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CFA SOCIETY MAY 2025 PRESENTATION STRATEGIC INVESTMENT TRANSCRIPT

Gavin Lee

Thanks Ash, and thanks for the introduction. This talk was originally titled *Get Your Mine Funded: Strategic Investment*. This is the third year we've presented to the CFA Society.

In the first year we spoke about "Getting Your Mine Funded", and we'll touch on that briefly in today's recap. This session is the second in the series, focusing on Strategic Investment, which is our main topic today.

Our first presentation in 2023 focused on the key learnings and metrics from successful mine funding processes we had observed. We compiled a dataset of these cases to identify common characteristics.

Today, we're going to explore one pathway to getting a mine funded: bringing a strategic investor on board as part of the development process. We'll begin with a recap of the 2023 findings.

We'll then discuss a theoretical funding story of a mining project and how projects can get stuck. We initially considered using a real project example but quickly realised that wasn't a good idea, especially in Perth, so we left it at that. After that, we'll highlight some common characteristics of mine fundings involving strategic investors, and finally we'll look at a few case studies, time permitting.

Just to recap, and Pat, feel free to jump in as we go, for those who didn't attend our 2023 presentation (which I think was a webinar), we focused on what we could learn from fully funded mining projects over time. We collected data from 2018 to 2023 and analysed common characteristics and lessons.

We examined the success metrics across these projects and the resulting figures. One key observation was that many projects in the gold sector were funded mostly through traditional finance. In contrast, projects in other commodities often relied on non-traditional sources, government support, or equity-only financing.

We analysed both the funding sources and the success metrics. On the slide to the right you can see the range of metrics we reviewed: capex size, capex-to-pre-tax NPV, payback period from steady-state, capex-to-debt funding ratios, capex-to-market cap, the equity raise required relative to market cap, and the equity raise discount.

Our aim was to identify common characteristics. The dataset wasn't large

enough to be statistically significant, but it still provides useful guidance on how projects are typically financed.

Ashley Kerfoot Are one of those metrics more important than the others?

Patrick Leung We each have our favourites, but for me the key one, linking into the strategic investor theme, is the equity raise relative to market cap. The other is capex. You don't see billion-dollar projects in this dataset; the maximum was around 300 million. That shows how difficult it is to fund the very large projects.

Ashley Kerfoot So gold projects were mostly traditional project finance, and lithium was more strategic equity. Has anything shifted this year?

Patrick Leung Yes. Some of you may have noticed mineral sands and potash appear in the data, mostly because government financing supported those projects. I worked on several of them when I was at NAIF. If you fast forward five years, though, those sectors are unlikely to feature. Lithium has since become more mainstream and commercially backed. The first Lithium project financed through project finance actually used Nordic bonds, at a time when interest rates were much lower. Today, using Nordic bonds for Lithium or similar projects would mean debt costs of 15% or higher.

Ashley Kerfoot That cost of debt is significant…

Patrick Leung …and that makes it very difficult to cover through the project economics.

Gavin Lee On that note, some of the key takeaways from the 2023 presentation were that funding resource projects typically involves debt, equity, and other sources such as government grants and agencies like NAIF.

On the equity side, structures included joint ventures, offtake agreements with equity components, and so on. There are multiple pathways to secure funding.

From all those factors, we identified four key focus areas: the size of capex, which you can see here with target and threshold levels…

Capex has increased significantly since 2018–2023, so these benchmarks may need rebasing. At the time, though, projects were generally funded with a minimum capex of around $171 million. Keeping capex low improves fundability.

A short payback period reflects strong project economics. The funding ratio averaged about 58%, close to the "golden" 60:40 debt-to-equity ratio. Importantly, as Patrick noted, the equity raise relative to market cap averaged around 32%, a good benchmark.

So if your project sits outside these metrics, funding becomes more difficult. For commodities beyond the likes of gold, where hedging is possible, you'll likely need a mix of strategic investment, government support, and other non-traditional financing.

That's why today we're focusing on strategic investment. It's often critical as an approach to support equity raises, particularly when capex is too high to fund through traditional pathways.

