

# Europe, CIS and Asia Gold Basket Initial Thoughts and Bunch of Data



**INITIAL STOCK SELECTION FOR A BASKET OR A  
FUND**

**TARGETING COMPANIES UNDER US\$500MN IN  
MARKET CAPITALISATION**

**GOING THROUGH INDUSTRY PRESENTATIONS AND  
REPORTS**

# Gold Companies Selection



## Sorted by Size

Country	Company	Market Cap USD mn
CHINA	Hengxing Gold Holding Co Ltd	449.91
Russia	Petropavlovsk PLC	312.99
CHINA	Lingbao Gold Group Co Ltd	154.5
RUSSIA	Lenzoloto PJSC	138.15
RUSSIA	Buryatzoloto PJSC	121.46
RUSSIA	Seligdar PJSC	115.07
BRITISH VIRGIN	Chaarat Gold Holdings Ltd	84.81
INDIA	Shirpur Gold Refinery Ltd	70.95
INDIA	Deccan Gold Mines Ltd	67.56
PHILIPPINES	Manila Mining Corp	58.73
Russia	Trans-Siberian Gold PLC	53.07
Kazakhstan	Altyn PLC	47.8
Georgia	Georgian Mining Corp	26.11
MALAYSIA	Anchor Resources Ltd/SG	19.66
Romania	Vast Resources PLC	17.95
Turkey	Ariana Resources PLC	17.71
Spain	Ormonde Mining PLC	8.74
Serbia/Bulgaria	Tethyan Resources PLC	8.33
Slovakia/Africa	Ortac Resources Ltd	6.39
Ireland	Conroy Gold And Natural Resources PLC	3.75
Finland	Lionsgold Ltd	3.44
Armenia	Global Gold Corp/US	2.01

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# Hengxing Gold (2303 HK Mcap 449mn\$) China

## Presentation



- Hengxing Gold is an emerging gold mining company in China. The Company owns and operates Gold Mountain Mine, the largest gold mine in Xinjiang, China as of April 14, 2014, in terms of designed annual ore processing capacity and estimated gold production volume at full production level, according to Xinjiang Gold Administration Bureau
- Located in Yining County of Xinjiang, the Gold Mountain Mine is about 40 km north of the downtown of Yining County and 500 km west of Urumuqi, the capital city of Xinjiang. Gold Mountain Mine covers a mining area of about 5.7 sq. km. As of December 31, 2013, the total gold resources and reserves were approximately 3.2 million troy ounces (~100.1 tonnes) and 2.2 million troy ounces (~67.3 tonnes), respectively, according to Independent Technical Report
- Gold Mountain Mine includes five prospects, namely Yelmand prospect, Mayituobi prospect, Jinxi-Balake prospect, Kuangou prospect and Lion prospect
- According to the Independent Technical Report, by using heap leaching technology, Gold Mountain Mine is estimated to produce an average of approximately 78,000 troy ounces (~2.4 tonnes) of gold per annum over an estimated mine life of 22 years

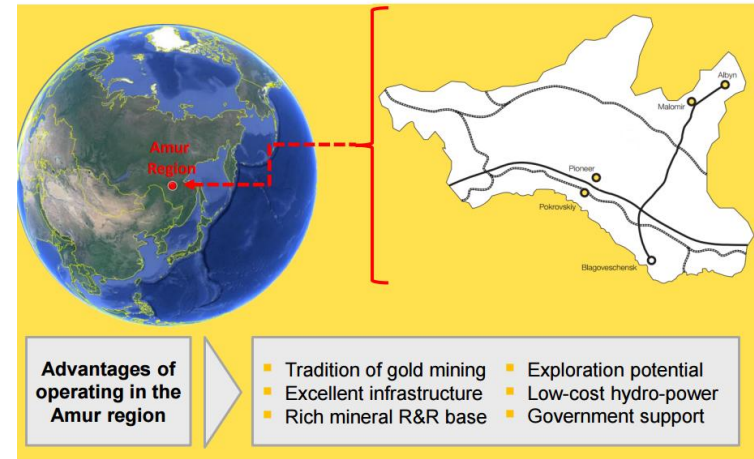


# Petropavlovsk Gold Russia (POG:LN Mcap 312mn\$)

## Presentation



core assets are located in the Amur region, the Russian Far East



(1) 2015 (2) As at 31/12/2015, refractory R&R base totalled 9.31Moz (incl. 3.95Moz of JORC reserves at Malomir and Pioneer)



Pokrovskiy			Albyn		
2015 production	56Koz (11% of total)		2015 production	158Koz (31% of total)	
RIP processing capacity	c.1.8Mtpa		RIP processing capacity	c.4.5Mtpa	
JORC R+R	Resources	Of Which Reserves	JORC R+R	Resources	Of Which Reserves
Non-Refractory	1.4Moz	0.4Moz	Non-Refractory	5.0Moz	1.4Moz
Malomir			Pioneer		
2015 production	59Koz (12% of total)		2015 production	231Koz (46% of total)	
RIP processing capacity	c.4.5Mtpa <sup>(2)</sup>		RIP processing capacity	c.6.6Mtpa	
JORC R+R	Resources	Of Which Reserves	JORC R+R	Resources	Of Which Reserves
Non-Refractory	0.8Moz	0.3Moz	Non-Refractory	2.2Moz	1.1Moz
Refractory	6.2Moz	2.5Moz	Refractory	3.1Moz	1.5Moz

# Lingbao Gold Group Co Ltd (3330 HK Mcap 312mn\$)

## Presentation

The following is a table of gold resources and reserves of the Group as at 31 December 2016:

No.	Mine (Project) Name	Minerals	Unit	Proven+ Indicated	Inferred	Total
1	Henan Lingjin No. 1 Mine	Gold	Ore (t)	639,059	158,140	797,199
			Grade (g/t)	5.91	5.83	5.89
			Gold Contained (kg)	3,775	921	4,696
2	Deep exploration area of Henan Lingjin No. 1 Mine	Gold	Ore (t)	2,772,542	3,435,474	6,208,016
			Grade (g/t)	4.09	5.10	4.65
			Gold Contained (kg)	11,348	17,525	28,873
3	Henan Hongtuling Gold Mine	Gold	Ore (t)	1,014,659	287,383	1,302,042
			Grade (g/t)	6.86	7.69	7.04
			Gold Contained (kg)	6,956	2,210	9,166
4	Henan Hongxin No. 1 Mine	Gold	Ore (t)	159,778	36,065	195,843
			Grade (g/t)	4.20	3.89	4.15
			Gold Contained (kg)	672	140	812
5	Henan Lingjin No. 2 Mine	Gold	Ore (t)	695,076	374,407	1,069,483
			Grade (g/t)	7.45	7.41	7.43
			Gold Contained (kg)	5,178	2,773	7,951
6	Henan Lingjin No. 3 Mine	Gold	Ore (t)	126,395	131,354	257,749
			Grade (g/t)	5.60	4.62	5.10
			Gold Contained (kg)	708	607	1,315
7	Henan Pengjialaozhuang Gold Mine	Gold	Ore (t)	63,747	625,278	689,025
			Grade (g/t)	4.52	4.57	4.56
			Gold Contained (kg)	288	2,857	3,145

19	Upper part of Istanbul Gold Mine of Kyrgyzstan	Gold	Ore (t)	1,005,263	1,864,120	2,869,383
			Grade (g/t)	8.32	6.51	7.15
			Gold Contained (kg)	8,369	12,142	20,511
20	Eastern Istanbul Gold Mine of Kyrgyzstan	Gold	Ore (t)	101,075	1,560,364	1,661,439
			Grade (g/t)	7.96	6.64	6.72
			Gold Contained (kg)	805	10,359	11,164
21	Istanbul Gold Mine of Kyrgyzstan	Gold	Ore (t)	6,228	756,333	762,561
			Grade (g/t)	10.92	10.03	10.03
			Gold Contained (kg)	68	7,583	7,651
22	Akesu Gold Mine of Kyrgyzstan	Gold	Ore (t)	118,825	1,566,203	1,685,028
			Grade (g/t)	7.28	6.06	6.15
			Gold Contained (kg)	865	9,498	10,363
23	Tieliekelin Gold Mine of Kyrgyzstan	Gold	Ore (t)	105,002	480,609	585,611
			Grade (g/t)	5.51	5.65	5.62
			Gold Contained (kg)	579	2,714	3,293
24	Exploration area of Tieliekelin Gold Mine of Kyrgyzstan	Gold	Ore (t)	13,114	4,604,622	4,617,736
			Grade (g/t)	4.19	5.32	5.32
			Gold Contained (kg)	55	24,500	24,555

No.	Mine (Project) Name	Minerals	Unit	Indicated	Inferred	Total
8	Henan Shangshanghe Gold Mine	Gold	Ore (t)	519,561	332,192	851,753
			Grade (g/t)	4.42	4.73	4.54
			Gold Contained (kg)	2,297	1,572	3,869
9	Periphery of Henan Shangshanghe Gold Mine	Gold	Ore (t)	388,920	3,084,203	3,473,123
			Grade (g/t)	5.53	4.73	4.82
			Gold Contained (kg)	2,151	14,594	16,745
10	Henan Laowan Gold Mine	Gold	Ore (t)	158,191	136,443	294,634
			Grade (g/t)	4.38	3.28	3.87
			Gold Contained (kg)	692	448	1,140
11	Henan Eastern Laowan Gold Mine	Gold	Ore (t)	46,732	377,825	424,557
			Grade (g/t)	5.93	4.81	4.94
			Gold Contained (kg)	277	1,819	2,096
12	Xinjiang Duolanasayi Gold Mine	Gold	Ore (t)	117,454	1,942,450	2,059,904
			Grade (g/t)	3.71	3.85	3.84
			Gold Contained (kg)	436	7,472	7,908
13	Deep part of Xinjiang Duolanasayi Gold Mine	Gold	Ore (t)		854,443	854,443
			Grade (g/t)		4.71	4.71
			Gold Contained (kg)		4,021	4,021
14	Periphery of Xinjiang Duolanasayi Gold Mine	Gold	Ore (t)		129,803	129,803
			Grade (g/t)		5.18	5.18
			Gold Contained (kg)		672	672
15	Xinjiang Tuokuzibayi Gold Mine	Gold	Ore (t)	69,527	510,089	579,616
			Grade (g/t)	5.02	2.95	3.20
			Gold Contained (kg)	349	1,505	1,854
16	Deep part of Xinjiang Tuokuzibayi Gold Mine	Gold	Ore (t)	21,828	470,695	492,523
			Grade (g/t)	4.77	3.98	4.01
17	Jinchanshan Gold Mine of Inner Mongolia	Gold	Ore (t)	609,553	356,216	965,769
			Grade (g/t)	5.01	4.92	4.98
			Gold Contained (kg)	3,052	1,754	4,806
18	Jinchanshan Changgao Gold Mine of Inner Mongolia	Gold	Ore (t)		746,112	746,112
			Grade (g/t)		10.13	10.13
			Gold Contained (kg)		7,560	7,560
	Total of gold contained – Domestic			38,283	70,322	108,605

Total of gold contained – Oversea	10,741	66,796	77,537
Total of gold contained	49,024	137,118	186,142



# Lenzoloto (LNZL RM Mcap 138mn\$) (Poluys)

Maly Patom 579kg



Vacha River 200kg

B.Bugarichta 22kg

B.Balaganah 98kg

B Alemakit 137kg

B.Bodaboikan 604kg

Taimendra 145kg

Bodaibo Novopetrovskaya 344

Bodaibo Prokopievsky 377 kg

Nakatami



# Buryatzoloto BRZL RM (Mcap 121mn\$) (Nordgold) Russia



000s oz	2Q13e	1Q13	% Change QoQ	2Q12	% Change YoY
<b>Gold production</b>	<b>209</b>	<b>184</b>	<b>14%</b>	<b>165</b>	<b>25%</b>
Taparko	29	29	-1%	29	-1%
LEFA	35	34	2%	44	-20%
Bissa	47	40	16%	0	NM
Suzdal	19	15	26%	19	2%
Berezitovy	30	26	15%	26	18%
Buryatzoloto	26	23	12%	30	-14%
Apelkovo	8	4	82%	7	21%
Neryungri	15	11	40%	11	33%
<b>Revenue (\$mn)</b>	<b>296</b>	<b>297</b>	<b>0%</b>	<b>265</b>	<b>12%</b>

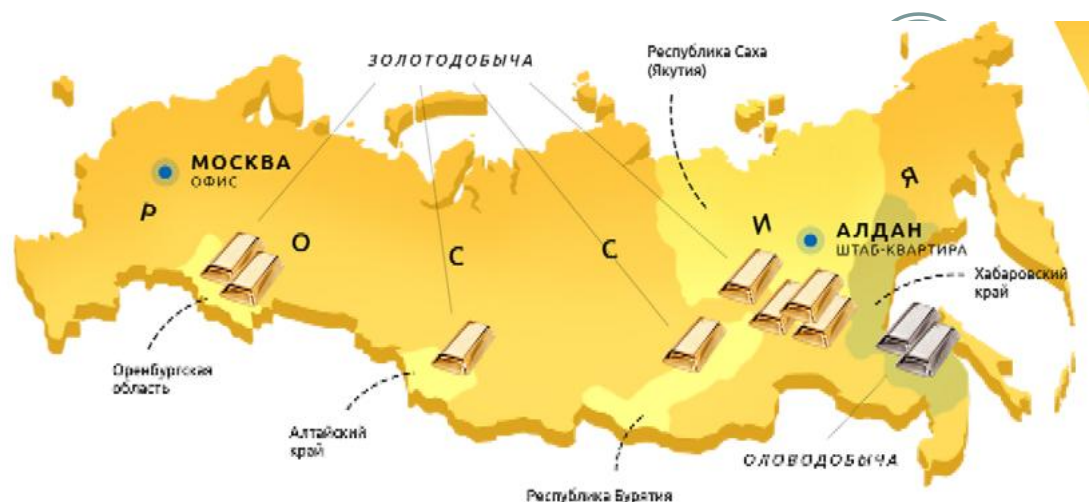
e = Morgan Stanley Research estimates, QoQ = Quarter on quarter, YoY = Year on year

Source: Company Data, Morgan Stanley Research

Berezitovy mine and Buryatzoloto's two underground mines in Russia, as well as 50% stake in silver project Prognoz in Russia).

