

FINELY CRAFTED INVESTMENTS



Amati
Global Investors

WS Amati Strategic Metals Fund
13 June 2024



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Why launch a strategic metals fund?

‘Because you can’t lick rocks and kick tyres from a Bloomberg screen’

- **Only fund of its type and investment style in the UK**
 - A concentrated portfolio investment into development risk in the small and mid cap resource space
 - Invest in exploration, development and producing metal mines
 - Actively managed, bottom up with technical and financial analysis
- **If you can’t grow it, it has to be mined**
 - Decarbonisation of global energy supply and renewable energy creation has MASSIVE metal demand
 - Industry supply response inadequate, leading to higher metal prices for longer
 - Metal demand will create capitalization events in exploration and development
 - M&A in mid cap and large cap space will benefit our fund
- **Global political risk and record debt levels has to be paid for in some shape or form**
 - Precious metal investment bookend to the fund provides optionality
- **Investment Opportunities**
 - Technical expertise in natural resources allows the fund managers to appraise exciting investments



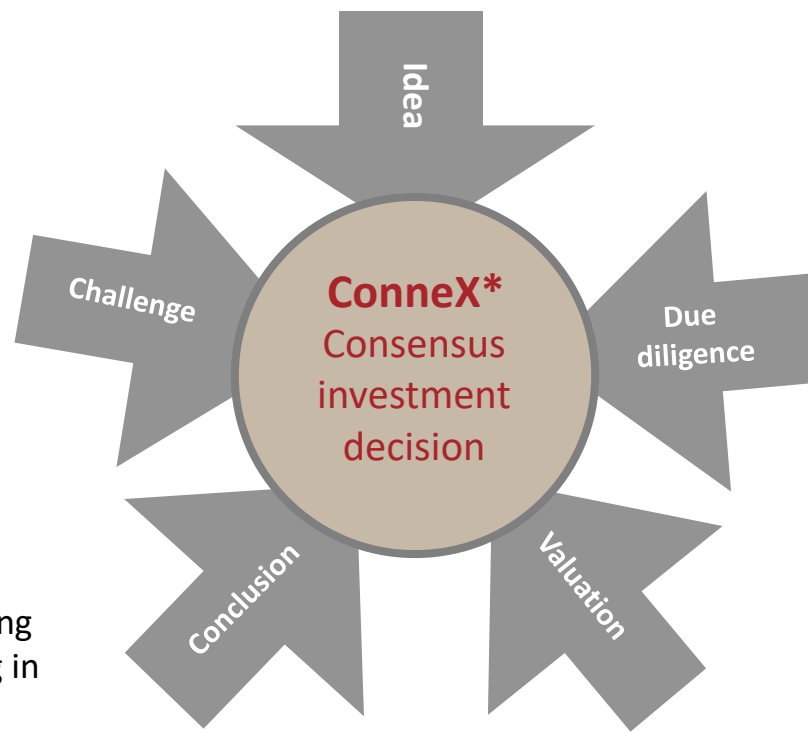
Experienced Team - Dual Expertise

Strong technical & industry knowledge combined with proven capital markets experience



Georges Lequime
Fund Manager
 BSc (Eng) Mining
 Mining Engineer

30 years of experience in fund management and investment banking
 4 years of experience in gold mining in South Africa
 Precious and industrial metal sector focus

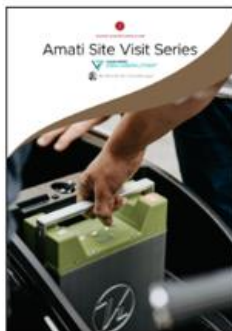


Mark Smith
Fund Manager
 BSc (Hons) Geology
 MSc (Mineral Project Appraisal)

22 years of experience in investment banking and company valuations
 5 years of experience in gold exploration in West and East Africa



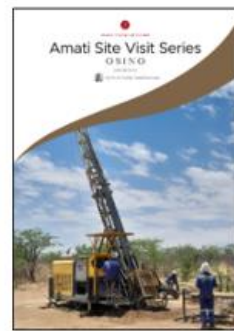
It is about boots on the ground and geology 101



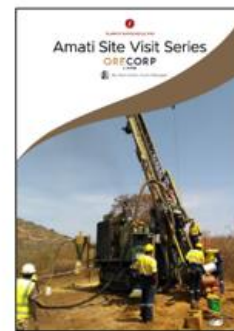
Amati Site Visit Series 1:
Vulcan Energy



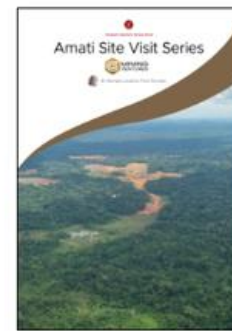
Amati Site Visit Series 2: I-80
Gold Corp



