons of gold were mined, and 1,149.9 tons were recycled.





The main gold mining regions are currently China, Russia, Australia, the USA and Canada, which together account for almost half of the total annual output. They are followed by Peru, Ghana, South Africa, Mexico and Brazil. In Europe, only Sweden and Finland have significant gold production.

### Gold production remains below peak

Since the turn of the millennium, gold production has risen every year until 2018, but has recently been weakening more and more. While around 2,862 tons of the yellow metal were extracted from the earth worldwide in 2011, the figure was 3,336 tons in 2015. Since then, production rose only marginally to 3,667.8 tons in 2018. In 2019, production then fell for the first time to 3,531.8 tons. In 2020, there was a further decline to only 3,474.7 tons, mainly due to plant closures caused by the Covid 19 pandemic. In 2021, an increase occurred again, but it was about 3% below the record high of 2018. It can be assumed that the gold peak, i.e. the annual gold production has reached its peak in 2018.

### The reasons for a decline in gold production are manifold

Several factors contribute to this: First, more and more deposits are reaching the end of their life. Those that have not yet been fully exploited have to be expanded at ever greater expense in order to access further gold-bearing material. Some mines already reach depths of 4,000 meters and more.

The gold content continues to decline steadily. Currently, gold deposits are still being exploited at an average of just over 1 gram of gold per ton of rock (g/t). However, there are already indications that this mark will fall to below 0.9 g/t in a few years for deposits that have not yet been developed.

A third point is the (lack of) discovery of new deposits. While more than one billion ounces of gold were discovered in the 1990s, between 2000 and 2014, only slightly more than 600 million ounces were discovered. Since then, new discoveries have once again plummeted. This is mainly due to the fact that in the past few years, due to the slump in gold prices at the time, the gold producers have concentrated primarily on reducing mining prices. Particular savings were made in exploration, which led to the fact that hardly any larger deposits were discovered in recent years.

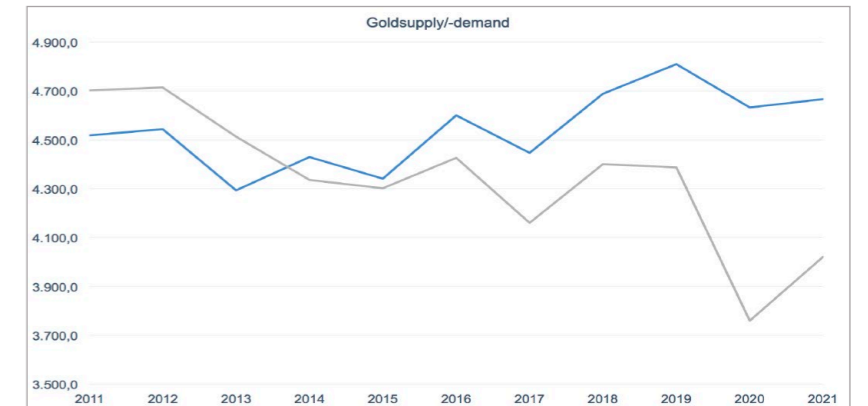
## Demand situation

### Demand from jewelry sector explodes, investment sector stronger than it has been for a long time, technology sector with gains

In 2020, global demand for gold was only around 3,759.6 tons, almost 627 tons or 14.3% less than in 2019. In 2021, however, the gold sector then experienced a rebound in demand to a total of 4,021 tons. The jewelry sector played a large part in the surge in demand following the 2020 corona year, consuming 2,221 tons, up 67% from 2020. The investment sector (bars and coins) saw a 31% increase to 1,180 tons, an 8-year high. Inflation fears and exuberant debt orgies of many central banks worldwide are certainly to be mentioned here as the main reasons for the flight of many investors into physical gold. An opposite trend was seen in gold ETFs, which recorded net outflows of 173 tons in 2021, after having gained 874 tons in 2020. Despite continued Corona-related production losses, demand from the technology sector was also strong, increasing by 9% to 330 tons. This showed that gold is increasingly finding its way into the electromobility sector in particular. A circumstance which, in view of an incipient electric (mobility) revolution, is likely to lead to further strong growth in demand from the technology sector in the future.

### Central banks more active again

Central banks are back on the buying side after decades of selling gold since 2010. Thus, especially in 2018 and 2019, many central banks have increased their gold reserves. First and foremost, Russia, but also Turkey, India, Poland, Egypt, Brazil and Kazakhstan bought gold heavily in 2018 and 2019. Thus, central banks increased their gold reserves by 656.6 tons in 2018. This was 73% more than in 2017, and in 2019 central bank purchases amounted to about 605 tons. Thus, a large amount of supply was taken off the market by central banks alone, once again acting on the demand side rather than the supply side. In 2020, by contrast, central

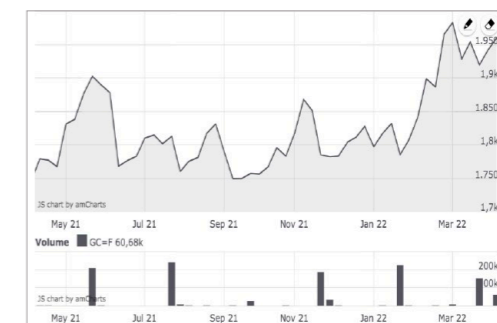


Gold-supply (blue) and -demand (grey)  
(Source: own representation)

bank gold purchases fell sharply. In 2021, global central banks reported net purchases of 463 metric tons, an 82% increase over 2020, pushing central bank gold holdings to nearly a 30-year high.

### Summary: Inflation and uncertainties will continue to support gold prices

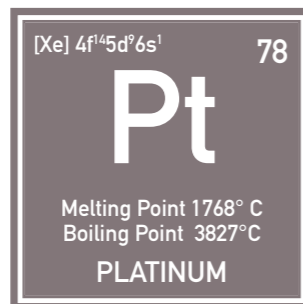
The gold price could face similar dynamics in 2022 as it did last year, as competing forces will act on it. In the short term, the gold price is still likely to react to real interest rates, with the key factors being how quickly central banks tighten monetary policy and how sustainably they get inflation under control. While interest rate hikes can be a headwind for the gold price, history tells us that their (initially negative) effect on the gold price could reverse quite quickly. Continued very high inflation and geopolitical challenges should continue to drive demand for gold as a hedge. Continued pent-up demand for gold from the jewelry sector and central banks should further support the gold price.



Goldprice US\$/oz  
(Source: JS by amChart)

## Platinum: The precious metal for a clean future

Platinum is not so much an investment object, but above all an important building material in the automotive industry. The silver-gray metal is a chemical element with the element symbol Pt and the atomic number 78.



### Forgeability, ductility and corrosion resistance are the most important attributes

It has an extremely high density, but at the same time it is very malleable and ductile. Its gray-white color has fascinated people since time immemorial, probably also because platinum has remarkable corrosion resistance and therefore does not tarnish. Due to its high durability, tarnish resistance and rarity, platinum is therefore particularly suitable for the production of high-quality jewelry.

### The possible uses are almost inexhaustible

Platinum finds its way into a whole range of very different applications. By far the most common use of platinum is in the automotive industry, where it is used in the form of autocatalysts. In addition to the classic diesel oxidation catalysts, platinum is also increasingly finding its way into catalysts in fuel cells or as a substitute for the far more expensive palladium, which could be an enormous demand driver in the future. The second major area of application in industry is the chemical sector. Furthermore, platinum is used in alloys, for glass production (crucibles), in the

electrical sector in resistors and for medical applications and equipment.

Another large field of application is the jewelry industry, where platinum is often alloyed with other metals, mainly gold. The fourth major area is the investment sector.

### Occurrence and extraction

Platinum occurs naturally in the form of elements. Metallic platinum (platinum soap) is practically no longer mined today. Although a large proportion of the platinum mined is from primary deposits in a few places, its extraction as a by-product in the production of non-ferrous metals (copper and nickel) is becoming increasingly important. There, the platinum group metals are produced as a by-product of nickel refining.

## Supply situation

### South Africa and Russia produce 85% of all platinum

Extensive and noteworthy primary platinum mining exists only in the South African Bushveld complex, as well as in the Stillwater complex in Montana/USA and in Russia. 74.6% of the platinum mined worldwide in 2021 came from South African mines. This was followed by Russia with around 10.3%, and all other countries with a total of around 15%. Overall, platinum mining is a relatively small sector, as for example only around 6.3 million ounces were mined in 2021.

### High recycling rate

Although a certain amount of gold is also recycled, recycling accounts for a very high percentage of platinum. For example, about 1.98 million ounces were recovered from recycling in 2021. Recycling thus accounted for 24.1% of the total platinum supply for the year.



### Supply slumped in 2020, back to pre-crisis level in 2021

Overall, the global platinum supply in 2020 really collapsed due to Covid 19. While around 7.8 million ounces of platinum were available in 2013 (of which around 5.8 million ounces came from mining and just under 2 million ounces from recycling), around 8.2 million ounces of platinum entered the open market in 2019 (mining: 6.1 million ounces, recycling: 2.1 million ounces). In 2020, platinum supply fell to 6.83 million ounces (mining: 4.91 million ounces, recycling: 1.92 million ounces). In 2021, platinum supply recovered and reached the pre-crisis level of 2019. A total of 6.26 million ounces of platinum were mined in 2021 and 1.98 million ounces of platinum were recovered from recycling. This meant that a total supply of 8.24 million ounces of platinum was available in 2021. For 2022, the experts of the World Platinum Investment Council expect a slight decline in the platinum supply to 8.18

## Demand situation

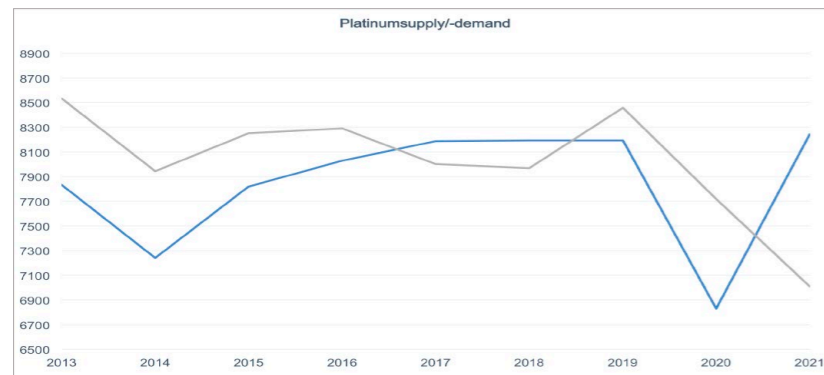
### Platinum flows mainly into industrial applications

Similar to silver, platinum has a kind of hybrid function. This means that about two-thirds of total platinum demand comes from industry, while the rest comes primarily from the jewelry industry and from investors in the form of bars and coins.

### Main demand is from the automotive industry followed by the (jewelry processing) industry – investment demand weak

In terms of figures, it is the automotive sector that demanded the most platinum in 2021. 2.62 million ounces were used for catalytic converter construction. The jewelry industry demanded 1.91 million ounces. Demand





Platinum supply (blue)  
and demand (grey)  
(Source: own representation)

from the rest of the industry reached 2.52 million ounces. The investment sector, whose demand slumped from a net 361,000 ounces in 2017 to only 67,000 ounces in 2018, experienced a true renaissance in 2019, recording a real explosion in demand to 1.13 million ounces. Despite Corona, this trend was maintained, so that in 2020 around 900,000 ounces of platinum still flowed into the investment sector. In 2021, there was a net outflow of 43,000 ounces from the investment sector, mainly due to outflows from ETFs and central bank sales. Overall, platinum demand decreased by about 700,000 ounces from 2020 to 2021, to 7.01 million ounces. This results in a supply surplus of about 1.23 million ounces of platinum in 2021. In 2020, the sector still recorded a supply deficit of 886,000 ounces. For 2022, the experts of the World Platinum Investment Council assume a supply surplus of around 650,000 ounces.

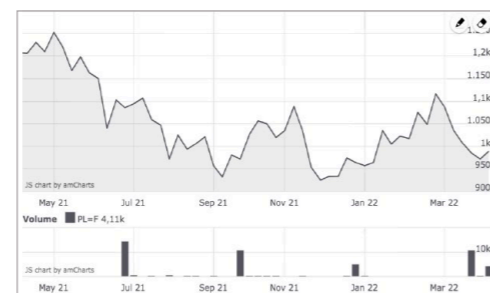
### Future demand drivers are already in the starting blocks

For the future, platinum is seen primarily as a metal that will continue to be used in the automotive industry, but increasingly in fuel cell vehicles. Innovative hydrogen storage technologies are already being researched in several countries. Power generation using platinum electrodes is the big issue here. Cost-effective hydrogen storage systems for fuel cell vehicles and portable applications are still a long way off, but China alone plans to produce two million hydrogen fuel cell vehicles by 2030. In Germany, the world's first hydro-

gen fuel cell train has entered service. A major platinum company is already investing in the development of hydrogen compression technology together with Shell Technology. These so-called platinum electric vehicles, as the name suggests, need platinum as their basic raw material. Leading experts predict that by 2030 at the latest, the purchase cost of a fuel cell-powered truck will be lower than that of a diesel truck.

### Summary: surprisingly high supply surplus likely to turn into supply deficit soon

The supply surplus was surprisingly high in 2021 after, on the one hand, platinum production rose to a higher level than in 2019, for example (which was mainly related to an almost 50% increase in platinum production in South Africa) and, on the other hand, demand from the investment sector showed a negative value in purely arithmetical terms (after huge inflows were observed in previous years). Both should reverse in the current year and at least lead to a reduction in the supply surplus. The continuing relatively low platinum price should stabilize the investment sector again, before new technological developments - above all in the area of locomotion - will ensure a return to the area of high supply deficits in the following years. Record production in South Africa is certain to decline in 2022, mainly due to increasingly difficult production, but also uncertainties regarding strikes, etc. Russia represents another uncertainty factor on the supply side. It remains exciting to what extent the sanctions imposed will affect the availability of Russian platinum on the world market.



Platinum price US\$/oz (Source: JS by amChart)



## Palladium: Supply deficit could worsen extremely due to Russia sanctions

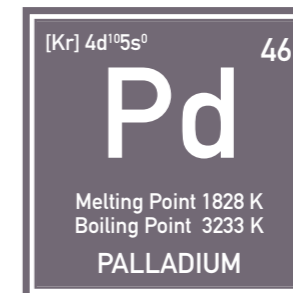
Palladium is a chemical element with the element symbol Pd and atomic number 46. It is considered by many experts to be a substitute for platinum in several applications, mainly in the production of catalysts, as it is very similar to platinum in chemical behavior.

### Low melting point, reactivity and absorbency are the big plus points

Palladium has the lowest melting point among the platinum metals and is also the most reactive. At room temperature, it does not react with oxygen. It retains its metallic luster in air and does not tarnish, which makes it interesting for jewelry and, to a lesser extent, for the investment sector. Its low melting point makes it easier to process than platinum. Palladium also has the highest absorption capacity of all elements for hydrogen. At room temperature, it can bind up to 3,000 times its own volume.

### Main applications: Exhaust gas catalysts, alloys, electrode materials.

Finely divided, palladium is an excellent catalyst for accelerating chemical reactions, in particular for the addition and elimination of



hydrogen and for cracking hydrocarbons. By far the most important application for palladium is thus in the field of exhaust gas catalysts for gasoline engines. About 84.7% of the palladium demanded in 2021 was required for catalytic converter construction. Furthermore, palladium is frequently used for alloys in the jewelry sector; here especially in combination with gold, resulting in so-called white gold. Palladium is also used as an electrode material for fuel cells and as a contact material for relays.

### Occurrence and extraction

Metallic palladium and palladium-bearing alloys are mainly found in river sediments as geological placers, but these are largely exploited. Most of it is extracted as a by-product from nickel and copper mines.

## Supply situation

### South Africa and Russia dominate palladium mining

South Africa and Russia have emerged as the clearly dominant palladium producing nations in recent years. In 2021, South Africa accounted for 39.3% of total production, followed by Russia with 38.9%. Most of the remaining palladium production was shared between the U.S. and Canada. Overall, platinum mining is a relatively small sector, with, for example, only about 6.75 million ounces produced in 2021.

### High recycling rate

Similar to platinum, a large recycling quota for palladium also helps to cover most of the demand. In 2021, a total of 3.57 million ounces of palladium were recycled. This was 34.6% of the total palladium supply.

### Supply rises again after exceptional year 2020

The palladium supply showed stable to declining trends in the past three years - accelerated again by Corona-related production cuts - with this rising again somewhat after the exceptional year 2020. This is attributable to several decisive factors.

Palladium production still rose moderately by 92,000 ounces from 2018 to 2019 to 7.117 million ounces, but in 2020 it collapsed com-

pletely. In total, only 6.160 million ounces were produced in 2020. In 2021, there was an increase to 6.75 million ounces, which meant that the pre-crisis level could not be reached. Recycling rose above 3 million ounces for the first time in 2018, exactly 3.108 million ounces were recycled in 2018. Finally, in 2019, 3.407 million ounces. This was followed by a dip to 3.119 million ounces in 2020, and recycling yields grew to 3.569 million ounces in 2021. Net returns from the investment sector, mainly from corresponding palladium-backed ETFs, continued to decline in 2021. For example, 659,000 ounces of palladium returned to the open market in 2015, 646,000 ounces in 2016, 386,000 ounces in 2017, and about 574,000 ounces in 2018. In 2019, net recoveries were only 87,000 ounces, in 2020 190,000 ounces and in 2021 93,000 ounces. This caused total palladium supply (including recycling) to increase from 9.214 million ounces in 2015 to as high as 10.524 million ounces in 2019, before collapsing to just 9,288 in 2020. An expected increase to 10.318 million ounces then occurred in 2021.

As with platinum, the recycling rate for palladium is expected to increase in recent years, but at the same time production will decline.

## Demand situation

### Supply deficit grew again in 2021

There has been a significant supply deficit in the palladium market for years, which was around 754,000 ounces in 2017 and around 219,000 ounces in 2018. In 2019, this then jumped to about 907,000 ounces, while in 2020 this was 728,000 ounces. In 2021, 829,000 more ounces were demanded than offered.

### Car manufacturers demand almost as much palladium as before the crisis

The main reason for a consistently high supply deficit is the strong increase in demand from the automotive sector. While in 2015

there was demand for 7.7 million ounces of palladium, mainly for use in catalytic converters, in 2016 the figure was already 7.98 million ounces, in 2017 as much as 8.46 million ounces and in 2018 8.88 million ounces. Finally, 2019 saw another jump of 800,000 ounces to 9.67 million ounces. Although „only“ 8.55 million ounces of palladium were still in demand in 2020 due to Corona, catalyst producers ordered 9.48 million ounces in 2021, almost as much as before the Corona crisis. If demand for gasoline engines declines, however, palladium demand will also fall. This may be offset by use in fuel cell-powered vehicles, but these are still a long way off. The second major consumer, industry, recently increased its demand by a good 130,000 ounces to 1.69 million ounces.

### Summary: Steadily declining production meets rising demand

There is still a glaring supply deficit for palladium. This is mainly due to steadily declining production and simultaneously rising demand. The extent to which this will continue or dissipate in the coming years depends not only on the palladium price, but also on how the gasoline combustion engine will fare. Palladium's dependence on the automotive industry is unmistakably high, which makes it a riskier investment than gold, for example.

