



Precious Metals Report 2021

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



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Imprint

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Preface

Dear Readers,

Now in our sixth year of publication, it is with great pleasure that we present our special report on precious metals, which follows our successful battery metal and uranium reports. Precious metals have become indispensable for one's own (crisis) provision and wealth preservation. Not to be forgotten is the unconditional benefit of precious metals as a store of value and money substitute as well as a hedge for bad times. Especially in today's corona virus craze, gold is essential to park cash wisely. The central banks' money printing orgies are unstoppable and with Christine Lagarde succeeding Mario Draghi, things have gotten worse rather than better. The U.S. Federal Reserve has already lowered interest rates to zero and the money floodgates have been fully opened in the wake of Corona. Whether there will be a financial collapse is, as always, questionable and debatable. However, the financial system has never been as fragile as it is today.

A major problem in the future will be the accelerating default rates of many over-indebted zombie companies. The banks, which are under pressure anyway, will not be happy about this. Please remember that in case of emergency only 100.000 Euro are secured per institution and even this I question meanwhile if this is affordable! With gold, but also with platinum and palladium, you can weather many a storm to be able to provide yourself and your family with the most necessary food and to preserve your assets. But let's not assume the worst, however, physical precious metals reassure me of the possible coming upheavals. We look positively into the future and take gold as a store of value and inflation protection. Mining companies are still (too) cheaply valued in addition to quite a few good dividend standard stocks. Especially producers with dividends are now first choice as well as prospective precious metal producers have an enormous leverage on the respective metal price. In this precious metal report, we will introduce you to some interesting companies that are suitable for speculation on rising precious metal prices. We also want to give you

the necessary basic knowledge by means of our general part, so that you can make your own decisions.

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

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

Yours, Jochen Staiger

P.S.: If you miss the precious metal silver in this precious metal report, we can reassure you. From now on, we will dedicate a separate silver report to it.



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



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

The corona year 2020 has left its mark on the precious metals – for investors definitely rosy!

Gold: Postponed is not canceled – Platinum/Palladium: Rising supply deficits will remain for the time being despite rising prices

Precious metals investors are still in pole position, precious metals have so far come through the Covid 19 crisis the best of all asset classes. It sounds like a cliché, but gold and silver (covered in a separate report) are again in demand as „safe havens“, as massive inflows into ETFs and sold-out bullion traders impressively prove.

In August 2020, the gold price reached a new all-time high of more than US\$2,060, which was mainly the result of (impending) fiscal and geopolitical upheavals and a certain desire for security, which will keep the price of the yellow metal at a high level and will certainly drive it even higher. In the vast majority of currencies, gold was trading at absolute all-time highs in 2020, which will continue in the face of rampant money printing orgies by central banks around the world. In 2021, the fear of inflation, which is already becoming apparent, will drive more people into gold, which has been considered the number one store of value for thousands of years, and is likely to push the price up again. In addition, there is an investment backlog, primarily from the jewelry industry, which is likely to be merely postponed from the catastrophic year 2020 into the future and will additionally fuel demand.

Palladium, which was driven to new record highs of over US\$2,800 per ounce in recent months mainly for speculative reasons, also suffered only a brief dip and appears to be continuing its record chase. Demand from the automotive sector (use in gasoline catalytic converters) plays a major role here. But also the steadily declining production, as the existing supply deficit recently confirmed impressively.

Until a few months ago, the situation for platinum was the opposite. The increasing discrediting of the diesel engine as a „dirty engine“ led to a drop in demand for platinum, which is used in diesel catalytic converters. As a re-

sult, the price per ounce fell to below US\$600. Since the third quarter of 2020, however, there have been signs of a renaissance. However, the major demand driver will not be fuel cells or hydrogen, which are still some years away, but initially the substitution of palladium, which is now more than twice as expensive, by platinum. The supply deficit, which has already existed since 2019, even widened again in 2020 and is likely to lead to a further speculative increase in the price of platinum.

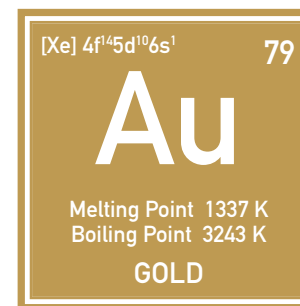
For both platinum and palladium, a drastic drop in supply is to be expected in the coming years, as the important South African mines in particular will not be able to maintain their production to the usual extent. Even rising prices are unlikely to contribute to an improvement.

What are precious metals?

From a purely chemical point of view, precious metals are metals which are corrosion-resistant, i.e. which are permanently chemically stable in a natural environment under the influence of air and water. The group of precious metals primarily includes gold and silver, as well as the so-called platinum metals platinum, palladium, ruthenium, rhodium, osmium and iridium. Mercury is also a precious metal. In addition, there are a number of so-called semi-precious metals, including copper. A third group is formed by the so-called short-lived (radioactive) transition metals, such as Darmstadtium or Roentgenium, which, however, play virtually no role in practice.

Gold: Number 1 store of value for thousands of years

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



Main properties: Appearance, corrosion resistance, good workability, good contact.

Not only in the form of jewelry or coins, but also in medical applications, gold scores above all with its corrosion resistance. In dental prosthetics, for example, additional precious metals such as platinum are added to achieve the necessary hardness. In industry, gold is used primarily in the construction of circuits as a gold-plating additive for wires, printed circuit boards, switching contacts and connectors.

Occurrence and extraction

Gold occurs very rarely in nature, but it is pure. On average, there are only 4 grams of gold per 1,000 tons of rock in the earth's crust. It is found in primary raw material deposits as gold-bearing rock (gold ore) as well as in secondary deposits, among others in

placer deposits. Up to 20% of the gold mined annually is extracted as a by-product, mainly from copper, nickel or other precious metal mines.

Supply situation

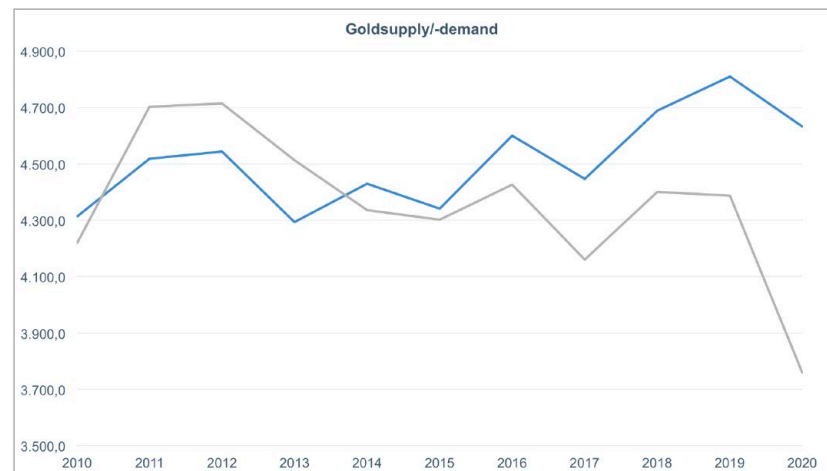
According to the World Gold Council, a total of 3,400.8 tons of gold was mined in 2020 and 1,297.4 tons was recovered from recycling. Thus, the total gold supply (including recycling and hedging) fell by about 187 tons to 4,633.1 tons compared to 2019.

The main gold mining regions are currently China, Russia, Australia, the USA and Canada, which together account for almost half of the total annual output. They are followed by Peru, Ghana, South Africa, Mexico and Brazil, which, however, is only just ahead of Uzbekistan in eleventh place. In Europe, only Sweden and Finland can report significant gold production.

Gold production increases only marginally – Gold peak reached?!

Since the turn of the millennium, gold production has increased every year up to 2018, but has recently been weakening more and more. While around 2,862 tons of the yellow metal were extracted from the earth worldwide in 2011, the figure was 3,336 tons in 2015. Since then, production rose only marginally to 3,554 tons in 2018. In 2019, production then fell for the first time to 3,531.8 tons, which could only be offset by an increased recycling rate. Finally, in 2020, the slump to only 3,400.8 tons, mainly due to plant closures caused by the Covid 19 pandemic.

Nevertheless, it can be assumed that the gold peak, i.e., the annual gold production has reached its peak in 2019.



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

The reasons for a decline in gold production are manifold

Several factors contribute to this:

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

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

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

Added to this is the current Corona crisis, which has brought many mining activities worldwide to a standstill and severely impacted gold production – at least in 2020.

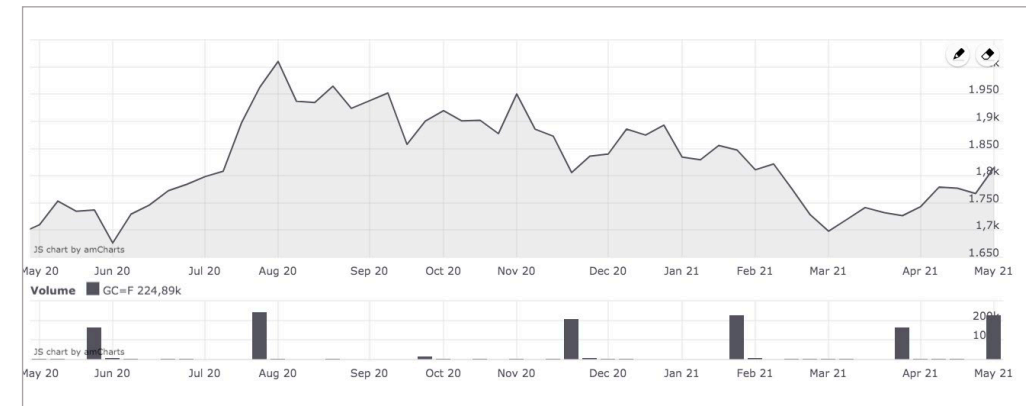
Demand situation

Demand from jewelry sector slumped, investment sector stronger than in a long time

In 2020, global demand for gold was only around 3,759.6 tons, almost 627 tons or 14.3% less than in 2019. The jewelry sector accounted for a large share of the decline in demand, consuming 1,411.6 tons, a drop of almost a third compared to 2019 (2,122.7 tons). This huge drop in demand from the jewelry industry was partially offset by the investment sector. The latter increased gold demand by a whopping 504 tons to 1,773.2 tons compared to 2019. Inflation fears and exuberant debt orgies of many central banks worldwide are certainly to be named here as the main reasons for the flight of many investors into physical gold. Despite Corona-related production losses, demand from the technology sector was also strong, falling from 326 to 302 tons from 2019 to 2020, but in percentage terms far less than the jewelry sector. This showed that gold is increasingly finding its way into the electromobility sector in particular. A circumstance which, in view of an incipient electric (mobility) revolution, is likely to lead to continued strong growth in demand from the technology sector in the future.

Central banks no longer quite so active

Central banks are back on the buying side after decades of selling gold since 2010. Thus, especially in 2018 and 2019, many central banks have increased their gold reserves. First and foremost, Russia, but also Turkey, India, Poland, Egypt, Brazil and Kazakhstan bought gold heavily in 2018 and 2019. Thus, central banks increased their gold reserves by 656.6 tons in 2018. This was 73% more



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

than in 2017, and in 2019 central bank purchases increased slightly to 668.5 tons. Thus, a large amount of supply was taken off the market by central banks alone, once again acting on the demand side rather than the supply side. In 2020, by contrast, central bank gold purchases fell to only 272.9 tons, which was probably also due to certain distortions in government budgets triggered by the Corona pandemic.



Goldjewelry from India (Source: pixabay)

Conclusion: The jewelry sector has pent-up demand in 2021, while the investment sector is likely to remain at a high level of demand

For 2021, there are indications of record demand from the jewelry sector, as the decline in demand triggered by the Corona pandemic is likely to have been largely postponed

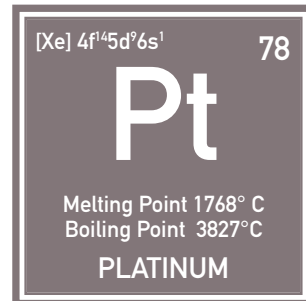
until 2021. On the investment side, global gold ETFs did show a net outflow of around 178 tonnes in the first quarter of 2021, but this was almost entirely in the US and UK. China, Canada, Japan and India, on the other hand, recorded further inflows. By comparison, in 2020, a net total of over 877 tons flowed into global gold ETFs. Seasonally, the inflow increases most in the months April to August, which should also be the case for 2021.

Summary: While supply is expected to increase only marginally, demand is heading for a record high

For 2020, there is a supply surplus of a full 873.5 tons due to Corona. In 2021, things will be exciting on both the demand and the supply side. A lack of supply in the form of high-grade new discoveries and increasingly cost-intensive, as it is more difficult to mine, are likely to lead to only a marginal increase in supply, if any at all. Assuming that the investment sector picks up in terms of demand in the second half of the year, record demand can be expected from the jewelry sector in particular, especially from India and China. The Asian nations in particular seem to have realized that gold will continue to be the number one store of value in a future medium to high inflationary phase.

Platinum: The next upswing has already been initiated

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



Main features: Forgeable, ductile, corrosion resistant.

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

Almost infinite uses

Platinum finds its way into a whole range of very different applications. By far the most common use of platinum is in the automotive industry, where it is used in the form of auto catalysts. In addition to the classic diesel oxidation catalysts, platinum is also increasingly finding its way into catalysts in fuel cells or as a substitute for the far more expensive palladium, which could be an enormous demand driver in the future. The second major area of application in industry is the chemical sector. Platinum is also used in alloys, for glass production (crucibles), in the electrical sector in resistors and for medical applications and equipment. Another large field of application is the jewelry industry, where platinum is often alloyed with other metals, mainly gold. The fourth major area is the investment sector.

Occurrence and extraction

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

Supply situation

South Africa and Russia produce almost 80% of all platinum

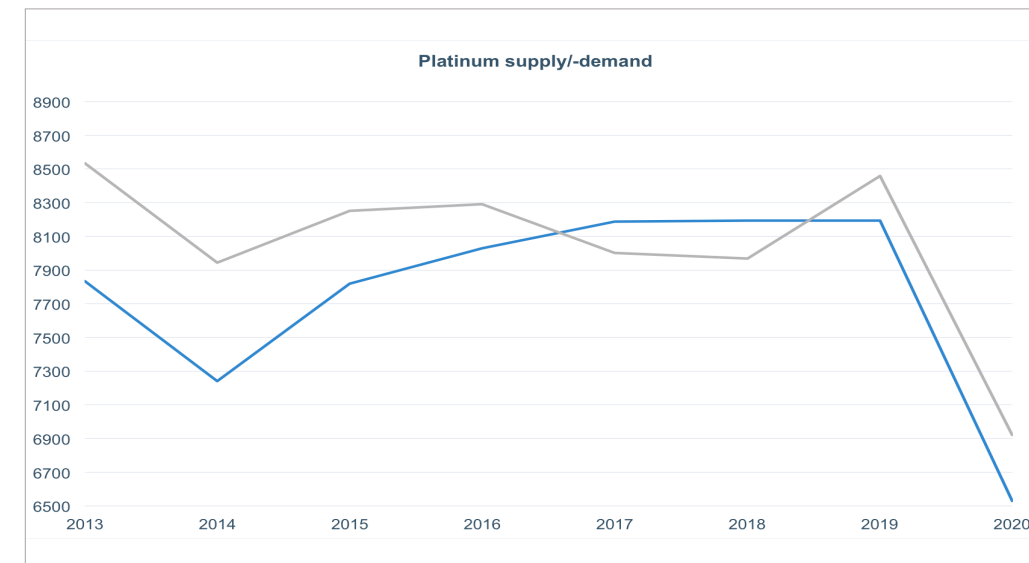
There is extensive and significant primary platinum mining only in the Bushveld complex in South Africa, as well as in the Stillwater complex in Montana/USA and in Russia. 65.4% of the platinum mined worldwide came from South African mines in 2019. This was followed by Russia with around 13.5%, and all other countries with a total of around 20%. Overall, platinum mining is a relatively small sector, as, for example, only around 4.89 million ounces were produced in 2020.

High recycling rate

Although a certain amount of gold is also recycled, recycling accounts for a very high percentage of platinum. In 2020, for example, about 1.64 million ounces were recovered from recycling. Recycling thus accounted for 25.1% of the total platinum supply for the year.

Supply 2020 slumped

Overall, the global platinum supply in 2020 really collapsed due to Covid 19. While around 7.8 million ounces of platinum were available in 2013 (of which around 5.8 million ounces came from mining and just under 2 million ounces from recycling), around 8.2 million ounces of platinum entered the open market in 2019 (mining: 6.1 million ounces,



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

recycling: 2.1 million ounces). In 2020, platinum supply fell to 6.53 million ounces (mining: 4.88 million ounces, recycling: 1.64 million ounces). An increase in platinum production to the pre-crisis level in 2019 is currently not in sight, as platinum extraction in South Africa in particular requires ever deeper and therefore more expensive exploration, and a collapse in supply must be expected from there in the coming years.

Demand situation

Platinum has a hybrid function

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

Main demand: automotive industry and jewelry manufacturing – investment demand very high despite Corona

In terms of figures, it is the automotive sector that demanded the most platinum in 2020. 2.22 million ounces were used mainly for cata-

lytic converter construction. The jewelry industry demanded 1.58 million ounces. Demand from the rest of the industry reached 2.21 million ounces. The investment sector, whose demand slumped from a net 361,000 ounces in 2017 to only 67,000 ounces in 2018, experienced a true renaissance in 2019, recording a real explosion in demand to 1.13 million ounces. Despite Corona, this trend was maintained, so that around 900,000 ounces of platinum still flowed into the investment sector in 2020. Overall, platinum demand fell from 2019 to 2020 by around 1.5 million ounces to 6.92 million ounces due to Corona. This results in a supply deficit of around 390,000 ounces of platinum for 2020, despite or precisely because of Corona, and thus even more than in 2019, when a record supply deficit of 301,000 ounces of platinum was achieved.

Hydrogen storage technologies as future demand drivers

In South Africa, research is already being conducted into innovative hydrogen storage technologies. Power generation with platinum catalysts is the big topic here. Cost-effective hydrogen storage systems for fuel cell vehicles and portable applications are still dreams of the future, but China alone plans to produce two million hydrogen fuel cell vehicles by 2030. In Germany, the world's first

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



hydrogen fuel cell train has entered service. A major platinum company is already investing in the development of hydrogen compression technology together with Shell Technology. These so-called platinum electric vehicles, as the name suggests, need platinum as their basic raw material.

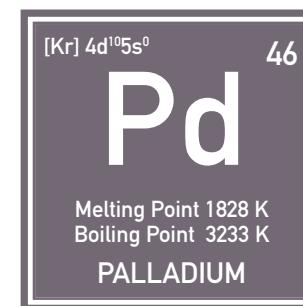
Summary:
2020 is not a benchmark, but overall, it continues to move toward an ever-increasing supply deficit

Although the past year 2020 cannot be taken as a benchmark due to the effects of the Corona pandemic (lower production combined with lower demand from all sectors, but especially from the automotive and jewelry sectors), it can be stated quite clearly that the gap between supply and demand is widening and will thus continue to fuel the platinum price in the medium term (after it has already increased by around 50% since October 2020). Platinum demand can already be halfway met only because of the very large share of platinum recycling in total supply. The recycling rate has recently risen again somewhat and could accelerate again in view of the millions of diesel vehicles ready for scrapping. If the fuel cell becomes established in the automotive industry alongside the purely electric car, an increase in demand can be expected from there. This will also be the case for platinum producers, who are now focusing strongly on substituting platinum for palladium thanks to the large price difference. Corresponding areas of application are already out of the development stage and are in the mass application phase. Much also stands and falls with the investment sector, which is returning to its old strength, also due to the currently still too low platinum price. From July 2020 to March 2021 alone, for example, the global platinum ETFs recorded an increase of 500,000 ounces to a record value of 3.8 million ounces.