On the slide is a theoretical funding story, illustrated with the Lassonde curve. For those new to mining, Pat, would you describe it as a model of how projects typically progress from exploration through construction and into operations?

Patrick Leung Yes, it's essentially a practical illustration of how a mining company's share price tends to move from exploration through to development. In theory, if you make a discovery and keep de-risking through feasibility studies, the share price should rise steadily (assuming stable commodity prices). But that's not how it actually plays out.

Instead, after the initial discovery, much of the speculative money exits, and the share price often moves sideways or declines.

This means that by the time you finish feasibility studies and need to raise funds, your market cap often isn't high enough to support the equity raise required to develop the project.

That's the most relevant point in this theoretical funding story. We'll show an example with real numbers next.

Ashley Kerfoot Do you have a project example you can refer to?

Patrick Leung Yes, it's on the next slide.

Gavin Lee This example is more about a theoretical project, showing how projects can get stuck.

Ashley Kerfoot Right. So just quickly, when you mention the orphan stage, can you talk about its dynamics? What do you mean by that stage, and what are its characteristics?

Gavin Lee Theoretically, as you de-risk a project, by doing more studies and firming up capex, you'd expect the value to increase, especially if the economics are sound.

But in reality, projects are exposed to market volatility, commodity prices are a major factor, and if capex is too high and the market doesn't believe it can be

funded, you can get stuck.

Other factors include uncertain market demand if you lack certainty on product sales.

Inappropriate partners can also hurt credibility if the market doubts their ability to support funding. And of course, weak management teams unable to take a project through to production are a problem too.

On this slide is a typical funding story: you announce a discovery, complete a PFS, then a DFS. At first there's excitement around the stock and the project, but then something in the market shifts, confidence drops, and the share price tanks.

In this example, after the DFS announcement the market cap starts sliding. The project needs $500 million in development capex, and with working capital and cost overruns, the funding package is closer to $600 million.

How do you fund it? With a 60:40 debt-equity split, you'd need about $240 million in equity. But if your market cap is only $50 million, you'd need to raise four times your market cap, something the market won't accept.

That's one of the reasons projects get stuck. Juniors, in particular, can end up in no man's land, unable to move forward because the market doesn't believe in them, and meanwhile they're burning cash on management costs.

Patrick Leung Going back to Ash's question, if you look at the previous slide, the second-last bullet point outlines some of the orphan period factors.

The orphan period happens because speculative retail investors exit, leaving a lack of stable institutional investors at the development stage. There's also a lack of positive, share price-supportive announcements.

Earlier on, news is exciting, like drill results of 20 grams per tonne over 20 metres. But once you start running feasibility studies, the news flow becomes less exciting: essentially just, "Here's what we're going to do, and here's what it will cost."

That's why the orphan period drags on. Feasibility studies take time, typically 9–12 months for a PFS and even longer for a DFS, so you have a long stretch without exciting news flow.

Ashley Kerfoot Are there early warning signals that you won't be able to raise equity post-DFS? Or do you only discover that once you're already in that stage?

Patrick Leung The key signal is probably the share price. To me, the earliest warning is at the PFS stage, if the share price doesn't move on release. That doesn't necessarily mean it's over, though.

Between the PFS and DFS, sentiment can change, your commodity might become "hot" again, or you might bring in a strategic partner, and that can lift the share price.

So yes, the earliest warning is usually after the PFS. That's my view, what do you think?

Gavin Lee The market's reaction to your results is often the clearest indicator of what direction things will take.

From our work on strategic investment, we asked: what's the way out of the orphan period? One key solution is bringing in a strategic investor with aligned interests who can support you through that stage.

We studied 11 projects where strategic investment occurred (or was expected), with six examined in detail that had already been funded and constructed.

Common characteristics included timing: interestingly, almost all strategic investments occurred post-PFS, and most occurred after the DFS was complete.

This was surprising, but it suggests that projects generally need to reach a certain level of certainty before strategic investors will step in.