Amati Site Visit Series 3: Osino
Resources



Amati Site Visit Series 4:
OreCorp



Amati Site Visit Series 5:
G Mining Ventures



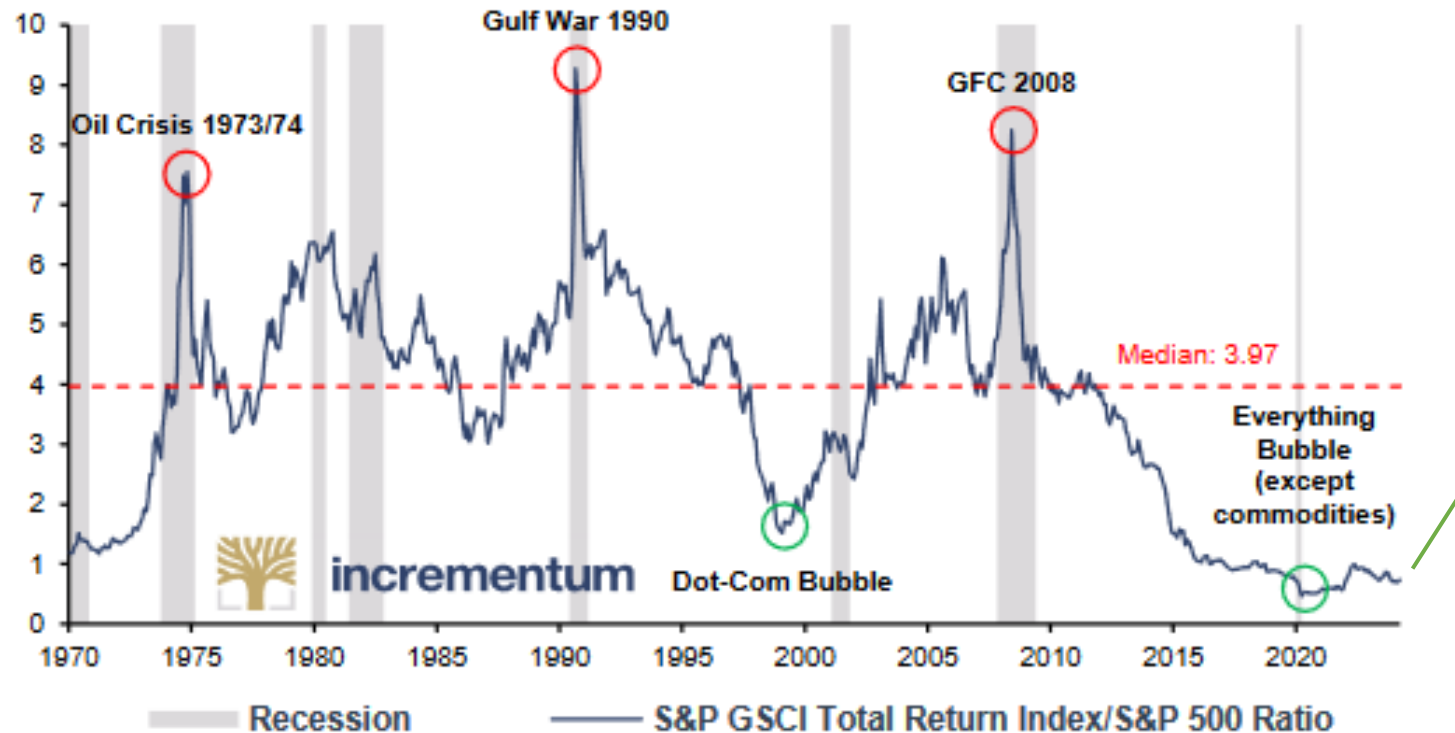
Amati Site Visit Series 6:
Reunion & G2 Goldfields,
Guyana