Palladium: Higher is always possible!

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



Main properties:
Low melting point, reactive, absorbent.

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

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

Finely divided, palladium is an excellent catalyst for accelerating chemical reactions, in particular for the addition and elimination of hydrogen and for cracking hydrocarbons. By far the most important application for palladium is thus in the field of exhaust gas catalysts for gasoline engines. About 86% of the palladium demanded in 2020 was for catalytic converter construction. Furthermore, palladium is frequently used for alloys in the

jewelry sector; here especially in combination with gold, resulting in so-called white gold. Palladium is also used as an electrode material for fuel cells and as a contact material for relays.

Occurrence and extraction

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

Supply situation

South Africa and Russia dominate palladium mining

South Africa and Russia have emerged as the clearly dominant palladium producing nations in recent years. In 2020, Russia accounted for 44.2% of total production, followed by South Africa with 31.4%. Most of the remaining palladium production was shared by the USA and Canada. Overall, platinum mining is a relatively small sector, with only around 6.2 million ounces produced per year.

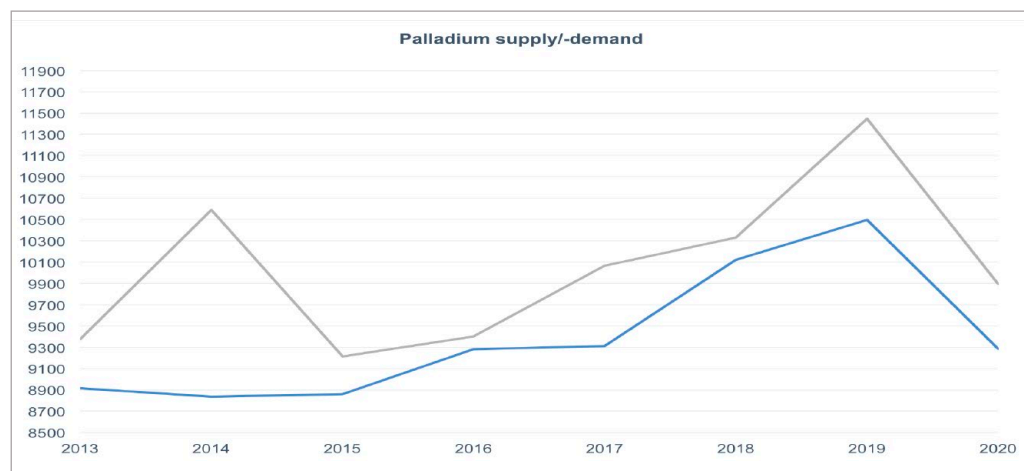
High recycling rate

Similar to platinum, a large recycling quota for palladium also helps to meet most of the demand. In 2020, a total of 3.12 million ounces of palladium were recycled. This was 33.6% of the total palladium supply.

Supply decreases

Palladium supply has shown stable to declining trends over the past three years, accelerated by Corona-related production cuts, due to three key factors.

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



Firstly, the decline in palladium production. While this increased moderately by 92,000 ounces from 2018 to 2019 to 7.117 million ounces, it collapsed completely in 2020. In total, only 6.167 million ounces were mined last year. South Africa was mainly responsible for this slump, producing almost 700,000 ounces less palladium in 2020 than in 2019.

Secondly, recycling. This rose above 3 million ounces for the first time in 2018, exactly 3.108 million ounces were recycled in 2018. Finally, in 2019, 3.407 million ounces. This was followed by a slump to 3.121 million ounces in 2020.

And thirdly, the return flows from the investment sector, mainly from corresponding palladium-backed ETFs, which have recently declined significantly. In 2015, for example, 659,000 ounces of palladium returned to the open market, in 2016 it was 646,000 ounces, in 2017 386,000 ounces and in 2018 about 574,000 ounces. In 2019, net recoveries were only 87,000 ounces, but increased again to 186,000 ounces in 2020.

This resulted in total palladium supply (including recycling) picking up from 9.214 million ounces in 2015 to as high as 10.524 million ounces in 2019, before collapsing to just 9,288 in 2020.

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

Demand situation

A large supply deficit in 2020 as well

There has been a significant supply deficit in the palladium market for years, which amounted to about 754,000 ounces in 2017 and about 219,000 ounces in 2018. In 2019, this then jumped to about 893,000 ounces, while in 2020 it was still 606,000 ounces.

Car manufacturers continue to demand palladium – investment sector weaker again recently

The main reason for a consistently high supply deficit is the strong increase in demand from the automotive sector. While in 2015 there was demand for 7.7 million ounces of palladium, mainly for use in catalytic converters, in 2016 the figure was already 7.98 million ounces, in 2017 as much as 8.46 million ounces and in 2018 8.88 million ounces. Finally, 2019 saw another jump of 800,000 ounces to 9.67 million ounces. Although „only“ 8.5 million ounces of palladium were still in demand in 2020 due to Corona, this trend could nevertheless continue. If demand for gasoline engines declines, however, palladium demand will also fall. This could possibly be offset by the use of palladium in fuel cell-powered vehicles, but this is still a long way off. The second major consumer, indus-

try, has recently maintained its demand at a somewhat lower but nevertheless stable level of around 1.49 million ounces. The jewelry industry hardly plays a role with a demand of around 93,000 ounces per year. The investment sector was somewhat weaker again recently, with net negative demand of -186,000 ounces of platinum. This means that more ounces flowed back from the investment sector than it was able to record in inflows. This is certainly also attributable to the persistently high palladium price, which recently started again in the direction of the 3,000-dollar mark and thus invites profit taking.

Conclusion: Corona as a factor of uncertainty

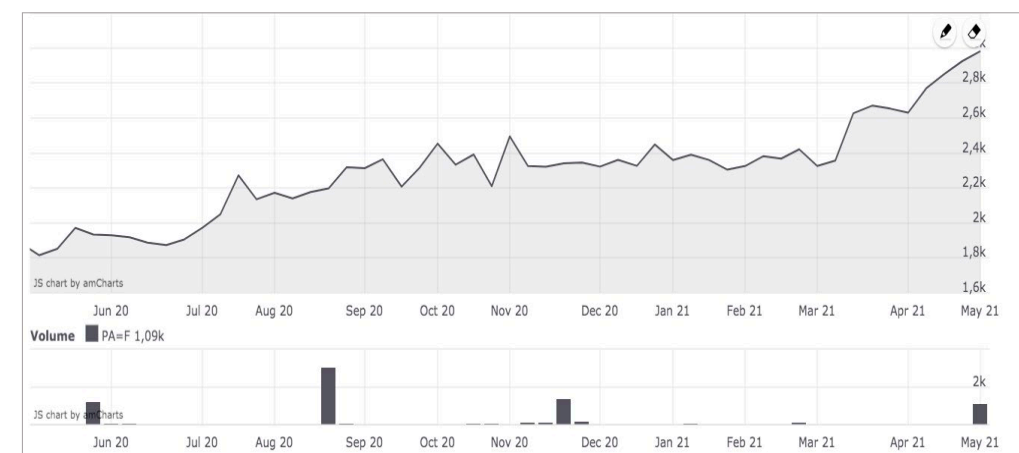
One thing can be clearly stated as a conclusion: In 2020, despite the distortion caused by the pandemic, there were high supply deficits for the heavily industrialized precious metals platinum and palladium, while there was a large supply surplus for gold. In the medium to long term, however, gold has a high catch-up potential, as many investments, especially in jewelry, were only postponed. In the case of gold, the focus continues to be on value preservation. The devaluation of almost all fiat currencies, caused by ever new crisis programs, driving debt and corresponding loss of value of paper money will drive gold to new heights in the medium term. In the case of platinum and palladium,

everything stands and falls above all with the automotive industry and, related to this, with the electro revolution in this sector. If the electric car is merely a bridging technology to the fuel cell or hydrogen drive, then both metals should continue to perform positively in the future.

The Covid 19 pandemic caused significant damage to both supply and demand in 2020. Both primary and secondary supply was severely affected due to temporary closures of many mining operations and interruptions in collection and recycling – especially for platinum group metals. Although the investment sector continues to indicate high increases in demand, the recently curbed automotive sector in particular should provide some renewed momentum.

The best precious metal stocks promise multiplication potential!

Gold in particular, but also palladium and most recently platinum have already achieved the price turnaround and are riding the wave of success. Corresponding shares are still strongly undervalued compared to the large (standard) indices. We have taken this as an opportunity to present some promising precious metal companies to you in the following. We focus mainly on development companies with extremely promising projects and on already producing mining companies with established and profitable deposits.



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

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Precious metals remain indispensable for storing value – Expert interview with Christian Brenner, Managing Director philoro EDELMETALLE GmbH, Germany

Precious metals performed very well in 2020, almost without exception. In your opinion, what was the main reason for this?

Due to the current circumstances, many people have rightly become very cautious and would like to invest their liquid, partly interest-free bank savings in safe assets. In addition, some market participants expect a higher inflation rate in the near future. Some forecasts even talk about the likelihood of hyperinflation, because the market is being „flooded“ with liquidity without precedent, especially by the Western national banks. And gold, as we know, is a perfectly sensible inflation hedge.

In my opinion, the good performance of other precious metals is mainly due to a global increase in demand for electronic devices (crypto-currencies, digitalization, electric vehicles, etc.). I expect this trend to continue for a while.

For 2020, but also into 2021, many bullion dealers, but also mints, repeatedly reported delivery bottlenecks or were unable to serve customer requests at all. What was the situation like at philoro EDELMETALLE during this period?

The philoro group is one of the leading precious metal dealers in Western Europe. Accordingly, we have very good contacts with the mints and also with other wholesalers around the world. With the advent of the Corona crisis in the spring of 2020, some dealers were unable to deliver. We, on the other hand, were able to serve all customer orders, thanks to our good network.

We are constantly in contact with the mints so that we can see a bottleneck in time and act accordingly. Recently, however, it happens that there is always a „run“ in a metal, and thus the productions are quickly busy. Consequently, there may be delays in delivery, but both we and the mints and bullion dealers, try

to keep delivery times as short as possible for our customers and offer alternatives.

The (apparent) shortage in physical precious metals as well as emerging pressure „from the street“ in the form of initiatives such as Wall Street Silver, an offshoot of Wallstreetbets – a large group of small investors that at the beginning of the year put several hedge funds in trouble, which acted too much on the short side in several stocks – seem to have a lasting impact on the physical precious metals market. What is your view on such initiatives, and do you think that the COMEX futures system could be shaken by this, if (too) many physical deliveries are called for, but at the same time the precious metal warehouses are empty?

Hedge funds very often work with statistical probabilities. If there is a 95% probability that a stock cannot mathematically rise by an amount „X“ in the next few weeks, then some hedge funds sell this stock short. Often this calculation works out, but if a group opposes these short sales, exactly the 5% residual risk occurs and the hedge fund has to buy in, which in turn can fuel a price. Such „manipulations“ can work with individual stocks, but it becomes difficult with precious metals. Here, there are significantly more players in the market, who quickly exploit distortions or discrepancies. Also, short and fast price increases are immediately used by mine operators to fix profits.

The COMEX futures system is a system that is also used by other clearing houses. The Chicago Board of Trade (CboT) or the London Metal Exchange (LME) calculate the risk positions similarly, so that this margin system, despite disruptions (crop failures, oil shortages, wars, etc.) has already proven itself for almost a century.

Last year, the first and third quarters in particular saw more exchange deliveries (averaging just over 5,000 contracts) due to the Co-



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

Interview with Prof. Dr. Torsten Dennin – Founder and CEO of Lynkeus Capital LLC

rona uncertainty and the measures taken. However, a look at the past shows that especially between the years 2003 and 2006, significantly more contracts were registered for delivery (on average well over 5,000 contracts and also over 10,000 contracts). Of course, a short-term peak in demand can rattle the system, but as long as the material is available, production will take place and demand will be met, albeit with delayed delivery.

A few years ago, there was always the theory that large quantities of physical gold were being transferred from the West to the East, i.e., to China, especially via Switzerland. Can you confirm this?

Switzerland has long been active as a global „gold hub“. This is due not least to the political stability and investor-friendly attitude of the government.

It is true that since the opening of the precious metals market to a larger number of market participants in China in 2010, the demand for physical precious metals has increased markedly. This is mainly due to rising incomes in China. Another reason for the increasing demand is that compared to the West, there is a lack of investment alternatives. Again, this trend is expected to continue for at least a few more years. Since the financial crisis in 2008, many eastern national banks have decided to switch from the seller to the buyer side. In concrete terms, this means that they are withdrawing more gold from the market than they are adding to it. This can be seen not only in China, but also in Russia and India, two other important markets.

What advice would you currently give to investors interested in precious metal investments? Is there a secret recipe for asset protection in times of negative interest rates and the threat of inflation?

History has shown that gold is ideally suited as a protection against inflation because it has been able to retain its intrinsic exchange value for thousands of years. More than 2000

years ago, for example in the Roman Empire, you could buy a high-quality tunic with about 20 grams of gold (at that time the unit of weight gram did not yet exist). Today, for example, you can get a high-quality suit for it.

As a long-term precious metals investor, I think it is therefore important not to waste too much thought on short-term price movements that reflect the current perception of market participants. The long-term upward trend seems more intact than ever. Due to this, the price paid, for long-term investors, is secondary, because it can be assumed that at the end of this decade, the price of gold will be higher.

My tip to precious metal investors: invest at least 20% of your assets in precious metals. Try to buy the metals in tranches. This has the consequence that you can already profit from a rise in prices. If, on the other hand, the price falls in the short term, the long-term investor can buy more and thus push the effective cost price down. A diversification (e.g., one part silver, one part gold) is also quite reasonable here. Finally, as already mentioned, the price paid is secondary, since it can be assumed anyway that the price will develop as in the last millennia.

Prof. Dr. Dennin, precious metals are in demand again and seem to be coming back into long-term trend. Gold, silver and palladium in particular have recently outperformed strongly. What is behind this?

Indeed, gold first looked above the US\$2,100 per troy ounce mark in August 2020. Since then, however, precious metals have been in a consolidation phase. There is much to suggest that this is a case of „catching one's breath“ before a further rise. Because rarely the environment for precious metals and the shares of gold and silver mines looked so good as today!

In detail the general conditions remind of the last big cycle in the 1970s. The U.S. fired up the printing press to finance the war in Vietnam and at the same time buried the monetary system in its hitherto known form, at the core of which the world's reserve currency, the U.S. dollar, was backed by gold. Economic growth fell short of potential growth, and eventually the price level rose as well – stagflation ensued. As a result, the price of gold increased by almost 800%. Today, all states are firing up the virtual printing press in the fight against Corona. Our monetary and financial system, which has been tried and tested for 50 years, is reaching its limits. And despite years of quantitative easing by central banks, economic growth in Europe and the U.S. has lagged behind its long-term trend. If the development of the economic framework data follows a similar path today – that is, if history rhymes – then the prices of gold, silver, platinum and palladium will develop very favorably over the next few years. Perhaps we are indeed only at the beginning of a Golden Decade for precious metals.

Did the Corona crisis with all its side effects give the precious metals sector an additional boost?

In my opinion, this connection is misrepresented in many media: Neither do fears of a virus cause gold prices to rise, nor will gold

prices collapse after widespread vaccinations. Rather, the connection is fundamental: the government's economic policy response to Corona and Lockdown is an orgy of debt on an unprecedented scale. To keep this from wreaking havoc on our monetary and financial system, interest rates must remain low for the foreseeable future.

Low interest rates, a large expansion of money supply, and an erosion of confidence, in the long-term sustainability of government debt is the push that has awakened precious metals from their slumber. If inflationary tendencies are now added, then we are facing the perfect storm for precious metals like gold and silver.

In your view, how will the four most important precious metals gold, silver, platinum and palladium fare in 2021/2022? What price levels can investors expect in the coming 12 to 18 months?

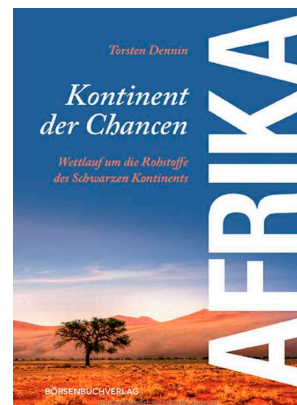
U.S. investment houses are among the most aggressive in their price forecasts. A price target of US\$3,000 was written on its banners by Bank of America, and the consensus estimate of most financial institutions is between US\$1,900 and US\$2,300. The fundamental conditions are right, and technically the gold price has broken out to the upside, so that new highs are within reach. The silver price is quite different. Although silver has repeatedly attempted to reach the US\$ 30 mark, it has not yet been able to overcome it. In order to exceed the highs of 1980, the troy ounce of silver would have to climb to over 50 US dollars (adjusted for inflation even to over 120 US dollars). Compared to gold, this is a very large catch-up potential.

An important factor in asset investment is the market size and the associated points such as tradability, liquidity and value fluctuation (volatility). The by far smaller markets for platinum, palladium and rhodium together do not even reach the size of the silver market – investors must be aware of this.

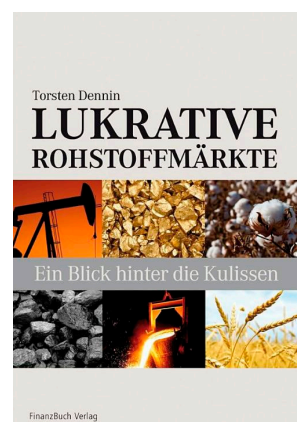


Dr. Torsten Dennin has over 15 years of professional investment experience. He is head of asset management at Asset Management Switzerland AG and founder and managing director of Lynkeus Capital, a Swiss investment company specialising in commodities.

Dr. Dennin is Professor of Economics at EBC University, Düsseldorf, and a full member of the Berlin Institute of Finance, Innovation and Digitalization. He also lectures regularly at the Dualen-Hochschule Baden-Württemberg (DHBW) in Germany. He is the author of the books "Secured Commodity Forward Contracts in Asset Management", "Lukrative Rohstoffmärkte – Ein Blick hinter die Kulissen" and "Afrika – Kontinent der Chancen" as well as numerous other publications in professional journals. His new book, "From Tulips to Bitcoins" is already after a few weeks an Amazon bestseller in Germany and the USA in the categories financial market, commodities and digital currencies.



Torsten Dennin
Afrika – Kontinent der Chancen
Börsenbuchverlag, April 2013



Torsten Dennin
Lukrative Rohstoffmärkte
FinanzBuch Verlag,
October 2011

Time and again, fears of a gold ban arise among precious metals investors. How realistic do you think such a scenario is and how should one protect oneself against it?