Patrick Leung Let me pause to explain Preliminary Feasibility Study (PFS) and Definitive Feasibility Study (DFS). In simple terms, they define the certainty around your capex estimates. DFS is usually accurate to within ±10–15%, while PFS is around ±20–30%.

Ashley Kerfoot So when you say ±10–15%, you mean in terms of cost estimates, right?

Patrick Leung Yes, capex and opex estimates. As you do more work for the DFS, you'll get firmer contracts, quotes, and so on.

Ashley Kerfoot So it's either side of a midpoint range, somewhere in that ballpark?

Gavin Lee Yes, either side, but usually it leans to the plus side.

Ashley Kerfoot Right, things rarely come in below.

Patrick Leung	Exactly. In reality, it's rarely –15/+15%. It's often closer to +20%.
Gavin Lee	Another observation was the size of strategic investors, they were generally quite large, with strong balance sheets.
Ashley Kerfoot	From your experience, what surprised you most from those cases? Any unexpected outcomes?
Gavin Lee	The biggest surprise was timing. We expected more investors earlier, post-PFS or even pre-DFS, but most only came in after DFS.
Ashley Kerfoot	So they're waiting to avoid the risk curve.
Gavin Lee	Exactly. Though it's possible to involve them earlier, as we've seen in a few prospective cases. Typically, though, they wait until DFS or advanced PFS.
Audience	Could it be that discussions are happening earlier than formally announced?
Gavin Lee	I'm sure discussions happen earlier, but certainty usually only comes later.
Patrick Leung	Or they may simply wait for the share price to drop.
Gavin Lee	Exactly, wait until after DFS, when the share price falls.
Audience	For strategic investment, is it usually in the project itself or in the company?
Patrick Leung	Great question, we'll cover that in the next slide
Gavin Lee	It can be either, but more often it's on the project side. On this slide, you can also see that the capex of these 11 cases was substantial. The average capex was around $568 million. Other metrics like payback period were similar to those in the broader dataset. Importantly, once the strategic came in, the equity requirement dropped to levels within our "golden rules." That's really the moral of the story, strategic involvement made the projects fundable. Moving on to the next part, we'll get to your question soon. This slide shows the market cap of the companies, the investors, and the capex requirements. From left to right, the slide shows six projects that were fully funded with strategic investors, and others on the right where strategic investment had only been announced. On the left, you can see that in general the investee market caps were much lower than the required capex.

Patrick Leung For the in-progress projects (the dots), the expectation is that as they approach Final Investment Decision ()FID and complete the DFS, the strategics will make additional contributions.

So those contributions should push the investment figures higher, the orange dots in particular.

Gavin Lee Exactly. On the right-hand side, you see the strategic investment relative to capex, and in many cases the strategic investors contributed a substantial proportion.

As Pat mentioned, the in-progress projects show lower strategic investment for now, but that will likely rise substantially once JV arrangements are final

This slide shows, for each of the 11 projects, the stage at which strategic investment occurred. From left to right you can see the progression from exploration to PFS, DFS, FID, practical completion, and then project completion.

This illustrates that funding often occurred after PFS, and more commonly after DFS. For the projects still in progress, many are already in discussions at the PFS stage, which appears more common now than in earlier funded examples.

Ashley Kerfoot Is there a capex-to–market cap multiple beyond which the conversation isn't realistic, say four or five times?

Patrick Leung Historically, you do see raises of around one times market cap, easier in some gold projects, but even that is very dilutive.

For existing shareholders, our analysis suggests a raise of one-third to perhaps 50% of market cap is more achievable.

The advantage of strategic investors is that they may buy a stake in the project, injecting cash directly.

Because you've sold a portion of the project, you need less equity for your share of capex, and you can apply the proceeds as equity, making the raise smaller.

As a result, any remaining equity raise is more achievable.

Gavin Lee On the value strategic investors add: we looked at what they bring to the table, especially in deals that reached FID and finalised their funding structures.

Many helped secure the full funding solution. Several provided offtakes, delivering revenue certainty and sometimes pricing support.

All in this list were creditworthy investors.