Market Outlook

→ Source: Incrementum

Commodities undervalued vs. S&P 500

S&P GSCI Total Return Index/S&P 500 Ratio, 01/1971–04/2024

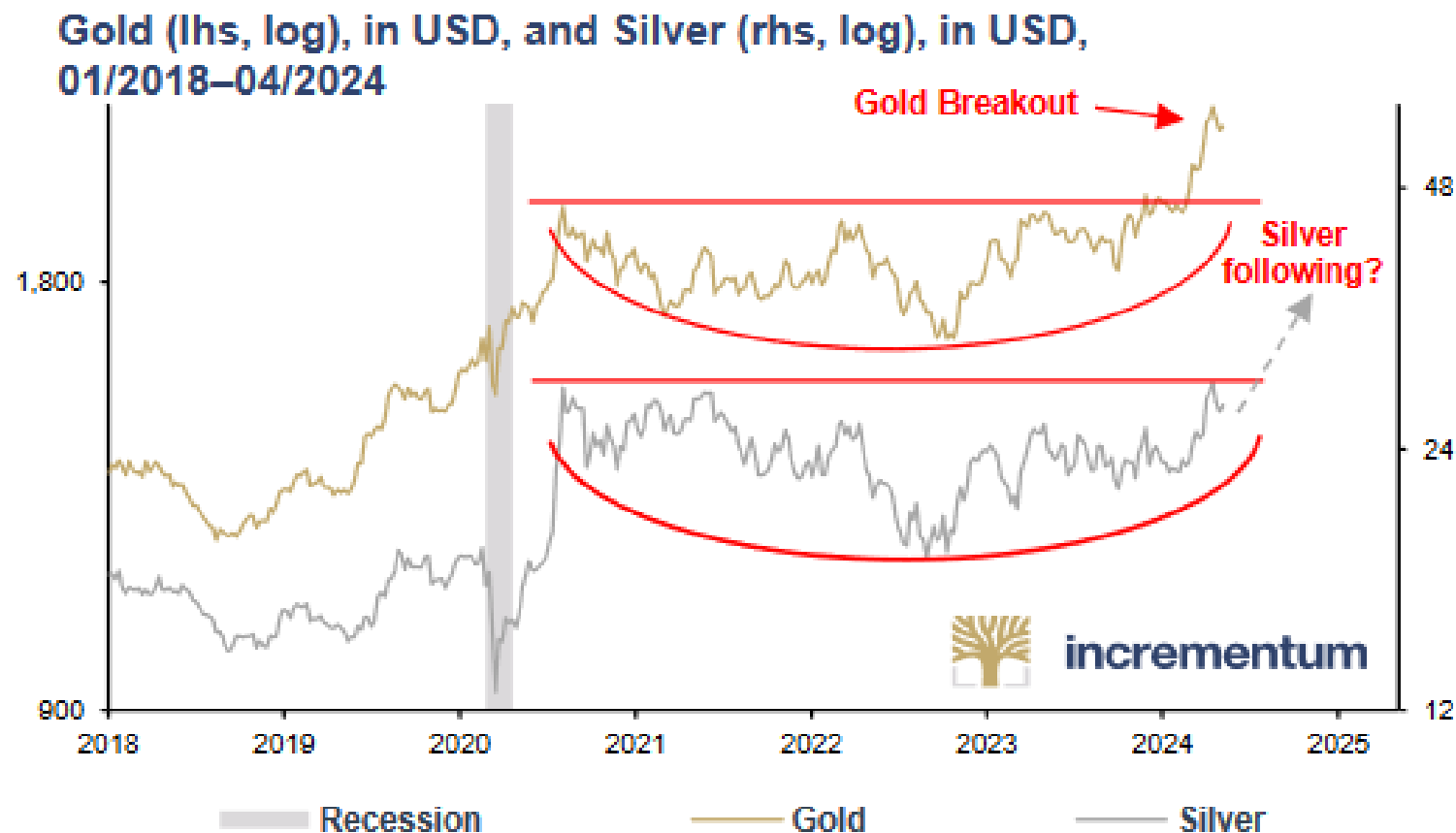


- Decarbonisation
- EV adoption
- Grid Infrastructure spend:
AI/Charging
- De-dollarisation and safe haven appeal

Gold and silver prices

Breaking new highs after 3 years' consolidation

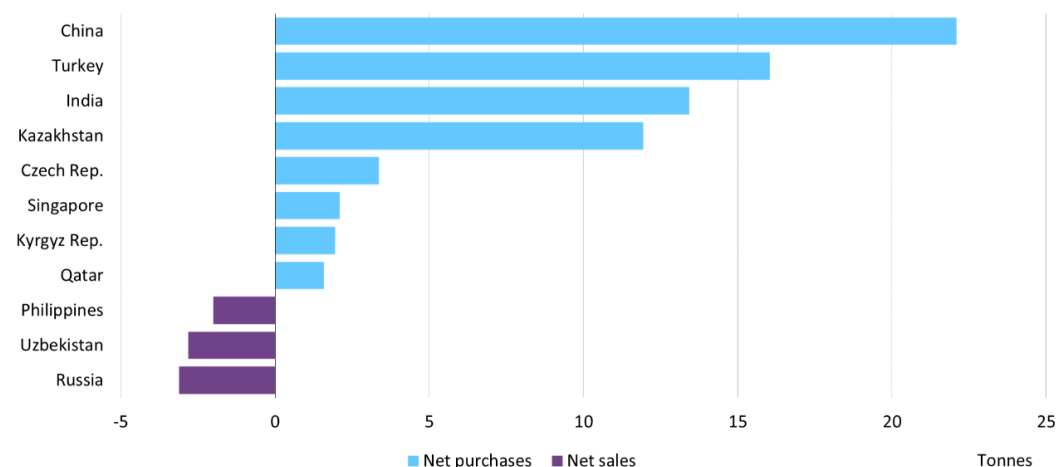
→ Source: Incrementum



Chinese appetite for gold driving the price

Central bank purchases comfortably outweigh sales y-t-d

Individual central bank net purchases/sales in tonnes*

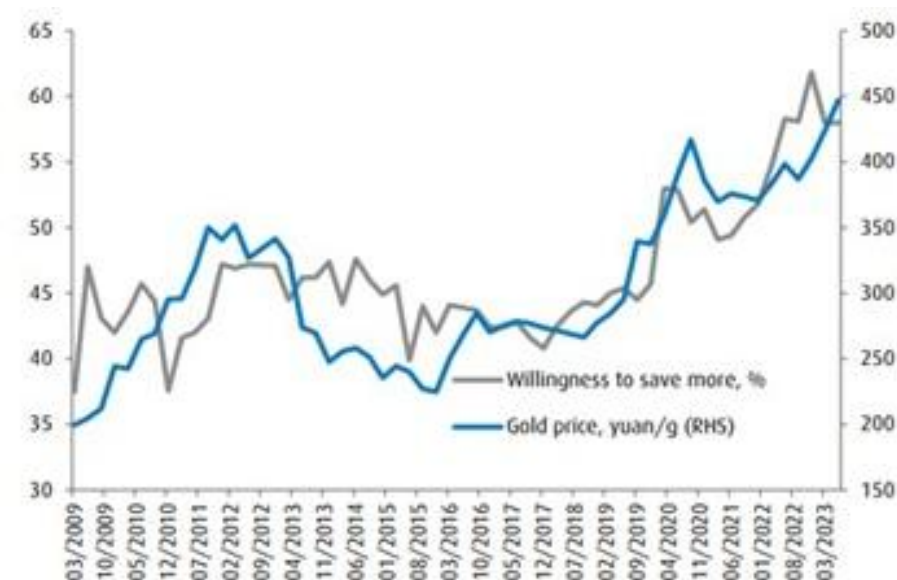


*Data to February 2024 where available.

