
Mining Market Snapshot

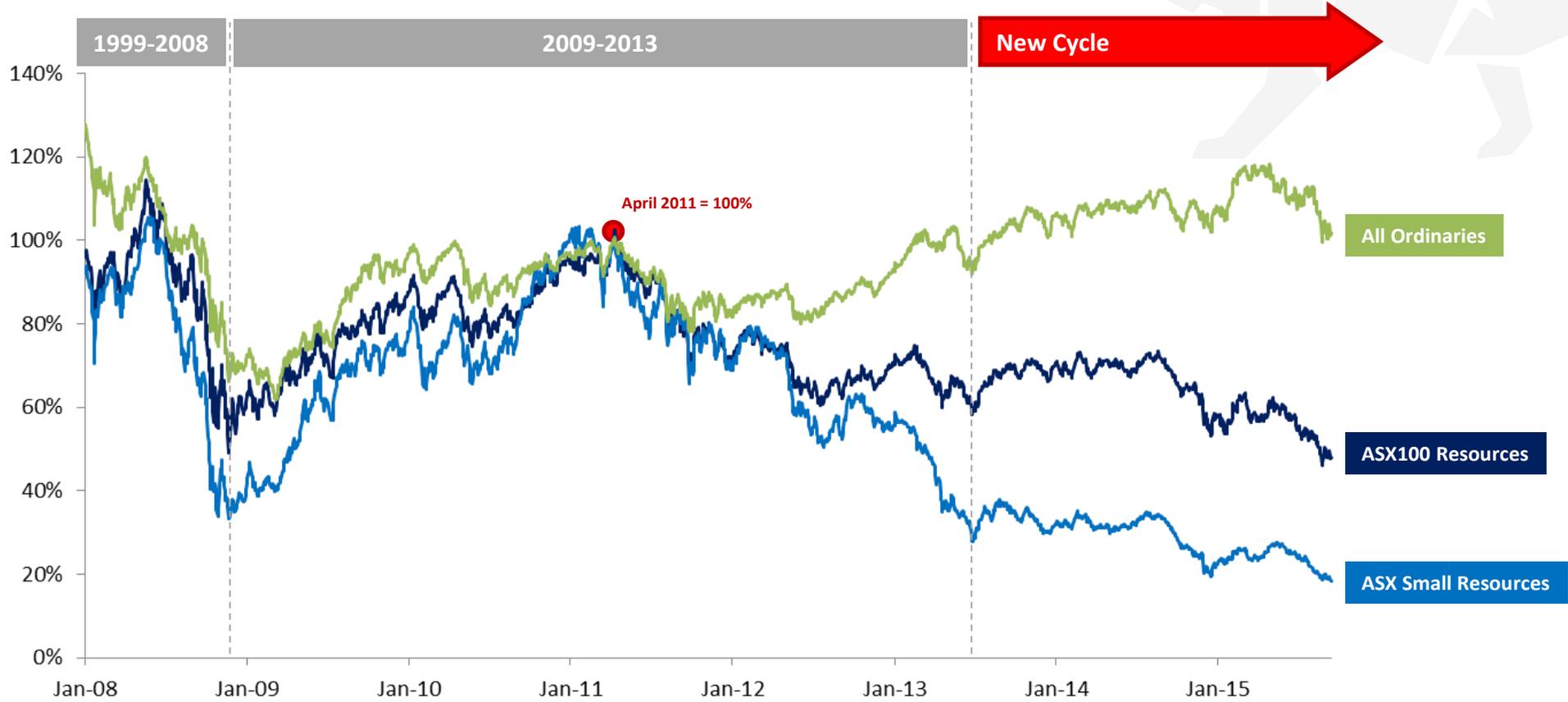
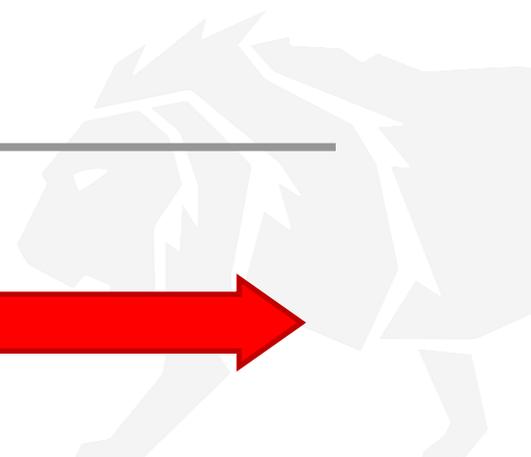
Rimfire Pacific Mining AGM