Most investors probably consider a ban on gold ownership to be completely improbable, but this overlooks the fact that in Germany private ownership of precious metals was repeatedly subject to bans and restrictions between 1923 and 1955. In the world's most important economy, the U.S., a ban on private gold ownership even lasted from 1933 until the end of 1974, when, with the onset of the Great Depression, the state forced its citizens to hand over their gold to the central bank at a fixed exchange rate. And here lies the common root: a ban on gold ownership is usually imposed by governments when states find themselves in a currency crisis. Like Turkey, which recently banned its citizens from using Bitcoins to make payments because of it.

And we are also not far away from a monetary crisis due to the immense distortions of the Corona crisis.

One glimmer of hope is that gold bans have never been particularly effective, because unlike other valuables, gold could be easily hidden and kept out of the reach of the state. Even if the probability of another gold ban is low, it cannot be ruled out. Investors who want to play it safe should consider buying shares in gold and silver mines. After all, to ban private share ownership would be tantamount to abolishing capitalism and the market economy. Especially since gold mines received a knighthood in August 2020 when value legend and star investor Warren Buffet took a stake in the company Barrick Gold. Because at current gold and silver prices of around 1,800 and 27 U.S. dollars, respectively, the operators of gold and silver mines promise record profits.

In addition to your role as head of asset management at Asset Management Switzerland AG, you are also a professor of economics and active at the Berlin Institute of Finance, Innovation and Digitalization. How do you reconcile these tasks, and what do you do better than your competitors?

As a bank-independent financial services provider, Asset Management Switzerland AG specializes in business with high-net-worth private and corporate clients. As an asset manager, it is sometimes important to swim against the tide in order to protect clients' assets. For example, we use capital preserving real asset strategies as well as innovative savings plans on precious metals and cryptocurrencies. Research and teaching at the university and collaboration on projects at the Berlin Institute of Finance, Innovation and Digitalization regularly shows us new impulses. Examples are in the area of sustainability, which is also becoming an increasingly important topic for precious metals, and new technologies such as blockchain and cryptography. This interaction between theory and practice is a success factor for our customers.

Our partners in alternative investment opportunities such as Lynkeus Capital, Angelmountain Global Wealth and SRC Swiss Resource Capital also benefit from this.

Example: In the current positive market environment for gold and silver, the shares of gold and silver miners often show a significantly more positive investment result, as rising prices are often reflected as a „multiplier“ in the company's earnings and value. With the *SRC Mining & Special Situations* Certificate, we have launched an investment product focused on gold and silver mines. With a performance of +68% since inception in September 2019 a super timing! An important factor here is the regular exchange with the management of each of our portfolio companies.

In your books „Lukrative Rohstoffmärkte – Ein Blick hinter die Kulissen“ and „Afrika – Kontinent der Chancen,“ you repeatedly address the topic of commodities. What is it about commodity markets that fascinates you so much?

In „Afrika – Kontinent der Chancen,“ I highlight the attractive development opportunities of commodity projects in gold, silver and precious stones, among others. Africa is a continent that is still left out by most investors – wrongly! Take a look at the development of Lagos, for example: With almost 15 million inhabitants, this city in Nigeria is the second largest agglomeration on the African continent. Since the 1970s, this city alone has exploded by a factor of 10!

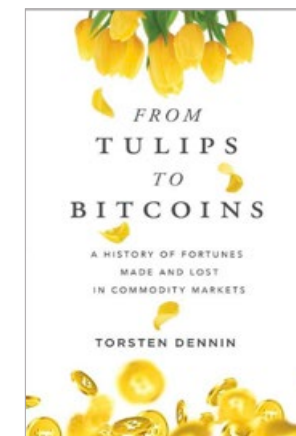
„Lukrative Rohstoffmärkte,“ on the other hand, focuses entirely on commodities – crude oil, natural gas, copper, gold and silver: all fascinating markets with their own dynamics.

In summary, what excites me about the commodity markets are the individual stories and the tangibility. You can touch a ton of copper, just like a barrel of crude oil or a gold bar. Because in the current capital market

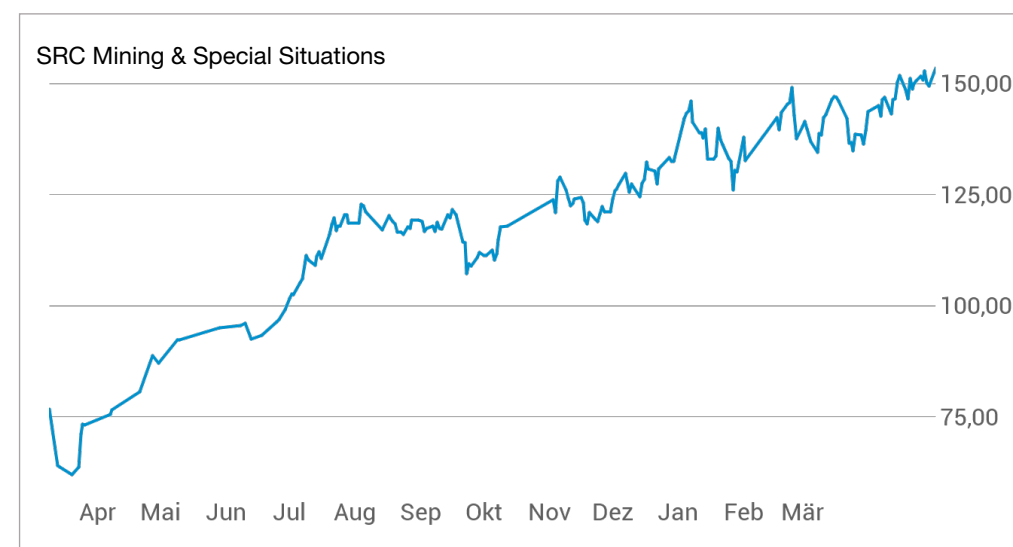
environment, tangible assets such as commodities and especially precious metals are playing an increasingly important role.

Your current book „From Tulips to Bitcoins“ is an international bestseller. What can precious metal investors in particular take away from it?

I'm delighted that „From Tulips to Bitcoins“ has been so well received and has now been translated into six languages. The unifying theme is market speculation and financial bubbles: The tulip mania in Holland in the 17th century was considered the biggest bubble in the financial markets for almost 400 years, until the Bitcoin bubble burst in 2017/2018. The systematic of most bubbles is always the same. This is because the formation of financial bubbles in the capital markets is part of our free-market economic system, and when a bubble bursts, it becomes very uncomfortable in the financial markets. Currently, we are living in a debt bubble, fed by the money creation of central banks to finance government Corona bailouts. Precious metals have a long tradition as crisis currency and can help to secure assets even in uncertain times.



Torsten Dennin
From Tulips To Bitcoins
A story of the biggest financial bubbles and how to recognise them
Greenleaf Publishing
May 2019
ISBN 9781632992277



Since issuance in March 2020, the *SRC Mining & Special Situations* Certificate can show a performance of +68%.
(Source: own representation)

Caledonia Mining

Fifth dividend increase within one and a half years and new central shaft online



Steve Curtis, CEO

Caledonia Mining is a mining, exploration and development company with a clear focus on Southern Africa. Its main asset is a 64% interest in the Blanket Gold Mine in Zimbabwe. There, the company produced 57,899 ounces of gold in 2020, a company record. The company aims to increase its annual production to up to 67,000 ounces of gold by 2021 and 80,000 ounces by 2022, with a long-term target of up to 250,000 ounces. To this end, the central shaft was recently commissioned. The company pays a high quarterly dividend, which has already been increased five times since October 2019.

Blanket Gold Mine – Strong Production and Financial Metrics

Caledonia Mining was able to present strong production figures for 2020. A total of 57,899 ounces of gold were produced at an all-in sustaining cost of US\$946 per ounce. This puts the Blanket Mine in the bottom third for all-in sustaining costs globally. Gross profit for 2020 was US\$46.6 million. At the end of 2020, Caledonia Mining had approximately US\$19.1 million in cash or cash equivalent positions.

Blanket Gold Mine – Historical Mining

The Blanket Gold Mine consists of several gold mineralizations that have been exploited since 1904. In 1965, Falconbridge acquired the project and increased gold production to an average of approximately 45 kilograms per month. In 1993, Kinross took over the project and built an expanded carbon-in-leach plant with a capacity of approximately 3,800 tons per day. Gold production reached a level of 110 kilograms per month from 1995 to 2007. In 2006, a wholly owned subsidiary of Caledonia Mining completed the purchase of the Blanket Mine from Kinross. In September 2010, the commissioning of the No. 4 Ex-

pansion Project took place, increasing Blanket's hoisting capacity from the No. 4 shaft from 500 tonnes per day to 3,000 tonnes per day.

Blanket Gold Mine – Current Production Status

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

Blanket Gold Mine – Massive Expansion of Production Capacity

Although these areas still contain significant quantities of gold ounces, the company decided about 5 years ago to take the big plunge and expand the central shaft between AR Main and AR South, modernize it and drive it to a depth of more than 1,200 meters in order to develop not only the immediate area below the current, deepest mining level of about 850 meters, but in principle all known deposits below, but also above this level. This is because the company has already been able to prove further significant resources down to a depth of around 1,100 meters. The new shaft, which has a diameter of 6 meters and has been driven to a depth of more than 1,200 meters, will make it possible to significantly increase production – after all, three

new production levels will be reached – and can also be used for underground drilling, which will save a lot of money and time. Caledonia Mining invested more than US\$60 million in the expansion of the central shaft.

Blanket Gold Mine – new central shaft in operation since April 2021

The central shaft was commissioned in April 2021 and is now expected to provide a significant increase in production while reducing all-in costs to the US\$700 to US\$800 per ounce range. Management expects this to significantly increase free cash flow. Recently, Caledonia Mining also announced the successful installation and commissioning of a new oxygen plant at the Blanket Mine. The new oxygen plant is expected to improve metallurgical recovery and reduce cyanide consumption at Blanket. Based on the test work performed, the plant is expected to improve the overall metallurgical recovery at Blanket to approximately 94 percent. Furthermore, new diesel generators have been installed and commissioned to fully compensate for any power outages. In addition to this, the company plans to install a 12 MW photovoltaic system in 2021, for which sufficient funds have already been made available. Voltaia, which is very active on the African continent, has already been engaged for this purpose. It is expected that the planned plant will be able to cover about a quarter of the total energy demand.

Blanket Gold Mine – Steady expansion of resources and high exploration potential

Despite steady production, the company has managed to keep increasing its resource base in recent years. As a result, as of February 2018, the Blanket Mine had a total of 1.768 million ounces of gold (including 380,000 ounces of gold in reserves as well as

425,000 ounces of gold in the indicated category and another 963,000 ounces of gold in the inferred category). The Blanket Mine itself, as previously mentioned, offers additional confirmed resources in the areas below the current mining level of approximately 800 meters. In addition, the Lima, Eroica, Sheet and Feudal ore bodies have only been exploited to date at depths between 150 and 750 metres. In the case of Eroica, there is even a gap between a depth of 230 to about 470 meters, within which further resources are also suspected. In particular, the Feudal, Jethro and Blanket areas could host a coherent ore structure that has not been delineated to date. The new central shaft provides excellent access to all the new areas to be developed.

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

Option agreements for new exploration projects

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

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

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

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

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

Dividend payout since 2012 – Attractive dividend yield

Caledonia Mining has been paying a regular dividend without interruption since 2012. This has already been increased five times since October 2019 and currently amounts to US\$0.12 per quarter, which equates to an annual dividend of US\$0.48. In October 2019, this was still US\$0.06875 per quarter, which means that it has increased by a cumulative 75% since then.

Summary: Several top investment advantages at once

Caledonia Mining is interesting as an investment for gold investors from five points of view. First, the management was able to significantly increase the company's share in the mine from 49% to 64%. Secondly, the new central shaft was recently put into operation, which not only significantly increases production, but also reaches new mining levels, within which significant resources have already been proven, but which – point three – above all still have a much higher resource potential. The same applies to possible satellite deposits, which are also being actively explored. Fourthly, in the highly probable event of a significant increase in free cash flow, management plans to continue to distribute part of this to shareholders in the form of additional dividends. Fifth, the two newly acquired exploration projects offer further significant upside potential in the event of a new discovery. All in all, very good prospects that allow investors to profit from the coming gold boom, especially since Caledonia Mining has high margins and thus a high leverage on the gold price.

ted it will provide approximately 27% of Blanket's total daily electricity demand, reduce Blanket Mine's environmental footprint and yield a modest return to shareholders. In December we announced that we had entered into option agreements on two properties, Glen Hume and Connemara North, in the Gweru mining district in the Zimbabwe Midlands which has historically produced significant quantities of gold. These options give the Company the right to explore each property for periods of 15 and 18 months respectively and acquire the mining claims over them. If our exploration is successful these properties will add to our portfolio, while evaluating further investment opportunities in the gold sector in Zimbabwe and in other jurisdictions, with our long-term vision of becoming a mid-tier, multi-asset gold producer.

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

Now the Central Shaft is operational, Caledonia's immediate strategic focus is to achieve the planned increase in production, targeting 80,000 oz of gold production per year from 2022 onwards. Central Shaft increases the flexibility to undertake further exploration and development, thereby safeguarding and en-

hancing Blanket's long-term future. We will also conduct exploration activities at Glen Hume and Connemara North while evaluating further investment opportunities in the gold and precious metals sector in Zimbabwe and in other jurisdictions, with our long-term vision of becoming a mid-tier, multi-asset gold producer.

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

With our All In Sustaining Costs set to be below \$1,000/oz our business can profitably weather virtually any conceivable long term gold price. Having said that, we are quite bullish regarding the outlook for precious metals prices over both the medium and long term. While we are currently experiencing some short-term weakness following the all-time high's set in the middle of last year, we have had effectively almost 13 years of emergency monetary policy which was significantly magnified in 2020 in response to the Covid Pandemic, we therefore simply cannot return to "normal" interest rates and balance sheets without causing fairly major credit events in the sovereign debt, banking and consumer credit markets. Our view is that this is likely to be bullish for precious metal prices in the long term.

Exclusive interview with Steve Curtis, CEO of Caledonia Mining

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

Operationally, the last 12 months have been transformational for Caledonia. Central Shaft became operational in April 2021, a five-year project costing approximately \$67 million, all funded through internal cash flow. Production in 2020 was 57,899 ounces, which was at the top end of the guidance range and was a new record for annual production. The robust operating performance was supported by a rising gold price and gross profit for the Year was \$46.6 million – almost 50 per cent higher than 2019.

We also increased the dividend for the fifth time at the start of April to 12 cents a share.

This is a 75 per cent cumulative increase from the level of 6.875 cents since October 2019, creating genuine value and returns for our shareholders.

To reduce our dependency on the Country's grid power and trying to minimise the impacts of our operations on the natural environment and in a general drive towards a more sustainable future for our business, Caledonia approved the construction of a 12MW solar plant at a cost of approximately \$12 million. To fund the project, we completed an issue of equity through an ATM fundraise – raising \$13million. We expect to have the plant operational by end of Q1 2022 and have appointed Voltalia, an international renewable energy provider, as the contractor for the project. Once construc-

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

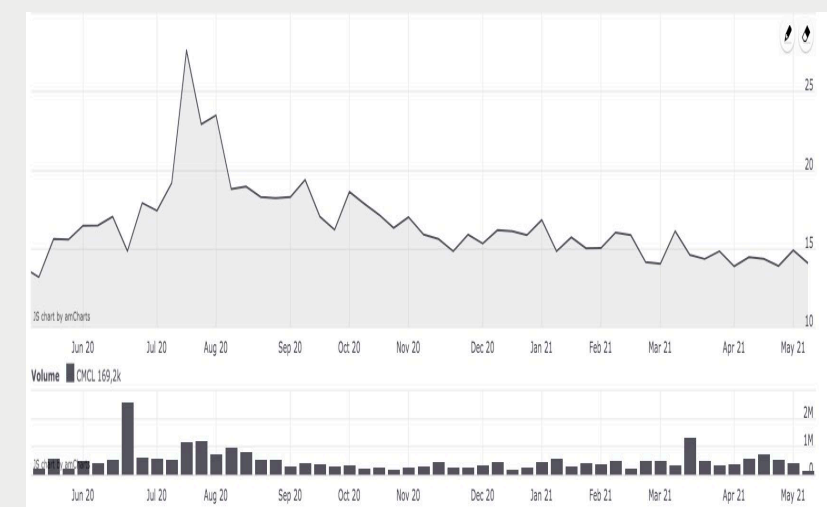
Shares outstanding: 12.1 million
Options: 38,000
Warrants: -
Fully diluted: 12.1 million

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Weighbridge, St Helier, Jersey JE2 3NF, UK

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Caledonia Mining Corporation Plc



Condor Gold

5 million ounces of gold within reach, bankable feasibility study on track, processing mill already secured



Mark Child, CEO

Condor Gold is a British mining development company specializing in gold/silver projects in Nicaragua. There they hold 100% in the La India project, which already has a formal mining permit. La India is currently being developed to bankable feasibility status. The project hosts over 2.3 million ounces of gold, which the company hopes to double again.

Flagship project La India – location and infrastructure

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

Flagship Project La India – Historical Funding and Resources

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

Up to and including 2017, Condor Gold set nearly 400 drill holes, covering approximately 59,000 meters. In addition, more than 18,000 meters of trenching were completed. In January 2019, the Company released the most recent resource estimate prepared in accordance with Canadian resource calculation standard NI 43-101. According to this, La India currently has an indicated mineral resource of 9.85 million tonnes at 3.6g/t gold for

1.140 million ounces of gold and 5.9g/t silver for 1.88 million ounces of silver, and an inferred mineral resource of 8.48 million tonnes at 4.3g/t gold for 1.179 million ounces of gold and 8.2g/t silver for 1.201 million ounces of silver. All resources are located within a 9-kilometer radius of the central La India project area.

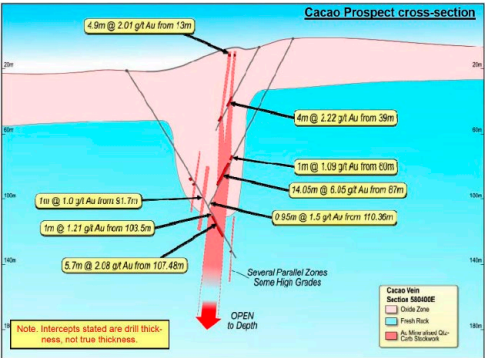
La India Flagship Project – Exploration Potential and Resource Expansion

Known resources consist primarily of approximately 675,000 ounces of gold from the La India Pit, as well as the La India Veins (1.32 million ounces), the America Veins (479,000 ounces) and the Mestiza Veins (311,000 ounces). Management anticipates that an additional 20,000 metres of drilling will generate an additional resource of approximately 900,000 ounces of gold from the three vein areas mentioned above. In addition, the resource in the pit area is still open to the downside. Furthermore, the so-called Andrea-Limones corridor, which covers a length of approximately 12 kilometers, runs in the northern area of the concession area. Samples taken there have already detected 142g/t and 52g/t gold, among others. The Cacao target area in the eastern part of the concession area returned 17 meters of 2.6g/t gold. In addition, samples with gold grades in excess of 5g/t in some cases were also encountered in other areas. In October 2020, Condor Gold initiated a ground assay program that included 20 geo-technical drill holes and 58 test pits at the Tailings Storage Facility, Water Retention Basin and Processing Plant areas. In addition to this, a 4,000-meter infill drilling program commenced in December 2020, which is designed to reduce drill hole spacing within the planned high grade starter pits at La India. This included encountering 9.6 meters of 3.98 g/t gold from surface in the initial holes and discovering an additional vein 2.27 meters wide of 3.0g/t gold at 24.15 meters drill depth. In addition, 17.4 meters of 3.27g/t gold inclu-

ding 2.1 meters of 15.13g/t gold were encountered.

