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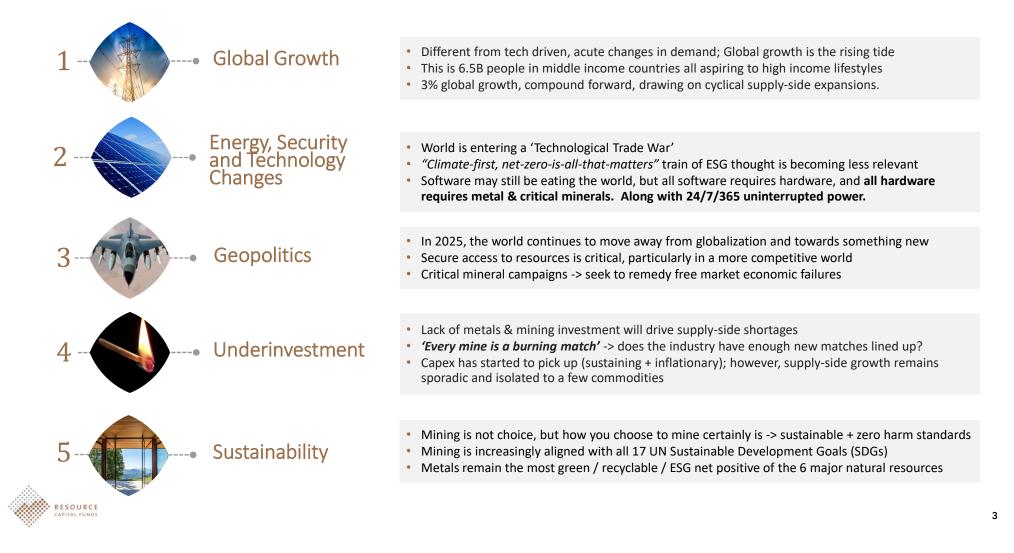
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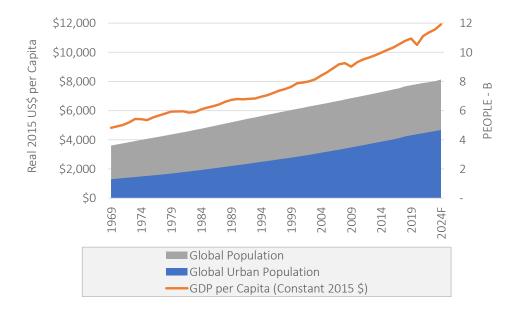
Investing involves risk, including possible loss of principal.





Global growth as the backstop for consumption and increased demand

- In 1969, there were 3.6B people (1.3B urban) earning \$4,830
- In 2024, there are 8.1B people (4.7B urban) earning \$11,914



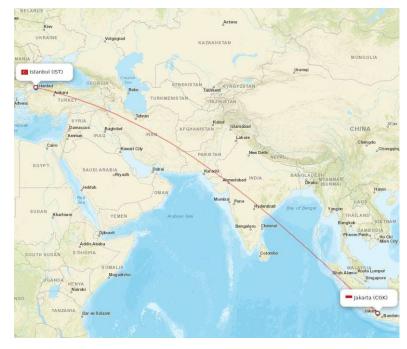


Source: World Bank Data, codes NY.GDP.PCAP.KD, SP.POP.TOTL, SP.URB.TOTL



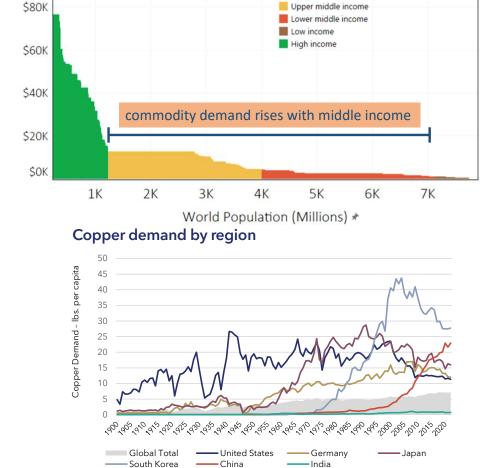
The next upcycle will be 'nearby China' led