Hedley Widdup

Lion Selection Group ASX : LSX

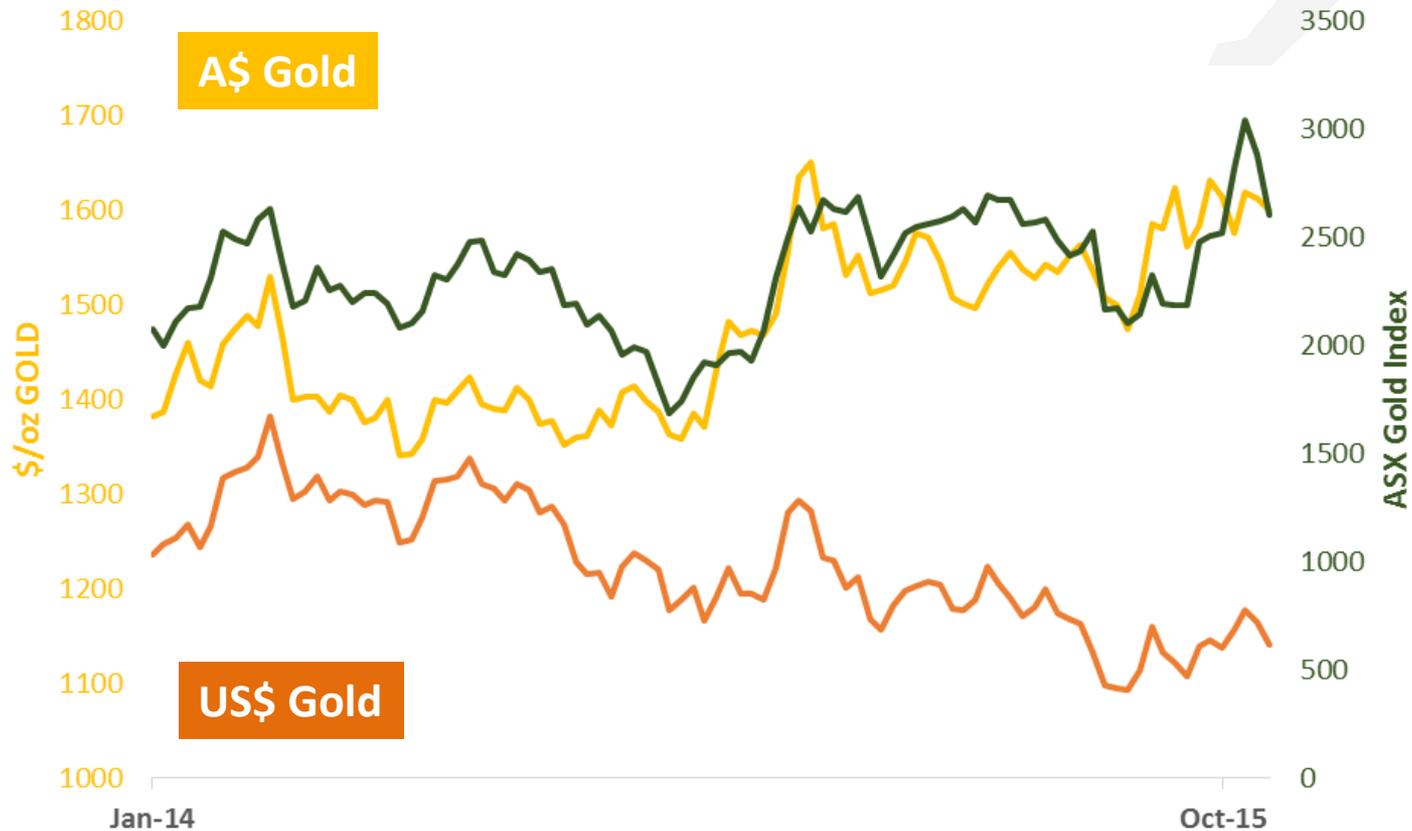
[🐦 @HedleyWiddup](https://twitter.com/HedleyWiddup)