Further, the diamond drilling program is intended to replace all historical reverse circulation drill holes within the overall La India open pit mineral resource, the results of which will improve the geological model and sample quality. In addition, the diamond drilling is targeting nearby Inferred Mineral Resources to potentially upgrade the target to an Indicated Mineral Resource for eventual inclusion in the mine plan.

Furthermore, a 5,000-meter drill program was initiated in the area of the Cacao Vein, approximately 4 kilometers from the proposed processing site. The drilling program is aimed, among other things, at increasing the Inferred Mineral Resource on the Cacao Vein, extending the strike length of the vein towards the Santa Barbara property 3 kilometers away, and providing evidence from the structural geological model that Cacao represents a dilatation opening between two major bedrock feeder zones (the La India and Andrea Corridors).



Cacao Prospect cross-section (Source: Condor Gold)

La India flagship project – pre-feasibility study

A pre-feasibility study prepared back in 2013, initially based only on mining the open pit resource, annual processing of 800,000 tonnes of rock and a gold price of US\$1,250, arrived at a net present value (NPV) of US\$92 million

and an internal rate of return (IRR) of 22%. This would produce an average of 79,300 ounces of gold per year over an 8-year mine life. The processing plant, which has a daily processing capacity of 2,300 tonnes per day (tpd), plus all other plant, infrastructure and equipment would cost an estimated US\$110 million. All-in sustaining costs were estimated at US\$690 per ounce of gold over the life of the mine. This would place La India in the lowest quartile, making it one of the lowest cost gold mines in the world.

La India flagship project – mine permit, production expansion and bankable feasibility study

In August 2018, Condor received an environmental permit to develop, construct and operate a processing plant with a capacity of up to 2,800 tonnes per day and associated mining infrastructure at La India. Currently, the Company is working on a bankable feasibility study.

This should also include an expansion of production. Currently, Condor Gold is working on a permit so that, in addition to the approximately 600,000 ounces that were considered in the pre-feasibility study, another 500,000 ounces, which mainly come from satellite pits, can be produced. During 2020, the Company has already been able to obtain several of these permits. For example, for the Mestiza feeder pit, which has gold grades averaging 12.1g/t in the indicated category. Likewise, the company received an environmental permit for the America Open Pit, which hosts 97,000 ounces of gold.

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

The objective here is to expand production to 120,000 ounces per year over a total of 7 years.

ars. The addition of a higher average open pit grade of 5.5g/t gold from the satellite feeder pits to the mill feed from the permitted La India open pit of 3.0g/t gold should result in improvements in NPV and IRR. Payback periods could be shortened and the already low all-in sustaining cash costs of US\$690 per ounce of gold, as indicated in the pre-feasibility study, reduced.

In a further step, production of 150,000 ounces per year is to be achieved by adding the underground resources.

In December 2020, Condor Gold started initial infrastructural works, which mainly included the creation of road connections to the highway and within the planned production site. In March 2021, Condor Gold was pleased to announce that it had acquired a brand-new SAG mill package from First Majestic Silver for US\$6.5 million (of which US\$3 million was in shares). The SAG mill package is a key element of the plant required to bring the Company's La India project into production. The SAG mill is estimated by Metso Outotec's technical support group to have a throughput of up to 2,300 tons per day. Based on the metallurgical characteristics of the ore and mineralized material at Condor's La India project, initial production is estimated at 80,000 to 100,000 ounces of gold per year, based on internal technical studies and mining dilution studies conducted by SRK Consulting (UK) Limited. By means of a more powerful engine, the mill can be expanded to

a capacity of 2,850 tpd, the maximum capacity for which an environmental permit is available. This deal will save Condor Gold about 12 months of the time it would take to order its own mill.

Summary: The feasibility study will bring the final breakthrough

Condor Gold's CEO Mark Child has a clear match plan: He has already been able to complete the consolidation of the historic La India District. A pre-feasibility study has been completed and was positive. A mining permit has been issued, primarily for surface mining. What follows now is a bankable feasibility study that will remove the last bit of residual economic risk from the project. After that, it will be a matter of financing, which could well be successful, especially since a brand-new SAG mill will be delivered shortly. Condor has several strong shareholders on board who have already successfully concluded major deals. After that, construction needs to be done quickly to get to production of over 100,000 ounces of gold per year quickly. The purchase of much of the current mine acreage gives the company a major advantage and further reduces project risk. The company is well financed. For example, it was able to generate £4 million through a financing in February 2021 and continued additional capital through the exercise of warrants.

Exclusive interview with Mark Child, CEO of Condor Gold

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

1. Full permitted for extraction 2 high grade feeder pits containing a mineral resource of in aggregate of approximately 230,000 oz gold at 5.5g/t gold. This increases the

- total permitted open pit resources to 1.12M oz gold, inclusive of a mineral reserve of 675,000 oz gold at 3.1g/t gold
2. Completed initial mining dilution studies. Mill feed of 8.5Mt at 3.1g/t gold for 845,000 oz gold can be delivered to the processing plant

3. Commenced site clearance and preparation on 11 hectares at the location of the processing plant
4. Purchased a completed new SAG Mill package for US\$6.5M from First Majestic Silver, part payment in shares at 50p. The Mill is 100% ready to be shipped and is brand new from Metso Outotec in Finland. Capacity is 2,300tpd, production estimated at 100,000 oz gold per annum for a stage 1 of construction expanding material in stage 2 of construction
5. Engineering the Tailings Storage Facility to 75% including completing 23 geo-technical drill holes
6. Advanced several engineering studies to Feasibility level
7. Completed 3,000m of infill drilling on the La India starter pits. Good intercepts including 24m true width at 6.5 g/t gold
8. 2,000m of a 5,000m drill programme completed on the Cacao vein to demonstrate additional 500k oz gold

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

1. Drill results for up to 20,000m of drilling, both infill and resource expansion drilling.

2. Importation to Nicaragua of the completed new SAG Mill package
3. Order of the balance of the processing plant
4. Completion of a Feasibility level study for debt finance
5. Fully finance the construction capital of the Project
6. Commence construction
7. Expand the mineral resource from 2.4M oz gold to 3M oz gold

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

Negative real interest rates will continue as Central Banks hold down interest rates and keep pump priming the economies to stimulate economic growth, which is a supportive back drop for gold as a preservation of wealth.

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

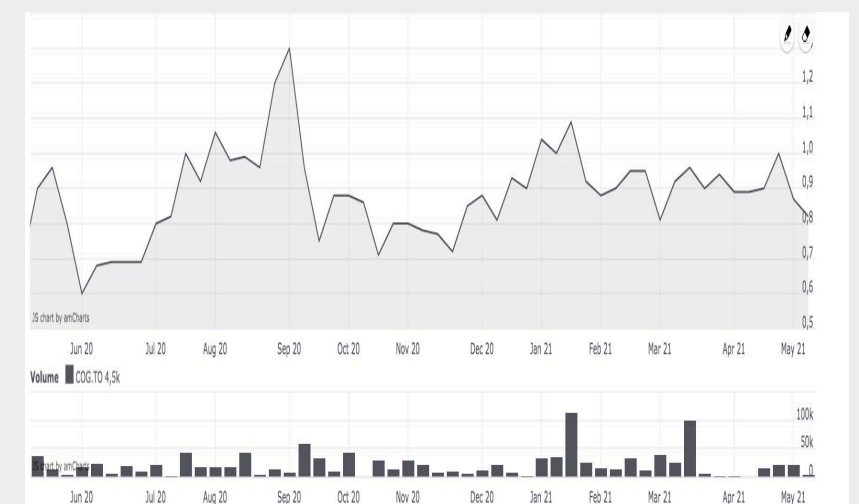
Shares outstanding: 134.8 million
Options: 11.7 million
Warrants: 11.3 million
Fully diluted: 157.8 million

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Condor Gold Plc



Eskay Mining

In search of the Eskay Creek clone



Hugh M. (Mac) Balkam CEO

Eskay Mining is a Canadian mining development company focused on the exploration and development of precious and base metals in British Columbia in a highly productive polymetallic area known as the Eskay Rift Belt, located in the so-called Golden Triangle, in the Canadian province of British Columbia. This is in close proximity to some of the top discoveries of recent years, such as Tudor Gold's Treaty Creek project, Skeena Resources' Eskay Creek project (former Barrick mine), Seabridge Gold's KSM mega-project, and Pretivm Resources' Brucejack mine.

Eskay Mining – projects, location and infrastructure

Eskay Mining's project area, which is 100% owned by the Company, totals approximately 170 claims and 52,600 hectares. It is located approximately 65 kilometers north-northwest of Stewart. Road access is available via Highway 37 and minor rural roads. A new 287KV power line runs not far from the project boundaries. Stewart provides access to deep

water ports and airfields, as well as local labor and services of all types. Eskay Mining's project area includes a total of three projects, the SIB Property, the Corey Prospects and the North Mitchell Block, which are strung along a north-south trending trend of multiple VMS (Volcanogenic Massive Sulfide Ore) deposits.

SIB Property

The SIB Property covers approximately 33,000 hectares of land adjacent to the former Eskay Creek Mine. This mine, now owned by Skeena Resources, historically delivered a grade of 1.5 ounces of gold and 70 ounces of silver per ton of rock mined and processed, ranking at the top of all VMS deposits worldwide in terms of grade. Barrick Gold ceased production in 2008 and transferred the project to Skeena Resources, which recently announced a resource there of over 5 million gold equivalent ounces.

The current most prospective area of the SIB Property is called LULU and is directly adjacent to the Eskay Creek Project. LULU was

discovered in 1991 shortly after the discovery of the Eskay Creek Mine and has been the subject of several geological investigations since then. Eskay Mining believes that the Eskay Mine may have a clone (Eskay Two) and commissioned star geologist and current Director, Dr. Quinton Hennigh, to prepare a complete analysis of all current data. To put this in perspective, volcanic massive sulfide deposits do not occur singly, but in clusters along graben faults, suggesting that there should be other deposits similar to the original Eskay Creek Mine. After five months of extensive investigation of the LULU zone, the team concluded that previous work based on an east-dipping Coulter Creek Thrust Fault (CCTF), with the prospective Hazleton Group rocks forming the hanging wall and abutting the CCTF, was incorrect. Several lines of evidence from the 2017-2018 drill program showed that the CCTF dips westward and that the prospective Hazleton Group forms the footwall of the CCTF and continues under the hanging wall of the Bowser Lake Group. This new theory changed the search for Eskay Two and opened up the possibility that the seafloor mudstone hosting the Eskay Mine ore continues southwestward beneath the Bowser Lake Group on the western side of the LULU Zone and may be related to the new 2018 discovery in the Sweet Virginia Lakes area to the southwest.

Historical drilling at LULU encountered 14.4g/t gold and 1,060g/t silver over 14.3 meters, 10.8g/t gold and 766g/t silver over 24.8 meters, and 2.13g/t gold and 4.0g/t silver over 25.2 meters, among others. The highest grades were 95g/t gold and 3,900g/t silver. Slightly north of LULU, 61.9g/t gold over 1.0 meter was also encountered.

Previous drilling was stopped above the wedge block; therefore the VMS potential was not fully tested. The new strategy considers the alteration associated with the VMS systems and their morphology to refocus and redefine the target. Three-dimensional modeling of the geology has led to a better understanding of local structural geology, such as that of the wedge fault.

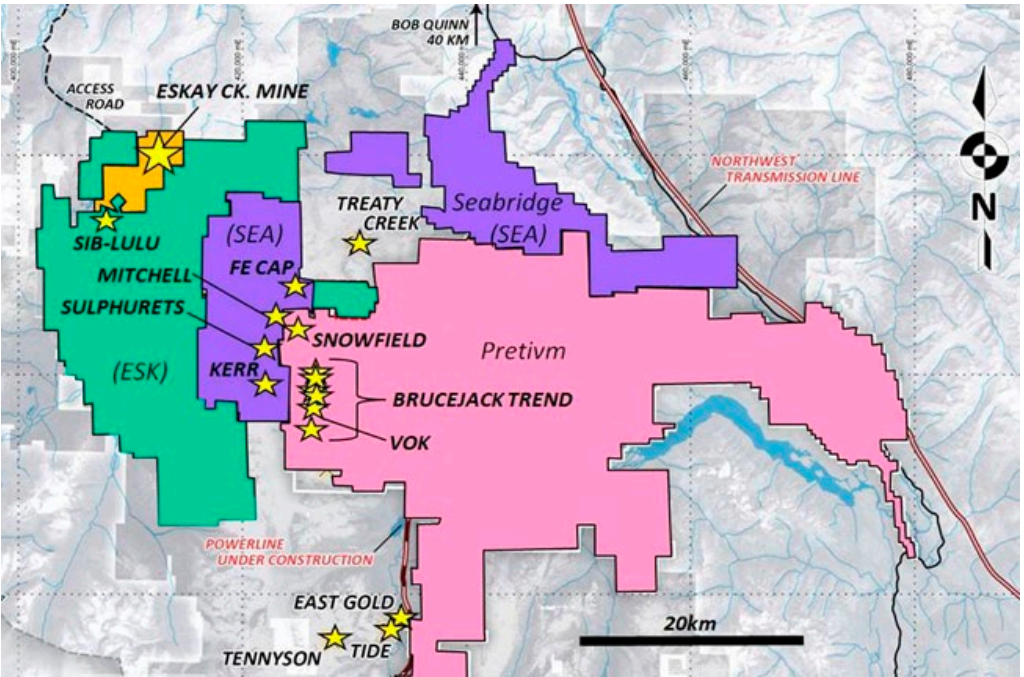
Corey Prospects

In addition to SIB, the Company controls several other gold and silver deposits to the south and east, including the TV and Jeff zones, Mitchell North and a group of 14 prospects grouped into the Corey property. Previous reconnaissance drilling at Corey indicated that the C-10, Cumberland, Red Lightning and Tet prospects had the highest gold and/or silver grades. Several intercepts had values in excess of 5g/t gold. A surface sample collected from the Tet property contained 37,366g/t silver, indicating a significant precious metal anomaly. The nature of mineralization and alteration in these deposits is poorly understood. Historical drilling at Corey did not go deeper than 300 meters and was limited to basaltic rocks. Preliminary analyses of the existing geochemical composition of the source rocks have shown a distinct chlorite and carbonate alteration style compared to the SIB property.

Historic diamond drill cores from TV and Jeff were mischaracterized by previous owners. Recent reviews confirmed that these prospects must clearly be VMS systems, both occurring at the important stratigraphic contact between rhyolite and mudstone. Accordingly, at least two significant mineralized sulphide intercepts were identified. Skytem and IP work conducted in 2020 identified several surface conductive bodies, possibly massive sulfides, in close proximity to areas of historic drilling. Finally, 20 drill holes totaling approximately 4,300 meters were completed in 2020. In doing so, the Company encountered significant precious metal intercepts in 18 of 20 drill holes. For example, 35.5 metres of 10.6g/t gold equivalent, 5.08 metres of 33.4g/t gold equivalent and 14.12 metres of 4.2g/t gold equivalent at Jeff and 16.33 metres of 3.4g/t gold equivalent and 4.10 metres of 11.8g/t gold equivalent at TV.

Tet is on the same stratigraphic level as TV and Jeff. There, a 1.5-meter intercept of 100g/t gold has already been detected. Surface samples also showed high grade (~1%) silver-sulfosalt mineralization. Management

Eskay Mining's project areas (green) are in close proximity to the high-profile projects or mines of Seabridge Gold (purple), Pretivm (pink), Skeena Resources (orange), and Tudor Gold's Treaty Creek mega-resource. (Source: Eskay Mining)





believes that Tet is a more metamorphosed version of TV and Jeff. IP anomalies are similar to those at TV and Jeff and indicate multiple stratiform chargeability targets. These targets will be drilled in 2021.

Another potentially high-grade target is called Sparhead. Like TV and Jeff, historical work in other areas at Corey has incorrectly characterized the mineralization as non-VMS. Sparhead mineralization consists of mudstone at the base of felsic and rhyolitic rocks of the upper Hazelton Group. Given the large extent of VMS mineralization over 20 kilometers of strike south of Eskay Creek, on both the eastern and western margins of the Eskay anticline, Eskay Mining believes there is great potential for the discovery of precious metal-rich VMS deposits throughout the project area.

North Mitchell Block

Throughout the Sulphurets Camp, both the gold and gold-copper deposits appear to be closely associated with Early Jurassic syn-volcanic structures that focused mineralization at that time. However, during Middle Cretaceous time, these same structures were re-activated and generally reversed (i.e., what were extension structures became contraction structures). Therefore, significant mid-Cretaceous faults and folds, such as the Sulphurets and Mitchell faults and the VOK syncline, represent important clues to the location of mineralized zones, some of which may indeed be blind. One such possible structure is an inverted synvolcanic Early Jurassic structure on the North Mitchell Block, whose present expression is a south-trending large-scale anticline coincident with an abrupt change in the thickness of sub-Jurassic flows and associated volcanic fragmental rocks, and which is intruded by highly altered underlying units. This structure represents a compelling blind target at depth and along strike to the east-northeast of surface outcrops of altered rocks.

Top geologist can boast some successes

Eskay Mining has a very well-established management team with one name standing out, Dr. Quinton Hennigh.

Dr. Hennigh is an internationally known economic geologist with over 25 years of exploration experience and expertise with major gold mining companies such as Homestake Mining Company, Newcrest Mining Ltd. and Newmont Mining Corp. He is currently Chairman of Novo Resources Corp. which is actively exploring for gold in Western Australia and could pour its first gold bar at the Beaton Creek Project in February 2021. Dr. Hennigh is responsible for the discovery of the Springpole alkaline gold deposit near Red Lake, Ontario for Gold Canyon Resources and the Rattlesnake Hills gold project in Wyoming for Evolving Gold.

Summary: 2020 was just the beginning – 2021 is set to become a breakthrough

Not only was Eskay Mining able to consolidate 85% of the Eskay Graben belt in British Columbia and bring it under 100% control in recent years, but they were also able to hire successful geologist Dr. Quinton Hennigh, who quickly discovered that the previous owners had misinterpreted the geology of the project and were looking in the wrong place. In 2020, with the help of \$13 million in financing, they were able to drill over 4,300 meters and immediately made a find. The results obtained defined several mineralized trends and unlocked the potential of the unexplored ground on the project. In 2021, the focus will be on follow-up field work to trace the Eskay Creek clone. This will involve drilling a planned 30,000 meters starting in the middle of the year. Given Hennigh's track record, it would not be surprising if the first real bull's eye came and helped Eskay Mining to the final breakthrough.