### Conclusion: Supply chain problems also affect platinum and palladium - Russia factor can still become decisive.

As a conclusion, one thing can be stated quite clearly: In the case of the precious metals platinum and palladium, which have a strong industrial character, there are fears that persistent supply chain problems could lead to a decline in demand. The Russia factor should not be underestimated. On the one hand, the sanctions currently in place against the giant empire could lead to less platinum, and above all much less palladium, reaching the world market, which could strongly fuel the price of the two metals. On the other



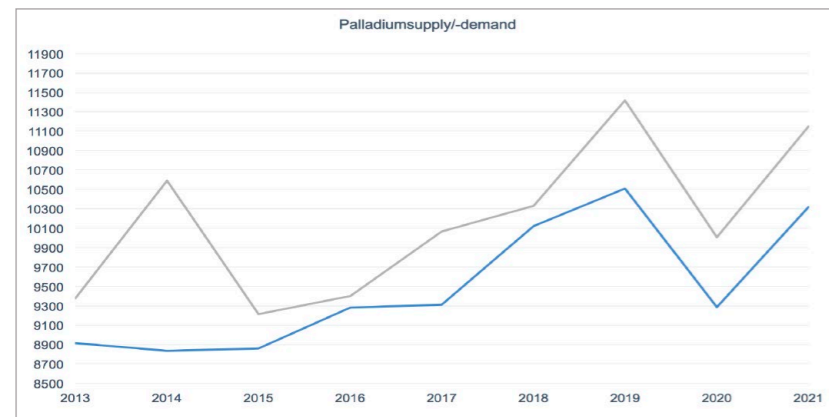
Palladiumprice US\$/oz  
(Source: JS by amChart)

hand, there is a risk that precisely because of the sanctions, supply chain problems will massively expand, causing demand to drop sharply. This could put Western automakers in a difficult position and cause them to cut their production volumes. Recently, however, it became apparent that China in particular soaked a lot of white metals, above all platinum, out of the market and stabilized its price. While a supply deficit seems to be a foregone conclusion for palladium, platinum should continue to struggle with high surpluses. This is not likely to turn around until the middle of the decade, when new technologies will drive the use of more platinum. Gold, on the other hand, as the number one means of preserving value, should continue to outperform due to the current negative economic and geopolitical mix and be able to attack its old highs again shortly. In this context, not only the central banks, but primarily private investors will play a decisive role. After all, there is no way around gold when it comes to preserving value.

### The best precious metal stocks promise multiplication potential!

Corresponding precious metal stocks are still strongly undervalued compared to the major (standard) indices. We have taken this as an opportunity to present some promising precious metal companies to you in the following. We focus mainly on development companies with extremely promising projects and on already producing mining companies with established and profitable deposits.

Palladium-supply (blue) and -demand (grey).  
(Source: own presentation)





# Precious metals continue to be indispensable as a store of value – Expert-Interview with Christian Brenner, Managing Director and Chairman of the Board philoro Schweizerland AG



Christian Brenner was born in Vienna in 1979. Today he lives and works near St. Gallen in Switzerland. He is Chairman of the Board of Directors and Managing Director of philoro Schweiz AG as well as Managing Director of philoro EDELMETALLE GmbH in Germany. He studied communications at the University of Vienna and then spent almost ten years as an account manager responsible for planning and implementing successful media strategies at SevenOneMedia Austria – ProSieben-Sat1 AG and AEGIS Media Austria. His clients included well-known national and international brands. The founding of philoro together with his brother Rudolf Brenner in 2011 marked the beginning of his successful entrepreneurial career. At philoro, he also devotes himself intensively to the areas of marketing and CRM and, for the constant and strategic further development of the brand, relies on the constant observation of medium and long-term brand and market perspectives, about which he is happy to provide information.

**Mr. Brenner, prices for precious metals have been going crazy lately. High volatility was recorded, which certainly also had to do with the Russia-Ukraine crisis. What is your assessment of this?**

It is extremely difficult to make predictions at present, as there are too many completely different influences on the markets.

It is undisputed that in crisis and war situations the price of gold, and also the prices of other precious metals, generally rise. Investors regard precious metals as „safer“ than investments on the stock exchanges - even if they have to do without interest income. This is also the case now: It is true that measures taken by the central banks - against the unusually high inflation rates of the last twenty years - threaten interest rate hikes and thus short-term gains in bonds and yields. However, if economic growth slows down or even collapses as a result of the braking measures, then gold's hour has come again.

Many commentators therefore believe in further increases in the gold price, and the currently persistently high demand for gold worldwide seems to prove them right.

**What role does inflation currently play for your customers?**

A glance at current statistics is enough: The central banks' hope that some kind of normalization of inflation rates could be achieved as early as the beginning of the year has not been confirmed.

On the contrary, the inflation rate in the USA is already just below eight percent at 7.9 percent. The annual inflation rate in the EU rose to 6.2 percent in February, and to 5.9 percent in the euro zone. In Switzerland, it is - traditionally - still significantly lower at 2.2 percent. But here, too, there are increasing signs that the low levels of the last 20 years will not be maintained. Energy prices in particular will also have an impact here.

So the „safe haven“ for gold investors is also a good argument when you look at inflation rates. After all, the price of gold has improved over the last 15 years from around \$500 per troy ounce to the current level of around \$1,950, with an increase of more than 12 percent in the last year alone.

**While gold is more of a store of value, silver has a kind of hybrid function and platinum group metals have a predominantly industrial significance. Is this classic picture of the precious metals still correct and what can be derived from it for investors?**

The silver price has weakened somewhat - after strong increases in 2019 and 2020 - but is currently rising again. Platinum has recently lost some ground; palladium is gaining again. But here, too, predictions are not easy: The impact on Russian exports is completely open: With a mine production of 93 tons of palladium, Russia has clearly left South Africa behind for the first time in 2021 and is by far the world's largest producer and also exporter. Russia is also a major player in platinum. Putin's empire produces about 15 percent of the world's

**„The price of gold has improved over the last 15 years from around \$500 per troy ounce to the current level of around \$1,950, with an increase of more than 12 percent in the last year alone.“**

platinum. The Western automotive industry is closely linked to both metals, as they are used in the production of semiconductors (chips) and catalytic converters. Russia also holds an important position as an exporter of aluminum. Here, Russia occupies the second position in the world after China. The automotive industry is already groaning because of supply problems.

**Which investment products have recently been at the top of your customers' list?**

Large denominations such as gold bars from philoro in 250g and 100g sizes, as well as CombiBars, are currently in demand. Silver is currently found in every second shopping cart. This is a very high value. Silver is currently more in demand than ever. The mining possibilities for silver are limited for various reasons. But if demand continues to rise at this level, this will have a much greater impact on the price. Then the turbo will be ignited for silver.

**Many investors are faced with the question of how best to invest in physical precious metals. Buy directly and put it in the (bank) safe or rather use the possibility of a bonded warehouse. What is your recommendation?**

We recommend buying directly from a company specializing in precious metals, such as philoro. Price, but also the breadth and depth of the assortment here are much better than at the bank. Storage depends on the metal and the volume. From an investment of 10,000 CHF, it is already worthwhile to store in duty-free storage. An own safe at home certainly has the advantage that you can store other valuables there in addition to precious metals. Safe deposit boxes at the bank are worthwhile if you also want to diversify within your storage locations. Therefore, we at philoro also offer bank-independent safe deposit boxes in the entire D-A-CH region, which can be visited from Monday to Saturday.

# Interview with David Garofalo

## Chairman & CEO of Gold Royalty Corp. and Chairman & CEO of the Marshall Precious Metals Fund



*Mr. Garofalo, you are a true luminary of the precious metals sector. Can you give our readers a brief overview of your career in the precious metals sector so far?*

I currently serve as Chairman & CEO of Gold Royalty Corp. and Chairman & CEO of the Marshall Precious Metals Fund. Prior to that, I was President & CEO and Director of Goldcorp (2016-2019), culminating in the largest merger (US\$32 billion) in gold mining history. I also served as President & CEO and Director of Hudbay from 2010, Senior Vice President and CFO and Director of Agnico-Eagle from 1998 and Treasurer of Inmet Mining from 1990. I was recognized as The Northern Miner's Mining Person of the Year for 2012 and awarded Canada's CFO of the Year by Financial Executives International Canada in 2009.

*Central banks around the world have opened the money gates in recent years, inflation is rising to unimagined heights - in your opinion, is there a real exit strategy?*

Frankly the outlook is very concerning for the reasons you outline above. Inflation is rampant as a result of historically low interest rates and a relentless increase in money supply over the last 15 years. Furthermore, western economies are over levered and central banks can hardly afford to raise interest rates significantly to combat inflation, as we saw in the '80s, without bankrupting governments.

The inevitable outcome of this is the degradation of fiat currency and the destruction of investors' purchasing power. This is why now, more than any other time in the past 30 years, investors need to hedge against inflation through precious metals, where the value cannot be eroded through a rapid increase in supply.

*Recently, precious metals have been going crazy - also due to the Russia-Ukraine conflict. Has this a lasting effect on the precious metals sector?*

At the end of the day, gold is a currency and is directly negatively correlated to real rates. While geopolitical turmoil can see gold prices rise as investors seek a safe haven for their capital, the interaction of global currencies and interest rates are going to be what drives gold higher in the long run.

As I previously noted, inflation is rampant in the economy with no signs of slowing down and central banks are suppressing nominal rates through an expansionary monetary policy. As a result, real rates are falling further into negative territory. This will inevitably drive precious metals higher as the real value of fiat currencies continues to be debased.

*You are the CEO of a precious metals royalty company. What makes this business model particularly attractive to investors?*

The royalty and streaming model is the best way to play the price of gold for numerous reasons:

1. Exposure to rising gold prices with free upside exposure to exploration, mine life extensions, and operating capacity expansions.
2. Minimal overhead costs – royalty companies do not require large operating teams. Gold Royalty currently has 7 full time employees, and we could run a company 10 times the size with the same headcount.
3. Insulation from cost inflation – Royalties and streams provide top line exposure and company profits are not exposed to rising operating or capital costs.

***„Western economies are over-leveraged, and central banks can hardly afford to raise interest rates significantly to combat inflation.“***

Due to these reasons, royalty and streaming companies enjoy the best multiples in the industry, with the seniors trading at 2.0x to 3.0x their underlying net asset value. I've only recently positioned myself in the royalty space having spent the majority of my career with producers of both precious and base metals, including executive roles at Agnico Eagle, Hudbay, and Goldcorp. A primary reason for this shift is, given the outlook on inflation, gold miners will underperform relative to royalty and streaming companies as operating costs increase, undermining profit margin leverage to an increasing gold price.

*What would you currently advise investors who want to enter the precious metals market?*

The case for hard assets is obvious. If your savings are in a currency that is rapidly losing its purchasing power due to

money printing, it only makes sense to shift some of that exposure to precious metals which will see a relative increase in value.

The next question you need to ask yourself is what is the best way to play the rising price of gold. I would argue that royalty and streaming companies provide the best leverage to a rising gold price environment while insulating investors from large overhead costs and increasing input costs in the mining industry.

When choosing individual royalty and streaming companies to invest in, the most important aspect is asset quality. Investing in companies with high-quality long-life assets, with strong operators, in favourable mining jurisdictions is the best way to have exposure to reliable revenues tied to the price of gold.



# Caledonia Mining

## Attractive dividend with steady production growth



Steve Curtis, CEO

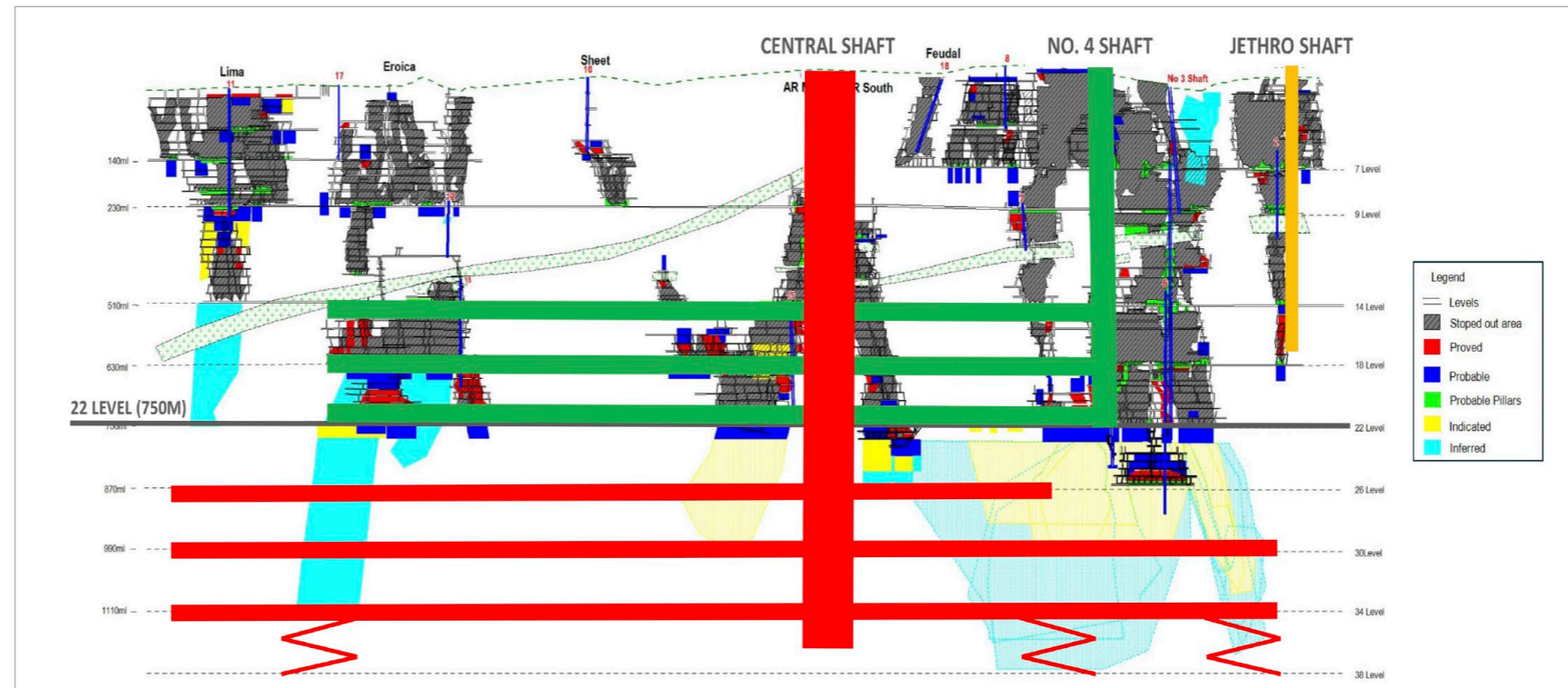
Caledonia Mining is a mining, exploration and development company with a clear focus on Southern Africa. Its main asset is a 64% interest in the Blanket Gold Mine in Zimbabwe. There, the company produced 67,476 ounces of gold in 2021, which was 17% above 2020 production and also a company record. By 2022, the company aims to increase its annual production to up to 80,000 ounces of gold, and even expand it to up to 250,000 ounces in the long term. To this end, the central shaft was commissioned in 2021. The company pays a high quarterly dividend, which has already been increased seven times since October 2019.

### Blanket Gold Mine – Current Production Status

The current Blanket Mine has eight ore shoots. The majority of mine production is currently sourced from the AR Main and AR South orebodies, with a smaller contribution from the Blanket, Eroica and Lima shoots. AR Main and AR South are massive ore bodies up to 30 meters wide and are ideal for long-hole open pit mining. The No. 4 double shaft is Blanket's main shaft for hoisting ore from the loading stations at 510 meters and 789 meters depth and has a proven hoisting capacity of 110 tons per hour from 789 meters. The Jethro and Eroica shafts and the Winzes No. 5 and No. 6 shafts are used to transport people and materials underground, while the No. 2 and Lima shafts are also used to lift ore to the surface.

### Blanket Gold Mine – Massive Expansion of Production Capacity

Although these areas still contain significant quantities of gold ounces, the



A new central shaft enables the development of zones below of 750 m  
(Source: Caledonia Mining)

company decided about 6 years ago to take the big plunge and expand the central shaft between AR Main and AR South, modernize it and drive it to a depth of more than 1,200 meters in order to develop not only the immediate area below the current, deepest mining level of about 850 meters, but in principle all known deposits below, but also above this level. This is because the company has already been able to prove further significant resources down to a depth of around 1,100 meters. The new shaft, which has a diameter of 6 meters and has been driven to a depth of more than 1,200 meters, will make it possible to significantly increase production - after all, three new production levels will be reached - and can also be used for underground drilling, which will save a lot of money and time. Caledonia Mining invested more than US\$60 million in the expansion of the central shaft.

### Blanket Gold Mine – New Central Shaft Provides Large Production Increase

The central shaft was commissioned in April 2021 and now provides a significant increase in production while reducing all-in costs to the US\$700 to US\$800 per ounce range. Furthermore, Caledonia Mining also announced the successful installation and commissioning of a new oxygen plant at the Blanket Mine. The new oxygen plant is expected to improve metallurgical recovery and reduce cyanide consumption at Blanket. Based on test work conducted, the plant was shown to improve overall metallurgical recoveries at Blanket to approximately 94 percent. Furthermore, new diesel generators were installed and commissioned to fully compensate for any power outages. In addition, the company plans to install a 12-megawatt photovoltaic system, for which sufficient

funding has already been secured. Voltalia, which is very active on the African continent, has already been engaged for this purpose. It is expected that the planned plant will be able to cover about a quarter of the total energy demand.

### Blanket Gold Mine – Steady resource expansion and high exploration potential

Despite steady production, the company has managed to keep increasing its resource base in recent years. As of January 2020, the Blanket Mine has a total of 528,000 ounces of gold in reserves (included in resources), 902,000 ounces of gold in the measured & indicated categories and another 866,000 ounces of gold in the inferred category. The Blanket Mine itself, as previously mentioned, offers additional confirmed resources in the areas below the current mining level

of approximately 800 meters. In addition, the Lima, Eroica, Sheet and Feudal ore bodies have only been exploited to date at depths between 150 and 750 meters. In the case of Eroica, there is even a gap between a depth of 230 to about 470 meters, within which further resources are also suspected. In particular, the Feudal, Jethro and Blanket areas could host a coherent ore structure that has not been delineated to date. The new central shaft provides excellent access to all the new areas to be developed.

The entire property also has several potential satellite projects. Five of them have a priority 1 status and are successively drilled for further deposits. In addition, there are other areas that are still completely without modern exploration programs.

### **Blanket Gold Mine – Hedging Contract**

Caledonia Mining entered into a contract in February 2022 to hedge approximately 25% of its planned 2022 gold production at Blanket through a cap-and-collar hedge contract for 20,000 ounces of gold over a five-month period from March to July 2022. The hedge contract has a cap of US\$1,940 and a floor of US\$1,825, which means that Caledonia Mining will receive an effective gold price per ounce of no less than US\$1,825 or more than US\$1,940 and an effective gold spot price between these two values for the 4,000 ounces of gold per month during this period.

### **Maligreen project**

In September 2021, Caledonia Mining announced that it had entered into an agreement to purchase the mining claims on the Maligreen project for a total cash consideration of US\$4 million. Maligreen is a major brownfields exploration area where significant exploration

and evaluation work has been carried out over the past 30 years, including an estimated 60,000 meters of diamond core and percussion drilling, as well as ground aeromagnetic and geophysical surveys. Currently, Maligreen hosts a NI 43-101 compliant inferred mineral resource of approximately 940,000 ounces of gold in 15.6 million tonnes grading 1.88 g/t. 76% of the inferred mineral resource (approximately 712,000 ounces) is at depths less than 220 metres, indicating the potential for open pit mining. The total area of Maligreen is approximately 550 hectares and includes two historic open pit operations that mined approximately 20,000 ounces of gold from oxides between 2000 and 2002. Caledonia Mining plans to drill an initial 4,800 metres over a period of 18 to 24 months to improve understanding of the existing resource and assess the potential for a mining operation. Further exploration opportunities exist within the claim area and a subsequent exploration program is being considered to explore the continuation of the existing Inferred Mineral Resource.

### **Option agreements for new exploration projects**

In December 2020, Caledonia Mining announced option agreements to explore two exploration projects in the Zimbabwe Midlands.

The first project, named Glen Hume, covers an area of approximately 350 hectares with considerable evidence of gold mineralization including historical mining activity. Caledonia Mining has completed airborne geophysical surveys indicating attractive exploration targets and has also completed preliminary metallurgical work indicating favorable grade and recovery.

The second project, named Connemara North, is the northern portion of the abandoned Connemara Mine, which was previously owned by First Quantum Minerals and produced approximately

20,000 ounces of gold per year in an open heap leach operation until its closure in 2001. The property is located approximately 30 kilometers from Glen Hume and has good road access, providing the potential for operational synergies should Caledonia Mining decide to develop both areas.