3.6B people live in a straight line between Istanbul and Jakarta



RESOURCE

APITAL FUND



Source: OECD, Trading Economics and World Bank data, RCF Analysis, Aug 2024

Gross National Income (per capita) v Population

Longer Term Structural Catalysts in the Mining Industry "No Metals, No Energy Transition"

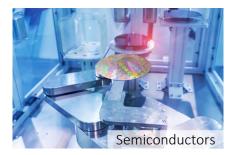
Copper	Lithium	Nickel	Zinc
Used for: Electrification	Used for: Storage	Used for: Storage + Infrastructure	Used for: Renewables + Infrastructure
2014 - 2024: +4.3mtpa	2014 - 2024: +0.9mtpa	2014 - 2024: +1.6mtpa	2014 - 2024: +0.3mtpa
2024 - 2034: +9.1mtpa Production rate increase: 115%	2024 - 2034: +3.3mtpa Production rate increase: 250%	2024 - 2034: +1.9mtpa Production rate increase: 20%	2024 - 2034: +2.1mtpa Production rate increase: 550%
40	5.0	6.0	17
35	4.0	5.0	16
55	3.0 ————————————————————	4.0	
E	E 2.0	9.0	ឆ្នុំ 15 ———————————————————————————————————
25		2.0	14
	1.0	1.0	
20 2014 2024f 2034f	0.0 2014 2024f 2034f	0.0 2014 2024f 2034f	13 2014 2024f 2034f



Source: AME, BNEF, S&P Global data, RCF Analysis, 10 Feb 2025

This doesn't happen....

Data Centers





Electric Vehicles

....without investing in this







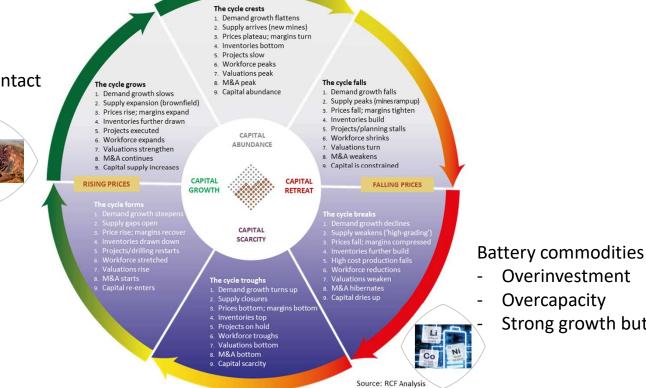
Forecast: Overinvestment in the key Future Facing Technologies will stress the scarcity of high-quality mining assets.



Mining Is a Cyclical Industry

Broader metals market

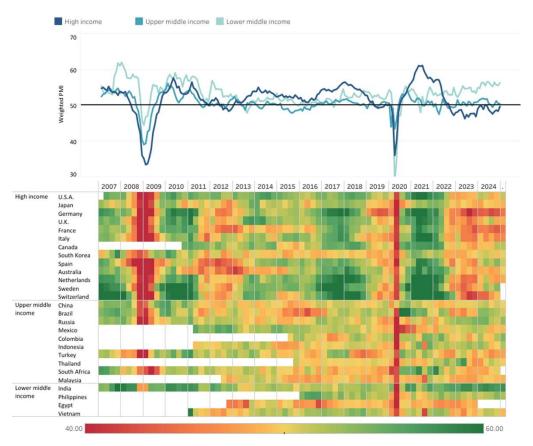
- Balanced market currently -
- Supply shortfalls forecasted
- Long term demand drivers intact -





- Overinvestment
- Overcapacity
- Strong growth but slowing

Lower Middle-Income PMIs hold higher; Industrial Production remains tepid in larger economies







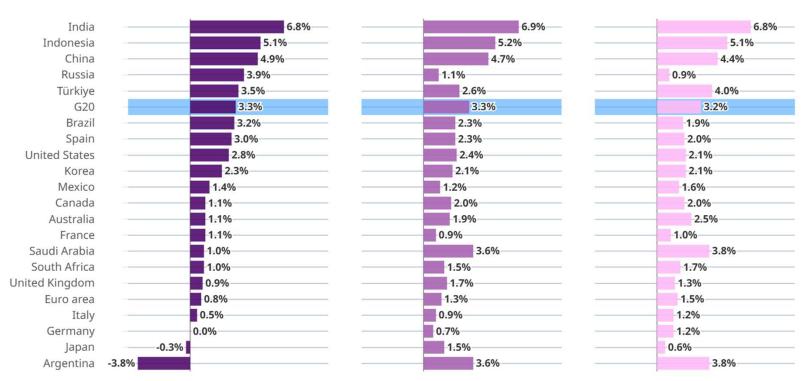
The world is still growing – latest OECD forecast