Exclusive interview with Hugh M. (Mac) Balkam, CEO of Eskay Mining

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

Eskay's accomplishments have been significant over the past year. Our geological team completed a full review of all relevant data on our 526 sq km project property package in the heart of the golden triangle. Reviewed and analyzed historic diamond drill core from various prospects while completing several geophysical surveys. A funding in excess of 13,000,000 allowed us to conduct a 20 hole 4,500 meter drill program at our Jeff and TV targets, highlights from the program included 35.5 M GRADING 9.50 GPT AU AND 70.0 GPT AG INCLUDING 9.25 M GRADING 32.17 GPT AU AND 93.2 GPT AG.

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

Our exploration program for 2021 will consist of 30,000 meters of core drilling utilizing four drill rigs beginning in June. As well, we are currently undertaking a full Skytem geophysical study over areas of the project not completed to date. Follow up on last seasons BLEG survey will be completed on new targets.

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

Bullion prices gained more than 25% in 2020, fuelled by the pandemic stimulus throughout the world. Rising interest rates, inflation and staggering amounts of debt all point towards a bullish metals outlook.

ISIN: CA2964371066
WKN: A0YDPM
FRA: KN7
TSX-V: ESK

Shares outstanding: 161.7 million
Options/warrants: 35.9 million
Fully diluted: 197.6 million

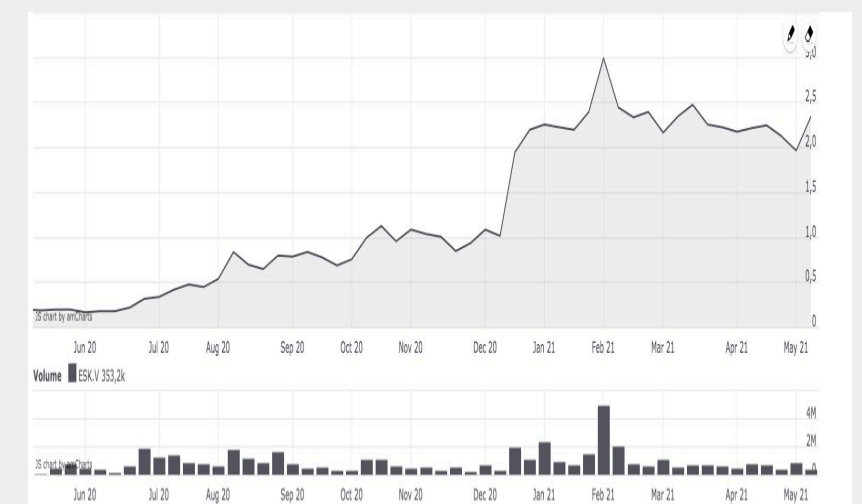
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Eskay Mining Corp.



First Mining Gold

Latest Pre-Feasibility Study Confirms Economic Production of Huge Resource



Dan Wilton, CEO

First Mining is a Canadian gold development company focused on the development and permitting of the Springpole Gold Project in northwestern Ontario. Springpole is one of the largest undeveloped gold projects in Canada and currently hosts a mineral resource base of 4.67 million ounces of gold in the indicated category and 0.23 million ounces of gold in the inferred category. A pre-feasibility study confirmed economic production. Similarly, permitting is underway, with an environmental impact statement filing targeted for 2021. The company also holds a large equity position in Treasury Metals, which is advancing the Goldlund-Goliath gold projects in Ontario toward construction. First Mining's portfolio of gold projects in eastern Canada also includes Pickle Crow (which is being advanced in partnership with Auteco Minerals Ltd.), Cameron, Hope Brook, Duparquet, Duquesne and Pitt.

First Mining was founded in 2015 by Keith Neumeyer, CEO of First Majestic Silver Corp.

Flagship project Springpole – location and infrastructure

First Mining Gold acquired the Springpole gold project through the acquisition of Gold Canyon Resources in 2015. Springpole is one of Canada's largest undeveloped gold projects. Located in northwestern Ontario, within the Birch-Uchi greenstone belt, the project covers approximately 41,943 hectares. It is located approximately 110 kilometers northeast of the town of Red Lake. The project area is connected to Highway 105 by winterized all-weather roads. A power line runs in the immediate vicinity. The project also houses a 72-man camp.

In March 2021, they announced the expansion of the Springpole Project to include Exiro Minerals' Swain Post Property to the west. Swain Post, which covers approximately 5,000 hectares, has seen sporadic historical exploration work for both precious and base metals since the 1960s, with the last signifi-

cant work conducted in 2006-2007. The property covers approximately 15 of the 1-kilometer-wide Swain Post Deformation Zone and hosts second and third order shear zones that intersect folded iron formations and mafic and felsic volcanics. First Mining intends to conduct regional data acquisition and more detailed geophysical surveys later this year.

Additionally, in April 2021, First Mining Gold secured access to the 1,640-hectare Swain Lake Project, located just 2 kilometers from Springpole.

Flagship project Springpole – Resource

Springpole is a surface project with a highly homogeneous ore body that allows for gradual, near-constant mining. Springpole hosts a minimum of 139.1 million tonnes at 1.04 grams of gold and 5.4 grams of silver per tonne of rock (g/t) in the indicated category, yielding 4.67 million ounces of gold and 24.19 million ounces of silver. In addition, 11.4 million tonnes of rock averaging 0.63 g/t gold and 3.1 g/t silver for 230,000 ounces of gold and 1.12 million ounces of silver in the inferred category. This makes Springpole one of the largest undeveloped gold deposits in Canada.

Flagship project Springpole – positive pre-feasibility study

In January 2021, First Mining Gold published a pre-feasibility study (PFS) for Springpole. This was based on a daily processing rate of 30,000 tonnes of rock and a mine life of 11.3 years. The PFS was also based on a gold price of US\$1,600 per ounce, with a pre-tax NPV of US\$1.5 billion discounted at 5% and an after-tax NPV of US\$995 million. The internal rate of return (IRR) for this case was estimated at 36.4% before tax and 29.4% after tax. Average annual gold production in years 1 to 9 would be 335,000 ounces of gold and 1.8 million ounces of silver, with a total of 3.2

million ounces of gold and 18.1 million ounces of silver recovered over the life of mine. All-in costs including by-products were estimated at US\$645 per ounce of gold, which would make Springpole one of the lowest cost producing gold mines in the world. Initial capital costs were estimated at US\$718 million. The payback period would be 2.4 years. Further capital costs over the life of the mine were estimated at US\$55 million, plus US\$29 million for closure costs.

At a higher gold price of US\$1,800 per ounce, Springpole would have a discounted present value of US\$1.9 billion before tax and US\$1.3 billion after tax, discounted at 5%. Profitability for this was estimated at 43.2% before tax and 35% after tax.

Springpole Stream with First Majestic Silver

In June 2020, First Mining Gold entered into a silver stream agreement with First Majestic Silver under which First Majestic Silver will purchase 50% of the silver produced from the Springpole project. The agreement includes ongoing cash payments equal to 33% of the spot price of silver per ounce, up to a maximum of US\$7.50 per ounce. In return, First Majestic Silver will pay a total of US\$22.5 million in cash and shares. This deal secures development funding for First Mining Gold until approximately 2023 and allows the Company to benefit from positive performance of First Majestic's shares. This will further strengthen the strategic relationship with First Majestic to leverage their significant technical and operational expertise to the benefit of the Springpole development.

Goldlund Project

In August 2020, First Mining completed a transaction with Treasury Metals to combine its Goldlund gold project with Treasury Metals' Goliath project in Ontario to create a multi-million-ounce district-scale gold project

positioned in a favorable mining jurisdiction for construction advancement. Goldlund is located near Treasury Metals' Goliath project and hosts approximately 809,000 ounces of gold in the indicated category and nearly 877,000 ounces of gold in the inferred category. First Mining Gold received 70 million Treasury Metals shares (valued at approximately CA\$92 million as of October 30, 2020) and 35 million warrants. Of these, First Mining Gold intends to distribute 23.3 million shares and 11.7 million warrants directly to its shareholders within one year. In addition, First Mining Gold will retain a 1.5% net smelter royalty (NSR) on Goldlund and receive an additional CA\$5 million in cash payments over time.

The combination of Goldlund and Goliath, with approximately 1.192 million ounces of gold in the measured category and 222,000 ounces in the inferred category, makes perfect sense, especially since the two projects are only a few kilometers apart and both projects are synergistic. Treasury Metals is already working on a 25,000-meter drill program and PEA.

First Mining Gold can now fully focus on Springpole and no longer has development costs for Goldlund but continues to participate in the positive development of and through Treasury Metals through shares, warrants and NSR and will receive an additional CA\$5 million in cash. First Mining Gold shareholders will also receive a portion of the shares directly into their securities account.

Pickle Crow Project

In January 2020, First Mining Gold entered into a partnership with Auteco Minerals Ltd. under which Auteco Minerals can earn up to an 80% interest in First Mining's Pickle Crow gold project by making exploration expenditures totaling CA\$10 million over a five-year period (CA\$5 million has already been made), making cash payments totaling CA\$4.1 million and issuing 125 million treasury shares to First Mining Gold. First Mining will also retain

a 2% NSR, of which 1% can be repurchased for CA\$2.5 million.

Pickle Crow is located in northwestern Ontario and hosts one of Canada's highest-grade historic gold mines. The mine operated from 1935 to 1966 and reportedly produced nearly 1.5 million ounces of gold at an average grade of 16.14 g/t during this period. The property covers approximately 19,000 hectares and hosts about 1.23 million ounces of gold in the inferred category. Recent drilling returned 99.35g/t gold over 0.6 meters, including 181g/t gold over 0.3 meters, among other grades.

Other top projects

First Mining Gold has other top projects for which the company is seeking development partners. These include the Cameron project (over 50,000 hectares of land) totaling over one million ounces of gold (including the recently acquired East Cedartree claims), the Hope Brook project in Newfoundland (former mine, currently optioned to Big Ridge Gold Corp.) totaling 954,000 ounces of gold, and the three projects Duparquet, Duquesne and Pitt, located close to each other

in Quebec, totaling approximately 1.37 million ounces.

Summary: Mineral Bank business model fully succeeds + world-class project on top

First Mining Gold follows an intelligent business model. Originally founded as a so-called mineral bank, the company bought up potential top projects for little money in the past gold slump and is now monetizing some of these projects for a multiple of the original purchase price. Further development costs are borne by appropriate partners or buyers, with larger blocks of shares secured, some of which are distributed directly to the company's own shareholders. There are also NSR agreements and cash receivables, which in turn contribute to the development of the Company's flagship Springpole project. In addition, the streaming deal with First Majestic Silver has not only generated cash and shares but has also taken on further risk from Springpole. First Mining Gold is now fully working towards permitting Springpole.

interest of 20 percent in the projects and take an equity interest in our partners, as well as royalties.

Finally, we acquired additional claims to consolidate the land package on our Cameron Gold project, immediately increasing its resources.

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

There are several catalysts:

We are currently working on the Environmental Approval Process on our Springpole project with the help of Steve Lines and his team who joined us last November. They have successfully permitted other similar mines in Canada. Steve expects to submit the Environmental Impact Statement by the end of the year, as well as other well-defined milestones prior to that.

Between the work our partners are doing on the Goliath, Pickle Crow and Hope Brook projects and the work we are doing on the Springpole and Cameron Lake projects, there will be over 100,000 meters of drilling. So, lots of news flow!

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

We are in an important period of consolidation of the gold price right now. What is very clear to me is that we are at the beginning, not the ending, of an inflation cycle that central banks around the world will have very few policy tools left to use. This inflationary period should put very strong upward pressure on the gold price, especially as central banks will have little room to increase interest rates given how indebted the corporate and consumer sectors are, and how much exposure those groups have to increases in interest rates. This will translate into negative real interest rates over the longer term and the corresponding erosion of purchasing power. This is a very unique opportunity for gold to play its traditional role as a store of value.

Exclusive interview with Dan Wilton, CEO of First Mining Gold

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

The last 12 months were very transformational for the company. We released the results of the pre-feasibility study on our flagship project, Springpole, one of the largest undeveloped open pit projects in Canada, with declared reserves of 3.8 million ounces of gold. The after tax NPV5% and IRR are US\$995 million and 29.4% respectively, at US\$1,600 gold and production is expected to average 335,000 ounces with all-in sustaining costs of US\$577 for the first 9 years of an 11-year mine life. The project is fully funded th-

rough the Environmental Assessment Process as a result of a streaming arrangement completed last year with First Majestic Silver. Last year we sold our Goldlund project to Treasury Metals who will co-develop it with their Goliath project. The synergies of these two projects are tremendous. The Preliminary Economic Assessment which was recently completed on the project shows strong economics and a significant drill program is underway to expand the resource.

To allow us to focus on Springpole, we brought in partners to advance the development of our high grade, past producing Pickle Crow and Hope Brook projects. We will retain a direct

ISIN: CA3208901064
WKN: A2JBPS
FRA: FMG
TSX: FF

Shares outstanding: 697 million
Options: 54 million
Warrants: 93 million
Fully diluted: 846 million

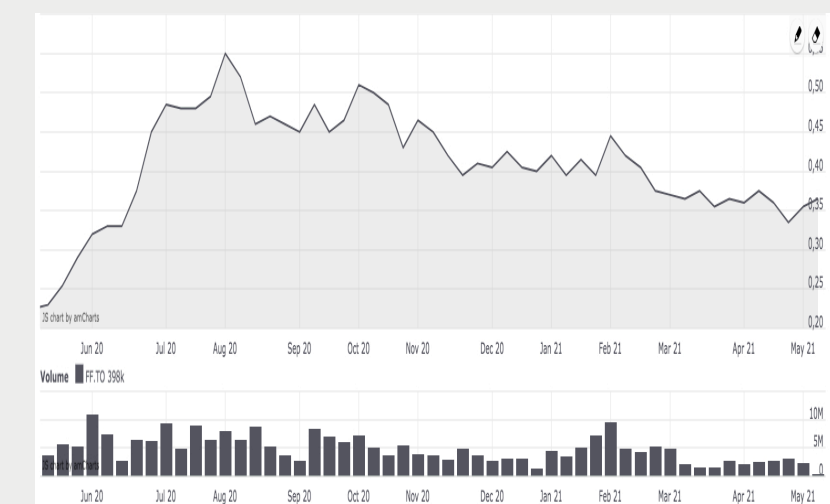
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www.firstmininggold.com

First Mining Gold Corp.



Mawson Gold

Strategically important resource in Europe and several high-caliber assets in Australia



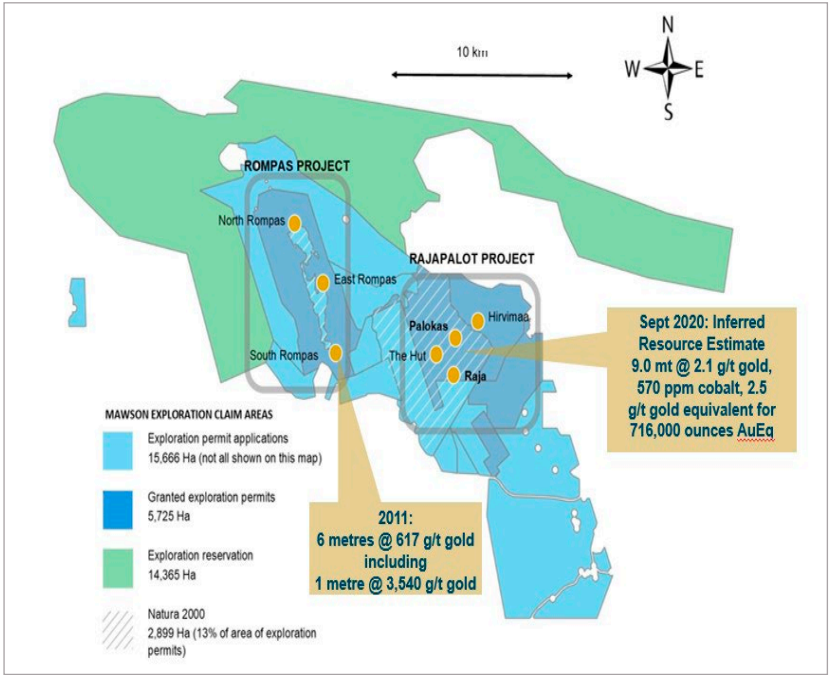
Michael Robert Hudson, CEO

Mawson Gold is a Canadian mining development company specializing in gold and cobalt deposits in Finland and Australia. The company has recently doubled its resource base in Finland and reported some spectacular drill results from Australia's Victorian Goldfields. The company is aggressively working to expand its resources on a total of four projects.

Rompas-Rajapalot – location and infrastructure

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

The Rompas-Rajapalot claims
(Source: Mawson Gold)



Rompas-Rajapalot – Geology

The Rajapalot subproject, located east of Rompas, hosts several hydrothermal gold-cobalt targets, within a 4 kilometer by 3-kilometer area. These include at least one significant and strategic gold-cobalt resource and one of Finland's largest gold resources by grade and contained ounces, as well as one of Europe's few cobalt resources. To put this in perspective, Finland refines half of the world's cobalt outside of China. The world's largest cobalt refinery is located 400 kilometers south of Rompas-Rajapalot, with 90% coming from Chinese-owned mines in the Democratic Republic of Congo.

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

Rompas-Rajapalot – Drilling to Date and Resource

By the completion of the 2020 winter drill program, a total of 63,424 meters had been drilled at Rajapalot with an average depth of only 136 meters. For the updated September 2020 resource estimate, a total of 213 holes for 47,427.4 meters and an average depth of 225.0 meters were used. Whereas a total of 119 holes were used for 15,167.7 meters with an average depth of 127.5 meters in the December 2018 Initial Resource Estimate. As of September 2020, Mawson Gold was able to report an Inferred Mineral Resource (open pit and underground) of 9.0 million tonnes at 2.1 g/t gold and 570 ppm cobalt (equivalent to a combined 2.5 g/t gold equivalent) for 600,000 ounces of gold and 716,000 ounces of gold equivalent, respectively. These mineral resources were determined at a cut-

off grade of 0.3 g/t gold equivalent in the open pit and a cut-off grade of 1.1 g/t gold equivalent in the underground from the three resource areas of Raja, Palokas (including 2 meters at 100.7g/t gold equivalent) and Rujamajärvi.

A total of 72% of the resource (6.7 million tonnes at 2.4 g/t gold equivalent), or approximately 512,000 gold equivalent ounces, is in the surface area.

The updated Mineral Resource doubled the tonnes at a similar grade from the previous Inferred Mineral Resource estimate from December 2018, which was 4.3 million tonnes at 2.3 g/t gold and 430 ppm cobalt.

Rompas-Rajapalot – resource potential and current work.

In addition to this resource, which incidentally is the seventh largest cobalt resource in the EU, Rompas-Rajapalot has a much higher resource potential as the upgraded resource areas are open laterally and down dip. This is clearly demonstrated by some spectacular drill results released after the September 2020 resource estimate. These include encountering 1.6 meters of 19.2g/t gold, 1.3 meters of 25.3g/t gold, 5.5 meters of 6.9g/t gold and 732ppm cobalt, and just recently made two completely new discoveries including 1.5 meters of 18.1g/t gold and 1,696ppm cobalt and 70.3 meters of 1.6g/t gold equivalent. Currently, Mawson Gold is working on a 20,000-drill meter program that was initiated in January 2021. Using 4 drill rigs, Mawson Gold intends to aggressively expand the known mineralization.