Market for Miners

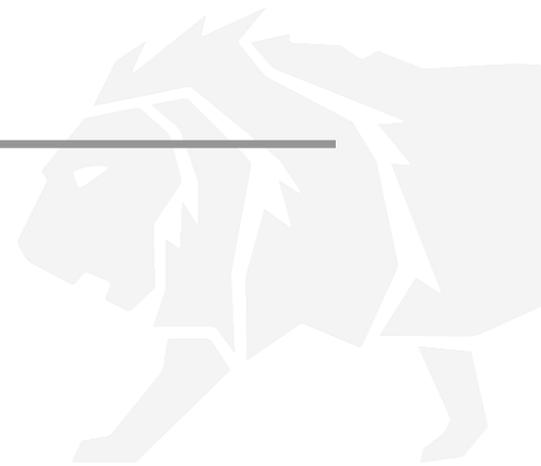


A\$ Gold

- ASX Gold Index has performed in line with A\$ Gold
- Not necessarily the case for constituent stocks

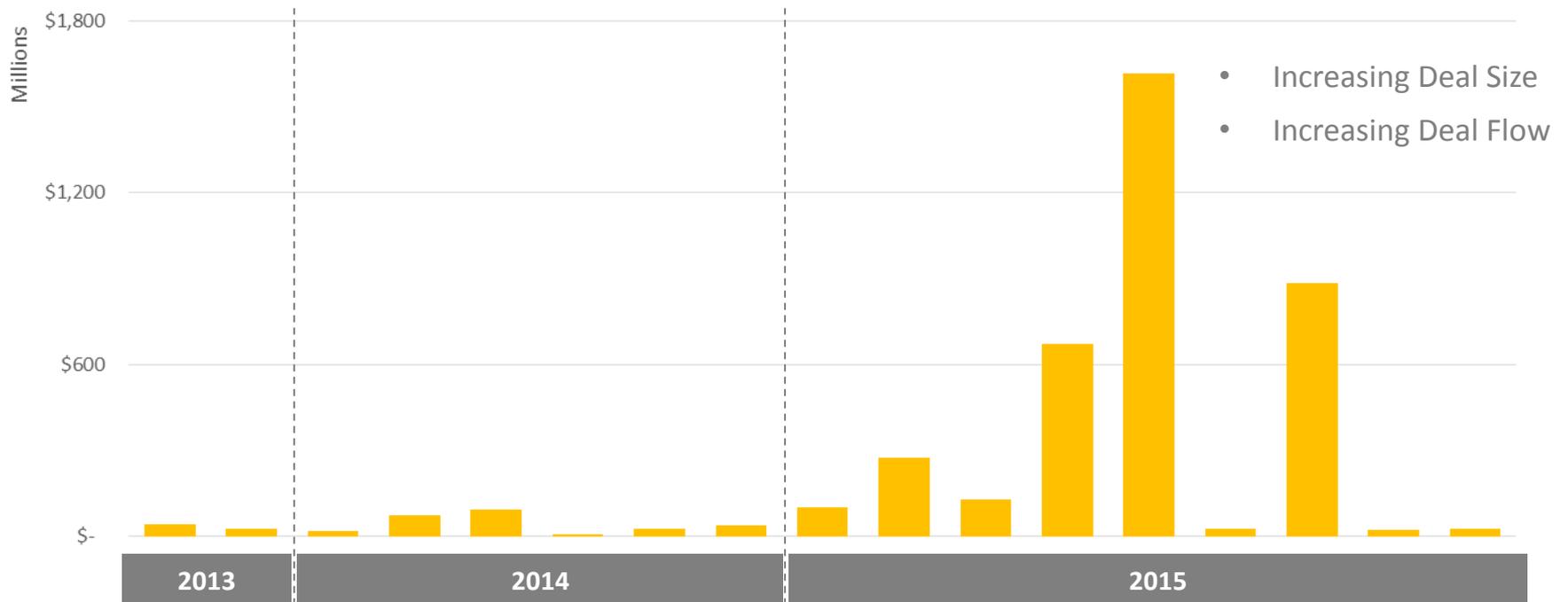


Rising Stars – New Mid Tier



- Majors: sellers for *more than 3 years* – selling to pay down debt
- Buyers are Mid Tier
- Choicest assets dealt – where do acquirers turn next ?