Ashley Kerfoot So does creditworthiness become a critical threshold for partner selection?

Patrick Leung It's relative, especially when you're dealing with juniors.

Gavin Lee Generally, you want balance sheets that can support the project. We'll come back to that. Some strategics also brought technical and operational expertise.

In the fully funded set, only one explicitly announced that support, but it's likely others provided expertise informally.

Ashley Kerfoot The nice-to-haves are fine, but creditworthiness matters most.

Patrick Leung Of the four factors, the ability to deliver the full funding solution is key, otherwise the project won't proceed. The other aspects mainly facilitate that outcome.

Ashley Kerfoot Right, because they feed into achieving funding.

Gavin Lee We compared the developer's equity requirement to market cap, before the strategic's initial investment and again at FID. The ratio of required equity to market cap drops after the strategic invests.

For the six fully funded projects, the ratio fell to a practically fundable level. Note: the chart understates this improvement in some cases.

For example, Gold Road received consideration for the project and reinvested it at project level; that isn't fully reflected in the slide.

We also noticed that the time from first investment to FID was often short because strategics joined at, or just before, the FID announcement. We didn't expect that, but the data says so.

Anything to add, Pat?

Patrick Leung BCI is an outlier because ACE was involved very early, as a major shareholder from the start and increased their stake over time.

Gavin Lee Yes, exactly. They were a long-term strategic investor, we'll cover that on a later slide.

Returning to your point: strategics invested at corporate level, project level, or

both. Of the 11 cases, roughly two were minority stakes, three were 50:50 JVs, and two were majority positions.

As expected, strategics generally took substantial ownership. In the six fully funded case studies, the strategic's involvement was instrumental in closing funding.

Summarising what works: you need a strategic investor able and willing to support the full funding solution, providing (or catalysing) the required equity and debt.

What doesn't work: choosing a partner without the appetite or capacity to deliver the full solution, or who crowds out other investors you need.

Secondly, offtake arrangements are critical, especially for non-exchange-traded commodities where pricing and revenue support are needed.

What doesn't work is announcing an offtake that doesn't come with sufficient funding to close development, another way to get stuck.

Patrick Leung That's the worst scenario: you announce a deal where the strategic both invests and takes offtake…

…but the offtake is one of the company's most valuable bargaining chips.

If you give it away and the strategic later pulls out or can't provide additional funding, you're stuck, you've lost the offtake leverage for another partner.

Ashley Kerfoot We've discussed preferred timing, are there pitfalls to bringing them in too early? Any constraints?

Gavin Lee The offtake issue is one.

Ashley Kerfoot Giving away all the offtake at the start.

Gavin Lee Exactly, you're stuck.

Patrick Leung Also, if they invest early at project level, valuation is usually lower, strategics heavily discount risk before the work is done.

If you don't receive enough for a partial sell-down, it becomes harder to fund the remainder.

Ashley Kerfoot With that in mind, do you also need to structure exit points?

Patrick Leung It depends on who you are.

If you're the company seeking a strategic, you're typically a price taker. You may not want milestones or exits, but you might have no choice.

More importantly, if there is an exit, ensure you're left able to attract another strategic, with key chips (like offtake) still available.

Ashley Kerfoot Any questions so far?

Patrick Leung Feel free to call bullshit if you disagree.

Gavin Lee To close: you want a creditworthy partner with a balance sheet that gives financiers comfort, able to support cost overruns, completion of construction, and operations.

Investors without sufficient balance sheets, or appetite, to follow through can leave you stuck.

Technical and operational expertise is less critical than balance sheet strength, but still helpful.

Let's move to case studies to see this in practice.

Patrick Leung First, Sheffield, my benchmark for the kind of strategic deal you'd want.

Pre-Yansteel (pre-strategic) they progressed as normal: completed the DFS and secured debt, subject to raising equity. Equity is typically a condition precedent to draw debt and reach FID.

They secured a $300m mandate from Taurus (a resources fund) and $95m from NAIF, completing the debt piece. They still needed equity, typically ~40% under the 60:40 ratio.