Source: IMF IFS, respective central banks, World Gold Council

When Chinese households are looking to save rather than invest, the gold price benefits

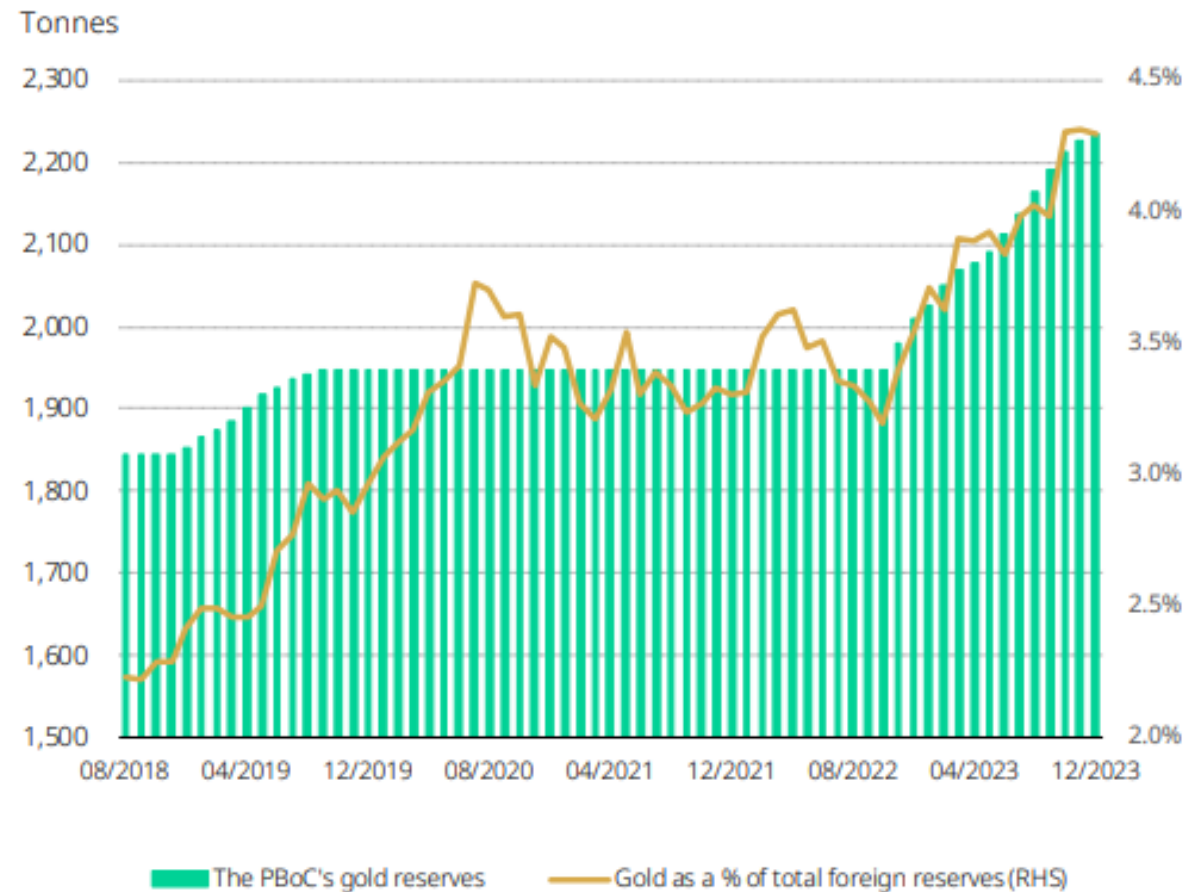
Household Precautionary Savings Drive Gold Price