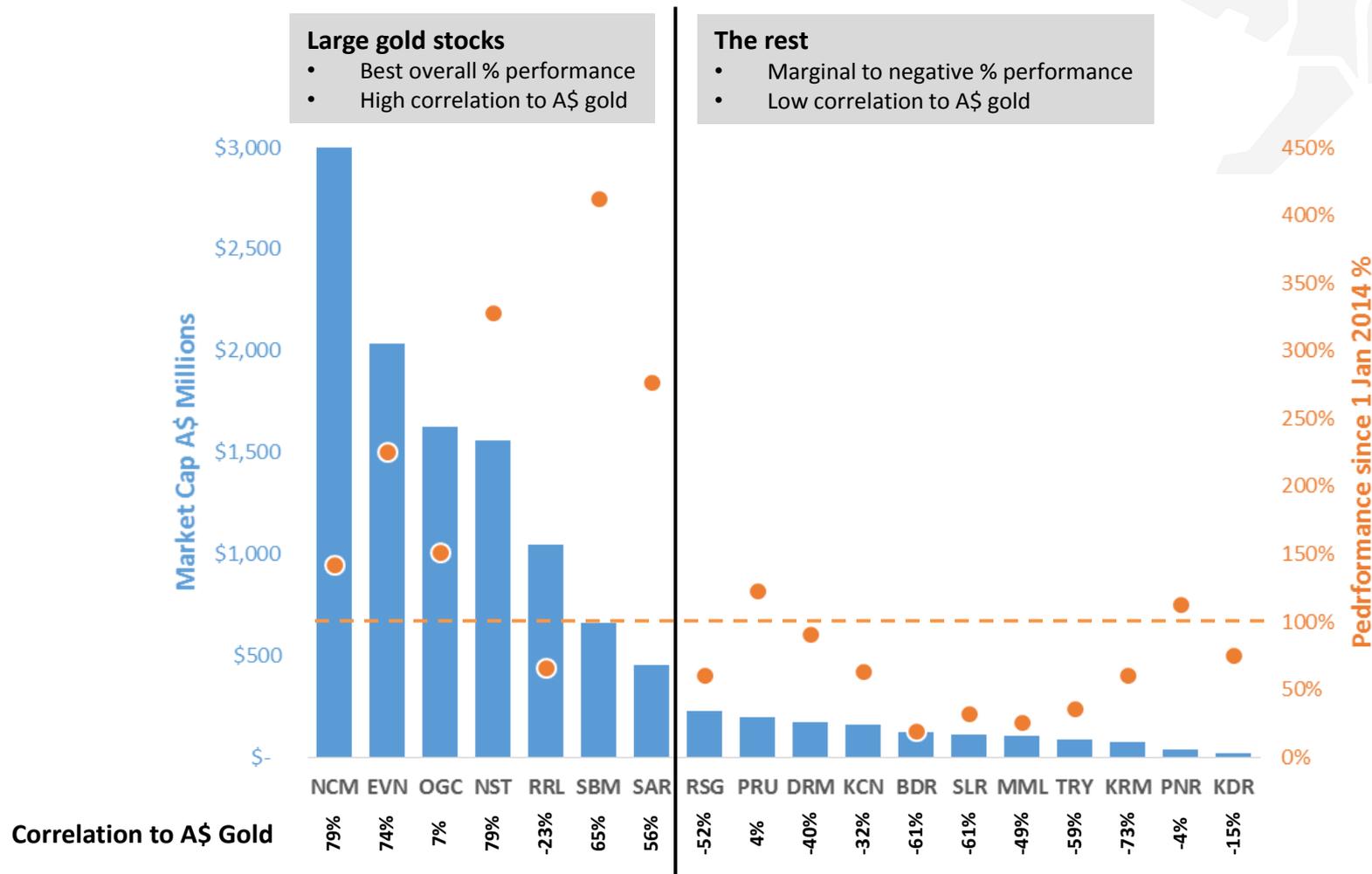
Size of Select Australian Mining Deals



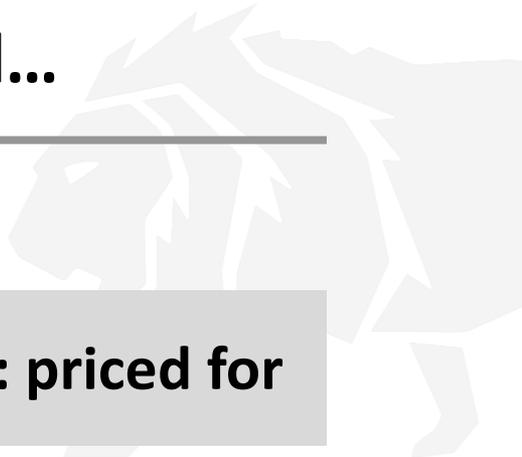
- Increasing Deal Size
- Increasing Deal Flow

Case study: ASX Gold companies

- Best performers have been largest stocks