With capex around $463m (excluding working capital and contingencies), total funding required was >$500m including cost overrun facilities (c. $500–550m). Typically, once debt is locked in, companies move quickly to raise equity.

Not visible in announcements: they attempted the raise and fell short. With a market cap of ~$250–270m and needing >$200m, it was close to one times market cap. They missed it, coinciding with a broader market dip, and the share price fell.

They reworked the BFS to reduce capex to ~$390m, but with "plus-plus" it was still >$400m. By then, market cap was < $100m; a 40% equity slice (c. <$200m) was still unrealistic.

They then launched a strategic investor process with banks. Yansteel emerged, and they announced the JV at the tail end of that period.

Yansteel invested at both company and project level. With Sheffield's market cap ~ $150m, they sold 50% of the project for ~$130m—nearly the market cap—with proceeds going straight into the project. That effectively covered most equity, and Sheffield only needed to fund its 50% share of any remaining equity.

Audience What specific factors drove success?

Patrick Leung It's about finding win–win opportunities. Yansteel, traditionally in iron ore/steel, wanted exposure to mineral sands and provided technical input on product specifications they could process in China.

Many financial investors would say: "Why pay $130m for half when the whole company is $150m?" Yansteel took a broader, long-term view; mineral sands projects run for decades.

The project NPV (not shown here) was robust. Successful cases look at underlying NPV, not just share price/market cap. Sheffield also brought local partnership value and technical knowledge of the deposit.

You might acquire Sheffield for $100–150m plus premium, but you risk losing their embedded expertise, an important qualitative factor. This is a benchmark "poster child" strategic deal.

With equity secured, they revisited the debt package and ratios (still around 60:40). Capex remained in the $400–500m range including escalation and contingencies. They achieved FID and first production. The package provided a full funding solution; offtake for some products (ilmenite, not zircon); a creditworthy investor able to support cost overruns; and technical/operational input into the revised feasibility.

On sources and uses: Orion (another resources fund) participated; NAIF revised its loan; ~A$111m of Yansteel's contribution came from the initial A$130m investment; thereafter Sheffield funded the first 10%, with remaining equity split.

Ashley Kerfoot How were the draws structured, any lump sums?

Patrick Leung The A$130m was a lump sum directly into the project (not to Sheffield). The rest was drawn as needed and split per the agreement.

As you can see, Sheffield's equity need fell from ~A$200m to ~A$34m. They sold a few assets and planned to fund their share from proceeds.

This is how you fund a project when you're stuck.

Ashley Kerfoot For all components?

Patrick Leung Yes, covering capex, contingency, cost overrun, and working capital during ramp-up.

Audience Is a cost overrun facility essentially a given?

Patrick Leung Yes. Contingency is typically the sponsors'/equity buffer; the cost overrun facility is effectively the lenders' contingency.

You might see 10–15% contingency at equity level, and lenders often require additional contingency on top.

Audience Is that identified separately in funding agreements?

Patrick Leung Yes, it's a contingent facility. It's included in gearing calculations up front. If drawn, it's typically repaid first via a cash sweep.

Audience How independently is the cost-overrun percentage calculated?

Patrick Leung In theory, it should be set independently, ideally based on the Independent Technical Expert's view (e.g., 5–10%). In practice, financiers often drive it, and both financiers and ITEs tend to be conservative, commonly 10–15%.

Audience Is the cost overrun facility required because projects frequently exceed budgets during development?

Patrick Leung Absolutely. Although contingent and "not meant to be drawn," every project I've worked on in the last five years has used it fully.

Recent years of high inflation have made this worse. In a more stable environment, the contingency might be lower or unused, but inflation has eroded budgets significantly.

You can try to negotiate it down, but most financiers will still require a cost-overrun facility.

Ashley Kerfoot Let's jump to the next case, please.

Patrick Leung This is BCI and ACE. ACE didn't invest at project level but increased their company stake from 20% to 40% and supported the company throughout.

I led the approval at NAIF for a large A$490m loan here. NAIF went first to give confidence to commercial lenders and the market that the project could be funded.