The Company has the initial right to explore both project areas for a period of 15 and 18 months, respectively, after which it may elect to explore for a longer term.

### **Dividend payout since 2012 – Attractive dividend yield**

Caledonia Mining has been paying a regular dividend without interruption since 2012. This has already been increased seven times since October 2019 and currently amounts to US\$0.14 per quarter, which equates to an annual dividend of US\$0.56. In October 2019, this was still US\$0.06875 per quarter, which means that it has increased by a cumulative 104% since then.

### **Summary: Production and dividend increase firmly planned**

Caledonia Mining has been able to deliver a lot of progress for investors over the past two years. First, management was able to significantly increase the company's stake in the mine from 49% to 64%. Secondly, the new central shaft was commissioned, which not only significantly increases production, but also reaches new mining levels within which significant resources have already been proven, but which, above all, still have a much higher resource potential. The same applies to possible satellite deposits, which are being actively explored, as is the new Maligreen project. Management also plans to continue paying additional dividends to shareholders. At the end of June 2022, long-time CEO Steve Curtis will hand over his position to current CFO Mark Learmonth due to his age. In December 2021, Caledonia Mining successfully completed a US\$7.83 million financing and is currently very well funded.

## **Exclusive interview with Steve Curtis, CEO of Caledonia Mining**

### ***What have you and your company achieved in the past 12 months?***

Operationally, the last 12 months have marked a turning point for the business. The Central Shaft has been a huge project costing approximately \$67 million, all funded through internal cashflow, and I am delighted that it was commissioned in Q1 2021.

Production for 2021 was 67,476oz, which was above the top end of the guidance range and was a new record for annual production. The robust operating performance was also supported by good cost

control and gross profit for the Year was \$54.1 million – 16% higher than 2020.

Over the last 10 years Caledonia has built a strong reputation for rewarding shareholders through growth and dividends. In January 2020, we announced our first dividend increase and over the last 2 years we have more than doubled the dividend while always balancing the importance of returning money to shareholders and investing in the Company's growth. In January 2022 we decided to hold the dividend at 14 cents a share, marking a strategic pivot in the future direction of Caledonia as it pursu-



es other areas of its growth strategy, predominately de-risking the business from being a single asset producer.

Last year we announced the acquisition of Maligreen, one of the more significant exploration opportunities in Zimbabwe. We see huge geological potential in Zimbabwe and continue to evaluate other investment opportunities in the country.

**What are the most important company catalysts for the next 6 to 12 months?**

Now that the Central Shaft is commissioned, we expect further increases in production: guidance for 2022 is a range of 73,000 to 80,000oz while from 2023 onwards it is 80,000oz – 38% higher than in 2020.

Progress on the 12MW solar plant has resumed following delays arising from the combined effects of COVID-19 and difficulties with the supply chain. The plant is expected to provide approximately 27% of Blanket’s total daily electricity demand, improve Blanket’s security of

electricity supply and reduce its environmental footprint. It is anticipated that the project will be commissioned in June 2022.

Caledonia continues to evaluate further investment opportunities in the Zimbabwe gold sector with a view to transforming the Company into a mid-tier, multi-asset Zimbabwe-focussed gold producer.

**How do you see the current situation on the market for precious metals?**

We are very optimistic about the outlook for gold. We think that the high and rising inflation being experienced globally will be positive for gold as a traditional inflation hedge. Moreover, recent actions by the USA and Europe to freeze Russian central bank treasury assets is an action that is likely to accelerate the already significant move on the part of global central banks to increase the holding of gold as a neutral reserve asset.

# Calibre Mining

## Profitable production from several mines + Gigantic exploration potential

Calibre Mining is a Canadian mining development company specializing in the mining of gold deposits in Nicaragua and Nevada. There, they focus on the „hub-and-spoke“ strategy and are successfully mining from three operating mines. The management team led by CEO Darren Hall is familiar to many gold investors from the days of Newmarket Gold, a company operating in Australia that they were able to take from a market cap of CA\$10 million in 2015 to a CA\$1 billion acquisition by Kirkland Lake Gold in just 14 months. With the acquisition of Fiore Gold and its mine in Nevada, Calibre Mining is gearing up to build a second hub-and-spoke operation. Production volumes will increase accordingly in the coming years.

**Hub-and-spoke strategy and 2021 development**

The company’s hub-and-spoke strategy is to have material from multiple mines (spokes) processed at a central processing plant (hub). Accordingly, in the case of Calibre Mining, the plant base includes multiple ore sources, an installed mill capacity of 2.7 million tonnes per year in two processing plants, reliable in-country infrastructure and favorable transportation costs. Resources from the Limon and Pavon mines are transported to the Libertad „hub,“ with transportation costs from Limon/Pavon to Libertad of around US\$25 to US\$30 per ton. There is immense growth potential here, as there is currently around 1.5 million tons of excess capacity per year. Already in 2021, a record production of 182,755 ounces of gold was reported. For 2022, the company aims to break the mark of 190,000 ounces of gold in Nicaragua alone and, including the U.S. Pan mine, to achieve an annual production of up to 235,000 ounces of gold. With the existing facilities, production volumes of

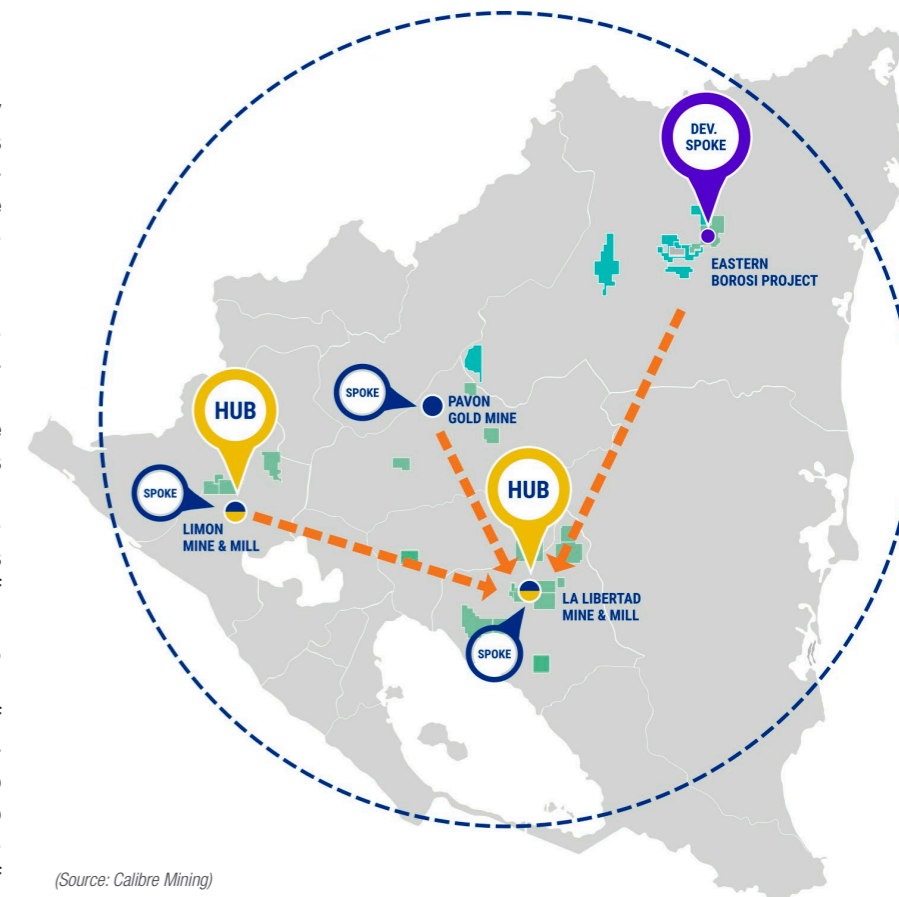
around 300,000 ounces of gold per year are theoretically possible in Nicaragua alone.

**El Limón mine and processing plant**

El Limón comprises a mining permit of 12,000 hectares plus the Bonete-Limón, Guanacastal III, San Antonio and Guanacastal II exploration permits, which are adjacent to the mining permit and cover a total area of 8,147 hectares, and the Villanueva 2 exploration permit, which covers 1,200 hectares. The deposit currently hosts approximately 1.175 million ounces of gold in the indicated category (including 529,000 ounces of gold in reserves) plus 177,000 ounces of gold in the inferred category.



Darren Hall, CEO



(Source: Calibre Mining)

**ISIN:** JE00BF0XVB15  
**WKN:** A2DY13  
**FRA:** 9CD1  
**TSX:** CAL  
**NYSE/LON:** CMCL

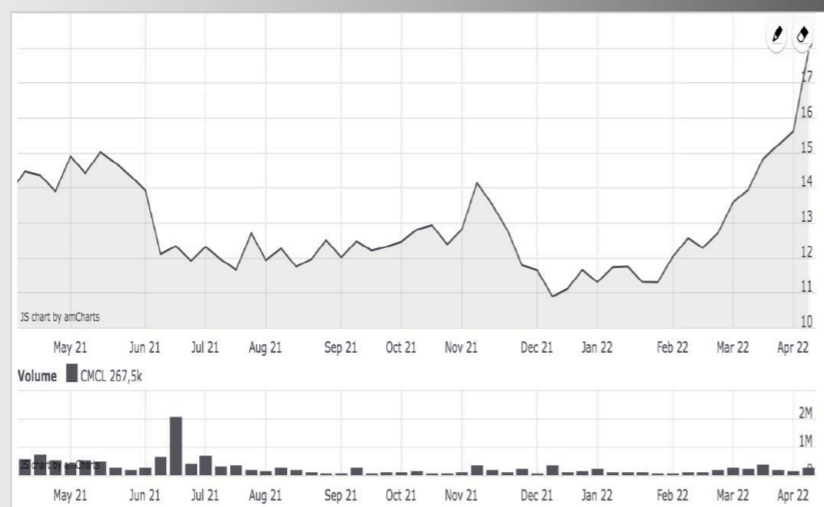
Shares outstanding: 12.8 million  
 Options: 10,000  
 Fully diluted: 12.1 million

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## Caledonia Mining Corporation Plc







La Libertad Mine and Processing Plant  
(Source: Calibre Mining)

Mining is carried out by conventional open pit mining in the Limón Central open pit and in the Santa Pancha underground mines. The annual throughput is about 500,000 tons per year and the historical recovery is 94% to 95%.

### La Libertad mine and processing plant

La Libertad has a mining concession covering an area of 10,937 hectares and also includes the Buenaventura and Cerro Quiroz exploration concessions adjacent to the La Libertad mining concession, covering a total area of 4,600 hectares. The project hosts approximately 631,000 ounces of gold in the indicated category (including reserves of 484,000 ounces of gold) plus inferred resources of 726,000 ounces of gold, according to the latest estimates.

The project is located about 110 kilometers east of Nicaragua's capital Managua and is accessible by road. The La Liber-

tad processing plant is capable of processing approximately 2.25 million tons per year, with current gold recoveries of approximately 94% to 95%. Currently, the plant is fed with ore from Limon and Pavon, as well as ore mined near the mill at the Jabali underground mine. The Jabali Antenna and San Antonio mines, which were operated in the past, are also planned to be reactivated in the future.

Calibre Mining has established an extensive exploration program at La Libertad focused on resource expansion and discovery. Currently, the Company is testing several ore veins including Rosario, Tranca, Nancite and the Cosmotillo district. In addition, Calibre Mining has established new regional targets in the Amalia and El Nispero concessions. La Libertad has a total of 411 square kilometers, of which Amalia accounts for 84 and El Nispero 172 square kilometers. Most recently, exploration activities have shown shallow open pit potential in several target areas. Amalia and El Nispero are located approximately 30 km from the Libertad Mill.

### Pavon Mine

Pavon is located within the Natividad and Las Brisas exploration concessions totaling 31.5 square kilometers, approximately 300 kilometers on paved highways from the Libertad processing plant. Pavon was or is designed to feed the La Libertad processing plant, supplying approximately 320,000 tons of rock per year. In addition to reducing overcapacity at La Libertad, work at Pavon is focused on increasing resources. Currently, the project has 230,000 ounces of gold in the indicated category (including 200,000 ounces of gold in reserves) plus 62,000 ounces of gold in the inferred category. Pavon represents an emerging gold district in Nicaragua, in a region largely unexplored by modern methods. Historical exploration has focused on delineating resources in the near surface areas of the Pavon Norte, Central and South deposits, where average grades in excess of 5g/t have been delineated in the upper 100 meters. In addition, several untested vein systems have been identified and more are suspected below surface. Recent drilling (including 12.4 meters at 11.56g/t gold) confirmed the high-grade character of the mine. Pavon is expected to begin production in the first half of 2023.

### Eastern Borosi Gold-Silver Project

The Eastern Borosi gold-silver project, located in northeastern Nicaragua in a low-sulphidation epithermal area and hosting numerous high-grade gold-silver vein systems, covers approximately 176 square kilometers. The vein systems, which host the current inferred resource of 700,500 ounces of gold and 11,359,000 ounces of silver, can be further expanded along with numerous undrilled targets. Several gold-bearing zones promise immensely high resource potential. For example, the Cadillac zone, which yielded 2.6 meters averaging 8.93g/t gold and 57.4g/t silver, the San Cristobal zone,

which yielded 5.7 meters averaging 10.92g/t gold and 859.0g/t silver, the Veta Loca zone, which yielded 5.4 meters averaging 10.15g/t gold and 6.9g/t silver, and the La Luna South zone, which yielded 12.7 meters averaging 5.75g/t gold and 34.3g/t silver.

### Pan Mine

Pan is a Carlin-style, heap leach open pit mine located in east-central Nevada, approximately 28 kilometers southeast of the town of Eureka, on the prolific Battle-Mountain - Eureka gold trend. The mine has started up smoothly following the resumption of operations in September 2017 by former owner Fiore Gold. Production has increased year over year since 2017, reaching 45,397 ounces of gold production in 2021, benefiting from an expansion of the heap leach pad and primary crushing circuit. Pan hosts proven and probable reserves and measured and indicated resources of 290,500 ounces and 427,400 ounces, respectively. An additional 61,000 ounces are in the inferred category. The previous operator, Fiore Gold, spent only about CA\$1.5 million on exploration at the project, so this is a good opportunity for Calibre Mining to step up generative and regional exploration work, but also to follow up on numerous targets in the vicinity of the North and South pits that have had limited drilling.

### Gold Rock

Gold Rock is a government-approved project with a grade 30% higher than the Pan Mine, located about 30 kilometers away. In 2020, the former operator Fiore Gold published a positive PEA. Based on an achievable gold price of US\$1,600/ounce, the project yields an after-tax net present value (NPV5%) of US\$77.2 million and an internal rate of return (IRR) of a strong 32.5%, with a mine life cash flow of US\$149.0 million.



Gold Rock has indicated resources of 403,000 gold ounces, in addition to the inferred resource of 83,000 gold ounces, with excellent potential to expand the resource with the next phase of planned drilling. This will primarily seek to close the gaps between the modeled pits, bringing them together and thereby improving the strip ratio.

Anticipated production at Gold Rock, combined with Pan, could organically increase Nevada production to over 100,000 ounces annually.

### Gigantic exploration campaigns in 2022

In addition to increasing gold production, Calibre Mining will primarily focus on resource expansion in the current year 2022. To this end, it has firmly budgeted an exploration budget of US\$40 million to US\$42 million for 2022. This includes 85,000 meters of drilling in both Nicaragua and Nevada with a focus on resource expansion and discovery using a total of 17 drill rigs. Particular attention is being paid to the development of the heavily underexplored Eastern Borosi and Gold Rock projects.

### Summary: Focus on higher capacity utilization and resource expansion

Calibre Mining has a real luxury problem: mill overcapacity! 1.5 million tons of additional material could be processed per year. Therefore, in 2022, the company will continue to optimize its mining and processing plans while taking a „hub-and-spoke“ approach to maximize value and allow the company to quickly convert exploration successes into production and cash flow. A look at the track record of the core management team shows that this can be achieved. So far, it has not only been able to shine with the rapid development of Newmarket Gold, including the billion-euro takeover by Kirkland Lake Gold, but also with further takeover deals and high positions in major mining companies.

In total, they have been directly responsible for creating more than \$5 billion in shareholder value at previous companies. Calibre Mining has a high cash balance, no debt and is highly undervalued relative to peer group companies.

- ▶ Advanced the Company's high grade Eastern Borosi and Pavon Central projects – expected to fuel grade driven production and cash flow growth in 2023 and 2024

### What are the most important company catalysts for the next 6 to 12 months?

- ▶ Bringing the high grade Pavon Central deposit into production in Q1 2023 thereby increasing annual consolidated gold production over 2022
- ▶ Having permits in hand in the first half of 2023 for the Eastern Borosi Project which will become the next mining spoke following Pavon Central
- ▶ 85,000 m drill program underway in Nicaragua (14 operating rigs)
  - Majority of our focus will be resource expansion and new discoveries
- ▶ Optimizing existing operations at Pan in Nevada
- ▶ 85,000 m drill program underway in Nevada
  - Grow resources and extend mine life at Pan

- Infill and technical studies to progress the federally permitted Gold Rock project

### How do you see the current situation on the market for precious metals?

Due to the current macroeconomic landscape ie. an inflationary or stagflationary environment along with various geopolitical events we are positive on gold. Historically during these environments investors have increased safe haven investing including gold and gold equities. TD recently raised their gold price assumptions and institutional brokers are seeing significant gold backed ETF inflows. Overall and based on historical economic cycles the current environment looks favorable for gold and gold equities.

ISIN: CA13000C2058  
 WKN: A2N8JP  
 FRA: WCLA  
 TSX: CXB

Shares outstanding: 441.6 million  
 Options/warrants/RSUs/PSUs: 50.0 million  
 Fully diluted: 491.6 million

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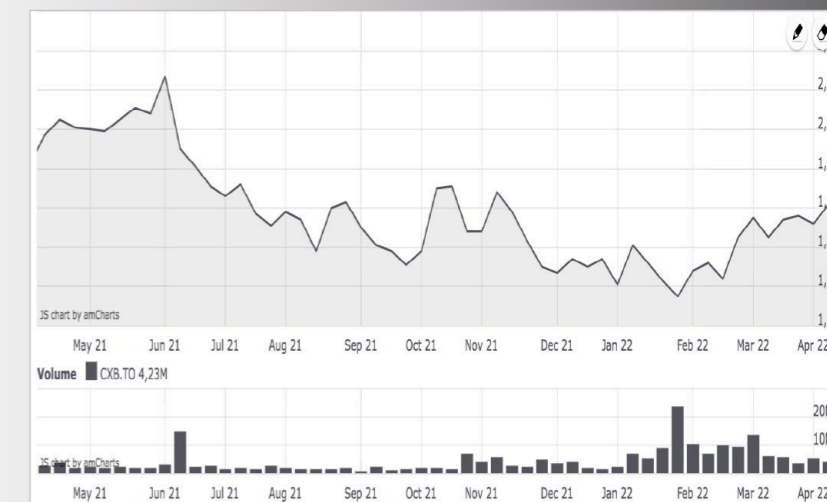
## Exclusive interview with Darren Hall, CEO von Calibre Mining

### What have you and your company achieved in the past 12 months?

- ▶ Increased 2021 production ~35% over 2020
- ▶ Beat the high-end of 2021 production guidance delivering 183,755 ounces of gold
- ▶ Remained debt free, generated significant CF to self-fund all exploration
- ▶ Grew cash position to \$US78.5 million

- ▶ Acquired the producing, Pan, heap leach mine and development stage Gold Rock project in Nevada providing additional production, geographic diversification, significant exploration upside with potential to double annual production through the development of Gold Rock
- ▶ Grew Nicaragua Mineral Reserves to just over 1 M oz gold, a 254% increase after production depletion (since Q4, 2019)

## Calibre Mining Corp.



# Condor Gold

## Feasibility study points the way to production



Mark Child, CEO

Condor Gold is a British mining development company specializing in gold/silver projects in Nicaragua. There they hold 100% in the La India project, which already has a formal mining permit. La India is currently being developed to mine status. The project hosts over 2.3 million ounces of gold, which the company hopes to double again. Corresponding drill results indicate a further increase in the resource. The company plans to publish a feasibility study shortly.