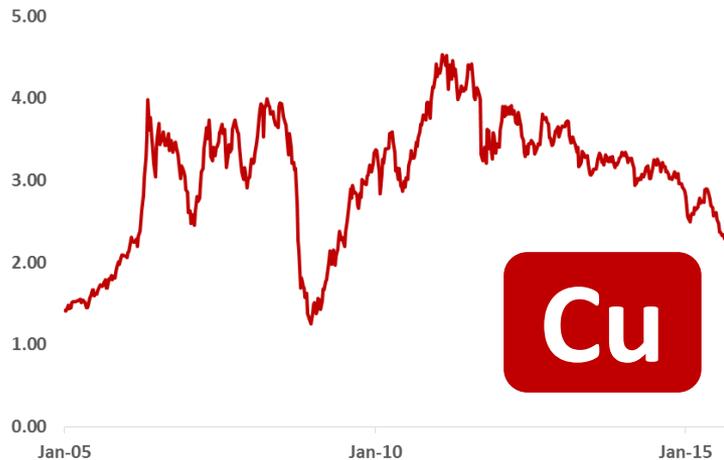


Miners: Smaller they are, Harder they fall...



	% Fall since 2011	2015: priced for
Major	40-50%	Premium: Yield
Mid tier	50-70%	Premium: Growth
Junior	70-90%	Discount: small, illiquid
Micro cap	90-99%	<u>Severe</u> discount: Unfunded