Real GDP growth projections for 2024, 2025 and 2026

%, year-on-year

G20 economies

OECD countries



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CAPITAL FL Source: OECD Economic Outlook, December 2024.

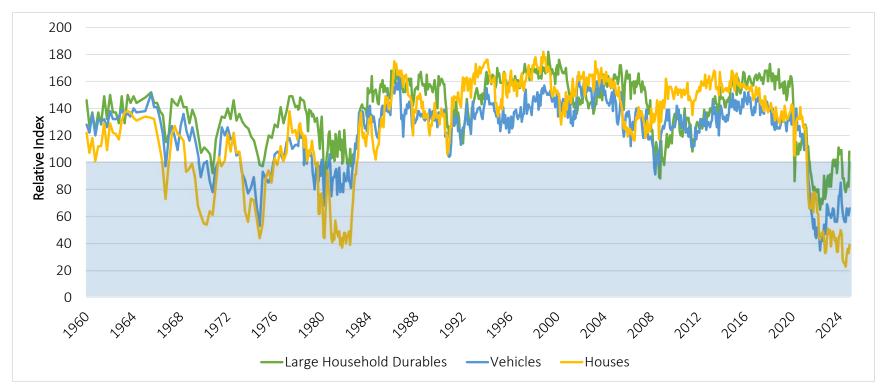
US Goods Expenditure jumped strongly with COVID stimulus (+11%) and continues to track higher



Source: US BEA, Trading Economics data, RCF Analysis, 10 Feb 2025



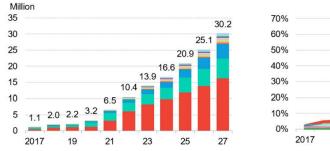
US consumer sentiment - more positive on durables (Dec 2024 jump), but larger purchases still down

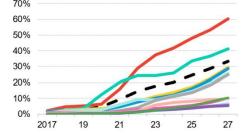


Source: Univ of Michigan Consumer Sentiment survey data, RCF Analysis, 10 Feb 2025

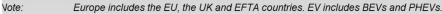


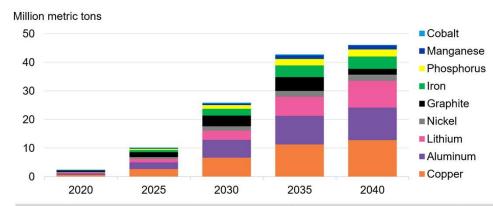
Global EV sales increasing, but rate of growth slowing (except for China)





China Europe US Japan - Canada South Korea Southeast Asia Australia India Rest of World Global

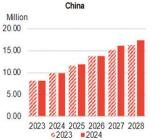


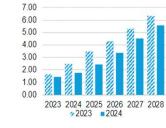


Note: Lithium is expressed in million metric tons lithium carbonate equivalent (LCE). Note: Demand occurs at the mine mouth, one year before battery demand.



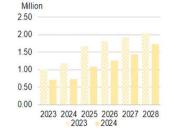
Source: BNEF Electric Vehicle Outlook, 12 June 2024