### Flagship project La India – location and infrastructure

Condor Gold's flagship La India project is located approximately 100 road kilometers from Managua, in western Nicaragua. Paved roads 26, 35C and 48 run directly through the project site, and the Pan America Highway is only 15 kilometers away. Electricity and water supplies are in close proximity. La India covers a total of 587.7 square kilometers and covers 98% of the historic La India gold mining district. The concession package includes the twelve contiguous concessions of La India, Espinito-Mendoza, Cacao, El Rodeo, Real de la Cruz, Santa Barbara, La Mojarra, La Cuchilla, El Zacatoso, Tierra Blanca, Las Cruces and Los Cerritos.

### Flagship Project La India – Historical Funding and Resources

La India is home to the historic La India gold mine of the same name, from which an estimated 576,000 ounces of gold were produced between 1938 and 1956, primarily by Canadian mining company Noranda Inc.

Up to and including 2017, Condor Gold set nearly 400 drill holes, covering approximately 59,000 meters. In addition, more

than 18,000 meters of trenching were completed. In January 2019, the Company released the most recent resource estimate prepared in accordance with Canadian Resource Calculation Standard NI 43-101. According to this, La India currently has an indicated mineral resource of 9.85 million tonnes at 3.6g/t gold for 1.140 million ounces of gold and 5.9g/t silver for 1.88 million ounces of silver, and an inferred mineral resource of 8.48 million tonnes at 4.3g/t gold for 1.179 million ounces of gold and 8.2g/t silver for 1.201 million ounces of silver. All resources are located within a 9-kilometer radius of the central La India project area.

### La India Flagship Project – Exploration Potential and Resource Expansion

Known resources consist primarily of approximately 675,000 ounces of gold from the La India Pit, as well as the La India Veins (1.32 million ounces), the America Veins (479,000 ounces) and the Mestiza Veins (311,000 ounces). Management anticipates that an additional 20,000 metres of drilling will generate an additional resource of approximately 900,000 ounces of gold from the three vein areas mentioned above. In addition, the resource in the pit area is still open to the downside. Furthermore, the so-called Andrea-Limones corridor, which covers a length of approximately 12 kilometers, runs in the northern area of the concession area. Samples taken there have already detected 142g/t and 52g/t gold, among others. The Cacao target area in the eastern part of the concession area returned 17 meters of 2.6g/t gold. In addition, samples with gold grades in excess of 5g/t in some cases were also encountered in other areas. In October 2020, Condor Gold initiated a ground assay program that included 20 geotechni-



Design of the processing site  
(Source: CondorGold)

cal drill holes and 58 test pits at the Tailings Storage Facility, Water Retention Basin and Processing Plant areas. With an infill drilling program initiated in December 2020, initial holes encountered 9.6 meters of 3.98 g/t gold from surface and discovered an additional vein 2.27 meters wide of 3.0g/t gold at 24.15 meters of drilling depth, among others. In addition, 17.4 meters of 3.27g/t gold including 2.1 meters of 15.13g/t gold were encountered.

In 2021, the Company started several drilling programs. These included an 8,000-meter campaign at La Mestiza and 3,370 meters at La India. The Company's results from the La India starter pits included 6.26g/t gold over 8.1 meters from a drill depth of 38 meters and 6.05g/t gold over 5.8 meters from a drill depth of only about 10 meters. Further, 60.6 meters of 1.98g/t gold was encountered, virtually from surface, between the planned starter pits. Mestiza intersected 6.3 meters of 6.84g/t gold, 4.1 meters of 15.23g/t gold and 3.6 meters of 29.1g/t gold. Drill results showed very high con-

tinuity of gold mineralization between adjacent holes in the high-grade zones, which supported the geological model. At Cacao, the Company was able to demonstrate 25.93 meters of 3.94g/t gold, among other results. The present results allow Condor Gold to upgrade existing resources to higher categories, taking one more piece of risk off the project.

### Flagship project La India – Positive preliminary economic assessment

In September 2021, Condor Gold released a Preliminary Economic Assessment (PEA) which includes two scenarios: Scenario A, in which mining occurs at four open pits (La India, America, Mestiza and Central Breccia Zone), targeting a feed rate of 1.225 million tonnes per year; and Scenario B, in which mining is expanded to three underground operations at La India, America and Mestiza and the processing rate is increased to 1.4 Mtpa.



For Scenario 1, an IRR of 58% and an after-tax NPV of US\$302 million at a discount rate of 5% and a gold price of US\$1,700 per ounce were calculated. The average annual production here is approximately 120,000 ounces of gold in the first 6 years of production. 862,000 ounces of gold would be produced over the 9-year mine life. Initial capital requirements were estimated at US\$153 million, with all-in sustaining costs of US\$813 per ounce of gold.

Scenario 2 would offer an IRR of 54% and an after-tax NPV of US\$418 million, at a discount rate of 5% and a gold price of US\$1,700/ounce. Average annual production would be approximately 150,000 ounces of gold over the first 9 years of production, with 1,469,000 ounces of gold produced over the 12-year mine life. Initial capital requirements would be US\$160 million, with the underground development is financed through cash flow. All-in costs would be US\$958 per ounce of gold over the life of mine.

A more detailed feasibility study is scheduled to be published in the second quarter of 2022.

## La India Flagship Project – Mining Permit and Mining Work to Date

In August 2018, Condor received an environmental permit to develop, construct and operate a processing plant with a capacity of up to 2,800 tonnes per day and associated mining infrastructure at La India.

The Company completed a major milestone by purchasing 85% of the currently permitted area, including all existing infrastructure and key sites for the planned mining and processing areas.

In December 2020, Condor Gold started initial infrastructural works, which mainly included the creation of road connections to the highway and within the planned production site. In March 2021, Condor Gold was pleased to announce that it had acquired a brand-new SAG

mill package from First Majestic Silver for US\$6.5 million (of which US\$3 million was in shares). The SAG mill package is a key element of the plant required to bring the Company's La India project into production. The SAG mill is estimated by Metso Outotec's technical support group to have a throughput of up to 2,300 tons per day. Based on the metallurgical characteristics of the ore and mineralized material at Condor's La India project, initial production is estimated at 80,000 to 100,000 ounces of gold per year, based on internal technical studies and mining dilution studies conducted by SRK Consulting (UK) Limited. By means of a more powerful engine, the mill can be expanded to a capacity of 2,850 tpd, the maximum capacity for which an environmental permit is available. This deal will save Condor Gold about 12 months of the time it would take to order its own mill.

## Summary: Now it can go to the financing and mine construction

Condor Gold's CEO Mark Child has achieved something decisive in the past months and years: The consolidation of the historic La India district. A PEA has already been positive all around. A mining permit has been issued, primarily for surface mining. Now it's on to financing. Condor Gold has several strong shareholders on board who have already successfully closed major deals. After that, construction must proceed quickly to get to a production rate of over 120,000 ounces of gold per year. The purchase of much of the current mine acreage gives the company a big advantage and further reduces project risk. The company is well financed. For example, it was able to generate £4 million through a financing in February 2021 and continued additional capital through the exercise of warrants. Furthermore, the company generated another 4.1 million £ in November 2021.

## What have you and your company achieved in the past 12 months?

- ▶ Updated a Technical Report to PEA level, demonstrating 150,000 oz gold p.a. for 9 years, NPV US\$418M, IRR 54%, 12-month payback
- ▶ Purchased a new SAG Mill for US\$6.5M
- ▶ Purchased the surface rights
- ▶ 11,500m of infill drilling completed confirming high grade nature of geological model
- ▶ 3,500m of exploration drilling demonstrating potential for a significantly greater gold deposit
- ▶ 2,600m geotechnical drilling completed for Feasibility Study
- ▶ Metallurgical study completed to Feasibility Study level
- ▶ Process plant design completed to Feasibility Study level
- ▶ Surface hydrology and hydrogeology completed to Feasibility Study level
- ▶ Soil geochemistry completed to Feasibility Study level
- ▶ Water drinking project costing US\$250,000 inaugurated in local community

## What are the most important company catalysts for the next 6 to 12 months?

- ▶ Feasibility Study to NI 43-101 standards due imminently on La India open pit. This is plus or minus 10% to 15% accuracy for the upfront capital costs and operating costs
- ▶ Deliver a construction ready project
- ▶ Arrange project finance
- ▶ Demonstrate an additional 5M oz gold at La India Project

## How do you see the current situation on the market for precious metals?

Expect US\$2,500 oz gold in 2022.

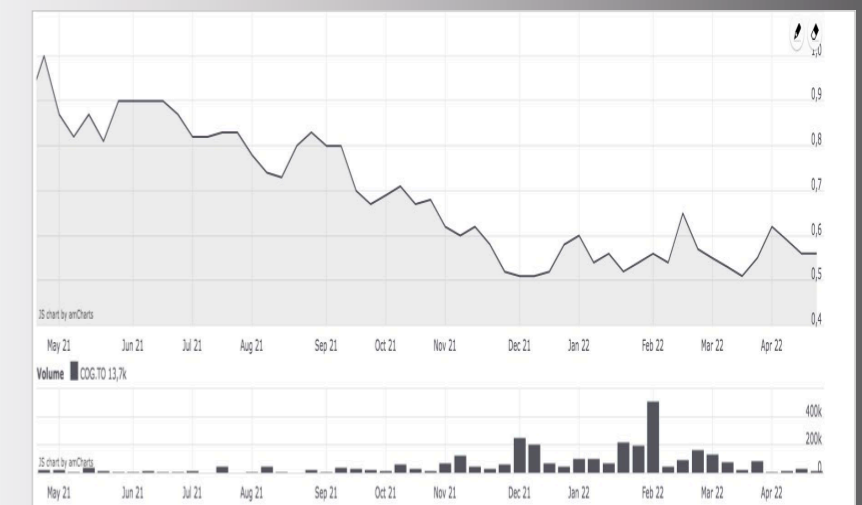
**ISIN:** GB00B8225591  
**WKN:** A1JZFM  
**FRA:** W5XA  
**TSX:** COG  
**AIM:** CNR

Shares outstanding: 146.9 million  
 Options: 14.9 million  
 Warrants: 17.1 million  
 Fully diluted: 178.9 million

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## Condor Gold Plc



# GoldMining

## Over 32 million gold equivalent ounces and successful „New-Co“ model ahead of continuation



Alastair Still, CEO

GoldMining is a Canadian mining development company specializing in promising gold projects in North and South America. As a so-called mineral bank, the business model consists of buying up high-caliber projects at the most favorable conditions possible in bear market phases and selling them again at the highest possible price or generating development partners for them in bull market phases. GoldMining currently holds a total of 16 projects in its portfolio. In addition, the company holds a high stake in the royalty company Gold Royalty, which guarantees a high annual dividend yield.

### Around 32 million ounces of gold equivalent on the credit side

GoldMining has already made several high-profile acquisitions in recent years, demonstrating a resource base that now exceeds 26 million ounces of gold. Including all other commodities, namely silver and copper, GoldMining's projects even have more than 32 million ounces of gold equivalent. The most important projects are presented below.

### Para State Projects – Brazil

7 projects are located within or just outside the Brazilian state of Para State. 4 of them already have a combined resource base of almost 3.5 million ounces of gold.

With 711,800 ounces of gold in the indicated category and 716,800 ounces in the inferred category, Sao Jorge is the leading of the Para State Projects. It is an open pit project with average indicated grades of 1.55 grams of gold per tonnes of rock (g/t).

Cachoeira has 692,000 ounces in the indicated category and 538,000 ounces in the inferred category and a total of three

separate deposits in the western license area. The eastern portion of the shear zone, on the other hand, has not been adequately explored. The holes drilled to date have been advanced to an average length of 100 meters. This gives Cachoeira a high exploration potential at depth. The other 5 projects have only been sporadically explored for gold occurrences to date, with no resource estimate at all available for three of them.

Para State boasts an excellently developed infrastructure. In addition, the state has a very low corporate tax rate of only 15.25%. By comparison, most other Brazilian states charge 34%. The state therefore offers a very good environment for interested development companies.

### Titiribi & La Mina Gold Project – Colombia

The so-called Mid-Cauca Belt runs from north to south across Colombia. This is considered one of the most prospective gold belts in the world and has yielded discoveries of about 100 million ounces of gold in the past 10 years alone. Nevertheless, the entire gold belt is considered under-explored compared to other regions of South America. The two gold-copper porphyry and epithermal gold deposits, Titiribi and La Mina, respectively, are located about 100 kilometers southwest of Medellin and are 100% owned by GoldMining. They are connected to excellent infrastructure and already host offices, drill core storage and a power supply. The two deposits have a combined 6.2 million ounces of gold, 1.6 million ounces of silver and 1.2 billion pounds of copper in the measured and indicated category, and 3.45 million ounces of gold, 772,000 ounces of silver and 294 million pounds of copper in the inferred category. Several drill areas have been identified but have not yet been further explored for corresponding depo-



sits. A PEA published in 2022 calculated an after-tax NPV 5% of US\$231 million and an after-tax IRR of 15%. Initial capital costs were reported at US\$300 million and all-in sustaining costs at just under US\$700 per ounce. The relatively conservative price assumptions of US\$1,600 per ounce of gold, US\$21 per ounce of silver and US\$3.39 per pound of copper provide further upside.

### Yarumalito Project – Colombia

The Yarumalito Gold Project is located approximately 60 road kilometers south of Titiribi and covers 1,453 hectares. It has an inferred resource of 1.23 million ounces of gold and 129 million pounds of copper. Drilling work has proven several intercepts with high gold grades. For example, 2.10 meters at 12.67g/t and 1.85 meters at 33.75g/t gold. More importantly, however, are the low-grade, long intercepts of 257 metres at 0.51g/t, 250 metres at 0.51g/t and 141.4 metres at 0.77g/t gold, among others, suggesting high tonnage. Successfully bought back a 1% net smelter royalty in March 2022.

### Crucero Project – Peru

The Crucero Project is located in the very southeast of Peru, within what is known as the Orogenic Gold Belt, and comprises three mining licenses and five exploration licenses on 4,600 hectares. The A1 deposit hosts at least 993,000 ounces of gold in the indicated category and 1.147

million ounces in the inferred category. In addition, the project has high exploration potential as several other targets have not been drilled to date.

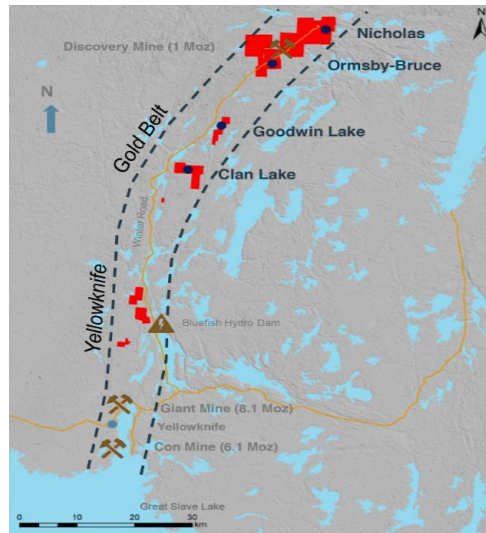
### Yellowknife Gold Project – Northwest Territories, Canada

The Yellowknife Gold Project consists of several properties (Nicholas Lake, Ormsby, Goodwin Lake, Clan Lake and Big Sky) covering portions of the Yellowknife Greenstone Belt from 17 to 100 kilometers north of the city of Yellowknife. GoldMining's project areas have a history of

GoldMining currently holds a total of 16 projects in its portfolio (Source: GoldMining)



Yellowknife has at least 14.1 million tonnes of rock averaging 2.33g/t gold (equivalent to 1.059 million ounces) (Source: GoldMining)



over \$60 million in exploration, underground development and camps. Adjacent to the former Discovery Mine are the two high-grade target areas of Ormsby and Bruce, with the Nicholas target area approximately 10 kilometers away. In March 2019, GoldMining was able to present its first own resource estimate for Yellowknife. According to this, the project has at least 14.1 million tonnes of rock averaging 2.33g/t gold (equivalent to 1.059 million ounces) in the indicated category and 9.3 million tonnes averaging 2.47g/t gold (739,000 ounces) in the inferred category.

**Whistler Project – Alaska, USA – Spin-off to U.S. GoldMining**

The Whistler Project is located approximately 150 kilometers northwest of Anchorage and has an airstrip, as well as the ability to access the Donlin Gas Pipeline. The project has district character with an area of 170 square kilometers and hosts several near-surface porphyry deposits. Currently, Whistler’s resource base consists of 2.99 million gold equivalent ounces in the measured and indicated category and 6.45 million gold equivalent ounces in the inferred category. In addition, there is significant potential for high-grade epithermal minerali-

zation. Although 70,000 meters have been drilled, some areas remain poorly explored. Several areas need to be explored in more detail, including one area where previous drilling has returned 435.2 meters averaging 0.72g/t gold and 0.12 copper.

GoldMining is currently working to better evaluate the full potential of Whistler by spinning off the project into a separate company called U.S. GoldMining. This should - similar to Gold Royalty - lead to an improved market valuation and also provide more attention as an independent company, especially in the USA.

**Almaden Project – Idaho/USA**

The Almaden Gold Project is located in west-central Idaho. It covers 1,724 hectares and is located approximately 140 kilometers north of Boise. To date, over 70,200 metres of drilling have been placed on the project property. The most recent resource estimate returned 910,000 ounces of gold in the measured and indicated category and 160,000 ounces of gold in the inferred category. The gold mineralization present is associated with intense silicification and argillic alteration that is approximately 1,900 meters long, 500 meters wide and 150 meters thick.

**Rea Uranium Project – Alberta, Canada**

Another potential trump card up our sleeve is the Rea uranium project in the western Athabasca Basin, currently the hottest uranium hot spot in the world. With its 125,000 hectares, it has district potential. It surrounds Orano’s (ex-AREVA) high-grade Maybelle deposit, which has already produced 17.7% U3O8 over 5 meters, among other grades. Orano is actively exploring the Maybelle project there. Rea is 75% owned by GoldMining, with Orano holding the remaining 25%. Similar to Whistler, Rea

could be spun off into a separate company in the future. The prerequisite for this is a further increase in uranium prices.

**Summary: High leverage on the gold price – NewCo model can be repeated**

GoldMining was able to assemble a considerable portfolio of projects, which together amount to more than 32 million ounces of gold equivalent. At the same time, the projects are not even remotely fully explored, and some of the deposits have not yet been delineated in multiple directions and at depth. GoldMining’s successful management team is also working on further acquisition opportunities, which should be easy given a cash position of over CA\$10 million, a CA\$20 million line of credit and a block of shares

in Gold Royalty (20 million shares). With the price of gold continuing to rise, GoldMining should also be able to sell projects or find development partners for them. The Rea uranium project could turn out to be a particular trump card up GoldMining’s sleeve, as on the one hand it surrounds one of the most promising uranium projects of the uranium giant Orano, and on the other hand it has not even begun to be explored for its own uranium deposits. There is a possibility that, in the event of a further increase in the uranium price, this will be spun off into a separate company, thus continuing the successful „New Co“ concept that has already been realized with Gold Royalty and will soon be continued with U.S. GoldMining. Gold Royalty most recently paid a quarterly dividend of US\$0.01 per share, earning GoldMining US\$200,000 per quarter.

**Exclusive interview with Alastair Still, CEO of GoldMining**

*What have you and your company achieved in the past 12 months?*

The past year has been transformative for GoldMining Inc. We’ve crystalized significant value for shareholders and built a world class team to continue to unlock the value of our portfolio.

- ▶ **Gold Royalty Spin-Out:** GoldMining Inc. spun out Gold Royalty Corp. (NYSE: GROY) through a successful US\$90 million IPO in March 2021. The company has maintained a ~15% ownership in Gold Royalty which represents over C\$100M in value on GoldMining Inc’s balance sheet. Gold Royalty has also initiated a dividend which is forecast to provide US\$0.8 million of annual dividend income to GoldMining Inc. with the potential to grow in the future.

- ▶ **Driving Key Projects Forward:** We completed a positive PEA on our La Mina project in Colombia earlier this year which outlined over 1 million gold equivalent ounces of production over a 10-year mine life and a pre-tax NPV of US\$340 million. On the back of this positive economic study, we have initiated plans for our very first drill program to expand resources by testing a target on the adjacent La Garrucha deposit.