China's gold reserves keep rising

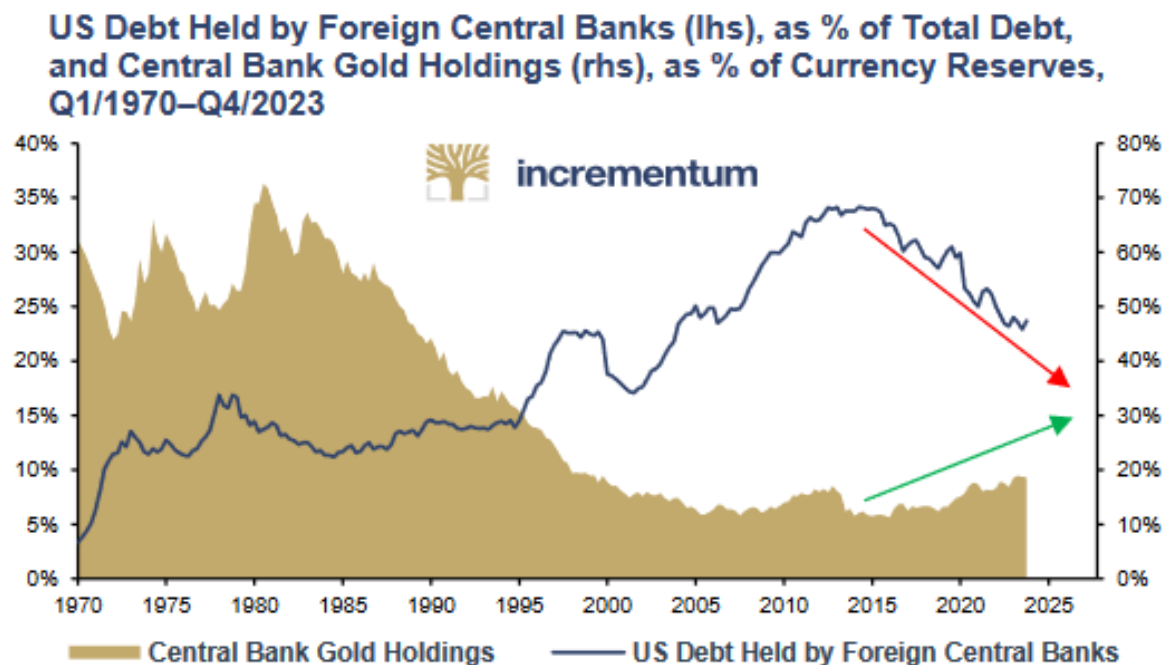
→ Source: The World Gold Council

**Chinese gold reserves
saw non-stop rises in
2023**



De-dollarisation by Global Central Banks

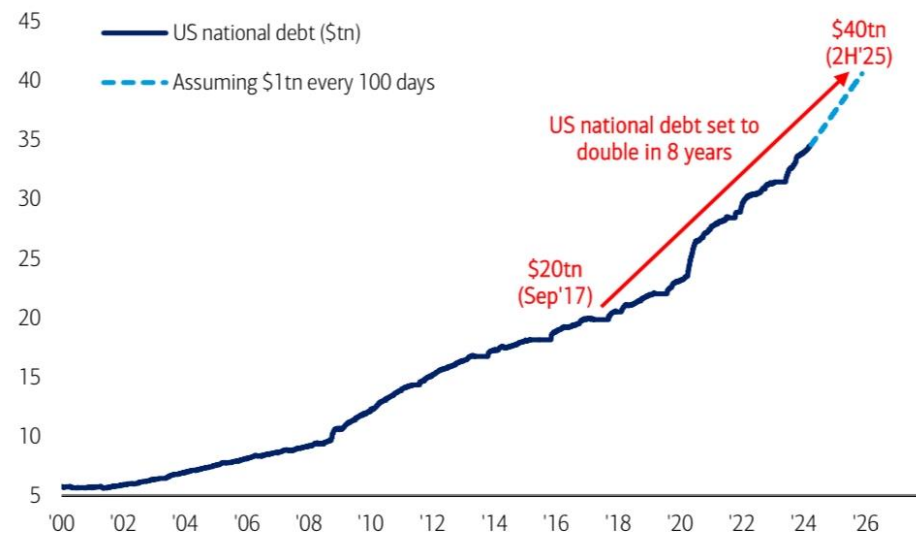
→ Source: *Incrementum*



Debt concerns leading to move into hard assets

US national debt on course to double in just 8 years

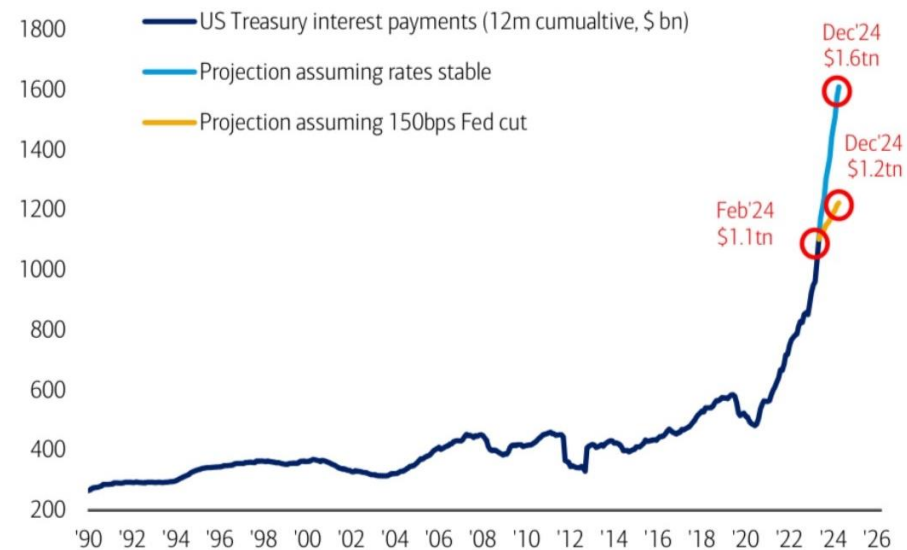
US national debt (\$tn) and projection assuming \$1tn increase every 100 days