Victorian Goldfields – Nagambie Deal

Mawson Gold entered into an agreement in March 2020 pursuant to which it acquired 100% interest in Clonbinane Goldfield Pty Ltd a wholly owned subsidiary of Nagambie Re-

sources Limited and holder of 62 square kilometers of mineral properties at Clonbinane (name changed to Sunday Creek), for consideration of AU\$500,000 in cash and the issuance of 1.0 million shares of Mawson. Further, Mawson Gold acquired a 10% interest in Nagambie Resources by way of a share swap.

Victorian Goldfields – Sunday Creek: location and historical works

Sunday Creek is a shallow Fosterville-style orogenic deposit located 56 kilometers north of Melbourne. Small-scale mining has occurred in the project area since the 1880s, producing approximately 41,000 ounces of gold. Gold mineralization is located within or near dykes, with mineralization continuing along structures that extend into sedimentary country rocks. The diorite dyke and historic work trend continue for 11 kilometers and have not been drilled historically. Two small drilling campaigns have tested the mineralized system to a vertical depth of up to 100 metres. Some very good drilling results were recorded. These include 17 metres of 7.0 g/t gold and 0.8% antimony, 38 metres of 2.8 g/t gold, 27 metres of 3.7 g/t gold and 0.46% antimony, 2 metres of 42.5 g/t gold and 1.0% antimony, 10 metres of 7.0 g/t gold and 5 metres of 11.2 g/t gold and 0.78% antimony.

Victorian Goldfields – Sunday Creek: current exploration activities

Sunday Creek is open at depth and along strike and is considered by Mawson Gold to be a high-quality exploration project with an affinity to the Fosterville Mine. The Company is currently conducting a drilling campaign focused primarily on the prospective Golden Dyke, Gladys and Apollo areas. Recent drilling has returned some compelling results including 17.7 metres at 3.7g/t gold and 0.7% antimony, including 2.2 metres at 15.8g/t gold and 3.3% antimony, as well as 2.0 metres at

19.1g/t gold equivalent and 0.3 metres at 96.5g/t gold equivalent.

In parallel, Mawson Gold is working to compile all historical mining and exploration data into a 3D model and apply large-scale, deeper-searching geophysical methods to identify large mineral systems below 40-100 meters depth.

Victorian Goldfields – Redcastle + Doctor’s Gully

In addition to the acquisition of Sunday Creek, the agreement with Nagambie also included the formation of a joint venture for the Redcastle and Doctor’s Gully projects. Under the terms of the agreement, Mawson Gold has the right to earn a joint venture interest of up to 70% in both the Redcastle and Doctor’s Gully gold properties by incurring exploration expenditures of AU\$1 million on each of the two projects over a 5-year period.

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

Doctor’s Gully is a shallow orogenic historic mining district in the Fosterville style. The Doctor’s Gully license covers a smaller area of 4 square kilometers with 21 historic gold deposits and mines. Oxide gold was mined here in modern times. It is located 13 kilometers northeast of Redcastle. Historical drilling included 7 meters of 4.1 g/t gold and 8 meters of 3.2 g/t gold.

Previous work at Redcastle and Doctor’s Gully has focused exclusively on near surface leachable gold and the project remains untested at depth. Mawson Gold will compile all historical mining and exploration data into a 3D model and seek to apply large-scale, deeper-searching geophysical methods to identify large mineral systems below 50 meters depth.

In 2021, the Company plans to drill 5,000 meters of diamond drilling at the Sunday Creek and Redcastle projects in the Victorian Goldfields.

Summary: Drilling results en masse!

Mawson Gold has a very simple strategy: drill, drill, drill! And that on several, potentially high-caliber projects that either already have a confirmed resource or have historically confirmed the existence of corresponding deposits through drilling or gold production. While in Finland a strategically important resource is owned, in Australia there is mainly the chance of a few real bull’s-eyes. With the current drilling intensity, investors can look forward to an exciting news flow in the coming weeks and months.

Exclusive interview with Michael Robert Hudson, CEO of Mawson Gold

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

Mawson Gold has been very busy in the last twelve months and has made solid progress in developing our exciting high-grade gold projects in both Finland and Australia.

In Finland we took great steps towards de-risking and expanding our 100% owned gold-cobalt Rajapalot project. We doubled our inferred resource estimate in September 2020 to 716,000oz at 2.5g/t AuEq. We undertook a 20km winter drilling program and defined four new mineralized areas that will add significant-

ly to the current 3 resource areas. Results are still flowing. Metallurgy was de-risked. Rajapalot is shaping up to be a generational gold asset and is already Europe’s 7th largest cobalt deposit!

In early 2020 we bought into three of the only nine historic Victorian shallow-orogenic epizonal goldfields, similar to both the Fosterville and Costerfield deposits. We have since drilled nearly 6,000m; conducted large geophysical surveys and flown LiDAR over all three properties that show literally tens of thousands of gold workings.

High-grade drill results at Sunday Creek have been very encouraging and validate our premise of high-grade gold mineralization continuing to depth and along strike. We believe that our drill results have defined the most prospective new gold project in Victoria during the recent Fosterville-driven gold rush.

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

In Finland we are wrapping up a large drill program at our Rajapalot project and have 76 drill holes for 19,422 m to report over the coming months, leading to an updated resource esti-

mate in the northern summer. Our aim is for this drilling to take us over 1 million ounces contained gold.

We continue to drill at our properties in Victoria and are aiming for a maiden resource estimate at Sunday Creek at the end of 2021.

We are always open to corporate activities as our projects develop further.

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

Despite the depressed market for gold in the first quarter of 2021, we remain optimistic for a positive upswing in the months ahead. The absolute quantum of monetary stimulus undertaken by governments around the world and the consequent inflation that should follow are positives for the price of gold and other precious metals.

But Mawson is recognised for its valuation creation via targeted and efficient drilling for gold which we will continue to do to create shareholder value!

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

Shares outstanding: 255.8 million
Options: 12.5 million
Warrants: 53.8 million
Fully diluted: 322.1 million

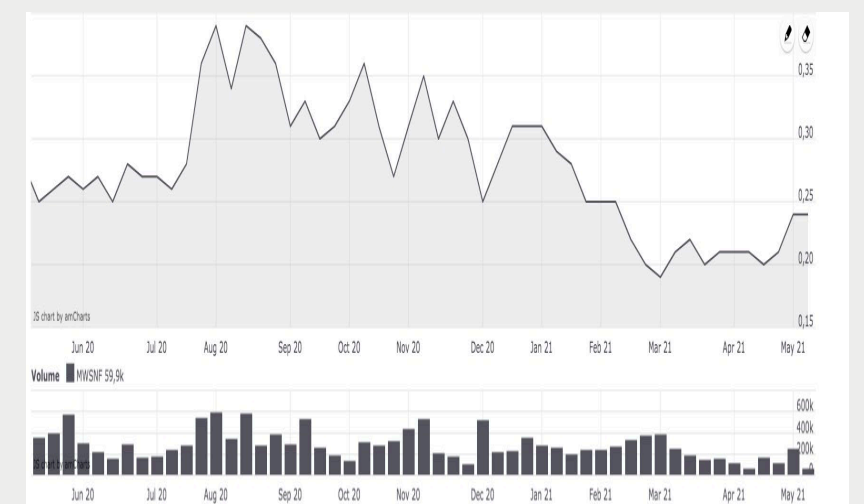
Contact:

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Vancouver, BC V6E 3V7 Canada

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info@mawsongold.com
www.mawsongold.com

Mawson Gold Ltd.



Novo Resources

Future big player in Australia's Pilbara gold stronghold



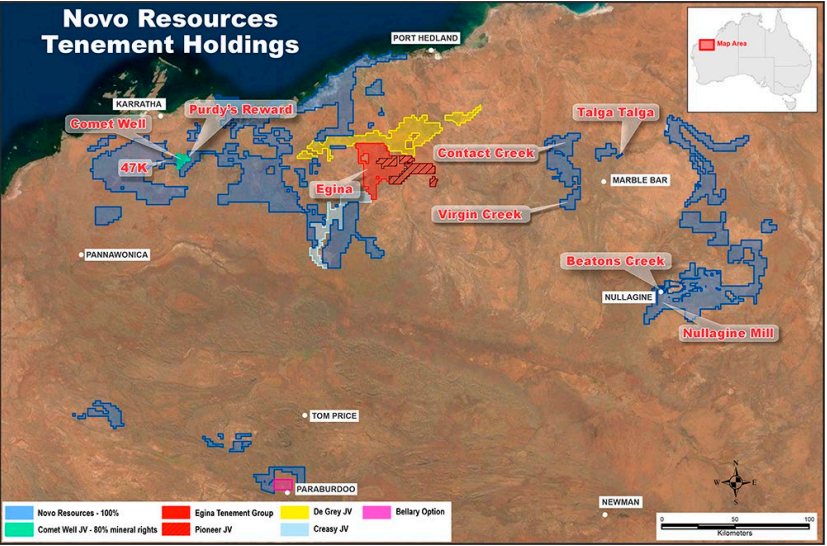
Dr. Quinton Hennigh, Chairman & President

Novo Resources is a Canadian mining company that has recently made the leap from developer to gold producer. The company owns one of the largest land packages in northwestern Australia and not only operates a mine there but is also developing several potentially high-caliber gold projects with the goal of becoming one of Western Australia's leading gold producers with an annual output of over 100,000 ounces of gold. A corresponding PEA for the Beatons Creek project, already in production, yielded a net present value (NPV) of US\$250 million after tax for a gold price of US\$1,700 per ounce. Novo Resources is led, among others, by star geologist Quinton Hennigh, who has already made several high-profile discoveries.

Projects in the Pilbara Region

Novo Resources has majority interests in several prospective projects, almost entirely within a radius of 250 kilometers southwest to southeast of the Australian port city of Port Hedland. In total, Novo Resources project areas cover over 13,000 square kilometers. Beneath the northernmost part of Western Australia lies a 600-kilometer-wide piece of ancient crust called the Pilbara Craton. Con-

Novo Resources projects in the Pilbara Region
(Source: Novo Resources)



sisting of metamorphic and igneous rocks formed over 3.1 billion years ago, the Pilbara Craton was once connected to a similarly ancient piece of crust that lies beneath South Africa called the Kapvaal Craton. Preliminary exploration work conducted by Novo Resources geologists on the Beatons Creek and Marble Bar projects found evidence that the gold-bearing conglomerates at both sites are similar to their South African counterparts. Based on these promising results, Novo entered into a joint venture with Millennium Minerals in July 2011 for three mining leases at Beatons Creek. Another joint venture was established with Creasy Group covering approximately 1,800 square kilometers within 32 exploration leases at Beatons Creek and Marble Bar.

Beatons Creek Project

This is how Novo Resources came to Beatons Creek, a gold project that hosts 457,000 ounces of gold at average grades of 2.1g/t gold in the indicated category and another 446,000 ounces of gold at average grades of 3.2g/t gold in the inferred category, with all of the indicated and 294,000 ounces of gold in the inferred resource considered open pit resources. These are located a maximum of 100 meters below surface, with an extremely low percentage of overburden. The resource is open at surface and to depth. The Company sees significant potential for resource expansion at Beatons Creek through exploration of natural continuations and down-dip components. Several extensions have already been intersected by drilling. These are part of the model but are not included in the current Beatons Creek resource. Gold-bearing conglomerate reefs also extend for an as yet undetermined strike length into the Nullagine sub-basin. These could add significant underground resources. The currently known Beatons Creek gold deposit itself, consists of a stack of several 1- to 2-meter-thick sheet-like conglomerate beds composed of siliceous boulders and boul-

ders. Gold occurs as free particles in the sand matrix between the boulders. The shallow nature of Beatons Creek and its extensive footprint allow it to be mined in several places at once. As a result, Novo Resources quickly came to the conclusion that the deposit is capable of providing a base load supply for the nearby Nullagine mill.

The coup: acquisition of Millennium Minerals and start of production

In September 2020, Novo Resources finally achieved the all-important coup: the acquisition of Millennium Minerals. For the equivalent of approximately AU\$61 million, which was realized through financing and a loan from Sprott Securities, Novo Resources secured a processing plant with an annual processing capacity of 1.88 million tons just 10 kilometers from the Beatons Creek deposit. In addition, Millennium Minerals Nullagine project and significant infrastructure including a tailings storage facility, contract power plant, administrative facilities and a 230-room camp were obtained. The Nullagine plant is a conventional gravity CIL plant (single stage jaw crusher, SAG mill, gravity circuit, leach circuit, on-site assay laboratory) that operated until the end of 2019 and produced a total of more than 500,000 ounces of gold. Assays concluded that the Nullagine plant was a near-optimal fit for Beatons Creek. The rest of the story is quite simple: Novo Resources restarted the plant and was able to pour the first gold bar from Beatons Creek rock on February 16, 2021. By the end of April 2021, Novo Resources had produced 7,375 ounces of gold during the ramp-up phase. In addition to the plant, Novo Resources was also granted access to the approximately 291 square kilometer claims located just an hour and a half drive north of the major iron ore center of Newman, which hosts, among other things, an airfield with several daily flights to Perth.

East Pilbara Projects

In addition to Beatons Creek and the consolidated Nullagine project including the Nullagine Mine, Novo Resources has a number of other gold projects in East Pilbara that are expected to form a strong pipeline to further resource Nullagine in the future. All of these projects are located a maximum of 120 kilometers from the Nullagine facility. One of these projects is called the Marble Bar Project and includes several gold targets around the town of Marble Bar. The Company is conducting systematic exploration work there on more than twenty mining, exploration and prospecting concessions. Marble Bar is characterized by several gold-bearing conglomerates within the Hardey Formation and at the base of the Roe Formation, both of which are part of the Fortescue Group, a thick sequence of ancient sedimentary and volcanic rocks. In addition to Marble Bar, Virgin Creek and Contact Creek, two more advanced prospects along several dozen kilometers of unexplored, outcropping conglomerate and unconformity horizons, are also highly prospective. Other gold targets, such as Talga Talga, have been identified within some of the oldest rocks on Earth. Greenstone was intruded by granite about 3.0 to 3.2 billion years ago, and the granite-greenstone assemblage together forms the core of the Pilbara Craton. Gold at Talga Talga is believed to have been deposited very early, probably 3.2 billion years ago, making it one of the oldest gold systems on Earth. Novo acquired the Talga Talga project in August 2015 as one of the first projects in East Pilbara after recognizing the gold potential of the extensive region.

Egina project

Another potential high-caliber prospect is the Egina Project, located in the center of the Pilbara Conglomerate Gold Province, approximately 200 kilometers northwest of Beatons Creek/Nullagine. Novo Resources quickly re-

Exclusive interview with Dr. Quinton Hennigh, Chairman & President of Novo Resources

cognized the potential of the area and staked several claims in 2017. It also acquired additional license areas through an acquisition and joint venture in 2018, including mining leases M47/560 and M47/561, covering approximately 11.8 square kilometers of key target areas.

During the 2018 exploration season, one of the previous owners focused on metal detection of nuggets within a series of trenches covering an area of approximately 500 x 200 meters. The size of the nuggets detected ranged from approximately 0.5 to 104 grams. Novo Resources then re-examined these trenches and encountered a significant number of small nuggets up to 4 millimeters in diameter. From one of several sinks alone, 664.42 grams of gold were recovered from a total of 390.2 cubic meters of gravel. This is equivalent to 1.70 grams of gold per cubic meter. Overall, the results obtained to date indicate the presence of broad gold-enriched gravel surfaces.

Novo Resources is planning an extensive drill program at Egina in 2021 within a 17 x 10-kilometer region. By the end of 2021, the Company intends to demonstrate the large-scale potential of this unique gold system.

neralization at Comet Well and near Purdy's Reward, approximately 45 kilometers south of Karratha. In 2017, the Company also secured an 80% interest in the approximately 48 square kilometer Comet Well property where local prospectors were using metal detectors to extract gold from the ground. The gold nuggets at Comet Well and Purdy's Reward are flattened with rounded edges, giving them an appearance similar to watermelon seeds. Most are coarse, +2 mm, and are not attached to quartz or other minerals. The gold is of strikingly high purity, +96%. Although major exploration work is required, Novo Resources considers the conglomerate-bound gold mineralization around Comet Well to be a significant new discovery. Using a new Steinert mechanical fine sorting unit, the company will further investigate Comet Well and Purdy's Reward.

Summary: Mega growth story on the rise

Novo Resources has secured several potentially high-caliber gold projects in northwestern Australia in recent years. Although the discovery of gold by means of metal detectors sounds a bit old school, one thing is certain: The gold deposits are very close to the surface. While the exploration of the huge, licensed areas is still in its infancy, the acquisition of Millennium Minerals was a real coup. The gold production on Beatons Creek by an operator guarantees a high positive cash flow for the coming years (all-in sustaining costs according to PEA below US\$ 1,000), which almost finances the exploration by itself. The concept also convinced star investor Eric Sprott, who not only holds 9.9% of all outstanding shares, but also secures a credit line of US\$60 million through the Sprott Lending Group. Novo Resources itself holds shares in several publicly listed companies, with a total value of well over CA\$60 million. This company has the makings of one of the hottest growth stories around!

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

The last 12 months have been a transformative year for Novo Resources. Novo's acquisition of Millenium Minerals immediately transformed the company into a near term gold producer and provided a 1.9m tpa mill to process ore from its Beatons Creek project, just 13km away. The company poured its first gold bar in Q/1 of 2021 and is ramping up production with a targeted production profile of over 100,000 oz over a 6-year mine life. To fund the acquisition Novo has raised over \$80m dollars to date and secure a credit facility of \$60m from the Sprott Lending Group. The company was also successful in uplisting its shares to the Toronto Stock Exchange.

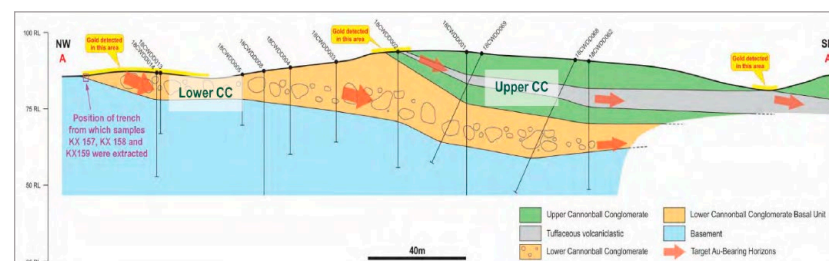
What are the most important company catalysts for the next 6 to 12 months?

The main driver for Novo in 2021 will be ramping up in production. Work to define additional tonnage currently outside of the existing

resource base will also be a key driver. Novo will also be undertaking bulk excavation and field mechanical sorting tests utilizing its new Steinert fine mechanical sorting unit at Comet Well and the adjoining 100-per-cent-controlled Purdy's Reward property, both of which comprise the Karratha gold project.

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

Precious metal prices will be driven by growing inflation and the financial uncertainties being experienced in the world today. Future market growth in jewellery and industrial applications will provide ample opportunities for increased precious metals prices. Stimulus programs have devalued paper money which in turn has made precious metals more appealing to investors.