Other key developments in the past year include updating the mineral resource estimates on core properties, initiating an infill core sampling program at our São Jorge project in Brazil, and securing a US\$20 million credit facility from the Bank of Montreal.

**What are the most important company catalysts for the next 6 to 12 months?**

The drilling results from La Mina will be exciting as we look to expand the existing mineral resource at the project. Our primary target is the La Garrucha deposit, which is less than 1,000m away from the existing mineral resources and could significantly enhance the La Mina project economics should positive drill results in the new zone lead to a maiden resource. We also recently announced the creation of U.S. GoldMining, a new subsidiary which will focus on advancing the large Whistler gold-copper project in Alaska. Today, with spot gold approaching \$2,000 per oz and copper price near a decade high, optimum market conditions exist to immediately unlock substantial value by creating U.S. GoldMining without dilution to GoldMining's capital structure. As the flagship asset of U.S. GoldMining, Whistler has meaningful scale to attract the attention of major producing mining companies, with indicated re-

sources of 3 million gold equivalent ounces and inferred resources of 6.5 million gold equivalent ounces covering an expansive regional land package. Taking inspiration from the successful Gold Royalty spin out, U.S. GoldMining will operate as a separate public company through an IPO or similar transaction.

**How do you see the current situation on the market for precious metals?**

The fundamentals for gold are incredibly strong as inflation continues to rise and global geopolitical instability causes investors to seek safe haven investments. In such times of uncertainty, gold has stood the test of time as a store of value which we believe will inevitably drive the price of gold higher.

# Gold Royalty

## Strong gold portfolio and 60% annual revenue growth firmly in sight

Gold Royalty is a Canadian royalty and streaming company specializing in precious metals, providing financing solutions to the metals and mining industries. In doing so, the company acquires royalties, streams and similar interests at various stages of the mine life cycle to generate attractive returns for investors in the short, medium and, most importantly, long term. Gold Royalty's diversified portfolio consists of over 190 royalties located in mining-friendly jurisdictions across the Americas. This provides investors with lower risk to their gold investment while maintaining high exploration potential for the underlying projects. The company is targeting 60% revenue growth in 2023 and 2024.

**Focus on Nevada and Quebec**

Within the portfolio, which currently consists entirely of royalties and streams from the Americas, the main focus is clearly on the top mining jurisdictions of Nevada and Quebec, as evidenced by the current core projects, which are presented in more detail below.

**Canadian Malartic – Quebec/Canada**

Gold Royalty holds a 3.0% net smelter royalty (NSR) on the Odyssey underground expansion at Canada's largest gold mine, Canadian Malartic. The expansion of the Agnico Eagle and Yamana Gold operated mine in Quebec is currently in the construction phase and is expected to produce first gold deposits in 2023. The NSR covers the East Malartic, Jeffrey Zone and Barnat Extension areas. Yamana Gold most recently reported an updated mineral resource for the Odyssey underground project of 2.35 million ounces of gold in indicated mineral resources and 13.15 million ounces of

gold in inferred mineral resources. The Odyssey underground project is expected to produce approximately 500,000 ounces of gold per year over a mine life of more than 18 years, with potential for additional expansion.

**Jerritt Canyon – Nevada/USA**

First Majestic Silver's Jerritt Canyon Mine in Nevada is currently operating as an underground mine and has a capacity of 4,500 tons per day. The Company produced 68,567 ounces of gold from the Jerritt Canyon Gold Mine in 2021 and projects total production of between 116,000 and 129,000 ounces of gold in the current year of 2022. Gold Royalty holds a 0.5% NSR and a sliding royalty per tonne (PTR).

The project site consists of a large, undeveloped land package covering 30,821 hectares. First Majestic Silver has identified several opportunities to improve both the cost and production profile of Jerritt Canyon, as well as near-term brownfield potential between the SSX and Smith mines and long-term cross-property exploration potential. 135,000 metres of drilling are planned for 2022. By year end, the West Generator underground mine, a portion of the Jerritt Canyon property subject to Gold Royalty's NSR, is expected to come online.

**Marigold – Nevada/USA**

Marigold is located on the Battle Mountain-Eureka gold trend in eastern Nevada and consists of 205 unpatented mining claims covering 7.8 square kilometers within SSR Mining's operations. SSR Mining has delineated three resources within the Marigold claims: 8N, 8D and 8 South Extension. Based on the updated mine life plan, the mine is expected to produce an average of approximately



David Garofalo, CEO

**ISIN:** CA38149E1016  
**WKN:** A2DHZO  
**FRA:** BSR  
**TSX:** GOLD

Shares outstanding: 150.2Mio.  
 Options: 12.4 million  
 Fully diluted: 162.7 million

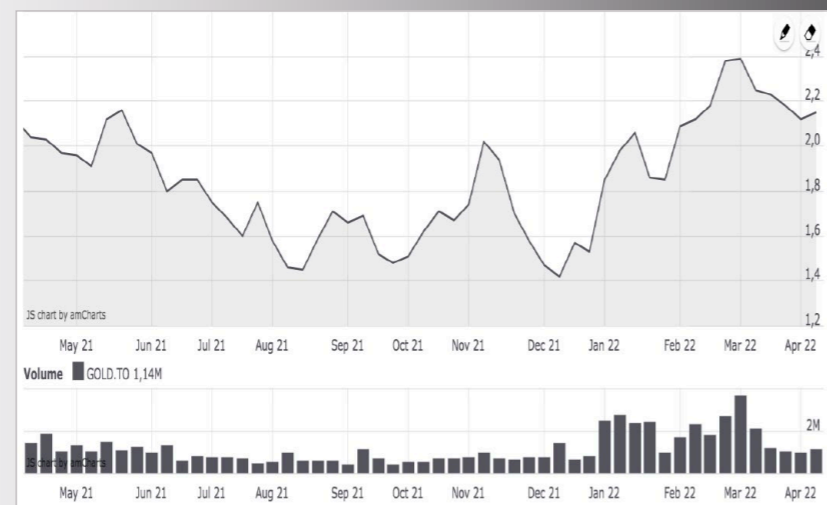
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 www.goldmining.com

### GoldMining Inc.



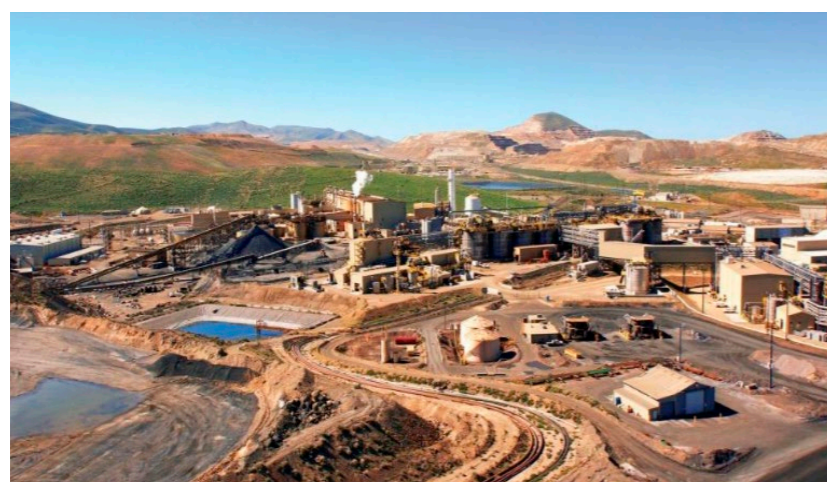




The Odyssey Project (Canadian Malartic)  
(Source: GoldRoyalty)



The Côte Gold Project  
(Source: GoldRoyalty)



The REN Project - Goldstrike Underground  
(Source: GoldRoyalty)

211,000 ounces of gold per year going forward. Gold Royalty holds a 0.75% NSR in Marigold.

### Côte Gold – Ontario/Canada

For IAMGold's Côte Gold Project, Gold Royalty holds a 0.75% NSR on the southern portion of the proposed open pit. This covers zones of higher-grade mineralization that are expected to be mined in the initial production phases. Côte is located in Ontario and hosts approximately 7.2 million ounces of gold. The mine is in the construction phase and is expected to begin production in the second half of 2023. Expected production is approximately 489,000 ounces of gold in the first 5 years and 367,000 ounces of gold per year over the life of mine. Furthermore, the project has high exploration potential.

### REN – Nevada/USA

Barrick Gold's REN Project has an inferred resource of 1.24 million ounces of gold at average grades of 7.3g/t gold. Among the standout drill results was a 40.2-meter intercept grading 27.60 g/t gold. Barrick has highlighted that REN represents future growth for the Carlin Complex and has the potential to contribute to the mine life plan in the near future. Gold Royalty holds a 1.5% NSR and a 3.5% net profit interest (NPI).

### Lone Tree – Nevada/USA

Lone Tree is owned by i-80 Gold and is expected to become the „hub“ of the Company's „Hub and Spoke“ development plan in Nevada. The goal here is to become one of Nevada's largest gold producers and eventually produce over 500,000 ounces of gold annually. Autoclave studies and residual leaching programs are underway, with first gold production expected before the end of

2022. I-80 Gold has a world-class management team with a track record of operational excellence in Nevada. Gold Royalty holds a 1.5% NSR in Lone Tree.

### Fenelon – Québec/Canada

The Fenelon Project is owned by Wallbridge Mining and is located in Quebec, within the Detour-Fenelon Gold Trend. It hosts at least 2.13 million ounces of gold in the indicated category and another 1.47 million ounces of gold in the inferred category. Wallbridge announced a CA\$70 million drilling program in 2022, of which 115,000 meters are planned at Fenelon. The goal is to expand resources and prepare a feasibility study. Gold Royalty holds a 2% NSR in Fenelon.

### Beaufor – Quebec/Canada

The former producing Beaufor Mine will be restarted in the current year 2022. Operator Monarch Mining is currently seeking to expand the approximately 340,000-ounce gold resource. Gold Royalty holds a 2.75% NSR on a portion of the mine and a PTR (CA\$3.75 per tonne processed from Beaufor + CA\$1.25 per tonne processed from the other areas).

### Possible acquisition of Elemental Royalties

In January 2022, Gold Royalty announced its intention to acquire Elemental Royalties. To this end, Elemental shareholders were offered the opportunity to acquire all of the issued and outstanding common shares of Elemental Royalties at a price of 0.27 of a Gold Royalty common share per Elemental share. The acquisition of Elemental Royalties would be the fourth corporate transaction Gold Royalty has completed in the last 12 months. Since its oversubscribed US\$90 million initial public offering in March 2021, it has already successfully acquired

red Ely Gold Royalties, Abitibi Royalties and Golden Valley. Elemental Royalties has a portfolio of 10 royalties and streams primarily in Western Australia, several of which are already in production and could provide cash flow.

### Strong management team

Gold Royalty has a top management team from which three individuals stand out.

CEO Garofalo has served in various leadership roles in the natural resources sector over the past 30 years. Prior to joining the Company, he was President, Chief Executive Officer and Director of Goldcorp Inc. until its sale to Newmont Corporation in April 2019. Prior to that, he was President, Chief Executive Officer and Director of Hudbay Minerals Inc. from 2010 to 2015. , Senior Vice President, Finance and Chief Financial Officer and Director of Agnico-Eagle Limited from 1998 to 2010, and served in various finance roles at Inmet Mining Corporation from 1990 to 1998. He was named Mining Person of the Year by The Northern Miner in 2012 and Canada's Chief Financial Officer of the Year by Financial Executives International Canada in 2009.

Director Amir Adnani is an entrepreneur and Chairman of GoldMining, where he leads the growth of a gold resource acquisition and development company with a substantial portfolio of gold projects across the Americas. Adnani is also President, Chief Executive Officer and Founder of Uranium Energy Corp, where he led the company from concept to production in the U.S. during its first five years. He is Chairman of Uranium Royalty Corp, a TSX Venture Exchange and Nasdaq Capital Market listed uranium royalty and streaming company.

Ian Telfer built and led a number of successful companies through strategically timed mergers and acquisitions, including Wheaton Precious Metals, Uranium One and Wheaton River, which became

Goldcorp. He was Chief Executive Officer of Wheaton River and former President & CEO of Goldcorp and Chairman of the Board until Goldcorp merged with Newmont Mining. He also served as Chairman of the World Gold Council (2009-2013) and was inducted into the Canadian Mining Hall of Fame (2015) and the Canadian Business Hall of Fame (2018).

### Annual sales growth of 60% + analyst estimates + dividend

With 28 license areas already in production or development, Gold Royalty is expected to generate revenues of approximately US\$7 million in 2022 and grow by an industry-leading 58% in each of the next two years to approximately US\$17 million in 2024, based on analyst consensus estimates. Those analysts who see the fair value of Gold Royalty's stock as high as US\$8.25. Gold Royalty recently began paying a quarterly dividend of US\$0.01 per share.

### Summary: Several development projects soon ensure rising sales

Gold Royalty already has an attractive royalty portfolio with some important cornerstone projects, some of which are already generating revenues. However, things will only get really interesting when major projects such as Odyssey, Côté, REN, Fenelon and several others come on stream. A further leap forward is promised by the acquisition of Elemental Royalties, which would also entail diversification into Australia. With sales picking up quickly, there is an additional opportunity for an increase in the quarterly dividend. Gold Royalty has the expertise and financial resources to generate more cracker royalties a la Côté.

As a result of this robust cash flow profile, Gold Royalty initiated a quarterly dividend earlier this year which the company will strive to grow in line with the revenue growth profile of the portfolio.

### What are the most important company catalysts for the next 6 to 12 months?

With over 190 royalties in our portfolio there is a constant stream of news from our operating partners – with that said, our portfolio has exposure to three of the largest development projects in North America: the Odyssey project, the Cote Gold project, and REN which is the underground extension of Goldstrike. Key catalysts will be construction updates from Odyssey and Cote as these assets continue to be advanced towards production in 2023. Significant exploration and infill drilling is also being completed at Odyssey and REN, these drill results which will provide an exciting catalyst for Gold Royalty as these mineral resources grow.

### How do you see the current situation on the market for precious metals?

With inflation continuing to climb, and central banks continuing to print money, real rates will drift further into negative territory and inevitably drive the gold price higher. In this gold cycle, I foresee gold prices reaching at least \$3,000 per ounce, the equivalent to gold's all time high in real terms, during the last major inflationary cycle in the early 1980's. While inflation will be a driving force for a rising gold price, it will also weigh on the operating costs and margins of mining companies. As a result, I see the royalty and streaming companies, which are insulated from operating cost exposure, to outperform operating companies through this rising gold price environment.

## Exclusive interview with David Garofalo, CEO of Gold Royalty

### What have you and your company achieved in the past 12 months?

Gold Royalty has been the most dynamic precious metals company in world over the past 12 months: We completed our initial public offering on the NYSE American in March 2021 raising over US\$90M and then sought to start consolidating a highly fragmented royalty sector. This began with the acquisition of Ely Gold Royalties in August 2021 which was shortly followed by the acquisition of Abitibi Royalties and Golden Valley Mines and Royalties in November 2021.

In addition to corporate M&A, we provided royalty financing to Monarch Mining to help fund the restart of the Beaufor mine in Val d'Or, Quebec and recently acquired a royalty over IAMGOLD's Cote Gold Project, which will be Canada's second largest gold mine. Through these transactions, we have assembled a portfolio of over 190 royalties anchored in the best mining jurisdictions in the world. This portfolio is forecast to generate the highest revenue growth profile amongst our peer group and will provide reliable cash flows for decades to come.

**ISIN:** CA38071H1064  
**WKN:** A2QPLC  
**FRA:** 6LS0  
**NYSE:** GROY

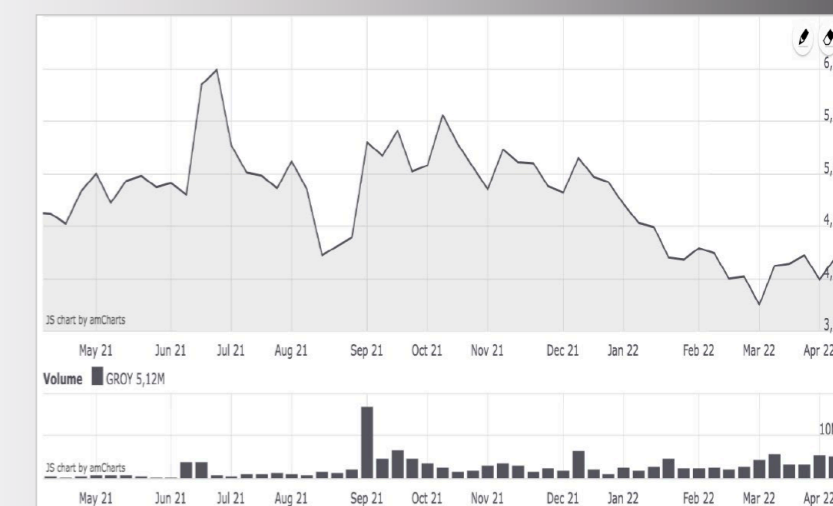
Shares outstanding: 133.9 million  
Options/warrants/RSUs: 20.2 million  
Fully diluted: 154.1 million

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## Gold Royalty Corp.





# Mawson Gold

## Cobalt and Gold in Scandinavia and Spin-Out in Australia



Ivan Fairhall, CEO

Mawson Gold is a Canadian mining development company specializing in gold and cobalt deposits in Finland and Australia. The company has recently doubled its resource base in Finland, acquired a gold project in Sweden and reported some spectacular drill results from Australia's Victorian Goldfields. The company is aggressively working to expand its resources at a total of four projects. In the near future, the Australian projects will be spun off into a new company called Southern Cross Gold.

### Rompas-Rajapalot – location and infrastructure

Mawson Gold's flagship project is the Rompas-Rajapalot gold-cobalt exploration project, located south of the Arctic Circle in Finnish Lapland. Not only is it located in one of the top jurisdictions in the world, but it is also in the middle of an area that is home to several high-profile mining projects from well-known producers such as Agnico-Eagle, Boliden and Anglo American. Accordingly, the infrastructure can be described as excellent. Mawson Gold holds a total of 5 granted exploration permits for 5,725 hectares and 10 exploration permit applications and reservations for 27,000 hectares in Finland.

### Rompas-Rajapalot – Geology

The Rajapalot subproject, located east of Rompas, hosts several hydrothermal gold-cobalt targets, within a 4 kilometer by 3-kilometer area. These include at least one significant and strategic gold-cobalt resource and one of Finland's largest gold resources by grade and contained ounces, as well as one of Europe's few cobalt resources. To put this in perspective, Finland refines half of the world's cobalt outside of China. The

world's largest cobalt refinery is located 400 kilometers south of Rompas-Rajapalot, with 90% coming from Chinese-owned mines in the Democratic Republic of Congo.

The resource at Rajapalot is essentially stratabound. The high-grade gold-cobalt mineralization at Rajapalot is linear or sub-linear, near-vertical structures (faults and veins) that are generally oblique to the long axis of the conductive, down-dipping host rock. These high-grade trends are believed to develop at the intersections between reactive host rocks and steeply dipping to vertical fracture-controlled hydrothermal alteration.