Source: BofA Global Investment Strategy, Bloomberg

US interest payment scenarios

US interest payments (\$bn) and rates projections

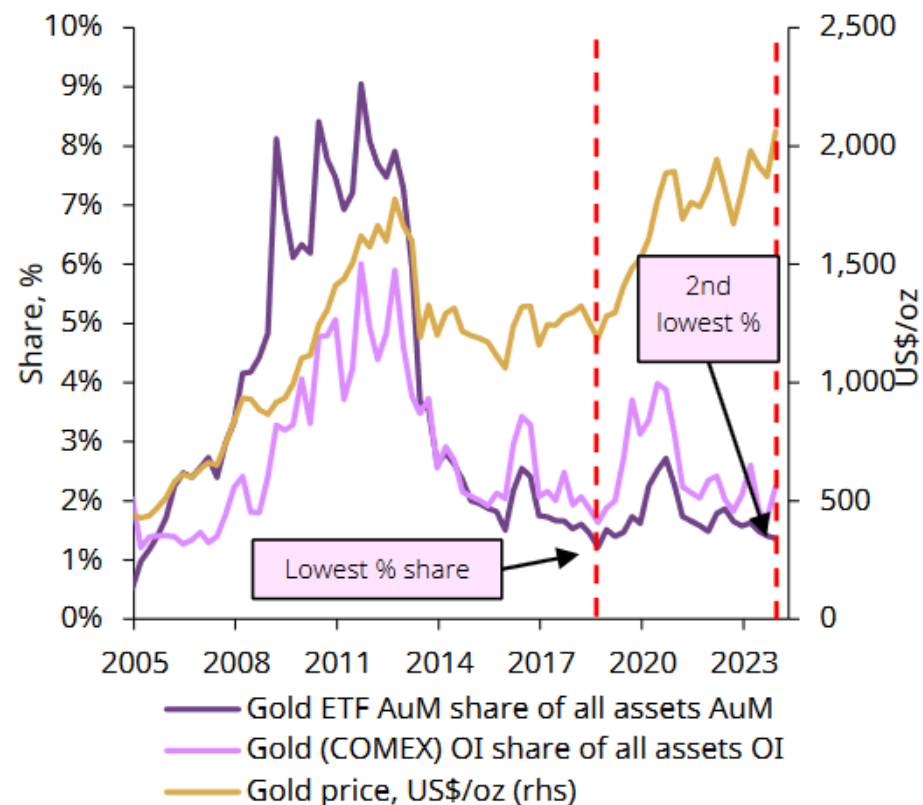


Source: BofA Global Investment Strategy, Haver



Despite record prices, the market does not look topsey like 2011!

Gold and its % share of assets*

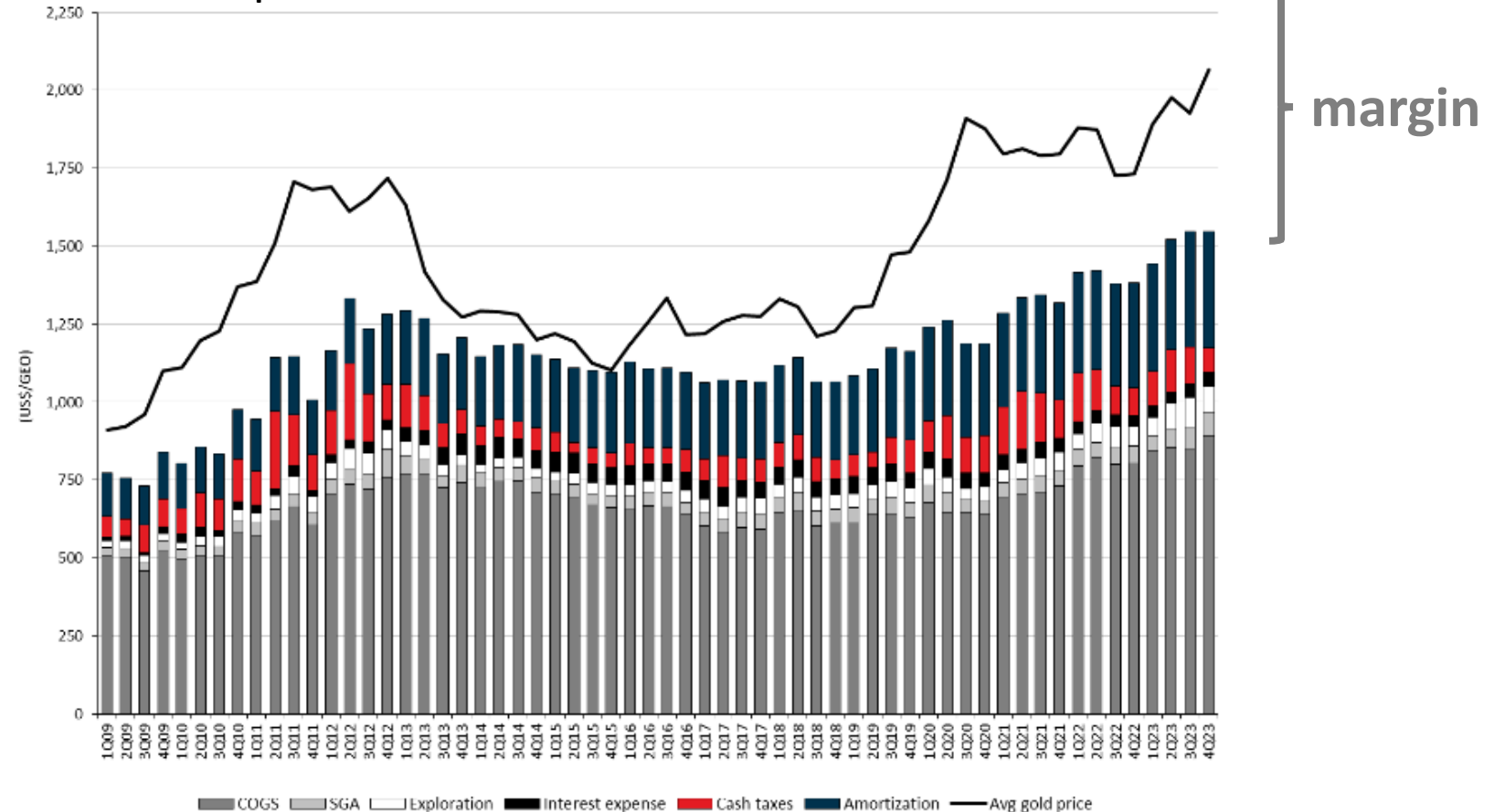


*Monthly data to 31 March 2024. Global gold ETF AUM as a share of the total ETF universe, as per Bloomberg EQS screen for active US ETFs on US exchanges above US\$ 1bn AUM.