Commodities

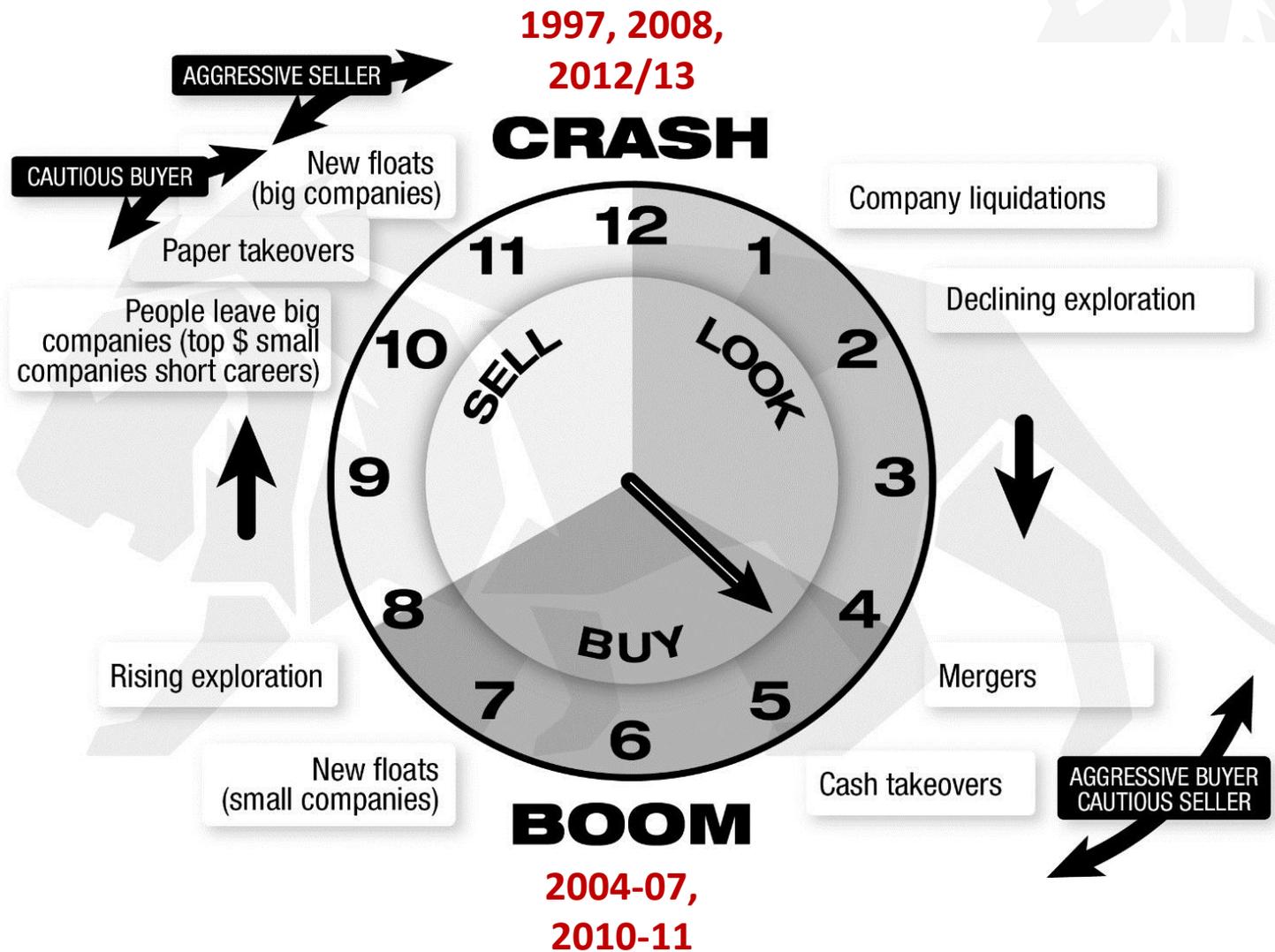


- Highly correlated since 2011
- *But*
- Different supply / demand fundamentals
- Prices impinging most cost curves

Risks

- Some things are cheap because funding is close to impossible
- Others because their underlying commodity has crashed out of a once-in-a-lifetime cyclical upswing
- Are you speculating on a project working, or reliant on a new technology being successful first ?

Lion Clock



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ASX : LSX

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