- ✓ Acquisition completed in March 2013.
- ✓ Transaction worth US\$390 m + c. 21 m of Nordgold GDRs.

# Seligdar SELG RM (115mn\$) Russia



Якутский  
производственный  
комплекс >

ГРК  
"Нижнеякокитский" >

ГРК "Лунный" >

ГРК "Рябиновый" >

ГРК "Подгольный" >

ГРК  
"Самозовский" >

Артель "Сининда-1" >

Артель "Поиск" >

Deposit	Gold Reserves B+C1
Samolazovsky	6 278
Podgolachny	88
Nizhnekokitskiy	1 295
Related	1 152
Route	6 970
Coniferous	6 207
Upper	2 676
Lower-Jacobite,	18 300
total:	
Sininda-1	135
Ninth	93
Tributaries	261
Stream	499
Sininda,	988
Moon	7 588
Search	1 983
Ryabinovy	10 027
Inventories	45 252
Vasin	1 353
Total	46 605



The map illustrates the Tien Shan region, highlighting administrative boundaries and major cities. It includes a legend for the Tien Shan regions (Northern, Middle, Southern) and a scale bar (0 to 400 km).

**Legend:**

- Northen Tien Shan (Light Blue)
- Middle Tien Shan (Pink)
- Southern Tien Shan (Purple)

**Major Cities and Districts:**

- Uzbekistan:** Tashkent, Kochbulak (4M0Z), Zarmitian (11M0Z), Jilau (3M0Z), Taror (3M0Z), Dushanbe (Tajikistan).
- Kyrgyzstan:** Bishkek, Kuru-Tegerek (3M0Z), Jerooy (5.6M0Z), Kumtor (18M0Z), Taldy Bulak Levoberzhny (4.1M0Z).
- Other Districts:** Kokpatas (5M0Z), Muruntau (17.5M0Z), Amantaitau (6.2M0Z), Daugyztau (18M0Z).
- CHAARAT (7.04M0Z):** Highlighted in yellow with a sun icon.

**Scale:** 0 100 200 300 400

The map illustrates the Kyrgyz Republic with its major cities and infrastructure. Bishkek is the capital, located in the north. Other significant cities include Osh, Jalalabat, and Tash-Kumyr. The map highlights several mountain passes and lakes, such as Issyk-Kul and Song-Kul. Neighboring countries are labeled: Kazakhstan to the north, China to the east, and Tajikistan to the south. The map also shows the location of the Kyrgyz Republic relative to the surrounding region.

Tulkubash open pit heap leach COG 0.5 g/t Au	
Heap leach Measured and Indicated	18,813
Heap leach inferred	2,124
<b>Heap leach total</b>	<b>20,937</b>

Open pit Main and Contact zones Refractory COG 1.0 g/t Au	
Open pit Refractory measured and indicated	24,533
Open pit Refractory inferred	2,478
<b>Open pit Refractory total</b>	<b>27,011</b>

<b>Underground Main and Contact zones refractory COG 1.8 g/t Au</b>		
<b>Underground</b>	Refractory measured and indicated	29,059
<b>Underground</b>	Refractory inferred	6,068
<b>Underground</b>	<b>Refractory total</b>	<b>35,127</b>

Total Resource  
7.04 million ounces

# Shirpur Gold Refinery Ltd (ATRI IN Mcap 70mn\$) India



**M/S. SHIRPUR GOLD REFINERY LTD. [SGRL]** has set up a green field precious metal refinery with installed capacity to refine 217 MT p.a. of gold and silver respectively in Shirpur, Maharashtra.

This world class refinery has the technical capability to refine and fabricate gold and silver up to 999.9 fineness. The Company has procured and installed proven Refinery Technology and equipment.

The technical and other personnel are trained for operation and day-to-day maintenance of the plant. The technology and operating systems are fully absorbed.

SGRL is a Public Ltd Company with its shares listed in BSE & NSE.

In order to facilitate secured logistics, SGRL has its own airstrip with night landing facilities. It has established an all India dealer network for effective distribution.

## SUBSIDIARIES

### Financial Statements

ZEE GOLD DMCC, DUBAI, UAE. (FORMERLY SHIRPUR GOLD TRADING DMCC)

Financial Statement as at 31.3.2016 

Financial Statement as at 31.3.2015 

SHIRPUR GOLD MINING CO.PVT.LTD, SINGAPORE.

Financial Statement as at 31.3.2016 

Financial Statement as at 31.3.2015 

PRECIOUS METALS MINING AND REFINING LIMITED

Financial Statement as at 31.3.2016 

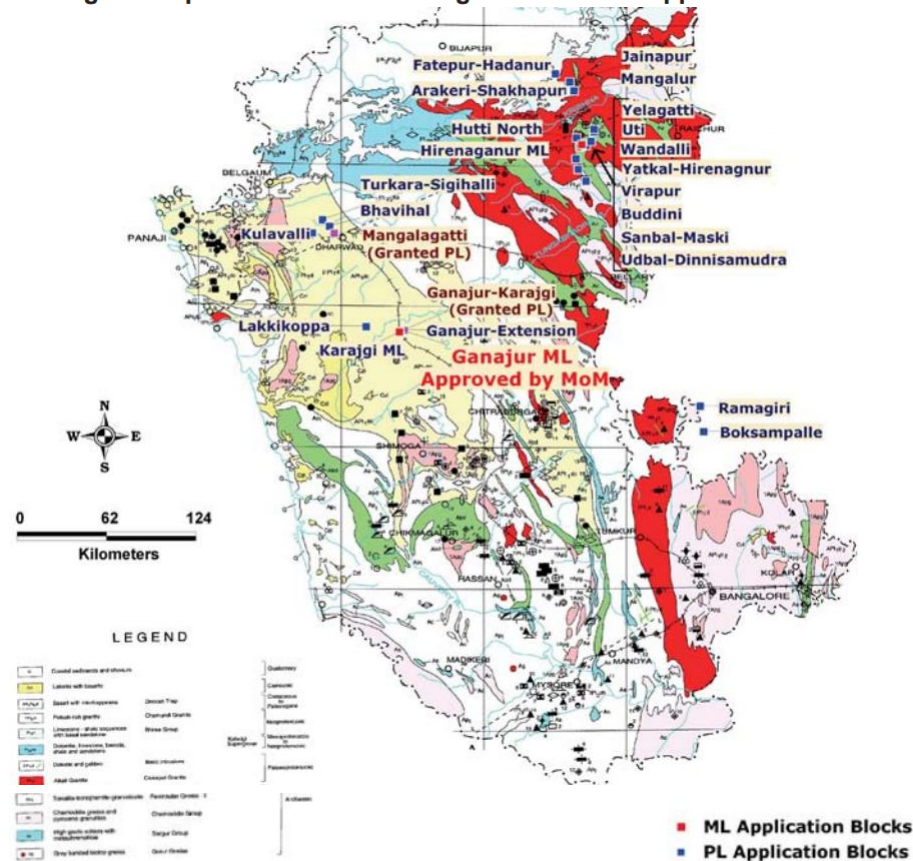
# Deccan Gold Mines Ltd (DGM IN Mcap 57mn\$) India

## GANAJUR MAIN GOLD DEPOSIT

### (1) BACKGROUND INFORMATION

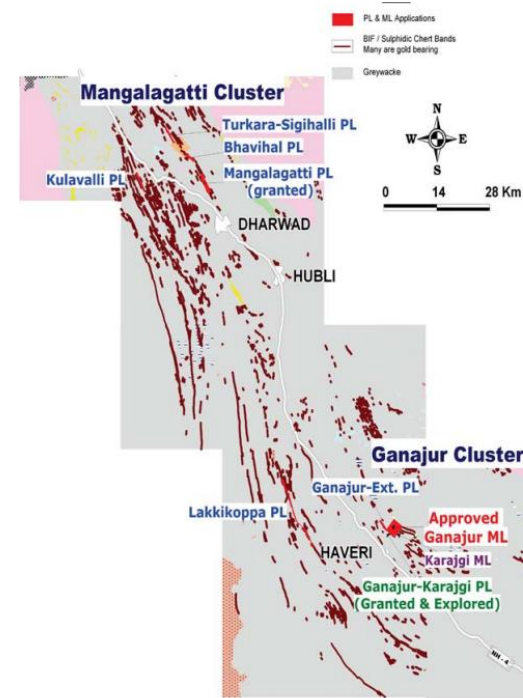
Dharwar-Shimoga greenstone belt project forms part of Archaean Western Dharwar Craton in the State of Karnataka. Deccan Exploration Services Private Limited (DESPL), a subsidiary of Deccan Gold Mines Limited (DGML), explored an area of around 5000sq km of the Dharwar-Shimoga Greenstone belt covered under 2 RP blocks and identified 22 gold prospects (**Fig-1, 2**). Gold mineralization in all the prospects is hosted within sulphidic banded ferruginous chert. Prospects around Dharwar towards north (Dharwar Cluster) and Haveri in the south (Ganajur-Karaji Cluster) are considered as significant discoveries.

### Geological map of Karnataka showing DGML related applications



DESPL submitted a total of Seven (7) Prospecting License (PL) and two (2) Mining Lease (ML) applications, covering all the important prospects of Dharwar-Shimoga basin. All these applications of DESPL are in compliance with the provisions of Section 10 A of the New Mines & Minerals (Development & Regulations) Act –(MMD & R) act that was promulgated by the Government of India in March 2015.

A Mining Lease application covering the most important Ganajur Gold Deposit has been approved by the Ministry of Mines, Government of India on 24th July 2015. The Grant Notification from the Karnataka State Government is awaited.



## MINERAL RESOURCE STATEMENT OF GANAJUR MAIN GOLD DEPOSIT

CATEGORY (JORC)	UNFC CODE	Quantity (tonnes)	Grade (g/t)	Gold (ounces)
<b>1. INDICATED</b>	121			
A. SULPHIDE		1,921,000	3.83	237,000
B. OXIDE		631,000	3.19	65,000
<b>TOTAL INDICATED</b>	121	2,552,000	3.67	301,000
<b>2. INFERRED</b>				
A. SULPHIDE	221	93,000	1.82	5,000
B. OXIDE		17,000	3.26	2,000
<b>TOTAL INFERRED</b>	221	109,000	2.06	7,000



# Manila Mining Corp (MA PM Mcap 58mn\$ )

**Manila Mining Corporation (MMC)** was founded in 1949. It operates and controls almost 2,000 has. of prime mineral lands in Surigao Del Norte, Southern Philippines, and has an applications for another 4,850 has. around its mines. Mining operations commenced in the 1970s - initially small-scale using the underground method, and graduated into large-scale open pit mining operations in the mid 1980's. Prior to the shutdown of its operations in 2001, MMC had produced over a million oz Au. The shutdown was principally due to the non-renewal by the Department of Environment and Natural Resources of the permit to operate MMC's tailings dam.