The capex shown was A$780m, but in reality it was likely well over A$1bn.

Ashley Kerfoot You've marked FID, what happened after that pick-up?

Patrick Leung FID is generally called once debt is secured (subject to equity), and directors have high confidence the equity can be raised.

Ashley Kerfoot So why does it pick up and then drop away again, market cap effects?

Patrick Leung It could be broader market moves, lack of news flow, or expected cost overruns, we didn't dig into it. The point is ACE's long-term support.

When I was at NAIF: for a ~A$70m market-cap company attempting a ~A$1bn project, without a shareholder like ACE to support the equity raise, a debt financier wouldn't even start, there's no confidence the equity will be there at completion.

That's why a shareholder like ACE or Hancock matters, they provide comfort that equity will be supported at the end, making the equity strategy credible.

Ashley Kerfoot Any challenges in government–private co-funding?

Patrick Leung Not really. Early on, government finance wasn't well understood. NAIF has co-financed with banks, private equity, Nordic bonds, and other public financiers. With grants and patient capital, it works.

Public finance can be structurally subordinated, giving private lenders ability to be repaid first. Once the details are clear, co-financiers generally have no issue.

Here are the sources and uses. There's a cost-overrun facility, contingent, but included in the funding stack.

A common theme: companies announce capex, but often don't highlight pre-production ramp-up costs, working capital, financing costs, or the cost-overrun facility.

As you can see…

Ashley Kerfoot Are they required to disclose those?

Patrick Leung I don't think so. For example, A$841m becomes ~A$1.3bn once you add everything.

Audience Do financiers consider other income/cash flows or assets when assessing debt capacity?

Patrick Leung Yes. In this case there were residual iron-ore assets generating a royalty-like stream from Mineral Resources, helpful, but small relative to the project.

You get some benefit, but without a broad base of producing assets it's limited.

Core Lithium: every MD's dream, no banks. Development was funded entirely with equity at the peak of the lithium boom. Ganfeng cornerstone-invested and took offtake.

It's now in care and maintenance, but for getting to production quickly using equity, it worked.

Ashley Kerfoot Not common, you need perfect timing in the cycle.

Patrick Leung You see it in gold. Modest capex helps, sub-A$100m projects can be achievable with equity only.

Ashley Kerfoot Why no debt?

Patrick Leung That's for management, but debt brings heavy due diligence and time.

Many teams unfamiliar with debt prefer equity, fewer covenants and less lender engagement; they can just run the project.

That's likely why. In theory, without cheaper debt you're not maximising returns, but control and timing often dominate.

Ashley Kerfoot Yes, it's a lot of work.

Patrick Leung Exactly, and at the time Core was early; there weren't many lithium debt options.

Pilbara, around the same time, used Nordic bonds.

Commercial banks started funding lithium later.

Ashley Kerfoot So mainly availability?

Patrick Leung Yes

Ashley Kerfoot There you go.

Patrick Leung Simple sources and uses: working capital is implied, but no cost-overrun facility and no debt.

Ashley Kerfoot Conscious of time, please just highlight key points. If anyone wants a deep dive, Patrick can discuss after.

Patrick Leung Gold Road–Gold Fields: a large project where Gold Fields provided technical/operational expertise and acted as operator for build and operations. Again, no debt, Gold Road funded its share from proceeds received from selling project equity to Gold Fields.

Ashley Kerfoot Quick one, why separate scope changes and contingency?

Patrick Leung Good question.

Gavin Lee Likely from an announcement we picked up, effectively an additional allowance on top of contingency.

Patrick Leung Unusual, contingency isn't usually that explicit; it's often embedded elsewhere.

Liontown: a complete example where strategics (Ford, LG) didn't take direct project equity.

Ford provided a loan for offtake; LG provided a convertible note (potential equity), also tied to offtake.

It's an interesting funding path, including Albemarle's failed takeover and Hancock's involvement.

Ashley Kerfoot The plant build is never linear. Which chart shows this?

Patrick Leung We overlaid spodumene prices, the company's fortunes tracked lithium prices.