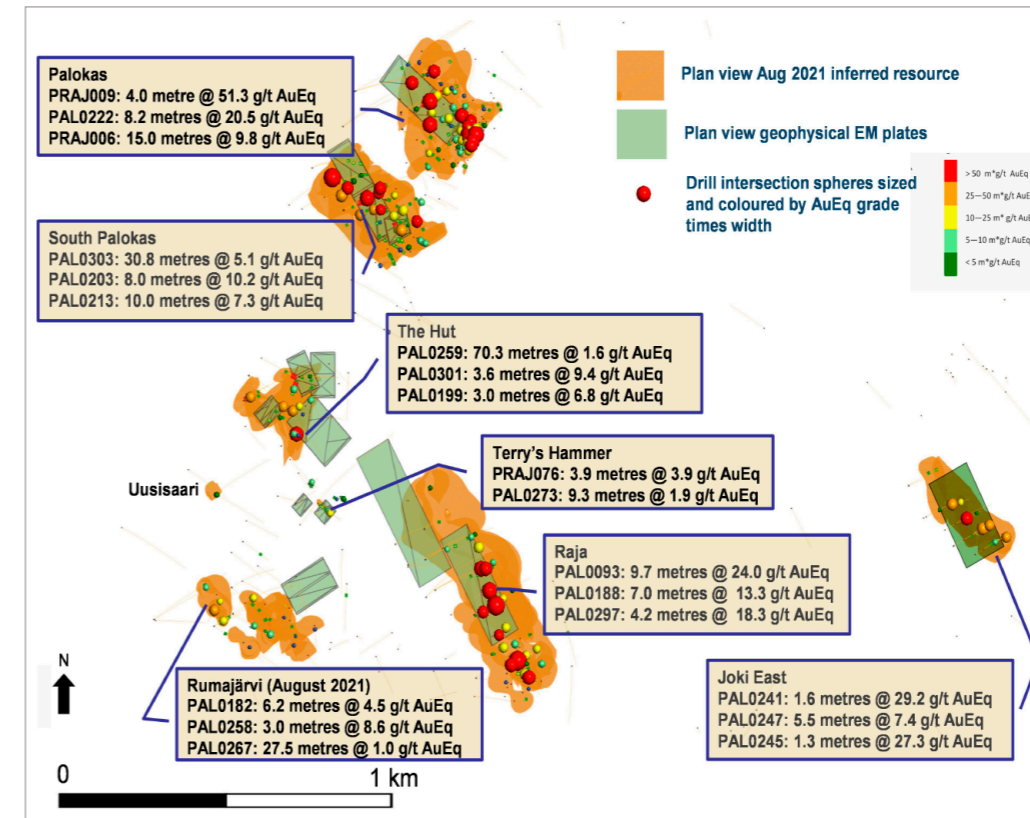
### Rompas-Rajapalot – Resource

As of August 2021, Mawson Gold was able to report an Inferred Mineral Resource (open pit and underground) of 10.91 million tonnes at 2.5 g/t gold and 443 ppm cobalt (equivalent to a combined 3.0 g/t gold equivalent) for 887,000 ounces of gold and 4,800 tonnes of cobalt or 1.04 million ounces of gold equivalent. These mineral resources were determined at a cut-off grade of 0.3 g/t gold equivalent in open pit and a cut-off grade of 1.1 g/t gold equivalent in underground mining.

### Rompas-Rajapalot – Resource potential and current work

In addition to this resource, which is the seventh largest cobalt resource in the EU, Rompas-Rajapalot has infinitely greater resource potential as the upgraded resource areas are open laterally and down dip.

These included the encounter of 1.6 meters of 19.2g/t gold, 1.3 meters of 25.3g/t gold, 5.5 meters of 6.9g/t gold and 732ppm cobalt, and two completely new discoveries including 1.5 meters of



Key results from the drilling programs at Rajapalot. The first outcrop and drill discovery was made at Palokas. (Source: Mawson Gold)

18.1g/t gold and 1,696ppm cobalt and 70.3 meters of 1.6g/t gold equivalent.

The 2021 drill program, which included 19,422 meters of drilling, returned additional results, some of which were spectacular. Among others, the Company encountered 15.3 meters of 3.0g/t gold and 998ppm cobalt, 20.7 meters of 7.4g/t gold and 111ppm cobalt, 30.8 meters of 3.9g/t gold and 1,403ppm cobalt, and 3.6 meters of 7.4g/t gold and 2,290ppm cobalt.

In addition, 8 other target areas were discovered with boulders. The highest-grade samples in the boulders contained 546g/t, 290g/t and 129g/t gold. 30 of the boulders showed outcrops averaging 35.1g/t gold.

Mawson Gold is also increasing its use of artificial intelligence to find additional high-grade locations.

### Skelleftea North Gold Project

In January 2022, Mawson Gold announced the completion of an option and joint venture agreement to acquire up to 85% of the 2,500 hectares of the Skelleftea North gold project from Elemental Exploration Scandinavia AB. The project area shows several gold outcrops grading up to 15.1g/t gold. It is located in the renowned Skellefte Belt, a modern gold field with production in excess of 6 million ounces of gold. Mawson Gold is earning the right to acquire up to 85% interest in the project over a 10-year period. The Company is able to leverage its local exploration team and consolidates the northern focus by adding a full year drill project to complement the advanced Rajapalot project.

### Victorian Goldfields – Nagambie deal + spin-off into Southern Cross Gold Ltd.

In Australia's Victorian Goldfields, Mawson Gold entered into multi-layered agreements with Nagambie Resources Limited in March 2020 and again in October 2020. As a result, Mawson Gold controls three significant epizonal historic goldfields (Sunday Creek, Redcastle and Whroo) within 471 square kilometers of granted concessions and applications in Victoria and holds a right of first refusal to take up or adjust proposals under consideration for the remainder of Nagambie's 3,300 square kilometer concession package in Victoria. All Australian assets are expected to be spun out to the spin-out company Southern Cross Gold Ltd. in the second quarter of 2022. Following completion of the IPO, Mawson Gold will continue to hold a majority interest in Southern Cross Gold.

### Victorian Goldfields – Sunday Creek – Exploration Activities

Sunday Creek is a shallow Fosterville-style orogenic deposit located 56 kilometers north of Melbourne. Sunday Creek is open at depth and along strike and is classified by Mawson Gold as a high-grade exploration project with an affinity to the Fosterville mine. The Company conducted a drilling campaign in 2021 focused primarily on the prospective Golden Dyke, Gladys and Apollo areas. Much of the drilling produced some compelling results, including 17.7 metres at 3.7g/t gold and 0.7% antimony, including 2.2 metres at 15.8g/t gold and 3.3% antimony, 2.0 metres at 19.1g/t gold equivalent and 0.3 metres at 96.5g/t gold equivalent, and 15.3 metres at 2.2g/t gold and 2.1% antimony. Trenching assays included 14.0 metres of 11.5g/t gold and 0.3% antimony, including 8.0 metres of 19.6g/t gold and 0.4% antimony.

Mawson Gold hit an absolute bull's eye in late 2021 when they encountered 3.0 metres of 41.4g/t gold and 12% antimony within 11.7 metres of 12.4g/t gold and 3.6% antimony. Another drill hole returned 5.6 metres at 10g/t gold.

### Victorian Goldfields – Redcastle + Whroo Joint Ventures

In addition to the acquisition of Sunday Creek, the agreement with Nagambie also included the formation of joint ventures for the Redcastle and Whroo projects. Under the terms of the agreement, Mawson Gold has the right to earn a joint venture interest of up to 70% in both the Redcastle and Whroo gold properties by incurring certain exploration expenditures on each of the projects over a 5-year period.

Redcastle is located in central Victoria, 45 kilometers east of Bendigo and 18 kilometers north of Heathcote. It is a shallow orogenic historic high grade Fosterville style ore field covering an area of 51 square kilometers. It is located 7 kilometers along strike from Mandalay Resources' Costerfield mine and on a parallel north-south structure, 24 kilometers east of Kirkland Lake Gold's Fosterville mine. The site hosts six main prospects identified as targets: Reservoir, Mullocky, Laura, RFZ, Why Not and Pioneer. Drilling conducted in 2008 has intersected 10 metres of 2.5g/t gold, 2 metres of 10.7g/t gold, and 2 metres of 6.3g/t gold, among others.

The Whroo JV has expanded the original agreement from 4 square kilometers to 199 square kilometers of mineral tenure and includes the 14-kilometer gold mineralized Whroo Trend. The Whroo JV consists of four granted exploration licenses: EL6158 (Rushworth, 46 square kilometers), EL6212 (Reedy Lake, 17 square kilometers), EL7205 (Angustown, 69 square kilometers) and EL7209 (Goulburn West, 34 square kilometers), two exploration license applications ELA7237 (Kirwans North 1, 20 square kilometers) and

ELA7238 (Kirwans North 2, 9 square kilometers); and a granted reservation license RL2019 (Doctors Gully, 4 square kilometers). Drilling at Doctors Gully in 2008 intersected 10 metres of 2.5g/t gold, 2 metres of 10.7g/t gold and 2 metres of 6.3g/t gold. Recent drilling has included 0.6 metres of 49.7g/t gold in the Balacclava Open Pit area.

### Summary: Focus on Scandinavia

Mawson Gold is transferring its Australian assets to a new company and at the same time acquiring a new gold project in Sweden. While a strategically important resource is already owned in Finland and the preparation of a PEA is underway, there is a much higher exploration potential in an established mining district in Sweden. At the same time, the Australian assets are being transferred to another company, while continuing to benefit from their development. With the current

drilling intensity, investors can look forward to an exciting newsflow in the coming weeks and months. Additional momentum should be provided by new CEO Ivan Fairhall, who brings 15 years of experience as an investment manager to Mawson, among other things. With CA\$5.5 million in funding from December 2021, Mawson Gold is very well funded for its Scandinavian operations. The Southern Cross Gold IPO is expected to raise up to AU\$10 million, so the Australian assets will also be very well funded.



Exploration work at Rajapalot, Finland  
(Source: Mawson Gold)

## Exclusive interview with Ivan Fairhall, CEO of Mawson Gold

### What have you and your company achieved in the past 12 months?

In Finland, we upgraded our resource to >1Moz at 3.1 g/t AuEq (gold-cobalt). Gold ounces increased 47% AND gold grade increased 19%. With my engineering and private equity background I recently joined Mawson as I see the makings of a mine here. We have commenced a Preliminary Economic Assessment (PEA), and in parallel we will continue to grow the resource. Winter saw us drill 6,000m of near mine targets (a small part of our 18,000 Ha package) and all our deposits are open at depth. We have also acquired an option for 85% of the Skelleftea gold project in Sweden, 4hrs drive from

Rajapalot. The project has outcropping gold in the shadow of the headframe of a number of gold mines, and has never seen a drill hole.

In Australia, exploration success continues, with two bona fide discoveries next to Fosterville, the world's highest-grade gold mine. At Whroo, we have drilled the best result since mining ceased 167 years ago and at Sunday Creek we now have 8 holes intersecting > 100 g/t x m. Our confidence is best demonstrated given we are purchasing the underlying 300 acres of freehold land. Our board decided the optimal way to create shareholder value was to IPO these assets onto the ASX as Southern Cross Gold (SXG) to



provide shareholders with look through value that was lost within the Mawson structure.

**What are the most important company catalysts for the next 6 to 12 months?**

Release of our PEA will be the first time the attractive fundamentals of the Rajapalot project will be pulled together into a business case. We expect the thick mining widths (5-30m), excellent gold metallurgy (97-99% gravity plus cyanide) and proximity to major infrastructure to translate into a highly profitable mining project. The deposit is also Europe's 7th largest cobalt resource which creates a strategic product stream on top of the gold fundamentals.

The new Skelleftea outcrop discovery will see its first drill holes ever and has room to potential quickly given gold is located atop a 2km magnetic anomaly.

In May SXG will list on the ASX with an implied market cap of A\$32m and Mawson will hold 58%. The IPO is priced competitively versus peers and has potential for re-rate which we believe could compound further exploration success from the drill rig.

**How do you see the current situation on the market for precious metals?**

Gold has already seen its rate hike pull back wash through. The market has priced in rate hikes and history has shown that a) the Fed consistently overshoots its rate hike expectations, and b) gold outperforms in the periods immediately following rate hikes. And with gold a long-term inflation hedge, we are well set up for a positive period for precious metals.

## OceanaGold

### Major production growth to half a million ounces of gold and sensational drill results

OceanaGold is an Australian mid-tier gold producer with several operating mines in the USA, New Zealand and the Philippines. The company is currently in a transformation phase from largely surface production to an underground mining operation. OceanaGold aims to increase its annual production from approximately 362,000 ounces of gold in 2021 to up to 495,000 ounces of gold in the current year 2022 and up to 620,000 ounces of gold in 2024. At the same time, all-in sustaining costs are to be pushed down from US\$1,250 to US\$1,000 per ounce.

**Haile Gold Mine – Location and Infrastructure**

One of the two large gold mines is called Haile and is located in the U.S. state of South Carolina. Since pouring the first gold from the modern Haile Gold Mine in January 2017 and reaching commercial production in October of the same year, the company has mined gold from a total of four pits.

The Company built a world-class CIL/flotation/ultrafine grinding process circuit and expanded surface infrastructure over the past 5 years.

In 2019, investments began to streamline the processing plant and improve gold recovery. In addition, a new open pit fleet was approved and mobilized for operations, dramatically increasing the fleet size. Since OceanaGold began operating the mine, Haile has become the largest gold mine on the U.S. East Coast.

**Haile Gold Mine – Mining and Resources**

The Haile Gold Mine produced a total of 190,000 ounces of gold in 2021. All-in sustaining costs were US\$1,060 per

ounce. At the end of 2021, Haile had reserves of 2.55 million ounces of gold and resources of 3.7 million ounces of gold. The current mine life is approximately 12 years.

**Haile Gold Mine – Exploration and Future Production**

To extend mine life, OceanaGold is steadily working to expand resources and develop underground deposits. For example, the company has an underground reserve for the Horseshoe project and an underground resource for the nearby Palomino deposit.

The permitting process for mining in the Horseshoe subsoil, scheduled to begin in 2022, is underway. New technologies continue to help drive value from Haile assets, including optimization studies for mine plans, mining methods, process recoveries and equipment selection. In 2022, OceanaGold plans for Haile to produce up to 160,000 ounces of gold annually.

2022 demonstrated superior drill results from Horseshoe Extension (including 7.45g/t gold over 43.4 meters) and Palomino (including 7.77g/t gold over a whopping 101.3 meters, 800 meters from Horseshoe Reserve). OceanaGold plans to increase production up to 155,000 ounces of gold in 2022.

Exploration work continues in parallel with ongoing operations to identify new resource targets, and the upgrade to a concurrent underground mining operation is in the final stages of engineering design and permitting.

**Macraes Operations – Location and Infrastructure**

The Macraes Operations are located on the South Island of New Zealand and are the largest active gold mine in the coun-



Gerard Bond, CEO

**ISIN:** CA5777891006  
**WKN:** A2QA2M  
**FRA:** MXR  
**TSX:** MAW

Shares outstanding: 293.6 million  
 Options: 13.3 million  
 Warrants: 30.3 million  
 Fully diluted: 337.2 million

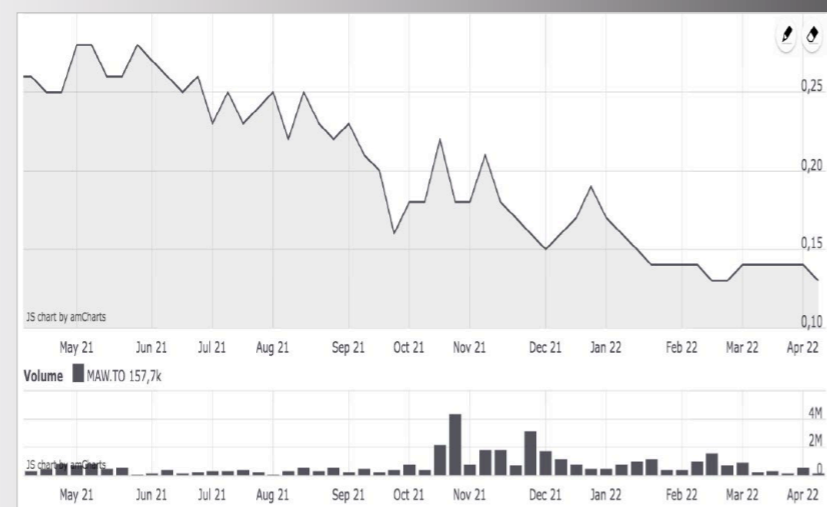
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 Vancouver, BC V6E 3V7 Canada

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## Mawson Gold Ltd.



try. Since 1990, over five million ounces of gold have been produced there. The operation consists of a large surface mine, an underground mine and an adjacent processing plant, including an autoclave for pressure oxidation of the ore. The Macraes operation has celebrated several exceptional milestones, including the pouring of five million ounces and the pouring of the 10,000th bar, both in 2019.

### Macraes Operations – Promotion and Resources

The Macraes Operations produced a total of 130,300 ounces of gold in 2021. All-in sustaining costs were US\$1,468 per ounce. At the end of 2021, Macraes had reserves of 1.2 million ounces of gold and resources of 3.0 million ounces of gold. The current mine life is approximately 8 years.

### Macraes Operations – Exploration and Future Production

The company is currently working on the further development of the Golden Point Underground deposit. Production has recently begun there. Management sees particularly high exploration potential in the Round Hill and Tungsten projects.

### Waihi Operation – Location and Infrastructure

Waihi Operation is currently OceanaGold’s lowest producing gold operation, but this will change shortly. The Waihi complex is located on the North Island of New Zealand and is an underground and open pit mining operation. Mining at Waihi has a history that spans three centuries, after gold was first discovered in the 1800s.

### Waihi Operation – Production and Resources

Waihi produced a total of 27,700 ounces of gold in 2021. All-in sustaining costs were US\$1,701 per ounce. At the end of 2021, Waihi had reserves of 0.64 million ounces of gold and resources of 2.16 (measured and indicated) and 1.5 (inferred) million ounces of gold. The current mine life is approximately 8 years.

### Waihi Operation – Drastic production expansion in the coming years

However, both production and mine life are to be drastically expanded in the coming years. To this end, the company is currently developing two underground projects.

### Waihi Operation – Martha Underground

One of these is called Martha Underground and represents a recent underground production brought into production from the current Waihi Pit. Martha Underground has 620,000 ounces of gold in reserves and 1.38 million ounces of gold in resources that extend the Waihi mine life by approximately 10 years. Martha Underground has been supplying rock for processing at Waihi since mid-2021. Martha Underground is expected to bring Waihi’s annual production to over 100,000 ounces.

### Waihi Operation – Wharekirauponga

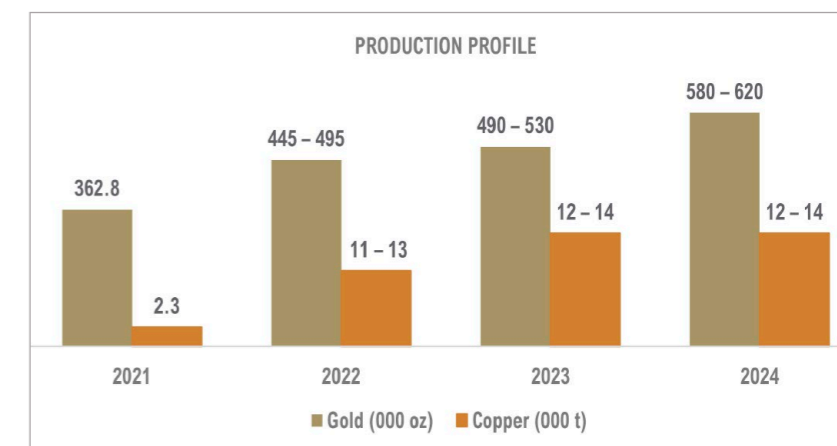
An even bigger production boost for Waihi is expected from the Wharekirauponga Project (WKP), located about 10 kilometers to the north. This is a high-grade underground project that has over 1.1 million ounces of gold with average grades in excess of 12g/t rock.

In particular, the 2020 drill program uncovered some sensational intersections of, for example, 48.9 meters of 22.8g/t gold and 3.1 meters of 169g/t gold. 2021 saw similarly great drill results of, for example, 39.1g/t gold over 10.3 meters, 26.5g/t gold over 10.2 meters and 21.5g/t gold over 15.7 meters. Once in commercial production, WKP could bring Waihi’s total production to over 300,000 ounces per year from 2023/24. Overall, OceanaGold expects to produce up to 70,000 ounces of gold in 2022. In the current year, up to US\$20 million is also to be invested in an extensive exploration campaign.