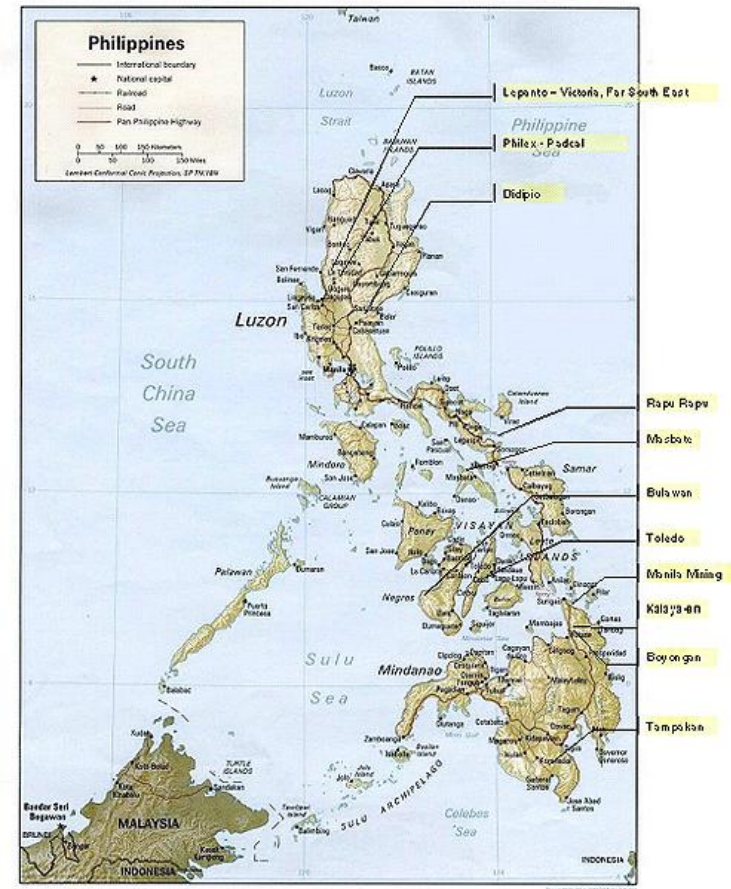
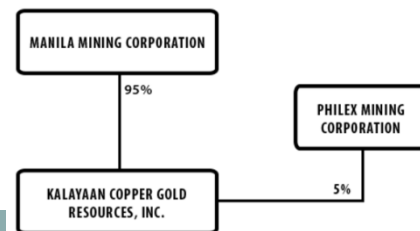
As of 01 March 2004, MMC's mineral resource inventory amounted to **20.03 Million Mt at 1.38 g/t Au**, for a total contained metal of about **0.89 Million Au ounces**. Ore reserves is about **3.6 Million tonnes**, averaging **1.68 g/t gold**, or a contained metal of about **0.198 million Au ounces**.

MMC's current activities have been focused on exploration and ore delineation to enhance the quantity and quality of its gold ounce inventory. MMC's most exciting project is the **Kalaya-an Project** located approximately 5 km southeast of the mine site. This area is immediately north of and adjacent to the Anglo-Philex property (Boyongan Project), wherein a large, high-grade copper-gold porphyry deposit was discovered in 2001 (greater than 100 million tonnes of about 1.0 % Cu and 1.2 g/t gold). Anglo, in December 2001, encouraged by excellent drill results, agreed to purchase an additional 10% equity interest from Philex in the Boyongan Property for US \$ 20 million.

In 2002, MMC completed a single drill hole which, based on extensive fieldwork, tested for an interpreted porphyry copper-gold deposit. The drill results, while not intersecting economic grade over mining widths, did conclusively demonstrate that the drill test area is indeed at the edge of a large mineralized gold-copper porphyry system. Assay results are indeed exciting, in part having an 80-meter stretch of epithermal gold mineralization with a grade of 0.56 g/t gold and a 162-meter length of copper-gold porphyry style mineralization assaying 0.30 g/t gold and 0.16% copper.

MMC's management indicated its willingness to enter into joint venture and/or other similar sharing agreement with technically and financially capable entities for the resumption of mining operations in its Surigao Mines as well as in the exploration and development of the adjacent projects and prospects.

The major shareholders of MMC are Lepanto Consolidated Mining Company and the family of its Chairman and CEO, Mr. Felipe U. Yap.



# Trans-Siberian Gold PLC (TSG LN 53mn\$)



Established in 2000  
 Listed on LSE (AIM) in November 2003  
 UFG acquired 25% in 2006, now 79.69%  
 Veduga and Bogunay sold for \$40 million in 2007  
 Asacha in production since September 2011  
 Asacha licence extended in 2013 to 1 September 2018, application for further extension in preparation

Mineral Resources - Russian State Commission for Reserves (GKZ)					
as at 31 December 2016					
	Au		Ag		Cut-off g/t
	C1 & C2 oz	Grade g/t	C1 & C2 oz	Grade g/t	
Asacha	623,943	19.8	1,476,612	46.8	2

Resource estimate updated in 2017 by ARANZ Geo Expert Services/QG Australia Pty Ltd (QG) shows the Asacha property contains 693,000 oz. of gold and 1.76 million oz. of silver.  
 The estimate incorporates new data from mining development, 2016 exploration programme and accounts for mining depletion during 2016.

Average monthly output of about 15,000 tonnes of ore in 2016 ensures continuous operation of the plant  
 Processing plant throughput averaged more than 13,500 tonnes per month in 2016  
 Dilution, which reduces the grade of ore delivered to the plant (excluding rockfalls) reduced in 2016 to 34% (40.4% in 2015 and 56.8% in 2014)

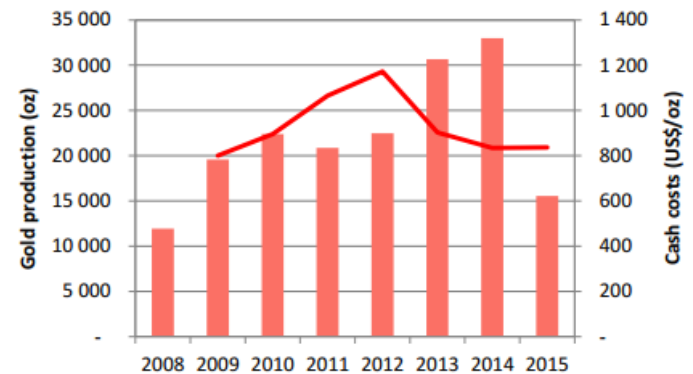


# Altyn PLC ALTN LN 47 mn\$ Kazakhstan



Altyn plc (ALTN:LN) is a London-listed Main Board company with assets in Kazakhstan. The Company's main asset is its 100% interest in the Sekisovskoye gold mine in East Kazakhstan with reserves of 2.26 Moz. The Company has a strategy to deliver transformational growth at Sekisovskoye, through its development of the underground mine, with targeted annual production of 100,000oz of gold by 2019. In addition to Sekisovskoye, in January 2015, the Company was awarded the tender to perform further confirmatory testing in order to gain the subsoil user contract to the Karasuyskoye Ore Fields. The final subsoil contract terms and conditions, including the new financial incentives now offered specifically to the Company through the state programme on forced industrial innovative development (SFIID), have taken longer to finalise than originally anticipated but should be forthcoming in 2016. These additional terms are still expected to include investment incentives and tax reductions. The Sekisovskoye open pit mine has been exploited since 1976 and additional exploration and metallurgical studies on the open pit and underground ore bodies were carried out between 1979 and 1994. In 1994, Hambledon Mining acquired the mining rights held by ME BAURGOLD LLP. The mining licence is valid until 18 July 2020 with a contractual right to extend.

## Production and cash cost



## Sekisovskoye – JORC reserves and resources

Attractive orebody...

...Independently appraised...

...with clear growth potential

Depth	JORC classification <sup>3</sup>	Tonnes (kt)	Gold grade (g/t)	Contained gold (Moz)	
Surface to -400masl	Probable Reserves	17,250 <sup>1</sup>	4.09	2.26	2.26Moz reserves supporting 22 year mine life
	Indicated	15,700 <sup>2</sup>	5.32	2.67	
	Inferred	3,500	4.21	0.48	
From -400m to -800masl	Inferred	14,700	4.21	1.99	Targeting drilling below -400masl to convert resources to reserves
From -800m to -1,500masl	Exploration Targets	24,400	4.21	3.3	Exploration potential below -800masl of additional 3.3Moz

<sup>1</sup>Modified JORC reserve, based on grade of 5.3% and processing recovery of 22.4%, an average mining extraction factor of 90% on all the shear zones have been accounted for at mineral reserve

<sup>2</sup>Indicated Resources also contain c. 15,250t of silver at a grade of 6.99 g/t. <sup>3</sup>Resources are stated inclusive of reserves

[Source: Venwyn/Deloitte Independent Competent Persons' Report November 2014, Company data]

# Georgian Mining Corp GEO LN Georgia (Mcap 26 mn\$)

## Kvemo Bolnisi

Kvemo Bolnisi is an advanced copper-gold exploration project with the potential to host several significant deposits, materially advancing the potential scale of a mining operation. With access to our local partner's processing facilities and infrastructure, both capital requirements and the timeframe to production are significantly reduced.

## Tsitel Sopeli

Tsitel Sopeli is located 12km north-east of the Madneuli Mine and processing facility and 6km east of the Kvemo Bolnisi Project. The Project has a footprint of 1km by 1.5km where outcropping oxide gold and base metal and barite mineralisation is hosted within strongly silicified acid volcanics. This has been mapped over a large area and drill tested to 50m depth.

The Company has drilled 14 shallow holes for 575m this year and confirmed the presence of shallow gold and base metal mineralisation. The Project area was also covered with an Induced Polarity ground geophysical (IP) survey that has generated a number of exciting targets that have not previously been drill tested.

## Georgian Exploration



The Company has 50% ownership of licences covering 861 sq km in Georgia. Significant historical exploration has been undertaken across the tenure and the company has identified an opportunity to apply modern exploration techniques and tools over targets that were last investigated up to 80 years ago or mined as far back as the 1700's. Previous work has amassed up to 70 years of data which contains information that has never been used to its full potential. Historic Soviet led exploration was unable to follow up on obvious targets. These targets include:

### Dambludka

Covering an area of 2km by 1km, Dambludka is a base and precious metal project located 8km SW of the Madneuli mine. A structurally controlled, east west trending swarm of vein style mineralisation is hosted within Mid Jurassic carbonate sediments and diorite and syenite intrusives. Previous works included mining during the 1700's and adit development during later exploration programmes. The historical records show several +100g/t Au rock samples and work has recently started to compile the existing data and follow up with field sampling programmes to identify the potential for a bulk tonnage target.

### Khrami

The Khrami area is located 30km to NE of the Madneuli mine and the project area is accessible by a combination of sealed and dirt tracks. The Khrami Project is underlain by Paleozoic basement rocks and prospective for gold and copper mineralisation. The area is underexplored and there is little historical data. A soil sampling programme in the nineties defined a large 10km long copper anomaly flanked by anomalous gold samples. Follow up work by the company has identified a number of historical adits in the zone of the gold anomalies.

## David Garedji

Georgian Mining Corporation has entered into a non-binding Heads of Terms to develop the David Garedji Copper-Gold Project alongside Caucasian Mining Group ('CMG'), its partner in Georgia. Due diligence is being undertaken in the form of exploration activities ahead of finalisation of the Agreement.

The David Garedji Copper-Gold Project is an advanced prospect which includes 5.8 km of underground development and over 25,000 metres of diamond drilling. Work undertaken in the Soviet era has identified an initial resource (Soviet style) and 30 ore-bearing zones with peak mineralised widths of 23m and grades up to 55g/t Au, 253g/t Ag, 21% Cu, 28% Pb and 35% Zn. Nine of these zones are classified as high grade gold zones with grades typically ranging from 3.3 to 14.4g/t Au. Exploration was previously limited to a small area of known mineralisation and there is clear evidence for extensions to mineralisation to the north-east and south as well as remaining open at depth.

# Anchor Resources (ACHR SP Mcap 19mn\$)

## Malasya



Anchor Resources was founded with the establishment of Malaysian subsidiary, Angka Alamjaya Sdn. Bhd., in November 2011

Group is principally engaged in the business of exploration, mining and production of gold for sale in Malaysia.

The group has concession rights at two locations, The Lubuk Mandi Mine & The Bukit Panji Property both located in the state of Terengganu, Malaysia.

Focus currently is for mining and production of gold at The Lubuk Mandi Mine and our processing facilities utilise the gold treatment and extraction method of flotation to produce gold from tailings material with gold recoveries.

### LEBUK MANDI MINE

- > The mine consists of two leases which cover an aggregate area of approximately 221.53 hectares.
- > The Company was granted concession rights in February 2013
- > The mine operates with a current capacity of 350,000 tonnes per annum at the on-site processing facility, and the ability to increase throughput to 600,000 tonnes per annum with key components in place.
- > Between the months of July and December 2015, the mine recorded sales of approximately 142.5 oz of gold amounting to RM0.68 million.