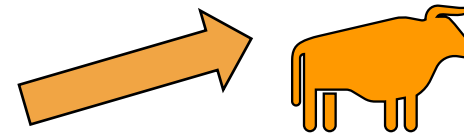


Margins hitting all-time highs as costs stabilise post Covid

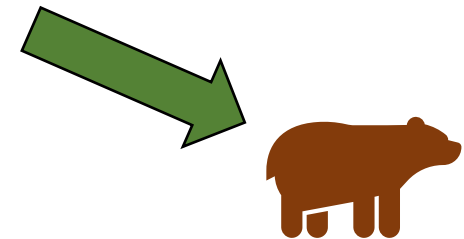
AISC for the Top 10 Gold Producers Since 2009



Gold Mining Equities – Extreme undervaluation



> US\$700/oz discount!!!



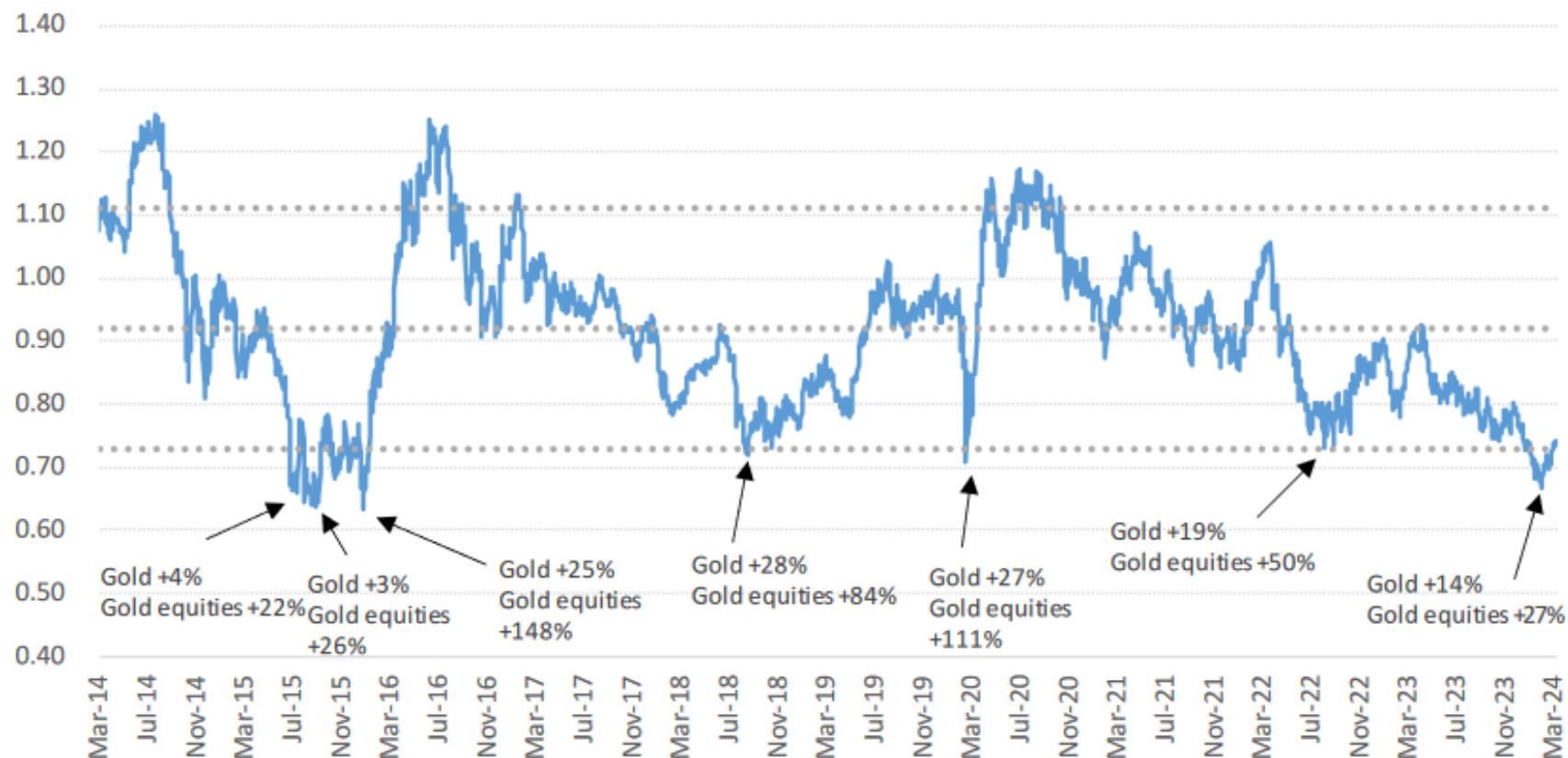
A mean reversion trade is the obvious??

Sector averages P/NAV: Large producers 0.8x
Small/Medium producers 0.6x
Developers 0.4x



Equities always outperform the commodity on the way up

Ratio of gold to the S&P/TSX gold index (in USD)