### Didipio Mine

OceanaGold acquired the high-grade underground gold and copper mine in 2006 through a merger with Climax Mining Ltd. and began commercial production from open pit operations in 2013. In 2015, the mine was transferred to underground operations, with production from the underground mine beginning in early 2017. The Didipio mine is held under a Financial or Technical Assistance Agreement (FTAA) No. 001 with the Philippine government, the first of its kind issued in the Philippines since 1994, granting the Company title, exploration and mining rights under a fixed tax regime. In June 2019, the FTAA was renewed for a second 25-year term under the same conditions. The FTAA does not give the Company title to any mineral resources. Rather, under this agreement, OceanaGold is essentially a contractor of the Republic of the Philippines, and the mine is a national asset. In early July 2019, the Governor of Nueva Vizcaya directed local government units to cease OceanaGold’s operations at the Didipio mine. Through the support of many locals and the Office of the President of the Philippines, the final extension of the FTAA was achieved in July 2021. OceanaGold restarted the mine in November 2021 and was still able to produce

14,900 ounces of gold and 2,300 tons of copper by the end of the year. The mine can normally produce about 100,000 to 110,000 ounces of gold and 11,000 to 13,000 tons of copper per year, which was also issued as targets for the current year 2022.



Production targets for Didipio Mine until 2024  
(Source: OceanaGold)

### Summary: Record production ahead

OceanaGold has established itself as a mid-tier gold producer and is now really taking off with its underground projects. Especially Waihi with its future satellite project WKP will play an important role. In addition, Didipio is being ramped up again, adding another 100,000 ounces to annual production. 2021 was an extremely transformative year for OceanaGold, with several management changes setting the stage for tremendous production expansion. April 2022 even saw a change at the top of the company. The new CEO was Gerard Bond, who already held significant positions at BHP and Newcrest Mining and should bring further momentum to OceanaGold. Most recently, OceanaGold has attracted attention mainly due to almost sensational drill results, which represent an extremely high potential for future production.



## Exclusive interview with Gerard Bond, CEO of OceanaGold

### What have you and your company achieved in the past 12 months?

It was a transformational year for OceanaGold. It started with changes to Board and Management that included the appointments of mining heavyweights Paul Benson and Mick McMullen to the Board of Directors. A few months after joining, Paul assumed the Chairmanship in October 2021. Scott Sullivan also joined OceanaGold as COO and David Londono came on as Executive General Manager at our Haile operation. Most recently, the Company appointed Gerard Bond, former Newcrest CFO as its next CEO.

In July 2021, the Company announced the 25-year renewal of the Didipio Mine Financial or Technical Assistance Agreement which paved the way for the restart of one of the most profitable gold mining operations globally. Didipio's ramp-up continues to progress ahead of expectations and the Company now anticipates this mine to be fully ramped up in the second quarter of this year.

The Haile Gold Mine delivered a strong 2021 of operational performance exceeding production guidance following two increases to guidance during the year.

The Company has released a new mine plan for Haile that has the mine producing approximately 2.1 million ounces of gold over a mine life out to 2034. The average life of mine All in Sustaining Cost is approximately \$1,080 per ounce. In New Zealand, the Martha Underground mine continued to ramp-up with plant upgrades completed in mid-21 and the resumption of continuous milling. Drilling at WKP is ongoing with very positive results. At Macraes, the Golden Point UG was brought into production in the fourth quarter of 2021.

Just as importantly, the fourth quarter results saw the Company return to positive free cash flow generation.

### What are the most important company catalysts for the next 6 to 12 months?

The next 6-12 months will be catalyst rich. Following the release of the new mine plan at Haile, the Company released drilling results of underground targets which demonstrate the long-term potential and viability of the underground mine at Haile.

The Haile Supplemental Environment Impact Statement Record of Decision is

expected in the first half of this year, and it will pave the way for receipt of permits to build the underground mine and expand the current open pit operations. WKP drilling is expected to yield positive results while OceanaGold expects to submit the formal consent application in the first half of this year. WKP is a significant target with a potential of being the best asset in the Company's portfolio. OceanaGold is also expecting a full year of positive free cash flow and strong returns on the back of Didipio operations.

### How do you see the current situation on the market for precious metals?

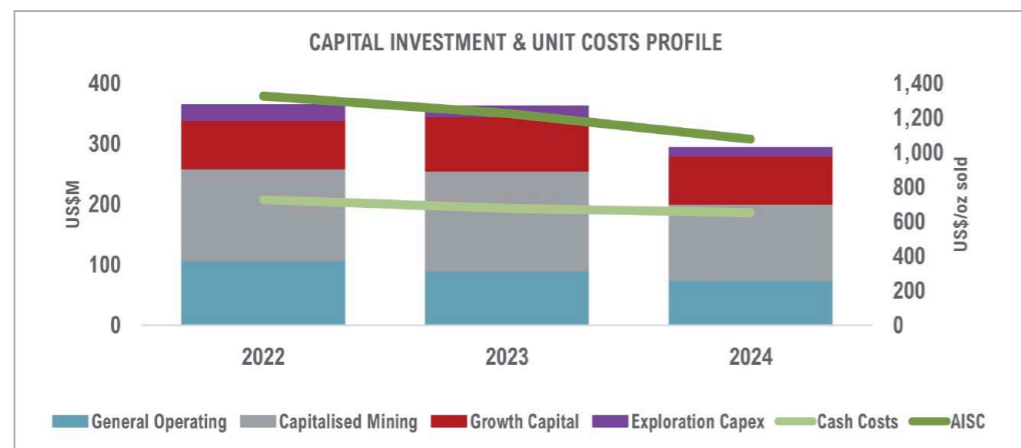
The precious metals sector has room to grow with gold companies needed to continue to demonstrate fiscal discipline and shareholder returns. The price of gold is robust and has been for quite some time and is on solid footing mainly

related to the inflationary concerns more so than geopolitical issues. The gold equities have struggled to keep pace with the price of gold and much of investor capital has flowed into gold ETFs which has seen an increase to holdings over the past few months.

For a step change to occur, the industry does require interest from generalist investors and there are indications there is pent up demand however, much of the initial investment will go to the larger, more liquid miners and royalty companies before going down market cap. This is a major factor for why the industry requires consolidation.

Last year saw a number of solid transactions including the merger of Agnico Eagle and Kirkland Lake Gold and Newcrest's acquisition of Pretium. More of these types of deals would be make the sector more relevant to the generalist investor.

The company is working to continuously improve its finances.  
(Source: OceanaGold).



ISIN: CA6752221037  
WKN: A0MVLV  
FRA: RQQ  
TSX: OGC  
ASX: OGC

Shares outstanding: 704.0 million  
Options/warrants: 9.5 million  
Fully diluted: 713.5 million

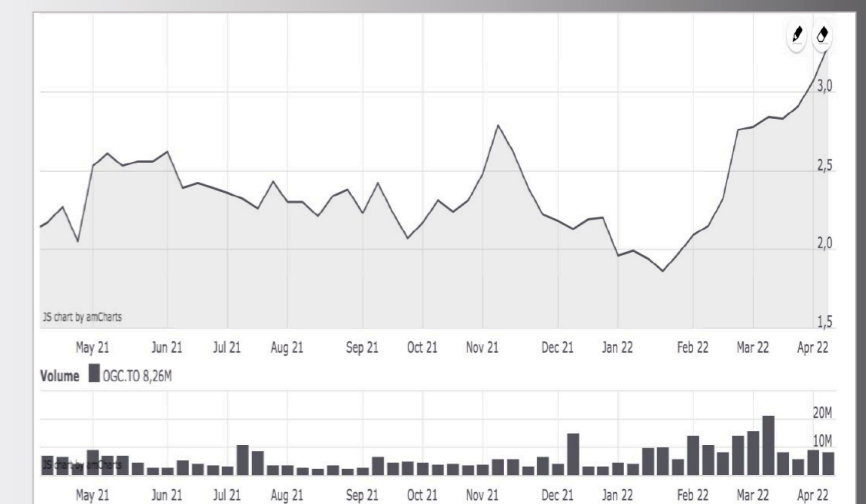
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## OceanaGold Corporation



# Revival Gold

## Up to 5 million ounces of gold within existing infrastructure and top jurisdiction



Hugh Agro, CEO

Revival Gold is a Canadian mining development company currently working on the development of its flagship gold project in the state of Idaho. This hosts a former producing mine and therefore has excellent infrastructure and processing facilities. The company will soon present its first resource estimate. The goal is to establish relatively quickly a production of about 72,000 ounces of gold per year - with the possibility to expand this to more than 200,000 ounces of annual production. Also in the portfolio is an advanced phosphate project, which should quickly come back into focus in light of an impending fertilizer crisis.

### Flagship Beartrack-Arnett project: location and past support

Revival Gold's flagship project is called Beartrack-Arnett and is located in the U.S. state of Idaho, within the Great Falls Tectonic Zone. Idaho is considered one of the top 10 jurisdictions in the world for the mining industry. The Beartrack-Arnett Gold Project was formed from a merger of Revival Gold's Arnett Gold Project with the adjacent, formerly producing Beartrack Gold Mine. This was operated by Meridian Beartrack from 1994 to 2000 and produced approximately 600,000 ounces of gold during this period, an average of 100,000 ounces of gold per year. The mine operated at a capacity of 13,600 tonnes per day and achieved an 88% recovery over the life of the mine based on the cyanide soluble

Beartrack-Arnett  
(Quelle: RevivalGold)



portion of the ore processed during heap leaching. The mine was closed at a time when the gold price fell below US\$300 per ounce.

### Flagship Beartrack-Arnett project: acquisition and expansion

In June 2017, Revival Gold acquired a 100% interest in the original Arnett Gold Project through earn-in and purchase agreements. In September 2017, Revival Gold announced the completion of an earn-in agreement and related share purchase agreement with Meridian Gold Company, a subsidiary of Yamana Gold Inc., through which Revival was able to acquire a 100% interest in Meridian Beartrack Co. the owner of the past producing Beartrack open pit heap leach gold mine. Subsequent to the agreements completed in 2017, Revival Gold expanded the Beartrack-Arnett land position through a combination of claim staking and acquisition agreements, increasing the contiguous land position to approximately 5,800 hectares comprising a combination of patented and unpatented mineral claims in a historic mining district.

### Flagship Beartrack-Arnett Project: Resource and PEA

Beartrack-Arnett hosts an indicated resource of 1.4 million ounces of gold and an additional 1.6 million ounces of gold in the inferred resource category. The company is currently working on a new resource estimate, which is expected to be released shortly and will include drill results from 2020/21. In November 2020, Revival Gold announced the results of a preliminary economic assessment (PEA) for a first phase of heap leach operations restart to be followed by a potential second phase of mill operations. Utilizing

the significant existing mine infrastructure at Beartrack-Arnett (including power lines, roads, an ADR facility and an 11,000 square foot core facility), the PEA envisions production of 72,000 ounces of gold per year over a total mine-life of 7 years. Initial capital costs to restart operations have been estimated at US\$100 million. Based on a conservative gold price of US\$1,550 per ounce, an after-tax NPV5% of US\$88 million and an after-tax IRR of 25% were calculated. All-in sustaining costs were estimated at US\$1,067, resulting in an overall payback period of 3.0 years. For a more realistic current gold price of US\$1,950 per ounce, Beartrack-Arnett arrives at an after-tax NPV of US\$211 million and an IRR of 49%.

### Flagship Beartrack-Arnett Project: Geology and Resource Potential

Beartrack-Arnett is considered a so-called orogenic deposit and hosts gold mineralization over a known trend of more than 5 kilometers in length and includes another 10 kilometers of favorable structures to explore. Previous mining was by open-pit methods and focused on the Beartrack North and South pits. To the southwest of these, close to the existing leach pads, is the Joss target, which has recently become the focus of exploration campaigns. This is because Joss produced some extremely high-grade drill results, such as 13.7 meters of 12g/t gold and 11.8 meters of 8.8g/t gold. Drilling confirmed 4 to 11g/t gold in 18 holes over a strike length of 1 kilometer, at a thickness of 1 to 5 meters. Longer gold-bearing intercepts revealed an average of 2.7g/t gold over approximately 40 meters. Management hopes Joss will generate 1 to 2 million additional gold ounces that could be mined underground. Mineralization is open along strike to the north and south and at depth at Beartrack.

Going forward, the Company will also focus on the Haidee pit in the Arnett subdivision. This is because Haidee in particular produced some very good results in the 2020/21 exploration campaigns, revealing a very large soil anomaly that extends well beyond the pit used in the PEA. The Company encountered 7.2 meters at 6.74g/t gold and 1.5 meters at 9.18g/t gold, among others, but also longer intercepts such as 44.1 meters at 0.75g/t gold and 48.5 meters at 0.86g/t gold. The resource at Haidee is still open on all sides. In addition, at least 5 other targets were encountered which, including Haidee itself, are only a maximum of 5 kilometers from the processing plant and can serve as a satellite project for future mining.

### Flagship Beartrack-Arnett project: current work and catalysts

In addition to producing the new resource estimate, Revival CEO Hugh Agro's team is working on several fronts to advance Beartrack-Arnett as quickly as possible. Among other things, they are currently conducting column tests to improve heap leach metallurgy. In parallel, technical field work is taking place, including geotechnical and hydrological studies, to determine improvement of the Haidee pit configuration. Optimization studies continue in several areas. Such as capital reduction and optimization, mine life and production. A collection of baseline environmental data and advanced planning should facilitate the return to production. Last but not least, extensive exploration work is underway, both for heap leach and to identify high grade mill material at Haidee, Joss and other targets. The primary focus currently is to move to a pre-feasibility study, and by extension a full feasibility study, to initially resume heap leaching and



achieve production of 72,000 ounces of gold per year. The plan is then to start actual production from the pits and also from underground to ensure the target of 200,000 ounces per year production and above.

### Diamond Mountain Phosphate Project

The Russia-Ukraine crisis has once again revealed to the world that it is heavily dependent on fertilizers to feed the world's population. Accordingly, the raw material phosphate has once again moved into the spotlight, and with-it corresponding phosphate projects in safe jurisdictions.

This undoubtedly includes Revival Gold's Diamond Mountain phosphate project. This is an advanced stage exploration project consisting of approximately 4,200 acres of state and federal claims in Uintah County, Utah. Revival Gold Inc. acquired a 51% interest in the project in December 2014 under a joint venture agreement with Utah Minerals LLC. Previous phosphate exploration work identified phosphate mineralization in two gently dipping seams of phosphorus-bearing rock totaling approximately five metres in thickness. Diamond Mountain is adjacent to Simplot Corporation's Vernal phosphate mine and processing complex to the west, which reportedly produces approximately 1 million tonnes of concentrated phosphate rock at an average grade of 30% P<sub>2</sub>O<sub>5</sub> per year. In conjunction with the earn-in agreement with Utah Minerals LLC, Revival Gold conducted a 17-hole core drilling program and prepared a 43-101 technical report in October 2014. This identified total measured and indicated resources for Diamond Mountain of 33.9 million tonnes at an average grade of 19.75% P<sub>2</sub>O<sub>5</sub> and total inferred resources of 27.1 million tonnes at an average grade of 19.72% P<sub>2</sub>O<sub>5</sub>. The resource is located at a depth of approximately 90 meters to 350 meters.

### Strong shareholder structure + Good cash position

Revival Gold has an extremely strong shareholder structure. For example, about 42% of all outstanding shares are held by institutional investors, such as Donald Smith, Gold2000/Konwave, Aegis Financial, US Global and Adrian Day Asset Management. Another 20% is held by high-net-worth investors, 10% by management, and another 5% is held by Yamana Gold. Only about 23% of all outstanding shares are in the hands of retail investors.

Furthermore, Revival Gold has a strong cash position of approximately CA\$10 million, which can be easily used to fund the next stages of development.

### Summary: High resource potential and big steps toward initial funding

Revival Gold impresses with two crucial points: First, by an already existing infrastructure including processing plant, leaching ponds, environmentally friendly energy supply, etc. And secondly, by an impressive resource of already 3 million ounces of gold, which can be extracted primarily by surface mining plus a huge resource potential, which is currently still being verified. Many of the targets are either still open on several sides or have only been sporadically explored by drilling to date. Management already has extensive experience in bringing a high-caliber gold project into production. Achieving this is also the company's stated goal. In addition, the second project could be another plus. The fertilizer market is bubbling and should also help Diamond Mountain get some more attention from the investment community. All in all, Revival Gold is facing a reassessment also because of the new resource estimate.

## Exclusive interview with Hugh Agro, CEO of Revival Gold

### What have you and your company achieved in the past 12 months?

- ▶ 7,500 meters of core drilling in 45 infill and exploration drill holes during the 2021 field season at our flagship Beartrack-Arnett gold project located in Idaho, USA.
  - Results included a spectacular 4.34 g/t gold over 110.6 meters (including 12 g/t gold over 13.7 meters and 8.8 g/t gold over 11.8 meters) in the Joss high grade underground zone announced in December 2021.
- ▶ Advanced metallurgical testing on 2.7 MM tonnes of sample material in 12 column leach tests with interim 60 day metallurgical results exhibiting recoveries generally in line with, or better than anticipated for the heap leach aspect of the project.
- ▶ Completed geotechnical and hydrological field work to advance open pit and leach pad design criteria.
- ▶ Announced the appointment of Tim Warman (former CEO of Fiore Gold) to the Board of Directors and John Meyer (former technical executive with Perpetua, Kinross and Barrick) as VP Engineering & Development. Both individuals bring leadership depth and very relevant recent development and operating experience to Revival Gold.
- ▶ Started trading on the OTCQX market in the USA.
- ▶ Recently completed a \$10 MM private placement with high quality institutional investors including deep value investor Donald Smith & Co.

- ▶ Weeks away from the completion of an update to the Beartrack-Arnett mineral resource estimate to underpin this year's planned Preliminary Feasibility Study ("PFS") on the restart of heap leach operations.

### What are the most important company catalysts for the next 6 to 12 months?

- ▶ An updated resource estimate for Beartrack-Arnett is expected shortly. The update will reflect the addition of the past two year's years 'drilling as well as an updated geological model for the project
- ▶ Drilling to resume in the spring in the high-grade Joss target area and continue later in the summer and fall with a second rig on multiple open pit oxide exploration targets across the project.
- ▶ PFS on the restart of heap leach operations expected by year end 2022.
- ▶ Potential corporate developments as Revival Gold seeks opportunities to optimize its portfolio and capitalize on the growing interest in Beartrack-Arnett from institutional investors and industry peers alike.

### How do you see the current situation on the market for precious metals?

- ▶ The underlying business case for gold has never been better – we have record inflation, massive and growing debt and cracks appearing in the US hegemony. This creates tremendous pressure on the US dollar and other fiat currencies around the globe. In



the present environment, gold is the hard asset of choice for serious investors.

- ▶ The 5-6 dozen public gold producers and royalty companies are in excellent financial shape – particularly the senior and intermediate gold producers and royalty companies which have pristine balances sheets, strong margins and are generating record dividends.
- ▶ And yet, there is a large and growing gap between the pace of global gold production and the rate of discovery – let alone permitting and financing – of new gold projects in good locations to feed producer demand.
- ▶ The result is that high quality, low geopolitical risk gold companies such as Great Bear, Fiore Gold and Regis Resources have been snapped up over the past year for large sums.

- ▶ For investors the situation spells opportunity – especially given the valuation difference between exploration/development companies trading at \$10-30/ounce or 0.1-0.2x P/NAV and their larger brethren trading at \$40-\$100/ounce and 0.8-1.1x P/NAV
- ▶ Revival Gold's Beartrack-Arnett project has several important advantages over its peers making it a compelling risk-reward opportunity for investors:
  - Jurisdiction – Top-10 in the world
  - Existing infrastructure – roads, power, gold processing facility
  - 1st phase HL PEA economics – modest capex, low execution risk, high return
  - Exciting high grade exploration potential with significant extent of mineralization over a 5 km trend, open to the north, south and at depth
  - Finding cost to date of about US\$5/ounce
  - Current share price of about C\$0.67 cents/share implying a market valuation of just \$12/ounce resource

## Sibanye-Stillwater

### Top precious metals results in 2021 and an accelerated entry into battery metals

Sibanye-Stillwater is a South African gold and platinum group (PGM) producer with mines in South Africa and the USA. The company is considered one of the three largest PGM producers in the world. In addition to pure gold and PGM production, it also operates a PGM recycling plant and owns a majority stake in a surface residue metals recovery company. In 2021, the company posted record mining results. In recent months, the company also secured several stakes in battery or green metals companies and assets. Sibanye-Stillwater pays a high dividend. Below are the key mines and results from 2021.