### THE BUKIT PANJI PROPERTY

- > The mine has an area of approximately 53.53 hectares.
- > The proprietary mining licence for this property is currently in the process of being renewed.
- > Granted concession rights in respect of this property are subject to the renewal of the proprietary mining licence.

# Vast Resources PLC (Romania Mcap 18mn\$)

## VAST LN



### Manaila Polymetallic Mine

Romania

The Manaila Mine is 26km from the town of Iacoveni, where the Project's processing plant is located

### Manaila Expansion & Regional Metallurgical Complex

Romania

Vast is currently exploring the potential to establish a new, larger Manaila Metallurgical Complex

### Baita Plai Polymetallic Mine and Faneata Tailings Dam

Romania

Baita Plai and Faneata are located in the Apuseni Mountains, Transylvania, an area which hosts Romania's largest polymetallic and uranium mines.

### Pickstone-Peerless Gold Mine

Zimbabwe

The 584ha Pickstone-Peerless Gold Mine is located 100km south-west of Harare and is currently producing close to 20,000oz Au per annum

### Zambia

The Company has an interest in Zambia in Rare Earth Elements, phosphates and diamonds.

### Zimbabwe

The Company has a number of interests in various commodities including gold, phosphates and diamonds at various stages of development across Zimbabwe.

### Romania – Remin

Vast Resources has completed a due diligence exercise on Remin's mining assets, a Romanian state governed company.

# Ariana Resources Turkey (AAU:LN Mcap 17mn\$) presentation

- AIM-listed exploration and development company operating primarily in Turkey
- Turkey: revised mining code since 2015, environmental legislation and supportive tax regime
- Highly experienced management team: extensive local knowledge and strong in-country partners
- One producing mine with 20 year renewable licence, two advanced projects plus significant exploration upside
- Production commenced in March 2017: ramp-up targeting 20Koz p.a. Au equiv. from H2 2017 for at least 8 years and 50Koz p.a. Au equiv. planned from 2020 from two operations
- Kiziltepe 2013 DFS (100% project basis): US\$34M NPV<sub>(8%)</sub>; 38% IRR; 2.4 years payback (@ US\$1304/oz Au)

## Production

### Red Rabbit Project

- 50% holding
- JV with Procea Construction
- Kiziltepe: Low-cost producer (c.US\$600/oz C1 cash cost)
- Tavsan: development project within JV (215,000 oz Au eq.)

## Development

### Salinbas Project

- 100% holding
- 1Moz JORC Resource in northeastern Turkey
- Positive scoping-study
- Significant exploration potential along Hot Gold Corridor

## Exploration

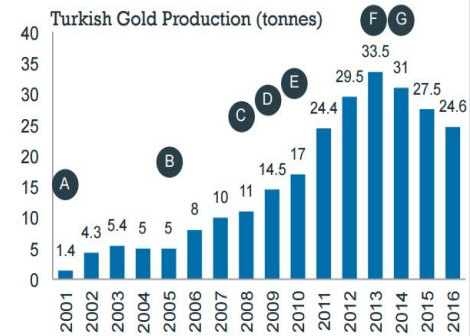
### Turkey and elsewhere

- Secured access to 20-year Newmont database for Turkey
- Significant potential for further resources to be defined
- Various technology-metals opportunities under review e.g. copper and lithium



Current operating mines  
Tethyan Metallogenic Belt  
Porphyry copper-gold  
Skarn copper-gold  
Epithermal gold

- 1 Kiziltepe (production)
- 2 Tavsan (scoping)
- 3 Kizilcukur (development)
- 4 Ivirindi (exploration)
- 5 Salinbas (scoping)



Source: Turkish Gold Miners Association

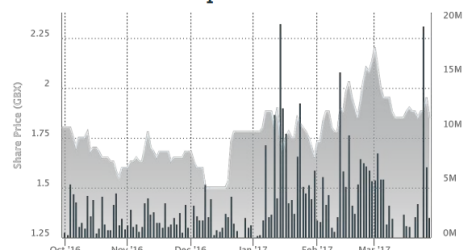
- A. 1Moz Ovacik mine  
B. 16.9Moz Kisladag mine  
C. 1.4Moz Mastra mine  
D. 2.2Moz Efemcukuru mine  
E. 6.3Moz Copler mine  
F. Midi mine  
G. 0.4Moz Kaymaz & 0.6Moz Himmetdede mines

## Top Shareholders

Shareholder	% holding
Barclayshare Nominees	13.1
Hargreaves Lansdown (Nominees)	6.3
JIM Nominees Ltd	4.6
Hargreaves Lansdown (Nominees)	4.2
Beaufort Nominees Ltd	3.8
TD Direct Investing	3.7
HSDL Nominees	3.7
Hargreaves Lansdown (Nominees)	3.6
Eldorado Gold Corporation	3.3
Mr Michael de Villiers	3.1
Mr Bruce Rowan	2.7
Remainder of Management	2.1

Exchange	AIM: AAU
Market Capitalisation (GBP)	£15.7m
Shares in issue	897.8m
Options & Warrants	45.3m
Share Price	1.75p
Min-Max Price (52 week)	1.10 – 2.26p
Average volume (3 mth)	4.66m

## Share price & volume



## Kiziltepe Sector

Potential total LOM at Kiziltepe Sector of 11.5 years including satellite deposits (up from 8 as per DFS) and expected to increase on further exploration

### Kiziltepe (Red Rabbit JV)

- JORC 2012 Mineral Resource recently increased to 247,800 oz Au equivalent
- Expected increase of LOM to 10 years
- New resource excludes certain satellite veins (e.g. Kepez) which could increase the LOM further

### Kizilcukur (100% Ariana)

- JORC 2012 Mineral Resource recently increased to 33,000 oz Au equivalent
- Potential satellite source of ore for Kiziltepe
- Expected 18 months increase to LOM for Kiziltepe operation
- Project may be sold in to JV at 3x exploration cost

## Tavsan Sector

### Scoping Study Summary\*

**Mine life:** 4 years  
**C1 Cash Costs:** US\$630/oz  
**Processing:** Heap Leach  
**Production Rate:** 30,000 oz Au eq. p.a.  
**Processing capacity:** 675,000 tonnes of ore p.a.  
**Global JORC Resource:** 215Koz  
**Whittle Resource:** 2.7M tonnes  
for 139,000oz Au (indicated & inferred)

**In-pit Grade:** 1.6 g/t Au; 3.0 g/t Ag

\*Pre-tax case at US\$1,250/oz, as at November 2016

Scoping by Auralia Mining Consulting Pty. Ltd. (Nov 2016)



# Ormonde Mining PLC Spain ORM LN Mcap 8mn\$

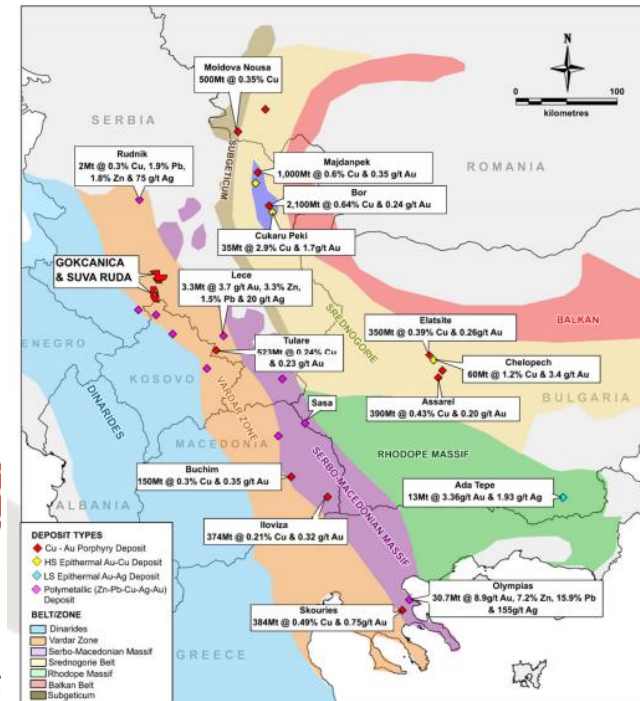
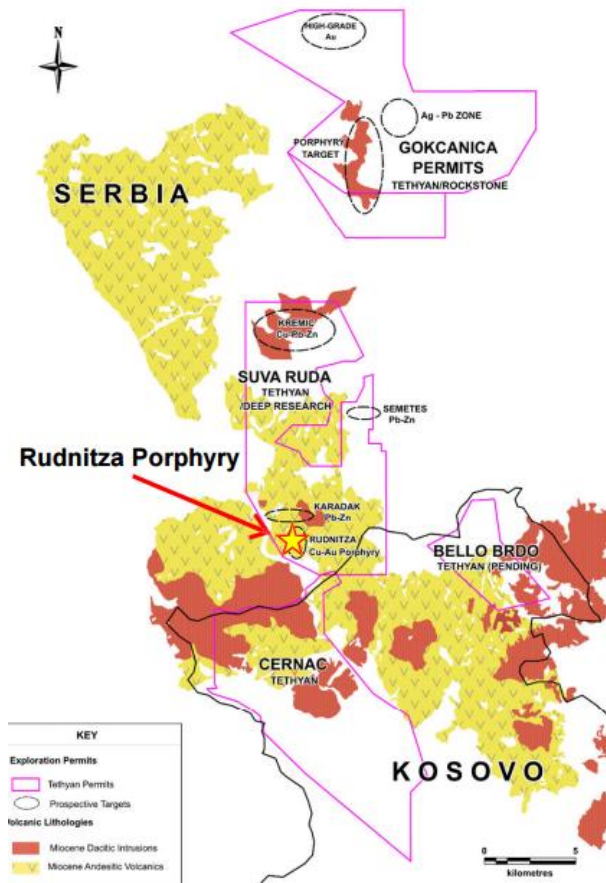


- Listed in Dublin (ESM) and London (AIM) with a market capitalisation of ~ £6.7M\*
- Ticker = ORM
- Issued shares: 472.5M    Share price: 1.42p\*
- Spanish focused, 3 projects
  - Barruecopardo Tungsten Project – advancing development of Project. Mining concession and project funding in place
  - Salamanca and Zamora gold projects – in JV
  - La Zarza copper-gold project – seeking value through divestment



# Tethyan Resources PLC TETH LN Mcap 8mn\$

**Tethyan is a Project Developer with a focus on gold and copper in the Balkan region of the great Tethyan Metallogenic Belt**



# Ortac Resources Ltd Slovakia OTC LN 6mn\$



## Šturec Deposit – Slovakia (100% owned)

### 1.32 Million Ounces of Gold

- The Šturec Deposit has a JORC compliant Mineral Resource of 1.32 million ounces of gold equivalent and stated reserves of approximately 870,000 ounces of gold equivalent.
- Studies show that Šturec contains an economic gold resource that is amenable to surface mining with low waste to ore ratios and could be processed using the best available techniques.
- Following changes in the law, the company is now working with interested third parties on the development of alternate leaching processes.
- Underground mining operations re-commenced.

## Casa Mining Limited – Au in the DRC (45%)

### Targeting 3 Million Ounces of Gold

- Current JORC resource of 1.2 Moz; following a revised geological and structural interpretation, targeting and resource of 3 Moz
- Over US\$ 30mil spent by CASA at Misisi since 2010.
- Positive scoping study completed in 2014 demonstrating robust economics for an 80,000 oz per year operation.
- Drill program being planned to confirm revised geological and structural interpretation followed by infill resource drill program.

## Zamsort Limited – Cu & Co in Zambia (option for 19.35%)

### Copper & Cobalt Play

- Commercial scale demonstration plant producing copper and cobalt from a 4km<sup>2</sup> small mining license area is currently under construction (subject to further finance being raised).
- Short term - producing copper cement and cobalt hydroxide cake; Medium term - upgrading the plant to produce copper cathode.
- The 1,000 km<sup>2</sup> large prospecting license area considered by many to be extremely prospective for discovering another large tonnage resource.

## Andiamo Exploration Limited – Au & Cu in Eritrea (18.48%)

### Large Scale Copper Gold Play

- Maiden JORC resource of over 150,000 oz Au Eq. established at Yacob Dewar.
- New VMS discovery confirmed at Hoba, which is along strike and about 20km to the south of Nevsons' Ashelli discovery (western VMS belt).