Unlocking the Greater Pilbara - Karratha:
Two shallow gold-bearing conglomerates at
Purdy's Reward-Comet Well are suitable for
shallow open pit extraction
(Source: Novo Resources)

Karratha

Another huge license area is held by Novo Resources in the extended western part of Pilbara, southwest to southeast of the town of Karratha. There, more than 7,600 square kilometers have been secured directly or through joint ventures. Aggressive staking was undertaken following the discovery of a new occurrence of conglomerate-bearing gold mi-

ISIN: CA67010B1022
WKN: A1JG38
FRA: 1NO
TSX: NVO

Shares outstanding: 231.6 million
Options: 15.1 million
Warrants: 19.5 million
Fully diluted: 266.2 million

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Novo Resources Corp.





Invest with the commodity professionals

You do not have to be a stock market professional to make wise investment decisions. Invest together with Swiss Resource Capital AG and Asset Management Switzerland AG in the mega-trend commodities. Since 05.03.2020 the experts' specialist knowledge has been available as a Wikifolio certificate:

SRC Mining & Special Situations Zertifikat
ISIN: DE000LS9PQA9
WKN: LS9PQA
Currency: CHF/ Euro*
Certificate fee: 0.95 % p.a.
Performance fee: 15 % p.a.

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

Currently the following titles are represented in the SRC Mining & Special Situations Certificate (5/2021): ENDEAVOUR SILVER CORP. | MAPLE GOLD MINES LTD | FREE MCMORAN COP | COPPER MOUNTAIN MINING CORP. | MAG SILVER CORP. | SKEENA RES LTD NEW | URANIUM ENERGY CORP. | FRANCO NEVADA | SIBANYE STILLWATER LTD. | RIO TINTO | R.DUTCH SHELL B | AGNICO EAGLE | BHP BILLITON | ISOENERGY LTD. O.N. | FIORE GOLD LTD | ANGLO AMERICAN | VIZSLA SILVER CORP. | OSISKO GOLD ROYALT. | KARORA RES INC. | OCEANAGOLD CORP. | TOTAL FINA ELF S A B E O 10 | MILLENN.LITHIUM CORP. | KUYA SILVER CORP. | CHEVRON | TRILLIUM GOLD MINES INC. | CALEDONIA MINING O.N. | ENWAVE | GOLDMINING INC. | CANADA NICKEL CO. INC. | FURY GOLD MINES LTD. | NEWMONT CORP. DL 1,60 | AURANIA RES CAD R.S. | KORE MINING LTD. | BLUESTONE RESOURCES | VICTORIA GOLD CORP. | GOLD TERRA RESOURCES | HANNAN METALS LTD | BARRICK GOLD CORP. | ADVENTUS MNG CORP. | MAWSON GOLD LTD | OSISKO METALS INC. O.N.



OceanaGold From 300,000 to 500,000 ounces of gold production in three years

OceanaGold is an Australian mid-tier gold producer with several operating mines in the USA, New Zealand and the Philippines. The company is currently in a transformation phase from largely surface production to underground mining. Along with this, the company plans to increase its annual production from around 300,000 ounces of gold in 2020 to well over 500,000 ounces of gold by 2024. This is also expected to push all-in sustaining costs towards the target of US\$1,000 per ounce. An early restart of the Didipio mine in the Philippines could provide an additional boost to the share price.

Haile Gold Mine – Location and Infrastructure

One of the two largest gold mines is called Haile and is located in the US state of South Carolina. The first gold discovery at this site in 1827 established a rich history of producing significant amounts of gold in this region. OceanaGold acquired the Haile gold mine from Romarco Minerals in late 2015. Since pouring the first gold from the modern Haile Gold Mine in January 2017, and reaching commercial production in October of that year, the company has mined gold from a total of four pits. The Company built a world-class CIL/flotation/ultrafine grinding process circuit and expanded surface infrastructure over the past 5 years. In 2019, investments began to streamline the processing plant and improve gold recovery. In addition, a new open pit fleet was approved and mobilized for operations, dramatically increasing the fleet size. Since OceanaGold began operating the mine, Haile has become the largest gold mine on the U.S. East Coast.

Haile Gold Mine – Mining and Resources

The Haile Gold Mine produced a total of 137,413 ounces of gold in 2020. All-in sus-

taining costs were US\$1,345 per ounce, attributable to the production constraints imposed by Covid restrictions. For example, in the fourth quarter of 2020 alone, 49,000 ounces of gold were produced at a much lower all-in sustaining cost of only US\$904 per ounce. At the end of 2020, Haile had reserves of 2.84 million ounces of gold and resources of 4.18 million ounces of gold. For 2021, the company expects to produce between 150,000 and 170,000 ounces of gold at all-in sustaining costs between US\$950 and US\$1,100 per ounce. The current mine life is approximately 12 years.

Haile Gold Mine – Exploration and Future Production

To extend mine life, OceanaGold is steadily working to expand resources and develop underground deposits. For example, the company has an underground reserve for the Horseshoe project and an underground resource for the nearby Palomino deposit. The permitting process for mining in the Horseshoe subsoil, which is scheduled to begin in 2022, is underway. Likewise, earthworks for Horseshoe development have already begun. New technologies continue to help drive value from Haile assets, including optimization studies for mine plans, mining methods, process recoveries and equipment selection. In the medium term, OceanaGold plans for Haile to increase annual gold production to over 200,000 ounces. Meanwhile, exploration work continues to identify new resource targets and the upgrade to a concurrent underground mining operation is in the final stages of engineering design and permitting.

Macraes Operations – Location and Infrastructure

The Macraes Operations are located on the South Island of New Zealand and are the largest active gold mine in the country. Since



Michael Holmes, CEO



OceanaGold is active worldwide and currently operates three gold mines.
(Source: OceanaGold)

1990, over five million ounces of gold have been produced there. The operation consists of a large surface mine, an underground mine and an adjacent processing plant, including an autoclave for pressure oxidation of the ore. Annual gold production is split approximately 75% open pit and 25% underground. The Macraes operation has celebrated several exceptional milestones including the pour of five million ounces and the pour of the 10,000th bar, both in 2019.

Macraes Operations – Production and Resources

The Macraes Operations produced a total of 144,487 ounces of gold in 2020. All-in sustaining costs were US\$1,204 per ounce, attributable to production constraints from Covid restrictions. Thus, in the fourth quarter of 2020 alone, 42,600 ounces of gold were produced at a lower all-in sustaining cost of only US\$1,140 per ounce. At the end of 2020, Macraes had reserves of 1.31 million ounces of gold and resources of 3.60 million ounces of gold.

In 2021, the Company expects to produce between 155,000 and 165,000 ounces of gold at all-in sustaining costs between US\$1,000 and US\$1,100 per ounce. The current mine life is approximately 8 years.

Macraes Operations – Exploration and Future Production

The company is currently working on the further development of the Golden Point Underground deposit. Production is scheduled to start there in the fourth quarter of 2021. For 2021, OceanaGold plans to drill a total of around 28,000 meters in order to tackle several targets at once. The management sees particularly high exploration potential in the area of the Round Hill and Tungsten projects.

Waihi Operation – Location and Infrastructure

Waihi Operation is currently OceanaGold's lowest producing gold operation, but this will change shortly. The Waihi complex is located

on the North Island of New Zealand and is an underground and open pit mining operation. Mining at Waihi has a history that spans three centuries, after gold was first discovered in the 1800s.

Waihi Operation – Promotion and Resources

Waihi mined a total of 19,775 ounces of gold in 2020. All-in sustaining costs were only US\$583 per ounce. At the end of 2020, Waihi had reserves of 0.62 million ounces of gold and resources of 1.83 (measured and indicated) and 1.40 (inferred) million ounces of gold. In 2021, the Company expects to produce between 35,000 and 45,000 ounces of gold at an all-in sustaining cost of between US\$1,350 and US\$1,450 per ounce. The current mine life is approximately 8 years.

Waihi Operation – Drastic production expansion in the coming years

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

Waihi Operation – Martha Underground

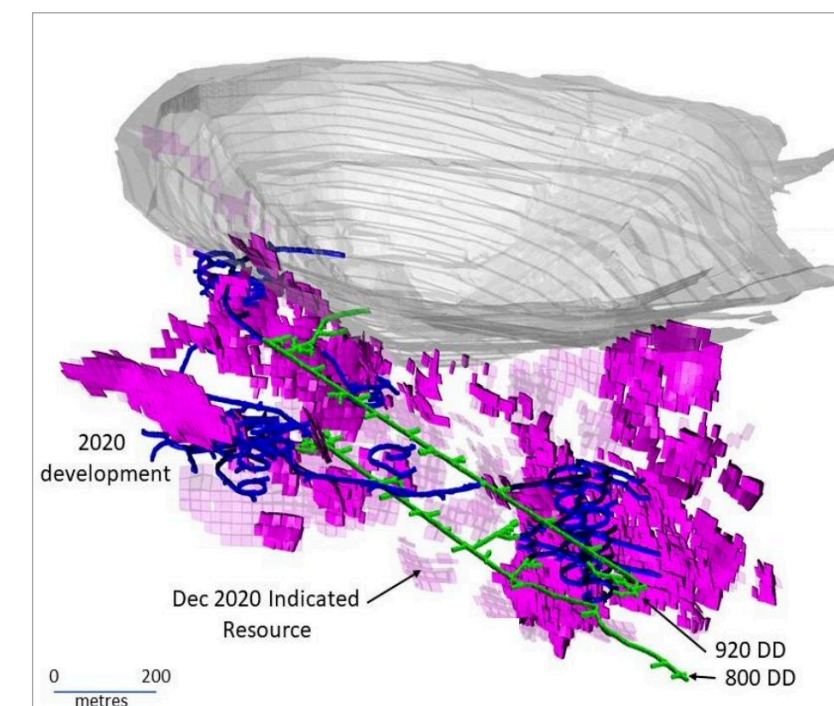
One of these is called Martha Underground and represents a recent underground production brought into production from the current Waihi Pit. Martha Underground has 620,000 ounces of gold in reserves and 1.38 million ounces of gold in resources that extend the Waihi mine life by approximately 10 years.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

source base, OceanaGold will drill a total of over 28,000 meters in the Martha Underground area in 2021.

Waihi Operation – Wharekirauponga

An even bigger production boost for Waihi is expected from the Wharekirauponga Project (WKP), located about 10 kilometers to the north. This is a high-grade underground project that has over 1.1 million ounces of gold with average grades in excess of 12g/t rock. In particular, the 2020 drill program uncovered some sensational intersections of, for example, 48.9 meters of 22.8g/t gold and 3.1 meters of 169g/t gold. Once in commercial production, WKP could bring Waihi's total production to over 300,000 ounces per year from 2023/24. Currently, the company is working on a 10,000-meter drill program. An updated resource estimate is expected to be available in mid-2021. In the second half of 2021, OceanaGold plans to publish a feasibility study for WKP.

Martha Underground has 620,000 ounces of gold in reserves and 1.38 million ounces of gold in resources that extend the Waihi mine life by approximately 10 years.
(Source: OceanaGold)



Didipio Mine

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

process of extending the FTAA is moving forward. OceanaGold could return the mine to commercial production status within 12 months. The mine can produce about 110,000 to 120,000 ounces of gold and 10,000 to 14,000 tons of copper per year.

Summary: Underground production boosts production + Didipio recommissioned as additional booster

OceanaGold has established itself as a mid-tier gold producer and is now really taking off with its new underground projects. Especially Waihi with its future satellite project WKP will play an important role. In this respect, the feasibility study planned for the second half of 2021 may be seen as one of the key catalysts of the coming weeks and months. In addition, Didipio could come back online, which would mean another 100,000 ounces per year of additional production in one fell swoop. Numerous drilling campaigns round out the exceedingly likely possibility of a reassessment of OceanaGold stock.

We continue to make investments in exploration particularly in the Waihi District and specifically Martha Underground and WKP. The latter has the potential to be a very high-grade, multi-million-ounce discovery and earlier this year, we announced the best drill hole yet: 23g/t Gold, 39 g/t Silver over 50 metres. We have limited drilling at WKP and thus, lots more exciting news ahead.

With the guidance we published earlier this year, we are showing significant production growth over the next five years along with decreasing costs and capital investments as we bring these projects online. More importantly, we see significant margin growth. What makes our plan even more exciting is that a restart of Didipio enhances the outlook significantly.

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

As you would expect, we are strong believers in the product that we mine which helps serve for a better future whether it be for retail consumer consumption, financial markets, technology, etc. Or as a responsible industry that employs so many people around the

world and generates significant socio-economic benefits for hundreds of communities, many of which are struggling economically due to the impacts related to the COVID-19 global pandemic. Mining will help be a meaningful contributor to many economies.

With the significant amount of economic stimulus that governments around the world continue to provide in response to the pandemic, we see that gold will play an important role in the financial markets for many years to come as a safe haven to fiat currencies. This will drive demand for gold and given that gold companies reduced the amount of exploration investments over the past decade, there could be supply issues as we ramp-up exploration efforts to make new discoveries. At OceanaGold, we have been steadily investing in exploration which has resulted in significant growth of our Resources across the globe.

We are really excited for our future.

Exclusive interview with Michael Holmes, CEO of OceanaGold

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

We've had an incredibly busy, successful yet challenging past year in the face of the global pandemic. Despite these challenges, we continued to advance what we believe to be one of the best organic growth stories in the gold mining industry and we secured our balance sheet to ensure the successful delivery of these growth projects on the optimal timelines. We continued to deliver operational improvements at Haile while continuing to advance the growth of the operation including permitting the Underground which represents a significant opportunity for future growth of the operation.

We continued to advance the organic growth projects in New Zealand and achieved first gold production from Martha Underground at Waihi, our newest underground operation. We continue to grow the resource base in New Zealand including WKP, our game-changing discovery only 10 kilometres north of the Waihi processing plant.

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

We are a catalyst-rich company with continued improvements to operations particularly at Haile, advancement of our robust organic growth projects across the globe.

ISIN: CA6752221037
WKN: A0MVLD
FRA: RQQ
TSX: OGC
ASX: OGC

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

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OceanaGold Corporation



Sibanye-Stillwater

One record after the next, dividend payment resumed and entry into the battery metals market



Neal Froneman, CEO

Sibanye-Stillwater is a South African gold and platinum group producer with mines in South Africa and the USA. The company was founded in 2012 but has since become South Africa's largest gold miner and is also considered one of the three largest platinum group (PGM) producers in the world. In addition to pure gold and PGM production, it also operates a PGM recycling plant and owns a majority stake in a surface residue metals recovery company. Dividend payments were reinstated following record EBITDA of US\$3 billion last year. In addition, the company completed its entry into the battery metals sector.

Rapid rise through aggressive acquisition strategy

Sibanye-Stillwater was initially incorporated as Sibanye Gold Limited in February 2013, following the spin-off by Gold Fields Limited of its South African subsidiary, which owned the Kloof, Driefontein and Beatrix gold mines. Upon completion of this transaction, the common shares and American depository receipts were listed on the JSE and NYSE accordingly. In subsequent years, Sibanye pursued an aggressive strategy of organic and acquisitive growth, including the acquisition

of Gold One International's Cooke operation in 2013 and Wits Gold's Burnstone project in 2014, to create a more sustainable gold business.

Aquarius and Rustenburg

In 2016, Sibanye Gold acquired Aquarius Platinum Limited for the equivalent of US\$269 million, securing a 50% interest in the Kroondal mine and the Platinum Mile recovery plant, both in the Rustenburg area of South Africa. It also entered into a joint venture through Mimosa with Impala Platinum in Zimbabwe. Later that year, the Rustenburg mine was acquired from Anglo American Platinum Limited for the equivalent of US\$331 million.

Rustenburg has both surface and underground production and in 2020 produced a total of 561,574 ounces of 4E PGM (equivalent to platinum, palladium, rhodium + gold) at an all-in sustaining cost of US\$1,131 per ounce. As of December 31, 2020, Rustenburg (including tailings) had 15.4 million ounces of 4E PGM in mineral reserves and 83 million ounces of 4E PGM in mineral resources. The mine life extends beyond 2050.



Rustenburg
(Quelle: Sibanye-Stillwater)

Kroondal is an underground mine, is 50% owned by Sibanye-Stillwater and produced a total of 196,847 ounces (Sibanye's share) of 4E PGM in 2020 at an all-in sustaining cost of US\$821 per ounce. On a 50% attributable basis, Kroondal had 1.10 million ounces of 4E PGM and 4.2 million ounces of 4E PGM of mineral resources as of December 31, 2020. The mine life extends to approximately 2030.

Platinum Mile is a tailings processing facility located on the Rustenburg lease near Kroondal. The plant recovers PGMs from Rustenburg. Sibanye-Stillwater holds a 91% interest in the plant. In 2020, Platinum Mile recovered 38,841 ounces of 4E PGM at an all-in sustaining cost of US\$678 per ounce.

Mimosa is an underground mine, is 50% owned by Sibanye-Stillwater and produced a total of 122,770 ounces (Sibanye's share) of 4E PGM in 2020 at an all-in sustaining cost of US\$874 per ounce. On a 50% attributable basis, Mimosa had 1.5 million ounces of 4E PGM and 6.2 million ounces of 4E PGM of mineral resources as of December 31, 2020. The mine life extends to 2032 but can be extended through further development and expansion.

Stillwater Mine + Recycling

Also in 2016, Sibanye made a formal US\$2.2 billion offer to acquire Stillwater Mining Company in the United States. The Stillwater transaction, which represented the largest PGM transaction globally in more than a decade, was completed in May 2017, following which the name was changed to Sibanye-Stillwater and accordingly began trading as Sibanye-Stillwater.

The Stillwater Mining Complex consists of the Stillwater and East Boulder mines, which have both surface and underground production and produced a total of 603,067 ounces of 2E PGM (equivalent to platinum and palladium)

in 2020 at an all-in sustaining cost of US\$874 per ounce. As of December 31, 2020, U.S. PGM operations had 26.9 million ounces of proven and probable 2E PGM mineral reserves and 88.6 million ounces of 2E PGM mineral resources. Stillwater has a current mine life to 2046 and East Boulder to 2060, with the adjacent Blitz project coming into closer focus in the future.

Sibanye-Stillwater also owns and operates a smelter and base metal refinery in Columbus, between the Stillwater mine and the town of Billings, Montana. The Columbus Metallurgical Complex is one of the world's largest producers of PGMs from recycled automotive exhaust catalysts. A 2E PGM-rich filter cake is produced there, which is further refined into palladium and platinum group metals by a precious metals refinery. In 2020, the Columbus Metallurgical Complex processed a total of 840,000 ounces of 3E PGM from recycled catalytic converters.

Marikana

In June 2019, the Company acquired the entire share capital of Lonmin Plc. Lonmin's assets include the Marikana PGM mining operation and associated processing, smelter, base metal refinery and precious metal refinery in South Africa. The completion of this acquisition in 2019 represented the culmination of the company's proprietary „mine to market“ strategy for PGM in South Africa and definitively catapulted Sibanye-Stillwater into the ranks of the world's largest PGM producers.

Marikana has both surface and underground production and in 2020 produced a total of 656,475 ounces of 4E PGM at an all-in sustaining cost of US\$1,205 per ounce. As of December 31, 2020, Marikana (including tailings) had 21.5 million ounces of 4E PGM in mineral reserves and 124.4 million ounces of 4E PGM in mineral resources. The mine life currently extends to 2034.