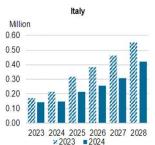
US

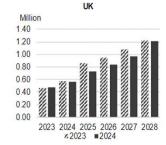
Million



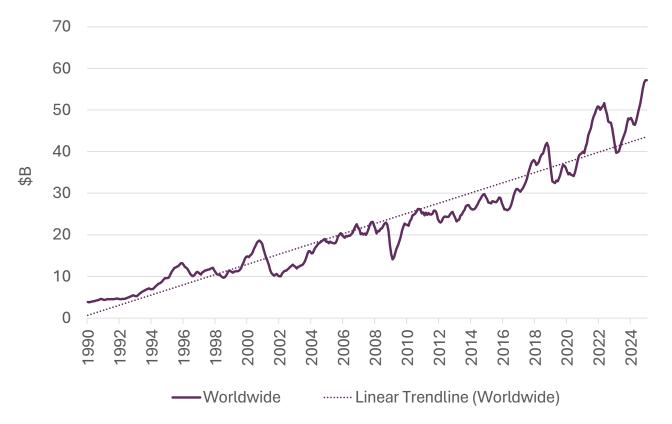
Germany

France Million 1.40 1.20 1.00 0.80 0.60 0.40 0.20 2023 2024 2025 2026 2027 2028 2023 2024





Quarterly Semiconductor Sales surge again from mid-2023 onwards

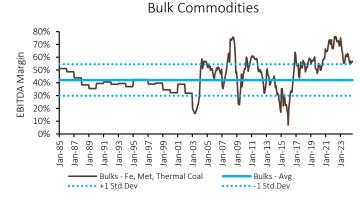


RESOURCE CAPITAL FUNDS Source: Semiconductor Industry Association data, RCF Analysis, 10 Feb 2025

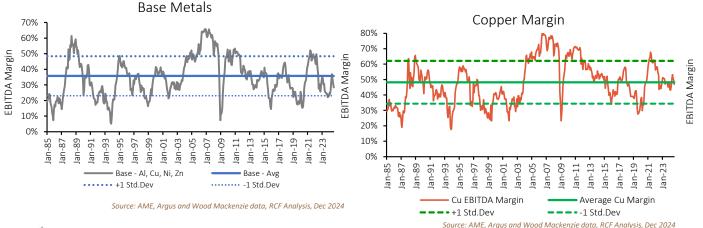
Supply Side Indicators

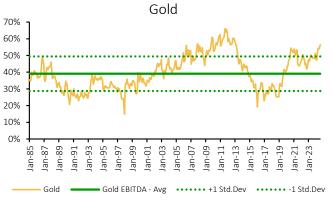
EBITDA margins are mixed, depending on the commodity

- Bulk Commodity (Fe, Met, Thermal Coal) following the margin contraction back to 1 StDev above the long-term average, bulk commodities have held for the past 6 months at this elevated level.
- Base Metals (Al, Cu, Ni, Zn) margins are fluctuating between the longterm average and -1 StDev below. Cu remains relatively strong, with Ni and Zn contributing. Al margins remains weak.
- **Gold** margins continue to shine, supported by strong demand. That said, RCF is closely following mining costs to ensure margins hold.



Source: AME, Argus and Wood Mackenzie data, RCF Analysis, Dec 2024



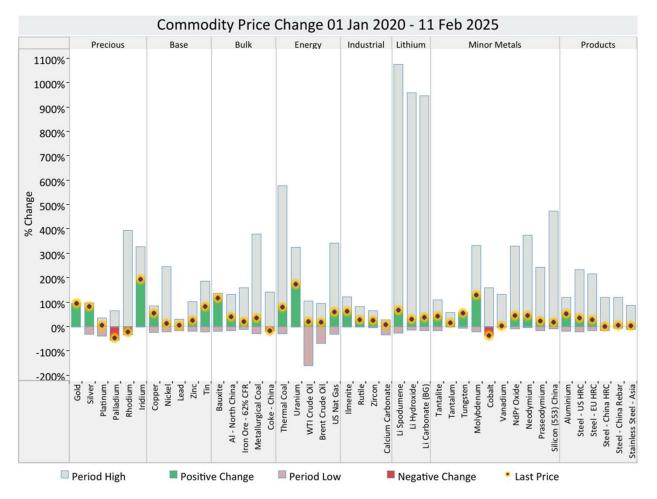


Source: AME, Argus and Wood Mackenzie data, RCF Analysis, Dec 2024



Commodity Prices – 5 year view

Most well off their highs, arguably there was a 'price cycle' with little to no expansion in supply (excluding lithium)