Gold



Copper



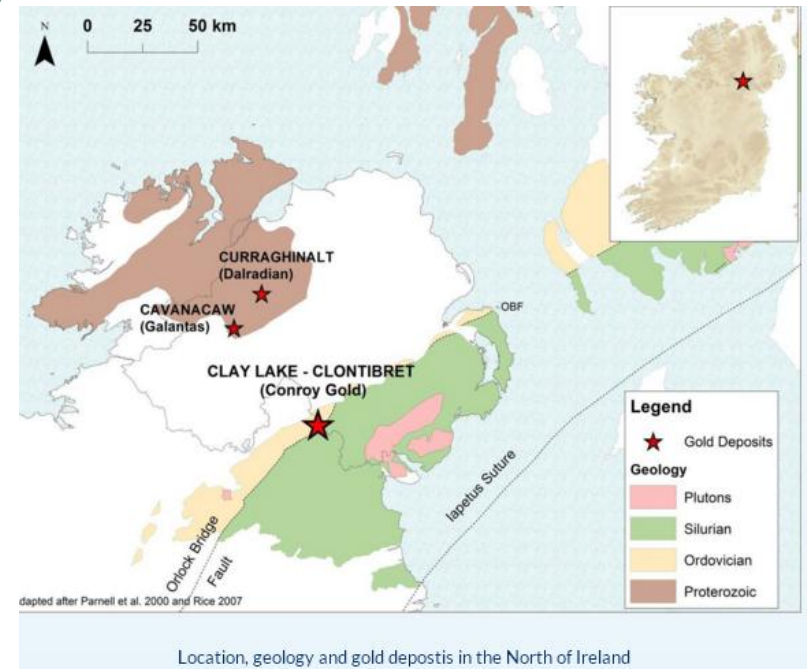
Cobalt

# Conroy Gold And Natural Resources PLC Ireland

## CGNR LN 3.75 mn\$

Conroy Gold and Natural Resources plc (“Conroy Gold”) concentrates on discovery and development of economic gold deposits in the North of Ireland and in Northern Finland, in both of which areas geological potential for large gold deposits has been demonstrated.

The Company's primary focus is on its 100% owned licences in Ireland which are within the highly prospective Longford - Down Massif. The Company has discovered a 65 km (40 mile) gold trend and is targeting a multi-million ounce gold resource within the Clay Lake - Clontibret district (345Ha) in the northeastern end of its licence area. The 65 km trend contains a series of gold targets ranging from grass roots to advanced stage exploration.





# Lionsgold Ltd Finland LION LN (3.4mn\$)



Lionsgold (previously Kolar Gold) announced that it had entered into a Memorandum of Understanding ("MOU") to establish a JV to develop existing gold exploration projects in Finland, thereby securing gold assets in a second jurisdiction, to be developed concurrently to India interests.

Lionsgold's India exploration and mine development interests are represented by its 22.31% equity holding in Geomysore Services (India) Private Limited ("Geomysore") a leading Indian mineral exploration group based in Bangalore.

**"IndexGold"** is a physical gold storage and trading platform that allows individuals to buy, sell and directly own gold and silver, with the same convenience as using their other online accounts. IndexGold is the result of a collaboration between Lionsgold and TRAC Technology Ltd ("TRAC") which was initially conducted under a joint venture ("JV") targeting the India market as announced on 1 November 2016. It was subsequently agreed, as announced to market on 3 May 2017, that Lionsgold would subsequently capitalize the JV expenditure incurred and invest the remaining JV funds budgeted to see Lionsgold's equity shareholding in TRAC increase to 37.7% of TRAC.

- 16.2m @ 18.97g/t Au from 15m in Hole R361;
- 11.8m @ 2.8g/t from 36.4m in Hole R362;
- 7.7m @ 5.3g/t Au from 4m in Hole R363;
- 8.0m at 2.1g/t Au from 62.9m in Hole R367; and
- 7.4m @ 4.0g/t Au from 36.6m in Hole R372.

In 2016, MENF conducted in II RAB drilling (19 holes) at Kuikka confirming continuity of high grade gold mineralisation.

#### Highlights:

- 6.0m @ 15.58g/t Au from 12.5m in hole KU002;
- 6.0m @ 18.10g/t Au from 17.00m,
- 13.0m @ 7.58g/t Au from 26.00m in hole KU005;
- 6.0m @ 26.95g/t Au from 7.00m in hole KU008; and
- 11.0m @ 12.15g/t Au from 34.5m in hole KU010.



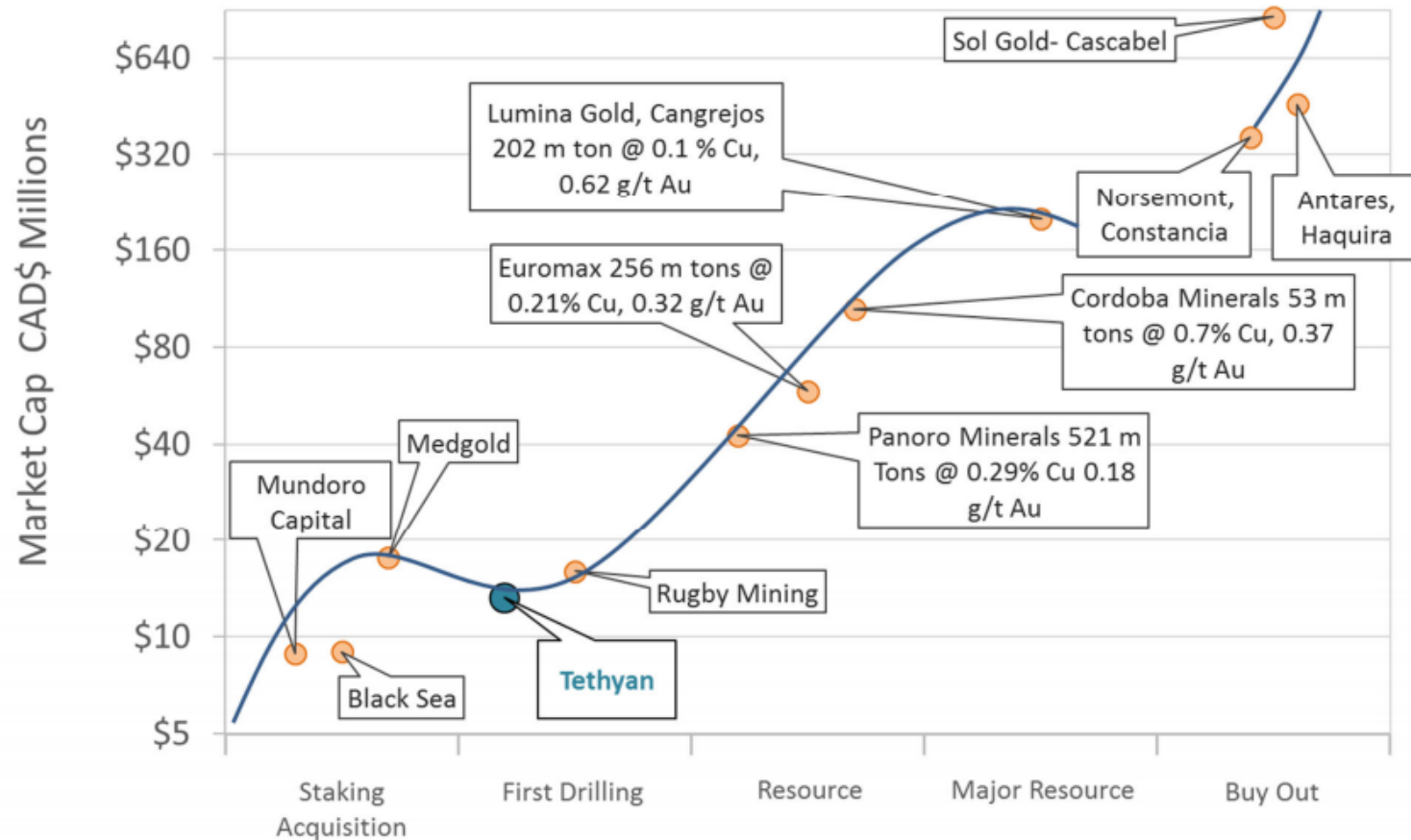
# Global Gold – (Armenia) GBGD US Mcap 2mn\$ Presentation



- Exploring and producing in Armenia since 1995
- Toukhmanuk and Marjan properties have mining licenses and aggregate 73 sq. kms +
- AISCs less than \$700/ounce
- Toukhmanuk brought into production, with new plant and major upgrade underway- “Global Gold has delineated Measured, Indicated, and Inferred Mineral Resources totaling 39.228 Mt at a grade of 2.7 g/t Au and 14.07 g/t Ag in approximately 20% of the 2.2 km<sup>2</sup> Central Area” Cut off grade of 0.6 g/t with total 2.606 M oz. Au and 17.769 M oz. Ag.”
- Marjan has Armenian/GKZ standard resource deposit of 15.3 Mt Av. grade 2.3 g/t Au 92.1 g/t Silver. (1.0 g/t Av. Cut off grade) - to be upgraded
- Company built its own International class mine laboratory with ISO Certification to ensure QC of test samples and has exploration program plans and drill targets for further exploration

# Appendix

# “Peers” with Porphyry Cu-Au Projects



# Project Developer Model Works



## Why the project developer model works

Company	Country	Project	Share Price on Drilling or Acquisition	Share Price High, Buyout	Acquirer
Andean Resources	Argentina	Cerro Negro (gold)	2 cents	CAD \$ 3.6 billion	Goldcorp
Exeter Resources	Argentina	Cerro Moro (gold)	50 cents	CAD \$ 8.80	Yamana
Bear Creek Mining	Peru	Corani (silver)	50 cents	CAD \$ 8.69	-
Antares Minerals	Peru	Haquira (copper)	20 cents	CAD \$ 460 million	First Quantum
Monterico Metals	Peru	Rio Blanco (copper-moly)	20 pence	£150 million	Zijin Group
Aurelian Resources	Ecuador	Fruta Del Norte (gold)	50 cents	CAD \$ 1.2 billion	Kinross

**Management and the Board have experience in delivering excellent returns for shareholders.**

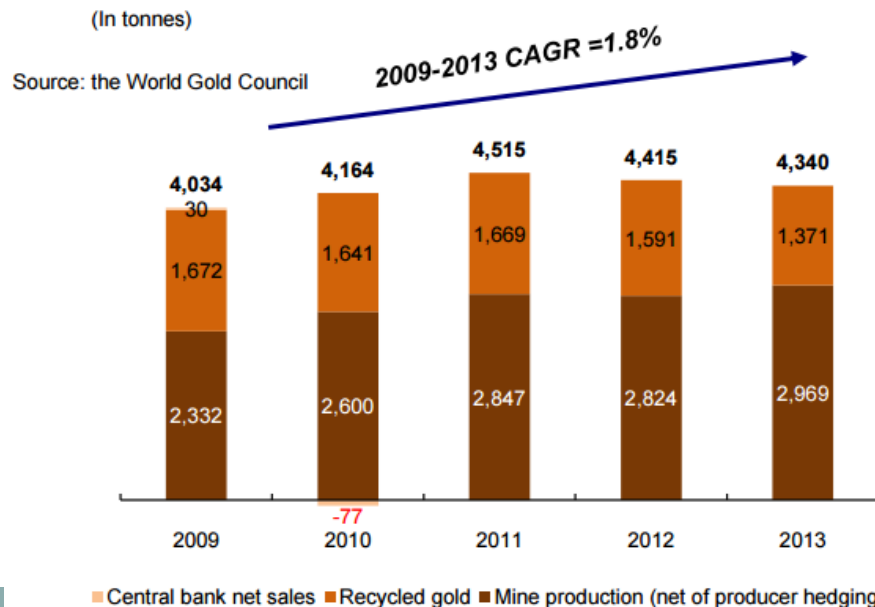
Company	Country	Project	Share Price on Drilling or Acquisition	Share Price High, Buyout	Acquirer
Lydian International	Armenia	Amulsar (gold)	40 cents	CAD \$ 2.95	-
Laramide Resources	Australia	Westmoreland (uranium)	7 cents	CAD \$ 15.79	-
Aquiline Resources	Argentina	Navidad (silver)	20 cents	CAD \$ 626 million	Pan American