Majority interest in DRDGOLD

In 2018, Sibanye entered into an agreement with DRDGOLD to establish an industry-leading partnership for the processing of open pit tailings. DRDGOLD Limited is a South African gold producer and specialist in recovering the metal from surface tailings reprocessing. The company is listed on the New York and Johannesburg stock exchanges. After initially securing a 38.5% stake in DRDGOLD, the company was able to increase this to 50.1% in 2020, effectively bringing DRDGOLD under its own control.

Acquisition of SFA Oxford and partnership with Johnson Matthey

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

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

Entry at Keliber

In February 2021, Sibanye-Stillwater made its first real move into the battery metals sector with an investment in Keliber Oy. Keliber owns the eponymous Keliber lithium project in the Kaustinen region of Finland, one of the most important lithium-bearing areas in Europe. Sibanye-Stillwater intends to develop the project into the first vertically integrated lithi-

um producer in Europe. Based on a feasibility study completed in 2019 and upgraded in 2020, Keliber currently has 9.3 million tons of ore reserves sufficient to operate for more than 13 years. Projected annual production is 15,000 tons of battery-grade lithium hydroxide. Production is expected to begin in 2024. Sibanye-Stillwater will invest EUR30 million in Keliber in an initial phase, giving it an equity stake of approximately 30%. This financing, together with the combination of Sibanye-Stillwater's extensive mining expertise, which will complement the skills and local knowledge of Keliber's experienced team, will ensure the continued progress of the project to a construction-ready stage.

Summary: EBITDA drastically increased, dividend payment restarted and off to the battery metal sector

Sibanye-Stillwater has undergone an amazing development since its foundation in 2012. From a relatively manageable Gold Fields spin-off to an almost over-indebted gold player to a leading gold and PGM producer with record EBITDA. So, in just 6 years they have built a veritable precious metals empire that has not only become one of the largest precious metals producers but is also big in PGM recycling and tailings processing. This management has really done everything right and can now finally reap the well-deserved profits for its patient shareholders. Sibanye-Stillwater is currently considered probably the best positioned precious metals major in the world and is now looking to gain a foothold in the upcoming boom sector of battery metals. We would not be surprised if this succeeds as well. However, shareholders should initially like the relatively lavish dividend (most recently US\$0.222 per individual share).

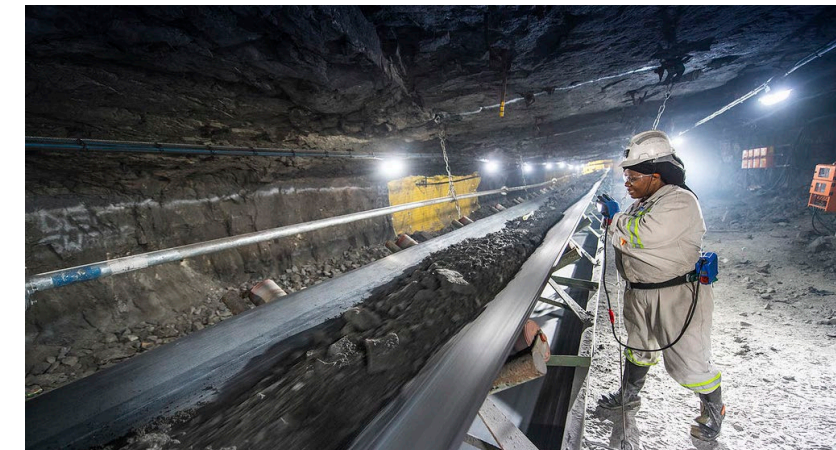
Exclusive interview with Neal Froneman, CEO of Sibanye-Stillwater

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

During the past 12 months, Sibanye-Stillwater has achieved numerous strategic milestones.

- ESG excellence – embedding ESG excellence is central to our company strategy. We made significant social and economic contributions to all our stakeholders during the COVID-19 pandemic. These included contributions to SA relief funds, financial support for non-working employees, support for local small businesses, social relief donations to doorstep communities and local municipalities and government, assisting local schools with sanitisation and education programmes. Sibanye-Stillwater paid royalties and taxes of R7.1bn in 2020, increased from R2.3bn in 2019. We also announced the Marikana renewal and restitution program to create a better future for all. We announced a goal of carbon neutrality by 2040. We enhanced our ESG credentials including being admitted as an ICMM member in Feb 2020.
- In terms of our inclusive values-based culture our organisational structure is transitioning. We are committed to gender equality with our Group CEO championing „Women in Mining“ at the South African Minerals Council. We have also used COVID-19 as an opportunity to accelerate organisational change such as remote working from home with the small office home office concept (SOHO) and delivered a new leadership architecture for further strategic delivery including the appointment of a Chief Operating Officer (COO)
- We have resiliently overcome the new challenges that came with COVID-19 re-

sulting in strong operational performance which was supported by favourable commodity prices. We achieved record combined earnings from our gold and PGM operations – and have regressed to net cash levels of R3.1 bn (US\$210m) at the end of 2020 from a gearing level of 1.25 times Net/Debt/EBITDA at the end of 2019. Our free cashflow increased from R318 million (US\$22m) for the year ending 2019 to R19.9bn (\$1.2bn) for the year ending 2020, enabling us to re-initiate our dividend policy and declare R10.7bn (US\$729m) of dividends and pay an industry leading dividend.



Rustenburg

(Source: Sibanye-Stillwater)

- We announced a material 40% increase in SA PGM reserves with significant extension of mine lives and ensuring sustainable value for all stakeholders. Several new projects were announced in South Africa with a significant capital investment of R6.9bn (US\$460m). In the SA PGM operations this included the K4 project at Marikana and the Klipfontein project at Kroondal and at the gold operations, the Burnstone Gold Project was also announced. These projects combined will add considerable value to investors in Sibanye-Stillwater and benefits

to all stakeholders including the local communities will be significant including the creation of approximately 7000 jobs.

- We made our entry into battery metals, after doing two years of research into the space, by acquiring a 30% stake in an advanced Lithium hydroxide project in Finland. More recently Sibanye-Stillwater and Johnson Matthey formed a strategic partnership to secure critical metals and accelerate new technologies for a low carbon future including the impending hydrogen economy.



(Source: Sibanye-Stillwater)

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

- The strong PGM basket prices have continued into Q1 2021 and are materially higher than for 2020. Given the ongoing tightness in the global market for PGM's, strong prices seem likely for the remainder of 2021. As all our operations are now at 100% of production post the 2020 COVID-19 impacted year, we are forecasting materially higher production levels in 2021 compared to 2020 of between 11-14% at US PGM's, 9-15% at SA PGM's and 9-17% at SA gold operations. This should lead to materially higher earnings, cashflow and dividends and a re-rating in

the equity price. Analysts' numbers are starting to ratchet higher, and this should provide an impetus to the share price.

- In H2 2020 we conducted a review, replanning and project optimization at the Blitz Project (Stillwater East) and we are confident that a run rate of approximately 300,000 2Eoz will be achieved in 2024. As highlighted above, we are forecasting a meaningful increase in production in 2021 at lower AISC compared to 2020.
- The implementation of new development plans, initially at Klipfontein and later in the year at the K4 project and at Burnstone will provide the market with further evidence that we are investing for sustainable value as these projects are all high return organic projects.
- In our recent results presentation, we released a four-year outlook for SA Gold, SA PGM's and US PGM's. We intend to follow this up with capital markets days detailing the business plan and strategy for each of these in H1 2021.
- In our recent results in February 2021, we announced our intention to be carbon neutral by 2040. In the coming months we will lay out our pathway to getting there.
- M&A – we recently concluded the first leg off our battery metals strategy, and we intend advancing this during the course of 2021. We have also made it clear we would like to grow our gold business internationally, but this will only occur if it is accretive to our shareholders.
- The short- and medium-term fundamental outlook for PGM's are robust and supports the increasing social and regulatory drive for a cleaner environment. Aspirational climate change targets globally have raised investor interest in the hydrogen economy which will be supportive of PGM's, in particular platinum, iridium and

ruthenium and we will be communicating our view on this during the course of the year as we complete the necessary work.

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

Rhodium, gold, platinum, palladium

- Rhodium – We forecast a small deficit in 2021 but increasing to almost 200koz in the next 5 years with tightening emissions regulations and declining South African production.
- Gold could drift lower in the short term as the COVID-19 vaccination program rolls out and real rates remain low. However, we see the unprecedented stimulus in recent months as likely to underpin gold longer term.
- Platinum surplus is forecast to decline from around 1Moz in 2021 to a deficit of around 1.5Moz by 2025 due to increased auto catalyst demand largely due to subs-



(Source: Sibanye-Stillwater)

titution of palladium in gasoline auto catalyst and as primary supply falls from South Africa.

- Palladium deficit is likely to widen again in 2021 to around 900Koz as demand recovers and then decline and move into a small surplus by 2024 due to rising primary supply in North America and Russia and increased substitution by platinum as highlighted above.

ISIN: ZAE000259701
WKN: A2PWWQ
FRA: 47V
JSE: SSW
NYSE: SBSW

Shares outstanding: 2,925.0 million
 Incentives: 61.7 million
 Fully diluted: 2,986.7 million

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Sibanye-Stillwater



Velocity Minerals

Strong Projects and Strong Partners in the Middle of Europe



Keith Henderson, CEO

Velocity Minerals is a Canadian mining development company focused on the rapid development of multiple gold deposits in Bulgaria. Velocity Minerals' strategy here is to develop a low-cost „hub and spoke“ development model in which multiple gold projects produce gold concentrates that are trucked to a central processing plant for the production of doré gold bars. All four current projects are located in southeastern Bulgaria and allow for low-cost surface mining. In addition, the Company has a domestic partner that has a modern processing plant.

Exploration and mining alliance with Bulgarian partner

Velocity Minerals was able to enter into an exploration and mining alliance with Gorubso Kardzhali A.D., an established Bulgarian exploration and mining partner, in February 2018. This alliance covers all of Gorubso's and Velocity's existing and future projects in an area of 10,400 square kilometers encompassing the prospective Eastern Rhodope gold mining district in southeastern Bulgaria.

Associated with this is access to an operating CIL plant. This centralized gold processing plant, which is the only one of its kind in all of Bulgaria, will be available to all projects within the Exploration and Mining Alliance area in the future to process all mined material as required. Securing the use of the processing plant provides Velocity Minerals with several, important site benefits at once, including shortened permitting timelines as the processing plant is already permitted and operating, a reduction in overall capital costs, sufficient capacity to process concentrate from the flagship Rozino project, and the ability to create additional processing capacity for the potential future development of additional projects in the region.

Rozino flagship project – ownership, location and resource.

Velocity Minerals flagship project is called Rozino and is located within the Tintyava prospecting and exploration license owned by Tintyava Exploration AD, in which Velocity holds a 70% interest. Bulgarian partner Gorubso holds the remaining 30% interest. The Rozino project is located in the Ivaylovgrad municipality in southeastern Bulgaria, approximately 350 kilometers east-southeast of the capital Sofia and 85 kilometers east-southeast of the central processing plant. The project is located in the midst of a very well-developed infrastructure. As of April 2020, Rozino had a reserve of 11.8 million tonnes of rock averaging 1.22g/t gold, representing a total of 465,000 ounces of gold. The cut-off grade for this is 0.5g/t gold. The indicated resource base at the same cut-off grade of 0.5g/t gold totals 471,000 ounces of gold, and for a cut-off grade of 0.2g/t gold, 630,000 ounces of gold.

Rozino flagship project – pre-feasibility study

In August 2020, Velocity Minerals released a Prefeasibility Study (PFS) for the Rozino Project. This certified an economic open pit operation with gold recovery through a combination of on-site concentration in a flotation plant and further off-site processing at partner Gorubso's existing operating processing plant. Specifically, crushing, grinding and simple flotation will be carried out directly on the project site to produce a gold concentrate grading between 15 and 40 g/t. This will then be trucked to the Kardzhali processing plant where gold doré will be produced. The PFS, based on a gold price of US\$1,500, calculated an after-tax NPV (discounted at 5%) of US\$123 million and an after-tax IRR of a very healthy 27.4%. All-in sustaining costs were estimated at just US\$755 per gold ounce, which would make Rozino one of the lowest cost producing mines anywhere. Initial

capital costs were reported at US\$87.1 million. The surface operation would thus produce about 59,400 ounces of gold per year for about 6 years.

For a higher gold price of US\$1,875, this results in a correspondingly higher NPV of US\$218 million and an improved IRR of 41.4%.

Rozino Flagship Project – Exploration Potential

In addition to the already known resource, Rozino has additional resource potential. There are several targets within 2-4 kilometers of the planned Rozino processing plant. Recent drill success proximal and underlying the Rozino gold deposit has highlighted the potential for basement rocks to host significant gold mineralization. Additional drilling is ongoing and aims to identify additional resources to ultimately be included in a feasibility study.

Tests for near-surface deposits hold potential for open pit mining and transportation of related material to the processing plant at Rozino.

Iglik Gold/Copper Project

In February 2021, Velocity exercised its option agreement to earn a 100% interest in the Iglika gold-copper project. Iglika covers approximately 105 square kilometers and is located 170 kilometers east of the Central Processing Plant. Iglika is an underexplored property but located in a highly prospective precious and base metal mineral belt with the potential for epithermal gold and porphyry copper deposits. In 2020, the Company completed a comprehensive sampling, geophysical and mapping program on the eastern portion of the project. The program identified excellent gold-in-soil anomalies, returned rock sampling assays up to 56.76 g/t gold (April 2021), and identified several high-priority drill targets. The Company will complete a similar comprehensive exploration program at the western portion of the property. The

Company has several drill-ready targets and plans to drill Iglika in the near future.

Obichnik Gold/Silver Project

Velocity entered into an option agreement with Bulgarian partner Gorubso in June 2019 to acquire a 70% interest in the Momchil property, which includes the Obichnik gold project. Obichnik is located only about 25 kilometers from the central processing plant at Kardzhali and has near-surface epithermal gold deposit potential.

Obichnik drilling activities took place mainly in the two target areas Durusu and Premka. Premka was discovered in 2020 and high-grade gold and silver were detected. Among others, 6 meters of 15.8g/t gold and 76.72g/t silver including 2 meters of 37.98g/t gold and 165.50g/t silver were encountered.

At Durusu, assays included 30.9 metres at 5.35g/t gold including 16.9 metres at 8.88g/t gold, 39.9 metres at 2.07g/t gold including 15.3 metres at 4.81g/t gold, 13.7 metres at 9.47g/t gold including 9.6 metres at 14g/t gold, and 58.1 metres at 1.44g/t gold including 8.5 metres at 2.88g/t gold. Velocity Minerals subsequently released an initial resource for Durusu in March 2021. This indicates that the project has 4.4 million tonnes of rock averaging 1.1g/t gold for a total of 156,000 ounces of gold (cut-off grade 0.3g/t gold). 80% of these resources are located at a depth of less than 120 meters. The deposit remains open for expansion. Following the release of the initial mineral resource estimate, subsequent drill results have returned a best intercept of 15.8 meters at 1.06 g/t gold from 42.6 meters.

Makedontsi Gold Project

Velocity Minerals entered into an option agreement with Bulgarian partner Gorubso in May 2019 to acquire a 70% interest in the Nadezhda property, which comprises the Makedontsi Gold Project. The property, located

only about 10 kilometers from the central processing plant, has a history of successfully completing several holes. Among others, one of the previous owners encountered 42 meters of 1.18g/t gold and 28 meters of 1.45g/t gold. Velocity Minerals drilled 34 meters at 0.94 g/t gold and 16 meters at 0.99 g/t gold in 2021, among other holes.

Upcoming catalysts

The year 2021 will be dominated by drilling at Velocity Minerals. The company plans to drill up to 50,000 meters on its Bulgarian projects. Multiple drill rigs are running across multiple projects, which are expected to find and expand significant resources, especially at Rozino, Obichnik and Makedontsi. At Iglika, the company is looking forward to starting drill testing.

Strong shareholders

Velocity Minerals has two extremely strong shareholders in Artemis Gold and Dundee Precious Metals, who together have invested close to CA\$20 million in Velocity Minerals since March 2019. Artemis Gold currently holds 32.2% of all outstanding shares, while Dundee Precious Metals holds 8.5%. Another

18.1% is held by management, and 12.5% is held by a high-net-worth investor. Only 28.7% are free float.

Summary: High development and upside potential

Velocity Minerals and Gorubso form a perfect symbiosis. While Gorubso owns a running processing plant, Velocity Minerals takes care of the development of the gold projects in order to be able to exploit them in the future cost-effectively and without large capital expenditure by means of open pit mining. With an initial production of just under 60,000 ounces, the company would already be well positioned, but through the development of the total of 4 projects, which all have a high potential for (further) resources, the company could also advance into the range of 200,000 ounces of annual production and more in the foreseeable future. A takeover by one of the two major shareholders Artemis Gold or Dundee Precious Metals, which already have relevant experience with the Hub&Spoke strategy or successfully operate a mine in Bulgaria, would also be conceivable. All in all, Velocity Minerals is very well positioned and should be able to cause a sensation with a continuous newsflow in 2021.

they have more than 15 years experience operating in Bulgaria.

At Rozino we published the Prefeasibility Study in August 2020, returning an after-tax IRR of 27.4%, and we recently announced the discovery of additional mineralization. This new gold mineralization is located immediately below the deposit and is not included in the current resource estimate.

Over the last year we completed approximately 25,000m of drilling at Rozino and at other gold projects in our exploration pipeline. For this year we have further expanded our planned drill programs with the objective of defining additional gold resources. Its important to maintain a pipeline of projects so at projects like Iglika, where we now own 100% of the project, we have completed very extensive geochemical and geophysical exploration which has returned positive results. We aim to begin drill testing in Q2 and look forward to this exploration project advancing quickly.

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

Velocity continues to aggressively drill in the Rozino area, aiming to define additional resources within trucking distance of infrastructure planned to be built at Rozino. Any such additional ounces will have the potential to be low capital additions to the Rozino project and to be incorporated into feasibility-level studies. Growth is the main goal at our other projects where we hope to define new resources to build out our 'Hub & Spoke' model. To that end we have already announced a new resource estimate at the Obichnik project this year.

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

We are a gold exploration company, and we remain bullish on gold. The Rozino prefeasibility returned robust economics assuming a gold price of US\$1,500/ounce. The gold price has been substantially greater than that since we published the prefeasibility report, and we hope that will continue to be the case as we advance the project.

Exclusive interview with Keith Henderson, CEO of Velocity Minerals

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

Velocity's strategy is to develop a 'Hub & Spoke' operation which envisions open pit mining of satellite deposits and processing in a central plant. Through our Bulgarian operating partner, we have access to an existing plant which has the potential to produce up to 200,000 ounces of gold per year.

The past 12 months have been our most productive to date. Milestones reached include publication of a positive Prefeasibility Study for the Rozino deposit, an initial mineral resource estimate at the Obichnik project, exercise of our option at Iglika to acquire a 100% interest, and we secured Dundee Precious Metals as a new 9.99% corporate investor. Dundee are our neighbours in Bulgaria, operating the Ada Tepe mine 40km to the west of Rozino and

ISIN: CA92258F3007
WKN: A1437B
FRA: VMSP
TSX-V: VLC

Shares outstanding: 157.6 million
Options: 6.7 million
Warrants: 19.1 million
Fully diluted: 183.5 million

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