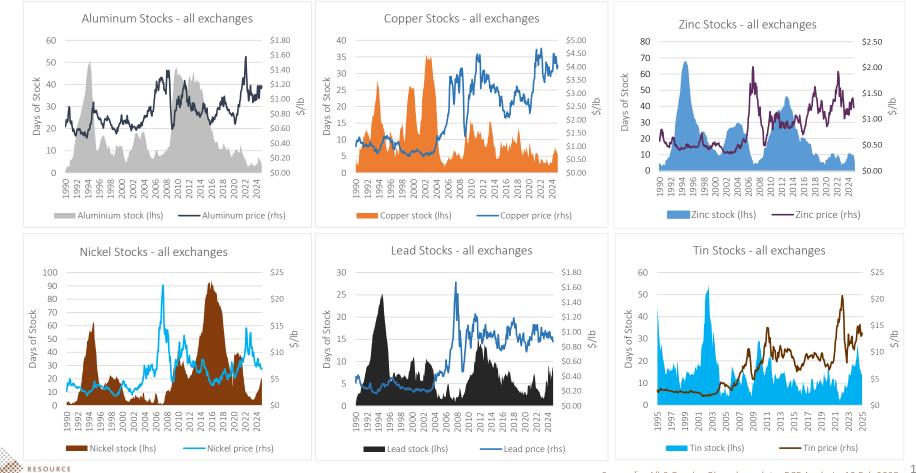




Base Metal Commodity Stocks / Inventories held by exchange

Above-ground supply have risen off multi-decade lows, reflecting industrial demand weakness