# Gold Demand/Supply

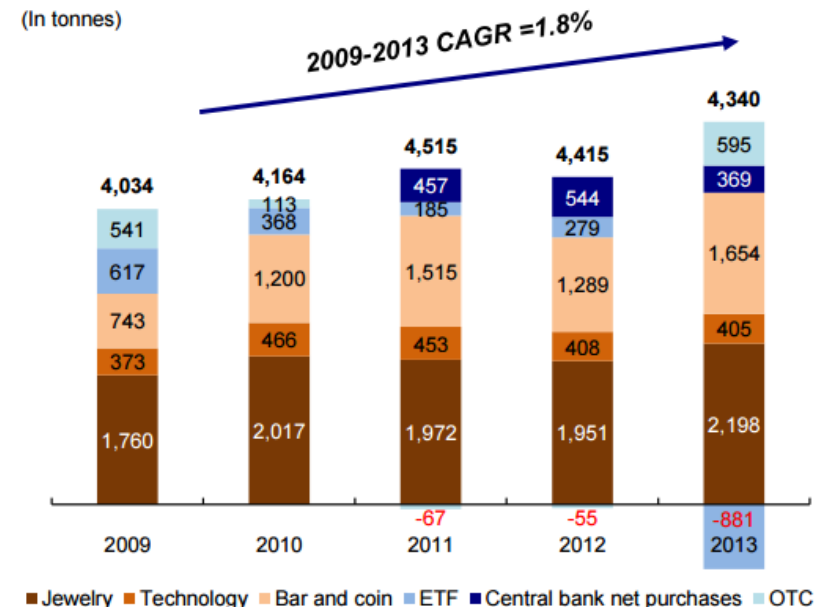
## Global Demand for and Supply of Gold Stabilize in Recent Years

- **Global supply of gold** comes from (i) mine production, (ii) recycled gold and (iii) net sales of gold by central banks. According to the World Gold Council, global gold mine production grew from 4,034 tonnes in 2009 to 4,340 tonnes in 2013, representing a CAGR of 1.8%. Mine production is the largest source of gold, accounting for 68.4 % in 2013
- **Gold demand for gold** comes from (i) fabrication (including jewelry and technology), (ii) bar and coin demand, (iii) exchange traded funds ("ETFs") and the like and (iv) central bank net purchases. According to the World Gold Council, global gold demand grew from 3,493 tonnes in 2009 to 4,340 tonnes in 2013, representing a CAGR of 1.8%. The fabrication industry is the largest gold demand sector, accounting for 60.0% in 2013

### Global Supply of Gold Increases Steadily



### Demand Growth also Normalizes





# Supply Demand



Exhibit 13: Gold's global supply-demand summary (metal&ROCK: The Price Deck – 3Q 2017, Capped & collared, 26-Jun-17)

	unit	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017e	2018e	2019e	2020e	2021e
<b>Supply</b>																
Total Mine Supply	tonnes	2334	2285	2479	2563	2635	2713	2868	3049	3121	3227	3254	3348	3447	3551	3659
YoY change	%	-1%	-2%	8%	3%	3%	3%	6%	6%	2%	3%	1%	3%	3%	3%	3%
Scrap supply	tonnes	982	1316	1695	1683	1667	1684	1263	1191	1117	1296	1309	1322	1335	1349	1362
YoY change	%	-13%	34%	29%	-1%	-1%	1%	-25%	-6%	-6%	16%	1%	1%	1%	1%	1%
Official sector net sales/(purchases)	tonnes	484	235	34	-79	-481	-569	-624	-584	-577	-377	-350	-350	-280	-224	-179
YoY change	%	32%	-51%	-86%	-336%	507%	18%	10%	-6%	-1%	-35%	-7%	0%	-20%	-20%	-20%
Net producer hedging	tonnes	-444	-352	-254	-121	12	-40	-28	105	13	33	90	110	116	121	127
<b>Total Supply</b>	<b>tonnes</b>	<b>3,356</b>	<b>3,485</b>	<b>3,953</b>	<b>4,046</b>	<b>3,833</b>	<b>3,788</b>	<b>3,480</b>	<b>3,761</b>	<b>3,675</b>	<b>4,178</b>	<b>4,303</b>	<b>4,430</b>	<b>4,618</b>	<b>4,797</b>	<b>4,970</b>
YoY change	%	-2%	4%	13%	2%	-5%	-1%	-8%	8%	-2%	14%	3%	3%	4%	4%	4%
<b>Demand</b>																
Carat Jewellery	tonnes	2425	2306	1816	2067	2113	2163	2669	2481	2400	2040	1923	2180	2193	2207	2220
YoY change	%	5%	-5%	-21%	14%	2%	2%	23%	-7%	-3%	-15%	-6%	13%	1%	1%	1%
Electronics	tonnes	322	311	275	321	303	267	250	278	262	256	248	256	263	271	280
YoY change	%	2%	-3%	-12%	17%	-6%	-12%	-6%	11%	-6%	-2%	-3%	3%	3%	3%	3%
Dental	tonnes	58	56	53	46	36	28	23	20	19	18	17	17	16	16	15
YoY change	%	-5%	-4%	-5%	-13%	-21%	-21%	-19%	-13%	-5%	-5%	-4%	-3%	-3%	-3%	-3%
Official Coins, Medals & Imitation coins	tonnes	204	262	293	284	315	298	367	281	295	272	227	247	268	290	315
YoY change	%	8%	28%	12%	-3%	11%	-6%	23%	-23%	5%	-8%	-17%	9%	9%	9%	9%
<b>Total Fabrication Demand</b>	<b>tonnes</b>	<b>3,009</b>	<b>2,935</b>	<b>2,437</b>	<b>2,718</b>	<b>2,767</b>	<b>2,755</b>	<b>3,309</b>	<b>3,059</b>	<b>2,977</b>	<b>2,586</b>	<b>2,416</b>	<b>2,699</b>	<b>2,740</b>	<b>2,784</b>	<b>2,830</b>
YoY change	%	4.9	-2.5	-17.0	11.5	1.8	-0.4	20.1	-7.6	-2.7	-13.1	-6.6	11.7	1.5	1.6	1.7
change in ETF Holdings	tonnes	208	317	680	333	184	265	-829	-226	-130	339	120	50	-50	-50	-50
Bar Hoarding	tonnes	240	622	498	920	1185	1006	1340	762	767	713	678	644	612	581	552
YoY change	tonnes	-101	-389	338	75	-302	-238	-340	166	62	540	1089	1037	1316	1481	1637
<b>Total Investment Demand</b>	<b>%</b>	<b>347</b>	<b>550</b>	<b>1,516</b>	<b>1,328</b>	<b>1,067</b>	<b>1,033</b>	<b>171</b>	<b>702</b>	<b>698</b>	<b>1,592</b>	<b>1,886</b>	<b>1,731</b>	<b>1,877</b>	<b>2,012</b>	<b>2,139</b>
YoY change	%	-37%	58%	176%	-12%	-20%	-3%	-83%	311%	-1%	128%	18%	-8%	8%	7%	6%
<b>Total Demand (fabrication + investment)</b>	<b>tonnes</b>	<b>3,356</b>	<b>3,485</b>	<b>3,953</b>	<b>4,046</b>	<b>3,833</b>	<b>3,788</b>	<b>3,480</b>	<b>3,761</b>	<b>3,675</b>	<b>4,178</b>	<b>4,303</b>	<b>4,430</b>	<b>4,618</b>	<b>4,797</b>	<b>4,970</b>
<b>Gold Price</b>																
	US\$/oz	696	872	972	1,225	1,570	1,668	1,412	1,266	1,160	1,248	1,247	1,250	1,210	1,220	1,250

Source: Morgan Stanley Research estimates (e), Wood Mackenzie, Bloomberg, ICIS

# Price and Inventory

**Exhibit 1: Price and Inventory Movements Snapshot**

Steel	Price/Inventory	WoW	MoM	YoY	YTD
HR Sheet 3mm Shanghai	4,250	3.9%	3.7%	54.0%	11.3%
CR Sheet 1mm	4,779	2.8%	3.2%	35.3%	0.7%
Shanghai Rebar incl. 17% VAT (Rmb/t)	4,260	0.7%	0.5%	65.1%	29.9%
Tangshan Billet incl. 17% VAT (Rmb/t)	3,880	1.3%	3.5%	72.4%	39.1%
Flat Steel Inventory (mnt) - as of Sep 08	4,230	0.8%	0.4%	4.4%	15.5%
Long Steel Inventory (mnt) - as of Sep 08	5,704	2.5%	8.8%	1.9%	-1.8%
Iron ore-China import CFR (US\$/t)	74	-5.8%	-1.1%	33.4%	27.9%
<b>GP/ton as of</b>	<b>Current</b>	<b>1-wk ago</b>	<b>1-mt ago</b>	<b>1-yr ago</b>	<b>end 2016</b>
HRC GP/t at Spot, est.(Rmb)	752	683	801	85	97
CRC GP/t at Spot, est.(Rmb)	677	636	797	191	463
Rebar GP/t at Spot, est.(Rmb)	1,017	1,032	1,182	133	(40)
Mid-Plate GP/t at Spot, est.(Rmb)	586	498	622	(91)	(150)
<b>Base and Precious Metals</b>	<b>Price/Inventory</b>	<b>WoW</b>	<b>MoM</b>	<b>YoY</b>	<b>YTD</b>
Copper Spot (Rmb/t)	52,680	0.1%	4.4%	43.2%	17.1%
- SHFE/LME Premium (Discount)	-1.7%				
SHFE Inventory - Copper (Kt)	173	-5.9%	-9.4%	20.3%	17.9%
Aluminum Spot (Rmb/t)	15,950	-1.5%	5.4%	26.6%	23.6%
- SHFE/LME Premium (Discount)	-4.1%				
SHFE Inventory - Aluminum (Kt)	517	2.6%	12.0%	310.6%	413.2%
Zinc Spot (Rmb/t)	25,635	-1.7%	7.0%	41.0%	21.6%
- SHFE/LME Premium (Discount)	5.4%				
Gold (US\$/oz)	1,339	-1.2%	3.8%	0.8%	16.2%
<b>Coal</b>					
China Qinhuangdao 5500kcal/kg Rmb/t - as of Sep 11	610	0.7%	0.3%	10.9%	-4.5%
Qinhuangdao port inventory (mnt) - as of Sep 11	5.61	1.8%	-6.9%	117.3%	-21.3%
BSPI (Baohai Coal Index) Rmb/t - as of Sep 11	580	0.0%	-0.5%	12.6%	-2.2%
<b>Cement</b>					
China Cement Price (Rmb/t) - as of Sep 08	341	0.3%	2.4%	19.1%	-1.2%
<b>Paper</b>					
China Linerboard Price (Rmb/t) - as of Sep 06	5,472	5.9%	15.9%	56.2%	14.7%
China Corrugated Medium Price (Rmb/t) - as of Sep 06	5,372	6.9%	19.6%	64.8%	14.8%
US OCC Price (USD/t) - as of Sep 06	245	-2.0%	-14.0%	28.2%	7.5%
Domestic OCC Price (Rmb/t) - as of Sep 06	2,491	9.8%	30.2%	91.3%	50.4%

Source: Bloomberg, Datastream, Mysteel, CCTD, Digital Cement, Umpaper, Morgan Stanley Research  
 Note: Prices as of September 8, 2017, except where specified otherwise.

# China Is The World's Major

## China is the World's Major Producer and Consumer of Gold

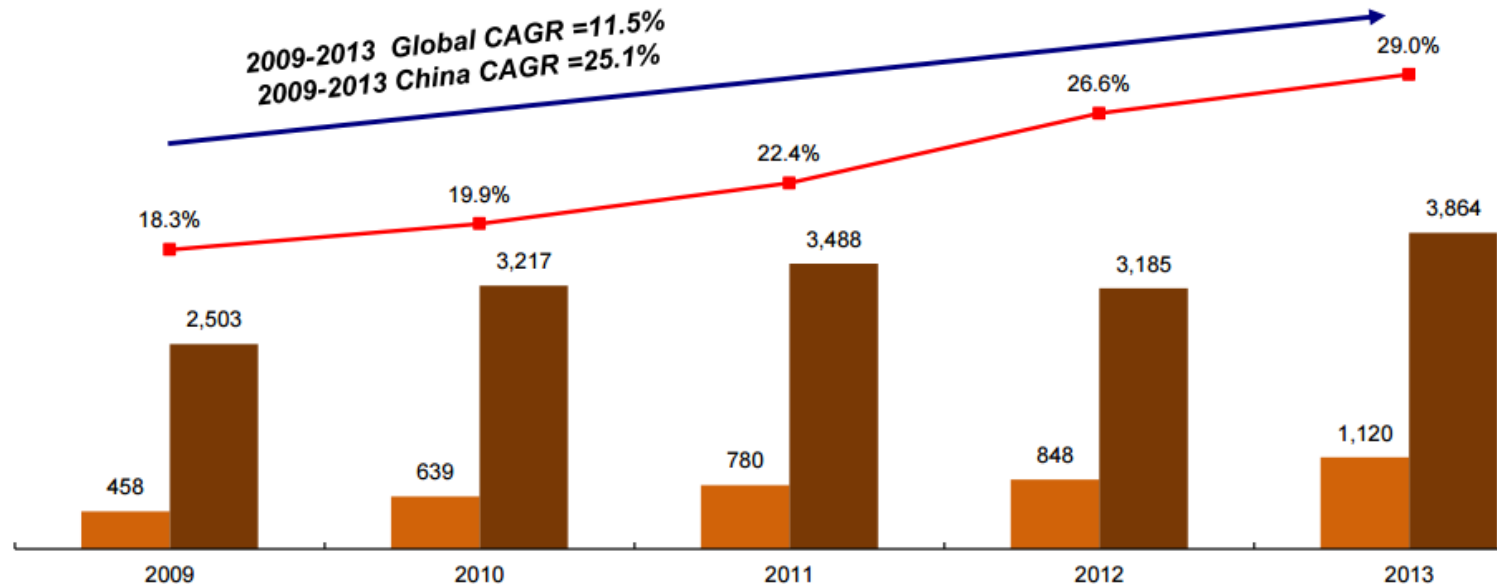
- China became the largest gold mine producer since 2007. According to the USGS, China's gold mine production grew from 320 tonnes gold in 2009 to 420 tonnes in 2013, representing a CAGR of 7.0%, higher than the global average of 3.1%, and accounting for 15.2% of the global mine production in 2013. China, Australia, the United States, Russia and Peru are the top five gold producing countries, which collectively contributed 46.0% of the global gold mine production in 2013
- According to the World Gold Council, China becomes the largest gold consuming country, which consumed 1,120 tonnes in 2013, representing 29.0% of the global total. Its CAGR from 2009 to 2013 is 25.1%. India is the second largest, which consumed 975 tonnes of gold in 2013, representing 25.2% of the global total. China, India, United States, Turkey and UAE are the top five gold consuming countries, which collectively contributed 65.6% gold consumption in 2013

### China's Demand Growth Outpaces the World

Source: the USGS, the World Gold Council

Note: The global mine production amounts from the USGS are slightly different from those from the World Gold Council.