#### Platinum Group Mining in South Africa

Rustenburg has both surface and underground production and produced a total of 672,374 ounces of 4E PGM (equivalent to platinum, palladium, rhodium + gold) in 2021 at an all-in sustaining cost of US\$1,248 per ounce. As of December 31, 2021, Rustenburg (including tailings) had 15.5 million ounces of 4E PGM in mineral reserves and 81.6 million ounces of 4E PGM in mineral resources. The mine life extends beyond 2050.

Kroondal is an underground mine and produced a total of 226,531 ounces (Sibanye's 50% share) of 4E PGM in 2021 at an all-in sustaining cost of US\$875 per ounce. Kroondal had 1.7 million ounces of 4E PGM in reserves and 7.6 million ounces of 4E PGM in mineral resources as of December 31, 2021. The mine life extends to approximately 2030.

Platinum Mile is a tailings processing facility located on the Rustenburg lease near Kroondal. The plant recovers PGMs from Rustenburg. Sibanye-Stillwater holds a 91% interest in the plant. In 2021, Platinum Mile recovered 52,496

ounces of 4E PGM at an all-in sustaining cost of US\$641 per ounce.

Mimosa is an underground mine, is 50% owned by Sibanye-Stillwater, and produced a total of 119,251 ounces (Sibanye's share) of 4E PGM in 2021 at an all-in sustaining cost of US\$984 per ounce. Mimosa had 3.6 million ounces of 4E PGM in reserves and 14.7 million ounces of 4E PGM in mineral resources as of December 31, 2021. The mine life extends to 2032 but can be extended through further development and expansion.

Marikana has both surface and underground production and produced a total of 765,486 ounces of 4E PGM in 2021 at an all-in sustaining cost of US\$1,195 per ounce. As of December 31, 2021, Marikana (including tailings) had 22.3 million ounces of 4E PGM in Mineral Reserves and 128.0 million ounces of 4E PGM in Mineral Resources. The mine life currently extends to 2034.

#### Gold operations in South Africa

In addition to the PGM mines, Sibanye-Stillwater operates the Driefontein, Kloof, Beatrix and Cooke gold mines. In addition, the company holds majority shares in DRDGOLD. From all operations combined, the company could generate a total of 1.073 million ounces of gold in 2021.

#### Stillwater Mine + Recycling – Montana/USA

The Stillwater Mining Complex is located in the US state of Montana and consists of the Stillwater and East Boulder mines, which have both surface and underground production. These produced a total of 570,400 ounces of 2E PGM



Neal Froneman, CEO

ISIN: CA76151P1018  
WKN: A2H7F3  
FRA: 76V  
TSX-V: RVG

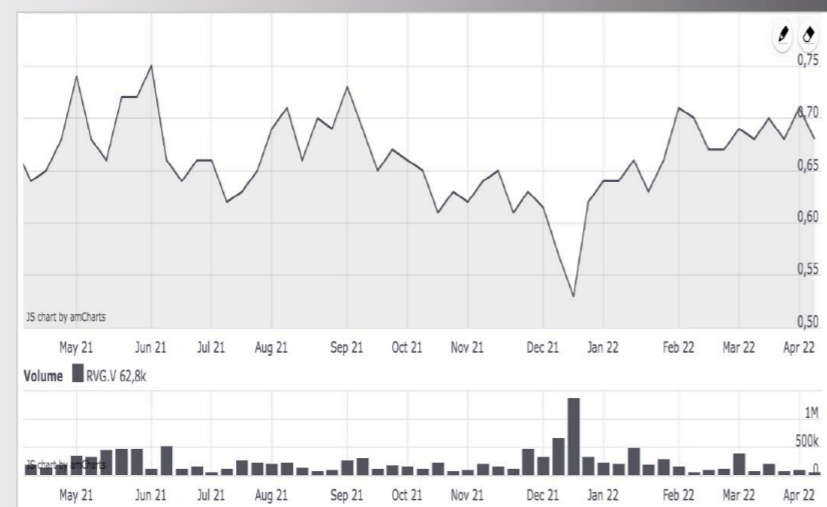
Shares outstanding: 86.9 million  
Options/warrants: 17.2 million  
Fully diluted: 104.1 million

Contact:  
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## Revival Gold Inc





(equivalent to platinum and palladium) in 2021 at an all-in sustaining cost of US\$1,112 per ounce. As of December 31, 2021, U.S. PGM operations had 27.3 million ounces of proven and probable 2E PGM mineral reserves and 89.6 million ounces of 2E PGM mineral resources. Stillwater has a current mine life to 2046 and East Boulder to 2060, with the adjacent Blitz project coming into closer focus in the future.

Sibanye-Stillwater also owns and operates a smelter and base metal refinery in Columbus, between the Stillwater mine and the town of Billings, Montana. The Columbus Metallurgical Complex is one of the world's largest producers of PGMs from recycled automotive exhaust catalysts. A 2E PGM-rich filter cake is produced there, which is further refined into palladium and platinum group metals by a precious metals refinery. In the third quarter of 2021, the Columbus Metallurgical Complex processed a total of 755,149 ounces of 3E PGM from recycled catalytic converters.

## Entry into Green Metals

### Acquisition of SFA Oxford and partnership with Johnson Matthey

At the beginning of 2019, Sibanye-Stillwater acquired SFA Oxford, a leading metals market analysis consultancy and globally recognized authority on platinum group metals, to provide detailed market intelligence on battery materials and precious metals for industrial, automotive and smart city technologies. In doing so, the company set an early course towards becoming a future supplier of battery metals in order to participate in the ever-growing market for electromobility and storage.

Further, Sibanye-Stillwater entered into a strategic partnership with Johnson Matthey to, among other things, support the development of science and technologies for new products and markets that will underpin sustainable supply chains for a low-carbon future, including clean hydrogen production and fuel cells.

## Entry at Keliber

In February 2021, Sibanye-Stillwater made its first real move into the battery metals sector with an investment in Keliber Oy. Keliber owns the eponymous Keliber lithium project in the Kaustinen region of Finland, one of the most important lithium-bearing areas in Europe. Sibanye-Stillwater aims to develop the project into the first vertically integrated lithium producer in Europe. Production is expected to begin in 2024. Keliber has 105,100 metric tons of LCE (lithium carbonate equivalent) resources.

## Acquisition of the Sandouville nickel processing plant

In February 2022, Sibanye-Stillwater completed the acquisition with Eramet SA of 100% of the Sandouville hydrometallurgical nickel processing plant, for an effective price of approximately Euro 85 million. The Sandouville facility is located in the industrial heart of Europe in Le Havre, France's second largest industrial port, with strategic access to extensive logistical infrastructure, including shipping, rail and major highways that support future supply to European end-use markets. Current facilities include a hydrometallurgical nickel refinery with a production capacity of 12,000 tons per year of high-purity nickel metal, 4,000 tons per year of high-purity nickel salts and solutions, and approximately 600 tons per year of cobalt chloride.

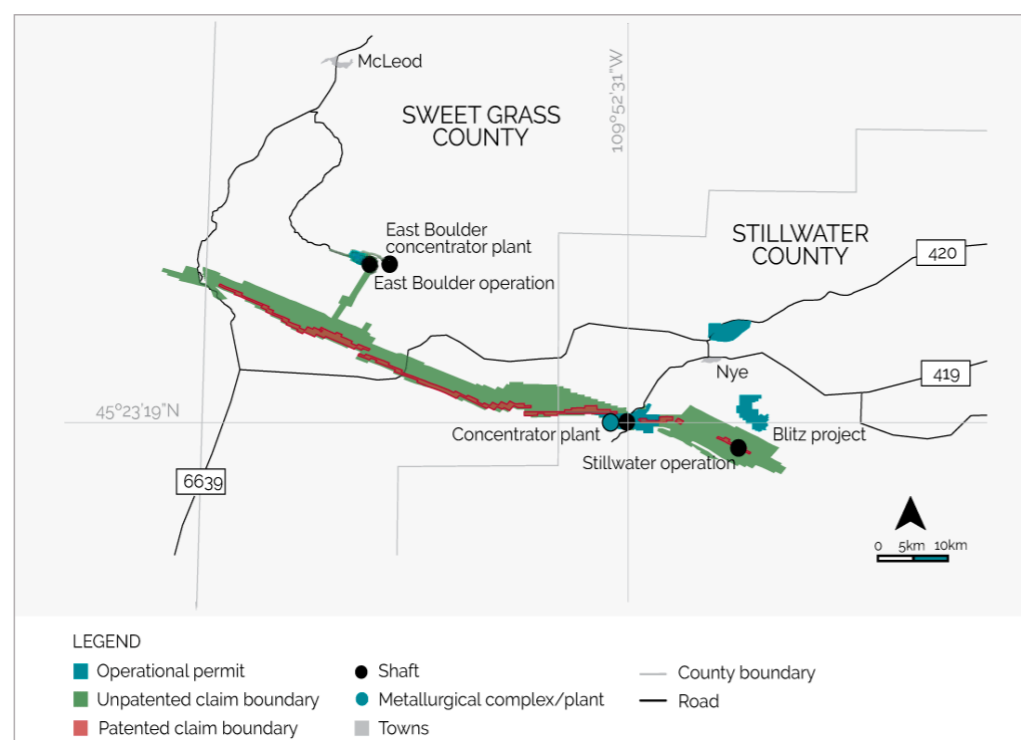
## Lithium joint venture with ioneer

In September 2021, Sibanye-Stillwater announced that it had entered into an agreement with ioneer Limited to form a joint venture company in respect of the Rhyolite Ridge Lithium Boron Project. As a result, Sibanye-Stillwater will earn a 50% interest in the joint venture, with ioneer retaining a 50% interest and operational management responsibility for the joint venture. Rhyolite Ridge is a large, shallow lithium boron deposit located near existing infrastructure. Rhyolite Ridge is expected to be one of the first large lithium projects in the U.S. to enter production, currently expected in the second half of 2024. The final feasibility study for Rhyolite Ridge, completed in April 2020, supports 22,000 tonnes of lithium hydroxide and 174,000 tonnes of boric acid of average annual production over a mine life of 26 years, with costs in the lowest quartile. Rhyolite Ridge has 88,900 tonnes LCE of resources.

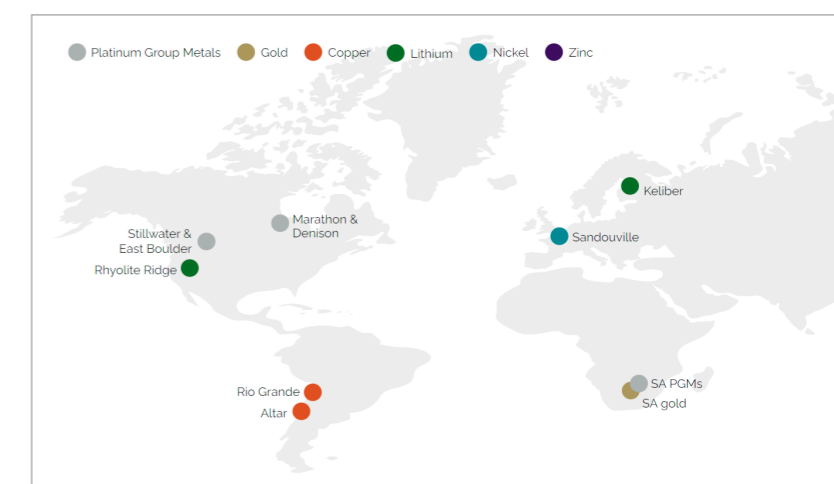
Also in October 2021, the Company also announced a 19.99% strategic investment in New Century Resources Limited. New Century is a leading tailings management and rehabilitation company that currently owns the Century tailings in Queensland, Australia. The Century zinc operation was placed on care and maintenance status in 2016, following the depletion of the original in-situ open pit reserves after producing and processing an average of 475,000 tonnes of zinc and 50,000 tonnes of lead concentrate annually for 16 years. New Century rebuilt the existing processing infrastructure to allow for the reprocessing

## Investment in zinc producer New Century Resources

In addition to PGMs and gold, Sibanye is also active in copper, lithium, nickel and zinc. (Source: Sibanye-Stillwater).



Stillwater  
(Source: Sibanye-Stillwater)



sing of the old tailings. The infrastructure rehabilitation was completed in August 2018 and the operation has been processing tailings again since then. New Century is a top-15 zinc producer globally with annual zinc production of 128,000 tons.

### Summary: Record precious metals production as basis for further diversification

Sibanye-Stillwater has undergone an amazing development since its foundation in 2012. From a relatively manageable Gold Fields spin-off to an almost over-indebted gold player to a leading

gold and PGM producer with record EBITDA. Thus, in a very short time, they have built a veritable precious metals empire that has not only risen to become one of the largest precious metals producers but is also big in PGM recycling and tailings processing. For several months now, the company has been taking the next big step, into the upcoming boom sector of battery or green metals. Lithium, cobalt and nickel have already been covered, as well as an investment in a zinc producer and a nickel processing plant. And this will certainly not be the end of the line. Investors can look forward to further growth, profits and high dividends.

## Exclusive interview with Neal Froneman, CEO of Sibanye-Stillwater

### What have you and your company achieved in the past 12 months?

During the past 12 months, Sibanye-Stillwater has achieved significant operational, financial and strategic milestones.

- ▶ Solid operational performance in 2021 particularly at the flagship SA PGM operations with PGM production 20% higher year-on-year at 1.83 million 4Eoz with AISC reduced by 5% to R16,982/4Eoz (US\$1,148/4Eoz) and moving the SA PGM mines further down the costs curve, against industry trends. SA PGM's contributed 75% of the Group's EBITDA.
- ▶ The Group delivered another record financial performance in 2021 with adjusted EBITDA of R68.6bn (US\$4.6bn), 35% higher in rands and 39% higher in US\$. This translated into record adjusted Free Cash Flow of R37.4bn (US\$2.5bn) which was 88% higher in Rands and 109% higher

in US\$ than the previous record set in 2020. The balance sheet strengthened further with net cash increasing to R11.5bn (US\$719m). Dividends paid in 2021 were R18.2bn (US\$1.2bn) or an industry leading dividend yield of 10.4%. Shareholder returns were enhanced by a 5% share buyback of R8.5bn (US\$575m) transacted at accretive levels.

- ▶ Delivery on all aspects of the capital allocation framework including advancing approved projects, building a strong cash reserve, paying continued dividends at the upper end of policy and the approval of 1.5% of declared dividends to be invested in social upliftment projects, restructuring the debt with an oversubscribed dual tranche US\$1.2bn senior note offering on more favourable terms and improved credit rating, buyback as discussed, M&A as described below and the approval of BioniCCube, a new innovation and market deve-

lopment fund which will be allocated 1.5% of EBITDA

- ▶ Significant progress in advancing the green metals strategy with 5 transactions announced although one was terminated. A 30% stake in Keliber lithium in Finland, 100% of the Sandouville nickel refinery in France, a 50:50 JV announced with Ioneer on the Rhyolite Ridge lithium-boron project in Nevada, USA including a 7.1% direct equity interest in Ioneer and a 19.9% stake in New Century, a leading Australian zinc tailings processing business. In addition in South Africa, an agreement was reached with Anglo American Platinum on the Kroondal PSA agreement which allows for the early mining of Rustenburg resources from low cost Kroondal infrastructure, unlocking value for all stakeholders and resulting in an estimated R6bn uplift in value for Sibanye-Stillwater.
- ▶ We have refreshed our strategy, unpacking new elements in our new strategy consisting of:
  - The Strategic Foundation – why we exist,
  - The Strategic essentials – how we operate and
  - The Strategic Differentiators – how we grow, prosper and deliver sustainable impact.

### What are the most important company catalysts for the next 6 to 12 months?

- ▶ Commodity prices remain elevated and well above historic levels with the average gold price year to date (YTD) of R917,000/kg, 8% higher than 2021, the average 4E PGM price of R42,000/oz YTD 10% lower than the average of R47,066/4E oz and for the US PGM's the average 2E PGM price YTD is US\$2,025/oz which is 3% lower than the average for 2021.



The Keliber project consists of several advanced stage lithium spodumene deposits, with significant exploration upside.  
(Source: Sibanye Stillwater)

- ▶ Provided precious metal prices remain around these levels as we expect, earnings and cashflow should remain strong.
- ▶ A resolution of the strike at SA gold operations and a positive SA PGM wage negotiation process will all be positive catalysts.
- ▶ Strike action – the SA Gold mines are currently on strike with two of the unions having been locked out. However, we believe that this is a low conviction strike characterised by low attendance at picketing lines and little intimidation as witnessed in previous years. We are hopeful that the unions will accept the offer which is fair and in the interest of all stakeholders.
- ▶ Advancement of battery metals strategy – Keliber should announce the results of the BFS in the coming weeks, Sandouville will announce a development plan in the next 6 months and progress on the environmental permitting and delivery of a mining permit at Rhyolite Ridge are all potential positive catalyst. The market should gain confidence that Sibanye-Stillwater made strategic well-timed acquisitions as the stra-



tegy evolves into providing low carbon green metals directly into European and North American supply chains.

**How do you see the current situation on the market for precious metals?**

- ▶ The year started off strongly with robust prices driven by continued easing of the automotive chip shortage and pent-up demand driving some restocking.
- ▶ On supply, the Russian invasion of the Ukraine created volatility with all the precious metals moving higher on fears that Russian metal exports could be sanctioned. However this did not materialise resulting in precious metal prices retreating to a lower level than before the conflict.
- ▶ On demand, supply chain disruptions due to the Russian/Ukraine conflict have resulted in initial reductions in vehicle production forecasts, with several EU auto and truck manufactu-

rers idling capacity due to lower supply of wire harnesses being exported out of the Ukraine, a shortage of neon and other component supply shortfalls – in recent weeks both IHS and LMC have cut forecasts for light vehicle demand by 2-3% for 2022 and 2023. Higher inflation and rising rates might also impact global growth.

- ▶ As far as Sibanye-Stillwater is concerned, in the short term we have not seen any discernible change in buying patterns and PGM demand remains well supported. Internal combustion engines have a substantial future this decade despite the growth in battery electric vehicle share and tightening emission regulations support PGM demand in hybrid and ICE vehicles.



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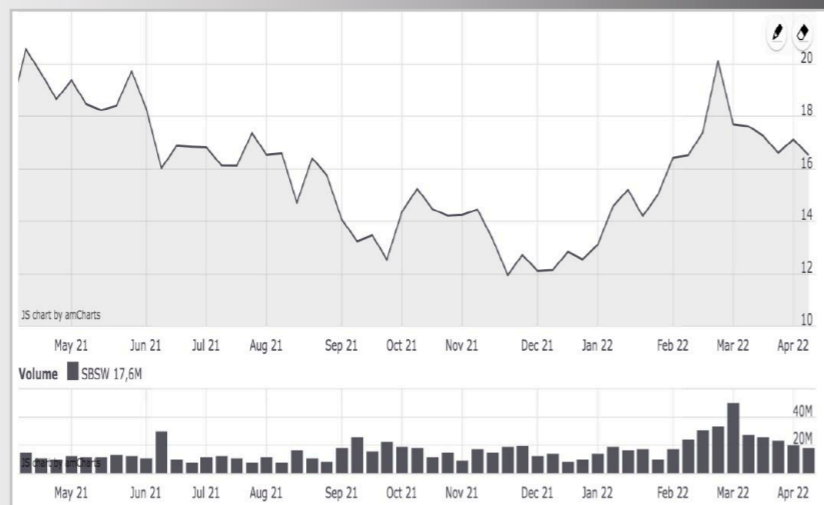
**ISIN:** ZAE000259701  
**WKN:** A2PWVQ  
**FRA:** 47V  
**JSE:** SSW  
**NYSE:** SBSW

Shares outstanding: 2.808 billion  
Fully diluted: 2.808 billion

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**Sibanye-Stillwater**



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**WKN:** LS9PQA  
**Währung:** CHF/ Euro\*  
**Zertifikatsgebühr:** 0,95 % p.a.  
**Performancegebühr:** 15 %

\*Trading in Euro is possible at the Euwax in Stuttgart.

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