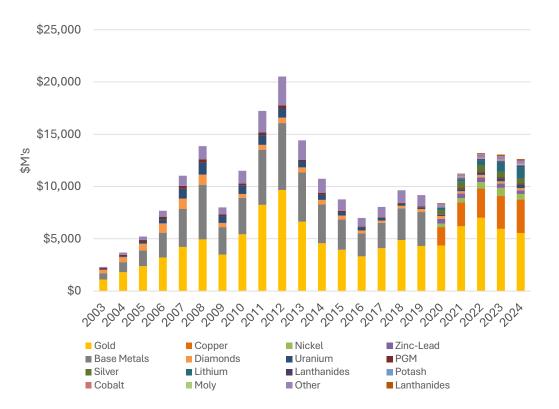
CAPITAL FUNDS



¹⁷ Source for All 6 Graphs: Bloomberg data, RCF Analysis, 10 Feb 2025

Exploration Expenditure

Gold & copper exploration drive the industry

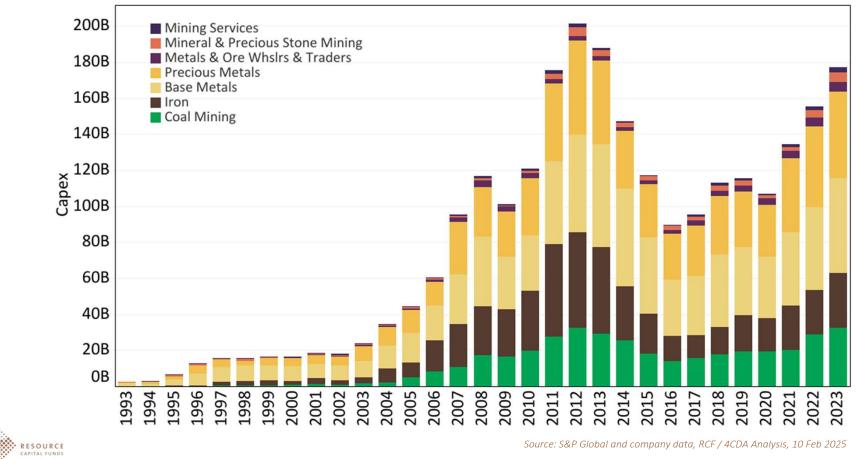




Source for both graphs: S&P Global data, RCF Analysis, 10 Feb 2025

Capex Expenditure

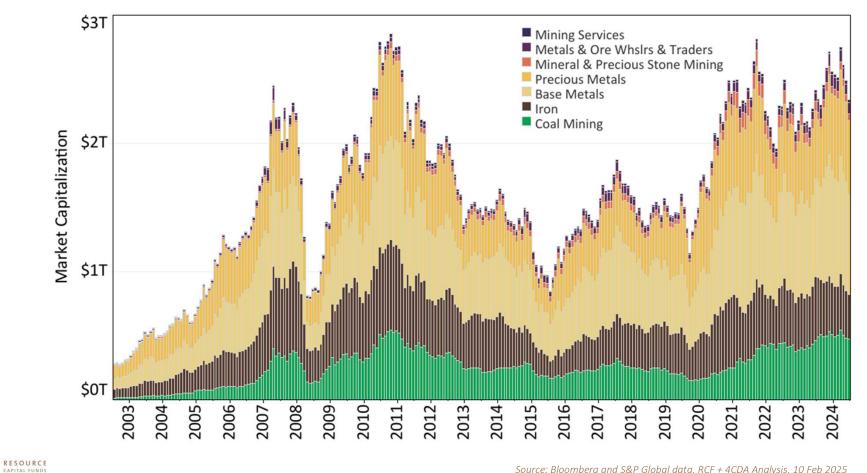
Latest BICS Code Analysis



Source: S&P Global and company data, RCF / 4CDA Analysis, 10 Feb 2025

Industry Market Capitalization

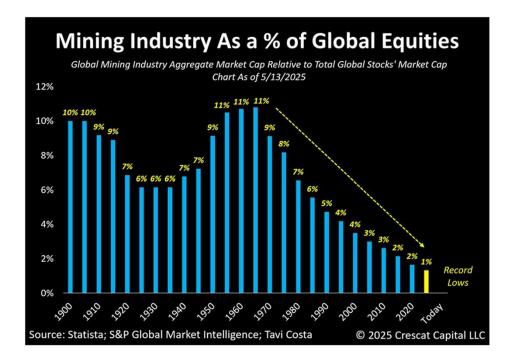
All Public Mining Companies (per BICS code)

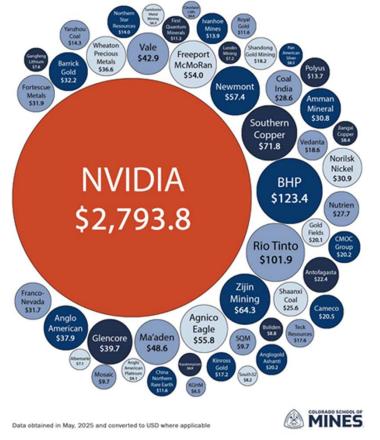




Industry Market Capitalization





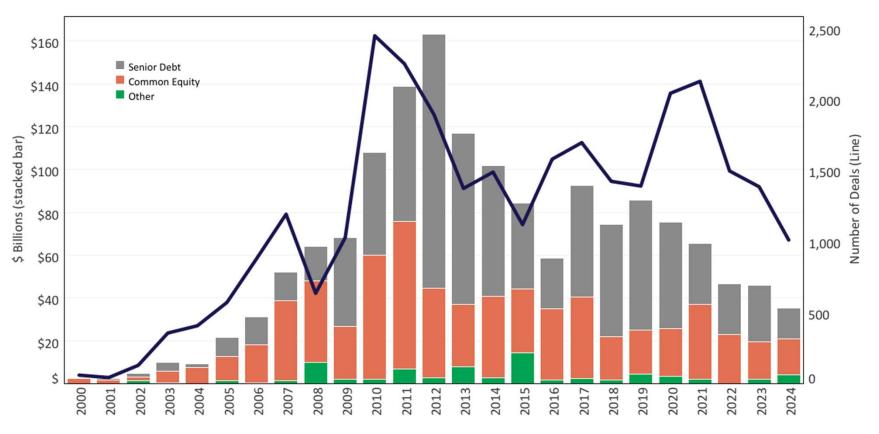




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Financings

Financings remain weak in real USD terms, yet to recover from prior 2012 peak





Summary Remarks

- Long term supply and demand drivers remain robust, including global growth, underinvestment, and energy, security and technology transition
- Heightened uncertainty will likely lead to market volatility and capital commitment delays. Markets will likely be somewhat directionless over the next 12 months or more
- Major mining companies have strong margins and are investing in new supply and acquisition
- **Critical mineral supply chains** remain a key focus for **many governments**. Likely source of funding for new projects
- The junior market remains underfunded and weak