Ashley Kerfoot That's true across most case studies, right?

Patrick Leung Another example: Toho Zinc invested at project level in Galena, so Galena didn't need an equity raise (there was Taurus debt). Arafura is in progress, Hancock hasn't added capital but effectively cleared the equity requirement, and their presence likely helped secure ~US$533m from NAIF/EFA and a A$200m NRF convertible note; still incomplete, but Hancock's presence gives lender confidence (like ACE).

Ardea is a good example of earlier entry, funding feasibility at project level and later at the listed company; it's a ~A$3bn project.

Tivan–Sumitomo is similar: niche (fluoride), Sumitomo JV'd, secured offtake; debt may be uncertain given the niche, but with Sumitomo's balance sheet they're discussing closing the remaining equity.

Gavin Lee Tivan, who are our clients, have done well securing the JV with Sumitomo for a very niche commodity.

Patrick Leung Another earlier-stage investment, common theme: Japanese strategics like Sumitomo.

Gavin Lee They tend to take a longer-term view on these opportunities.

Patrick Leung Anax (hot off the press): DFS done earlier, share price drifted, then Mineral Development Partners proposed a structure giving a pathway to full funding.

Hastings–Wyloo (also fresh): Wyloo has taken ~60% (majority) and provided some debt/restructuring support, one to watch.

Conclusions: (1) Strategic investment is driven by funding, offtake, and/or technical needs, especially when market cap can't support required equity. (2) Timing is usually post-PFS; pre-PFS is difficult. (3) Project-level deals are generally better than listed-company equity, project value can exceed market valuation. (4) Ultimately, the best strategic is the one that can solve the project's full funding requirement. That's it.

Ashley Kerfoot Anything likely to change in 2025?

Patrick Leung We may see more Tivan/Ardea-style deals, strategics coming in post-PFS to fund feasibility, filling a real gap. Gold is well supported; copper somewhat; others struggle. What do you think, Gav?

Gavin Lee I agree, that's why many parties are engaging earlier. Equity markets aren't supportive of juniors right now; risk appetite is low. It's tough, but that's often when opportunities arise, buy low, sell high… but only if you're brave!

Thanks for attending. We'll try to distribute the presentation; otherwise, please join our CFO Labs mailing list (quarterly, mainly for mining/resources). Next quarter we'll share a scoping-study model for mining and related industries. Our contact details are on the slide, feel free to reach out.

KNOW
THE SPEAKERS

Patrick Leung

Patrick has over 20 years of institutional banking and commercial experience, originating and executing complex structured transactions across Resources, Engineering Services, Energy & Infrastructure, Property and Agriculture.

Prior to founding Naust Capital, Patrick was Director and Sector Head of Resources & Western Australia at Northern Australia Infrastructure Facility, and previously, Director, Natural Resources at Westpac Institutional Bank.

Patrick is a qualified CPA, holds an MBA from the University of Western Australia and is a Graduate of the Australian Institute of Company Directors (GAICD).

Gavin Lee

Gav has 18 years of operational improvement, corporate finance and private equity experience with deep expertise across resources, energy and infrastructure.

Gav has supported companies ranging from Fortescue Metals (as it ramped up from 30Mtpa to 180Mtpa+), to smaller firms developing projects from scoping/pre-feasibility through to financial close and operations

Gav has a Bachelor of Science and a Bachelor of Engineering with First Class Honours from the University of Western Australia. Gav also holds a Master of Applied Finance from FINSIA/Kaplan, graduating in the top 10% of the class.

Ashley Kerfoot

Professionally, Ashley identifies as a 'sceptical empiricist,' an expression adopted from the work of Nassim Taleb. The focus is on maximising risk-adjusted returns and policy impact from investment strategies, assets, transactions, and capital structures. With over 25 years of diverse, cross-functional experience in private equity, management consulting, and construction within the infrastructure and real estate sectors in the Pacific and Southern Africa regions, Ashley has established a strong record of accomplishments. Ashley excels in leading, structuring, analysing, and implementing complex strategies, transactions, and acquisitions for both public and private sector investors.