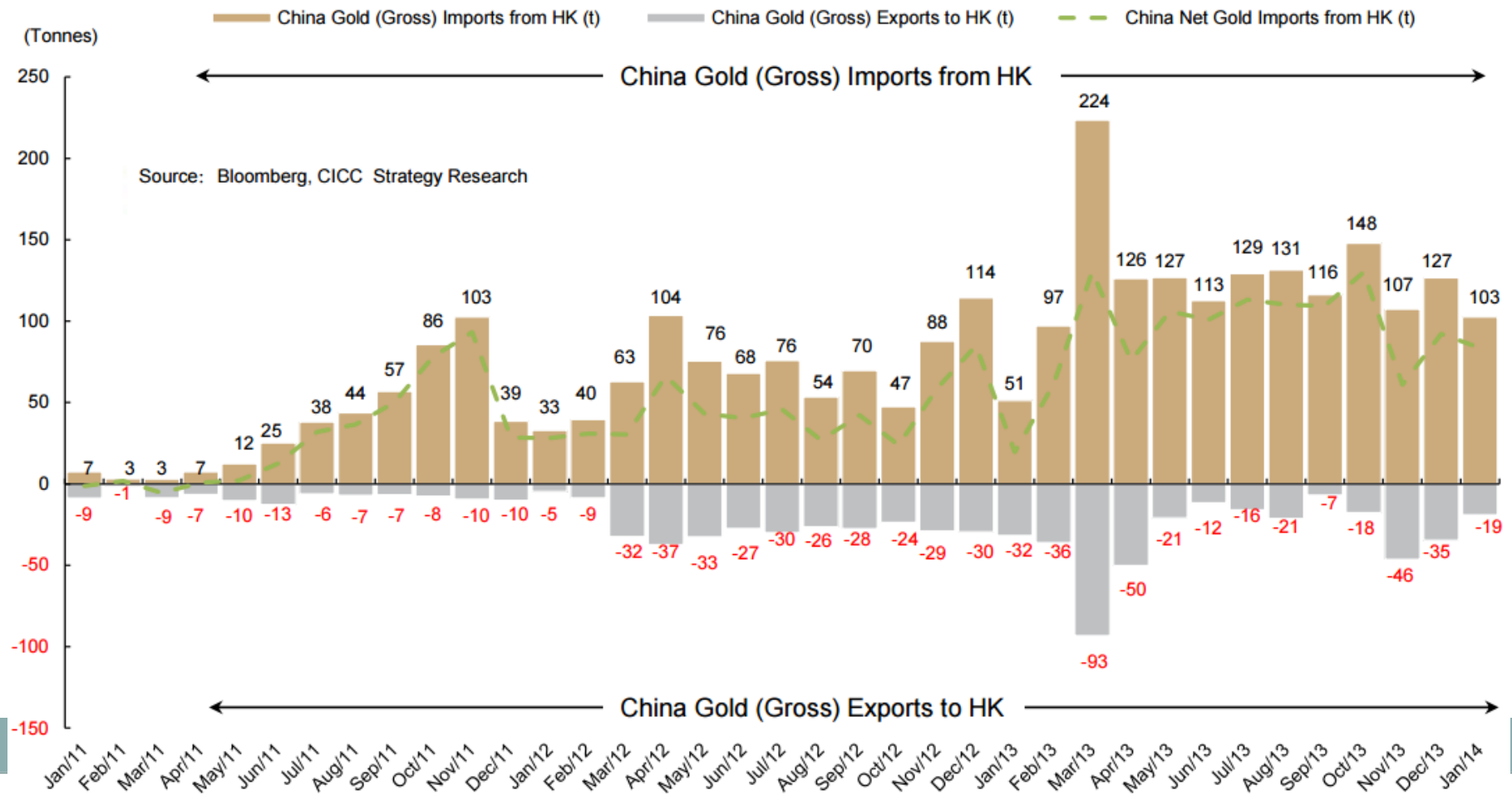
(In tonnes)



# China Hong Kong Link

## Mainland China Imports Increasingly More Gold from Hong Kong

### Gold Trade between Mainland China and Hong Kong (2011 — 2014.1)



# Gold Macro

## Gold Price to be bolstered by Inflationary Expectation Accompanying Excess Liquidity

- Since the 2008 financial crisis, major economies globally have adopted expansionary monetary policies which inject liquidity into the market, so as to sustain economic growth. The United States announced three rounds of Quantitative Easing in 2008, 2010 and 2012, respectively. The European Central Bank has also conducted several rounds of Long-term Refinancing Operations, aiming to rejuvenate its impaired liquidity. Since late 2012, the Bank of Japan has implemented an unprecedented scale of asset purchase program amounting to a purchase of JPY7 trillion worth of bond every month. The Chinese government has also initiated a CNY4 trillion economic stimulus package to drive domestic consumption and to leverage on official investments to achieve economic growth
- Inflationary expectation has been lifted by the excess liquidity in the market, which continues to bolster the already-heightened price of different commodities including gold per se

Source: The Economist Intelligence Unit

M2 Money	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014E	2015E	2016E
China (CNY trillion)	28.3	34.6	40.3	47.5	61.0	72.6	85.2	97.4	110.9	125.1	139.4	155.2
YoY (% p.a.)	16.7	22.1	16.7	17.8	28.4	18.9	17.3	14.4	13.8	12.9	11.4	11.3
USA (USD trillion)	6.5	6.8	7.3	7.8	8.4	8.6	9.2	10.0	10.7	11.9	12.7	13.5
YoY (% p.a.)	4.3	5.2	6.2	6.8	8.0	2.5	7.3	8.6	6.7	11.0	7.0	6.1
Japan (JPY trillion)	701.4	708.5	719.6	734.6	754.5	775.4	796.6	816.6	846.1	891.3	938.3	980.3
YoY (% p.a.)	1.8	1.0	1.6	2.1	2.7	2.8	2.7	2.5	3.6	5.3	5.3	4.5
Germany (EUR trillion)	2.4	2.5	2.7	3.0	3.0	3.1	3.2	3.3	3.4	3.5	3.7	3.8
YoY (% p.a.)	4.2	5.5	8.0	8.4	1.9	3.3	4.1	2.3	1.8	4.5	4.2	3.4
UK (GBP trillion)	1.3	1.5	1.7	1.9	2.0	2.2	2.1	2.1	2.1	2.2	2.2	2.3
YoY (% p.a.)	12.6	12.8	11.7	15.7	5.4	5.6	-3.1	0.1	0.6	2.9	3.2	3.2

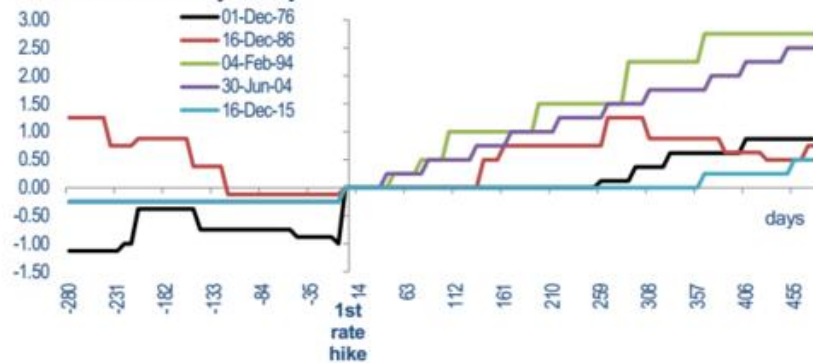


# Gold's Next Driver



**Exhibit 3:** US Fed rate hike cycles, since 1976

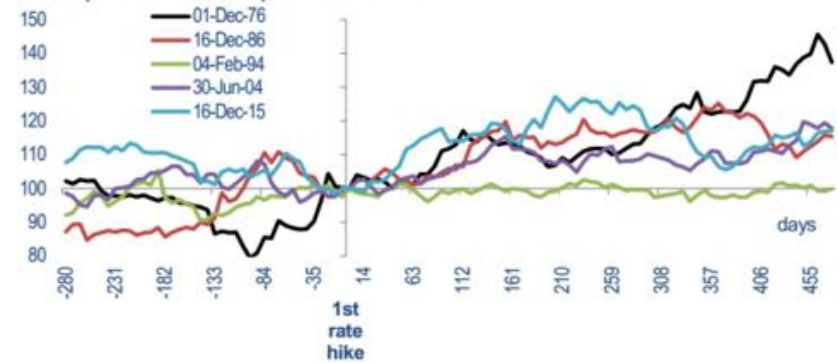
## FED rate hike trajectory



Source: Bloomberg

**Exhibit 4:** Gold's price vs. first rate hike events

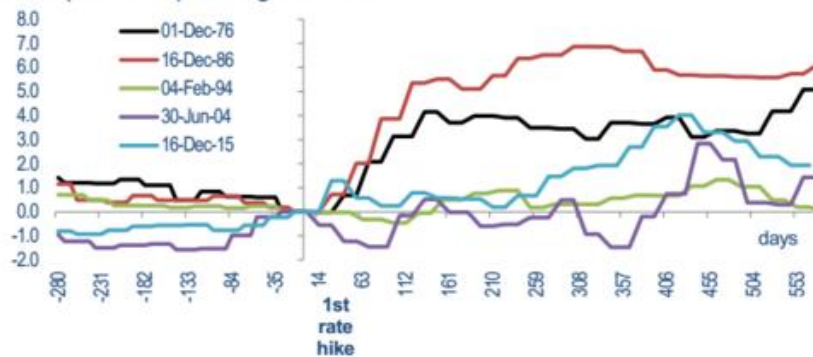
## Gold price reaction post rate hike



Source: Bloomberg

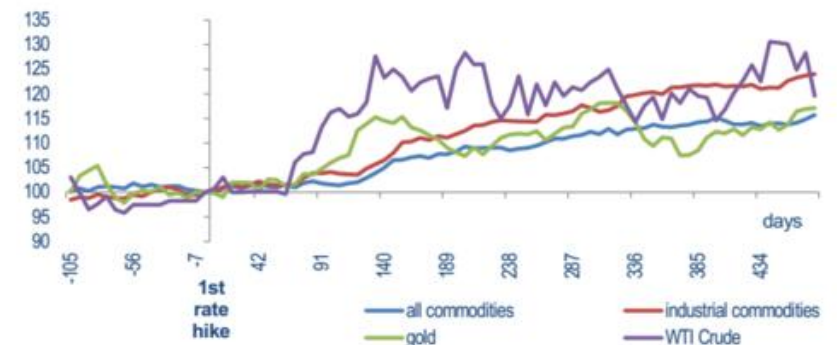
**Exhibit 5:** US' CPI vs. first rate hike events

## CPI (headline) during rate hikes



**Exhibit 6:** Commodity prices vs. first rate hike events

## Commodities



# Market Signals

**Exhibit 7: Gold's spot price (US\$/oz)**



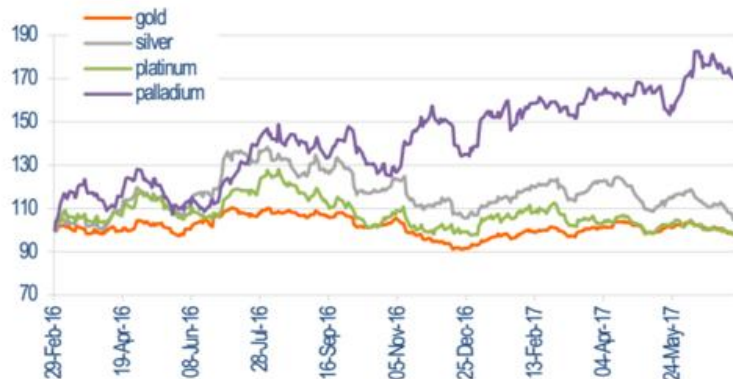
Source: Bloomberg

**Exhibit 8: Gold's CFTC CoT - non-commercial**



Source: Bloomberg; 1 contract = 100oz

**Exhibit 9: Precious metals price indices**



Source: Bloomberg

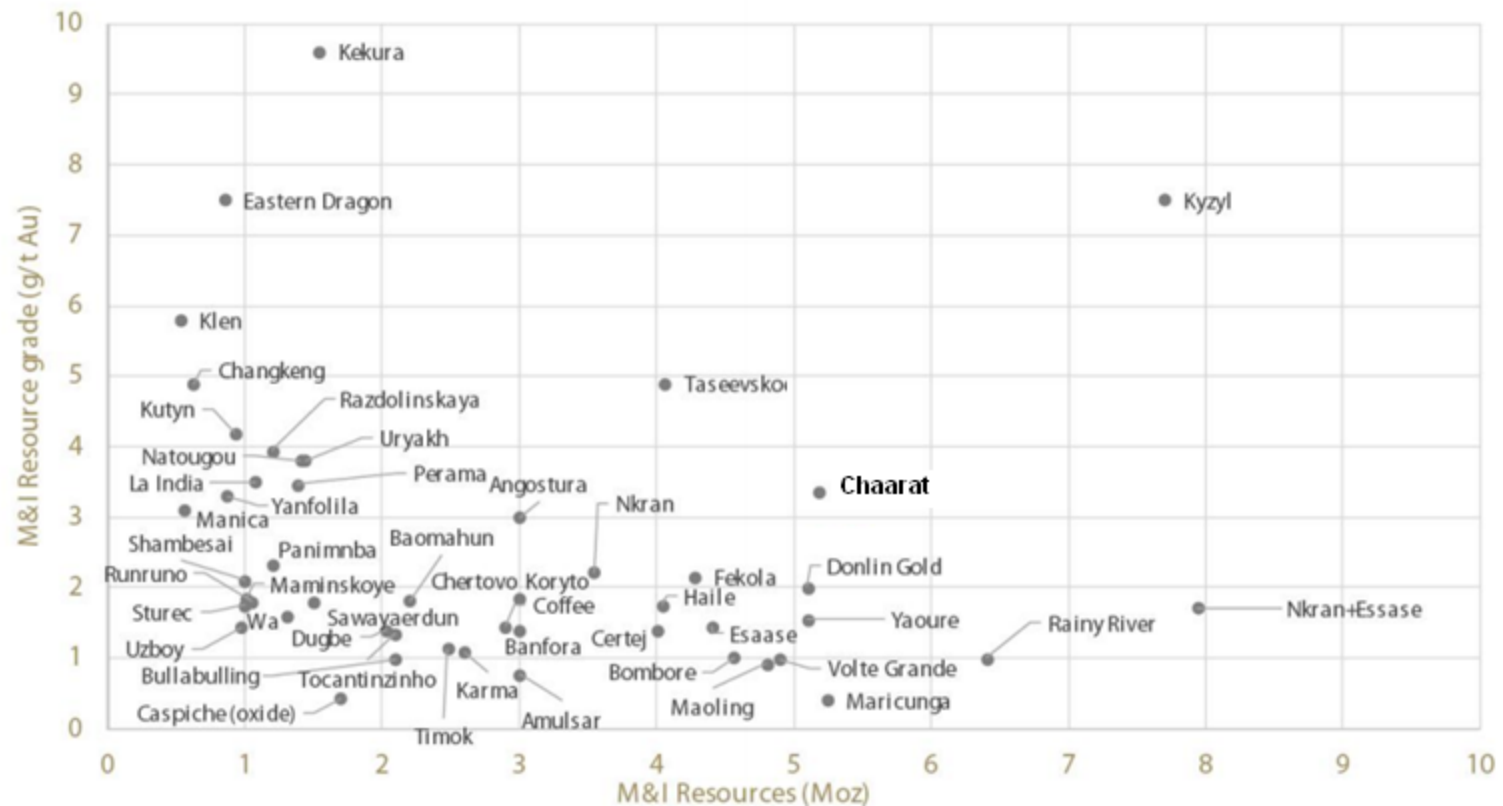
**Exhibit 10: US\$ gold price vs DXY**



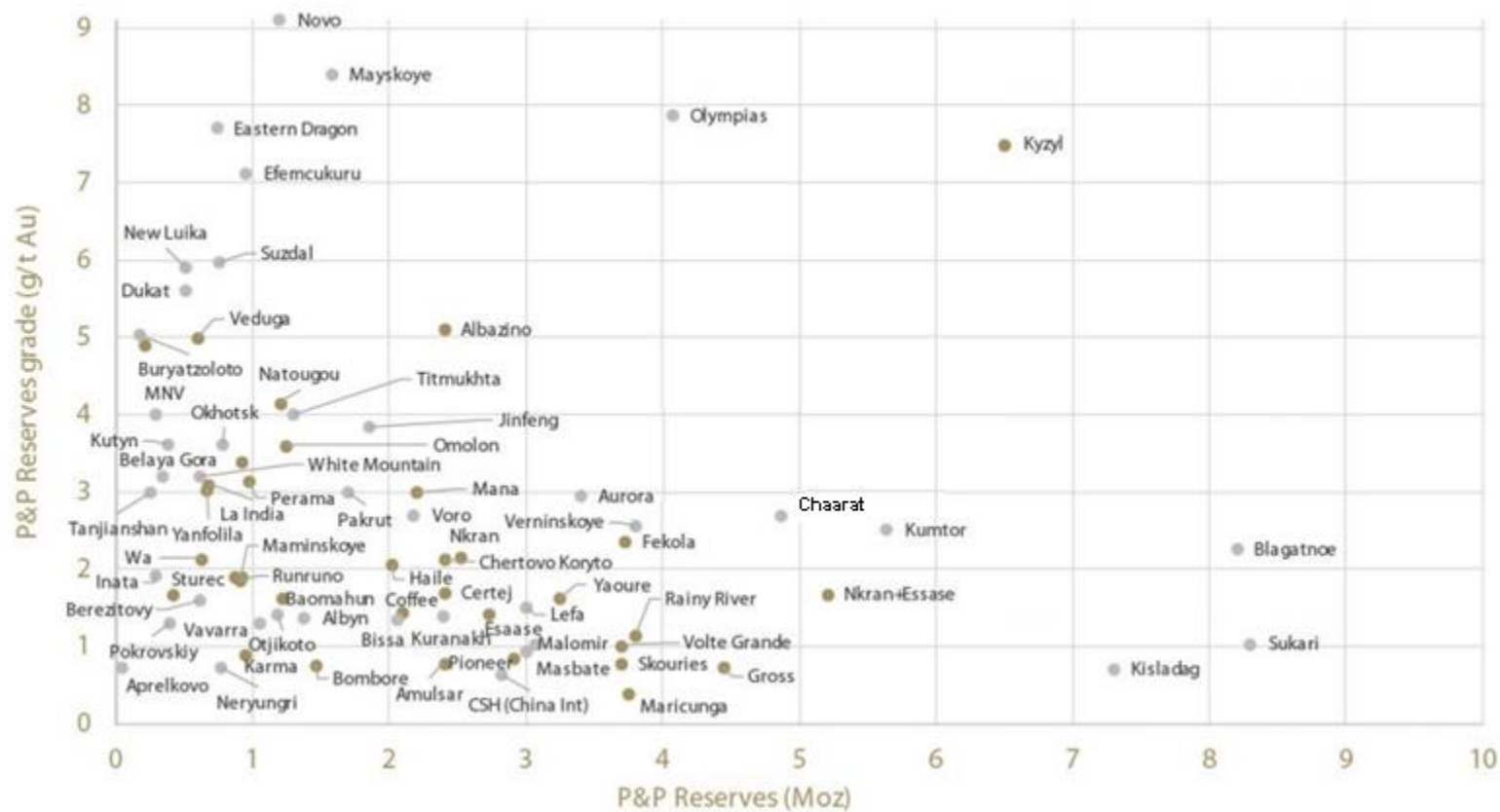
Source: Bloomberg; USD, based on rates from 500 banks



# Worlds Undeveloped Resources

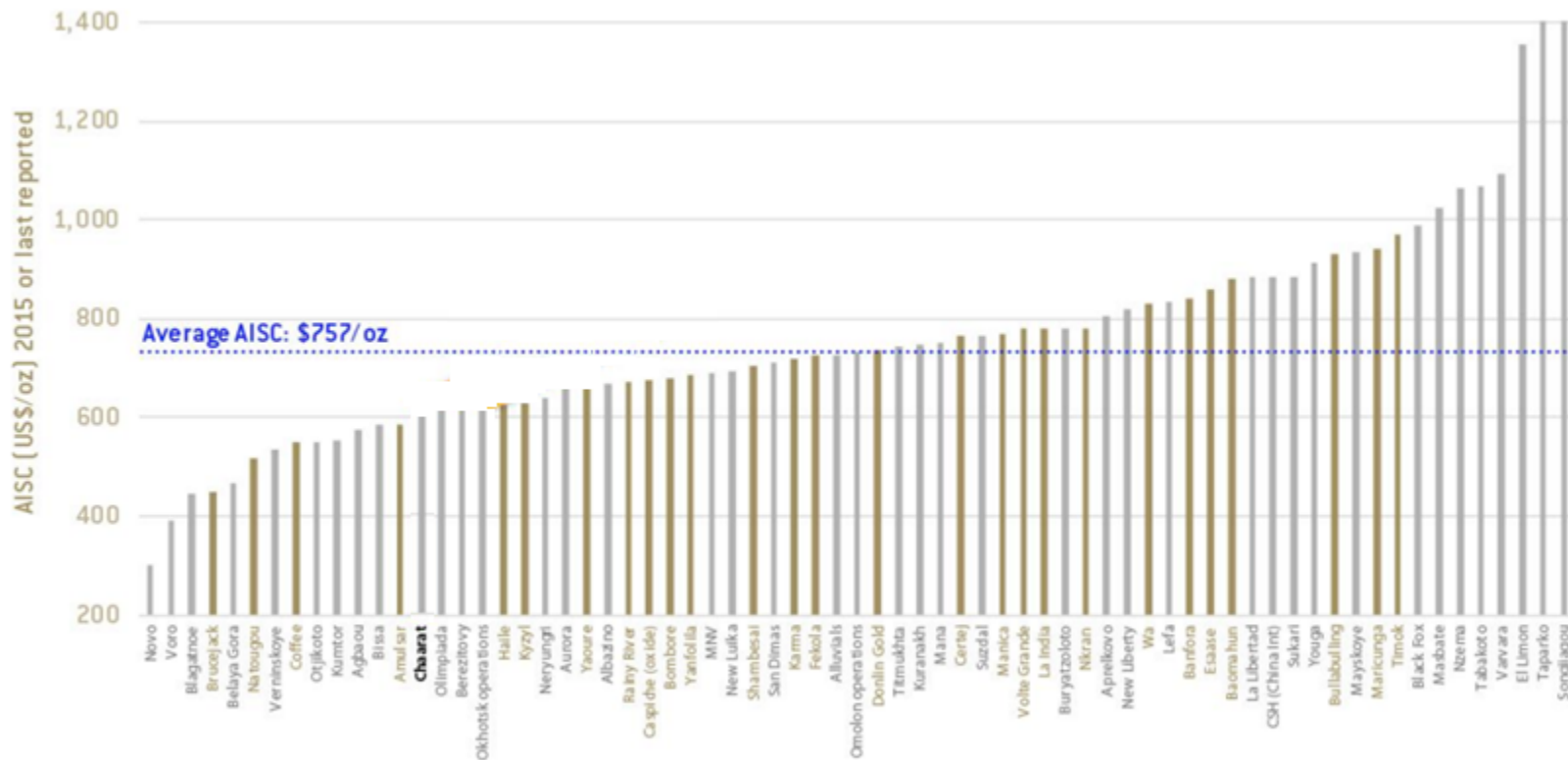


# Reserves





# Cost Curve



Source: MineView Consulting April 2016