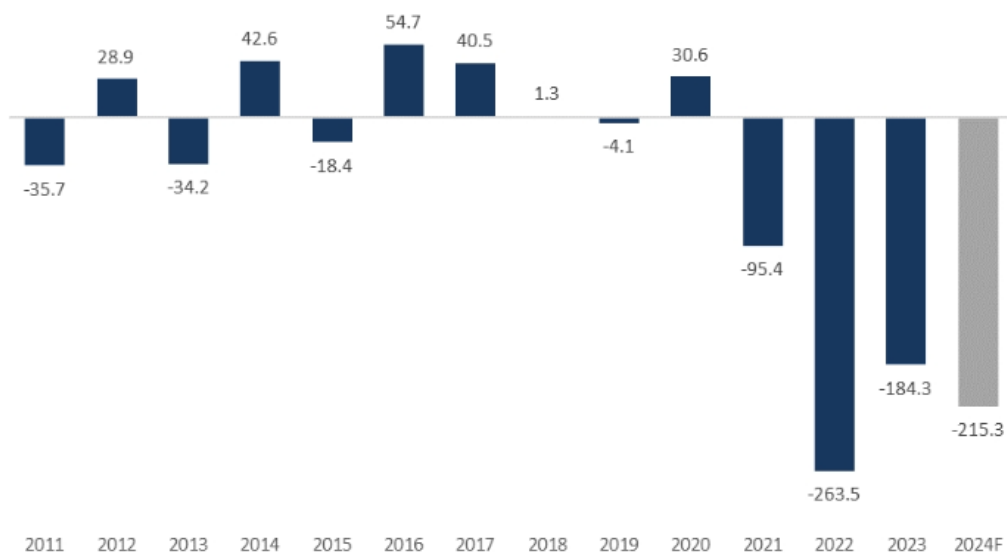




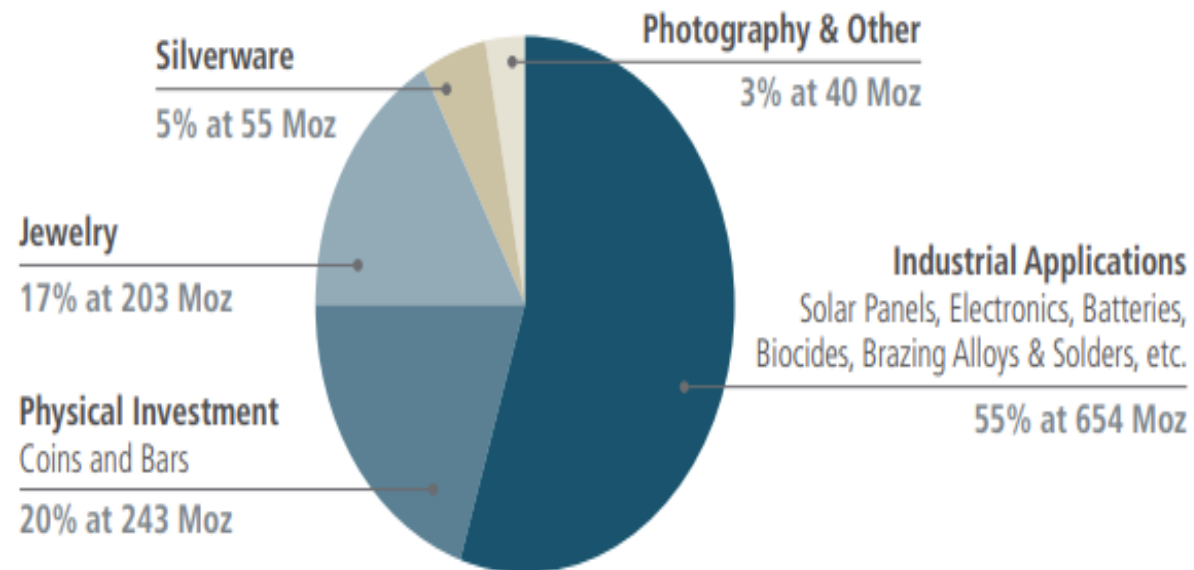
Could silver “do a uranium”?

→ Source: The Silver Institute

Silver Market Balance (Moz)



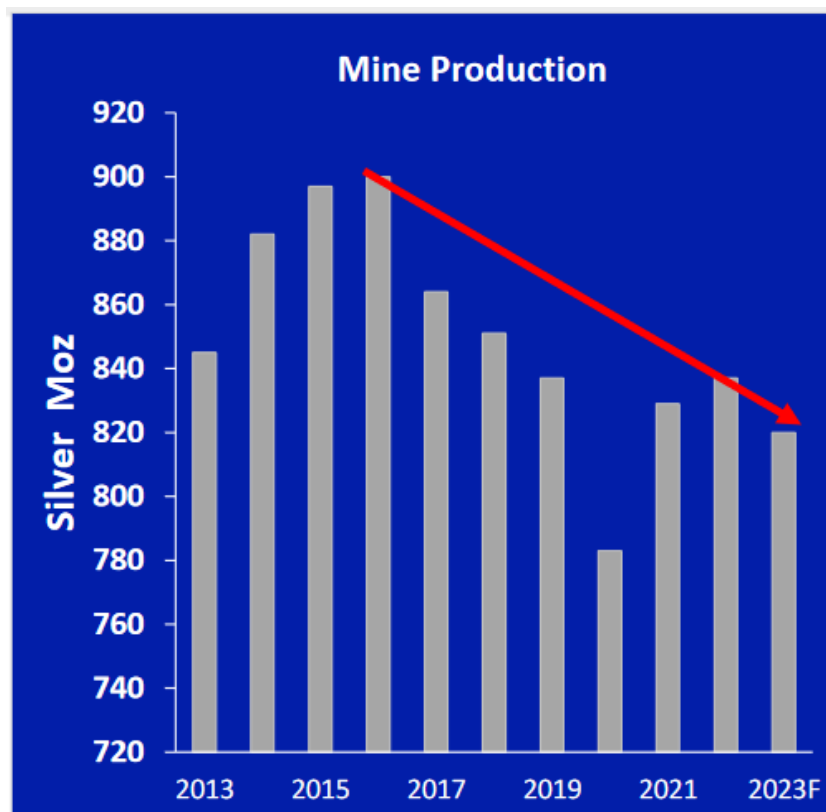
Industrial Uses Dominate Silver Demand



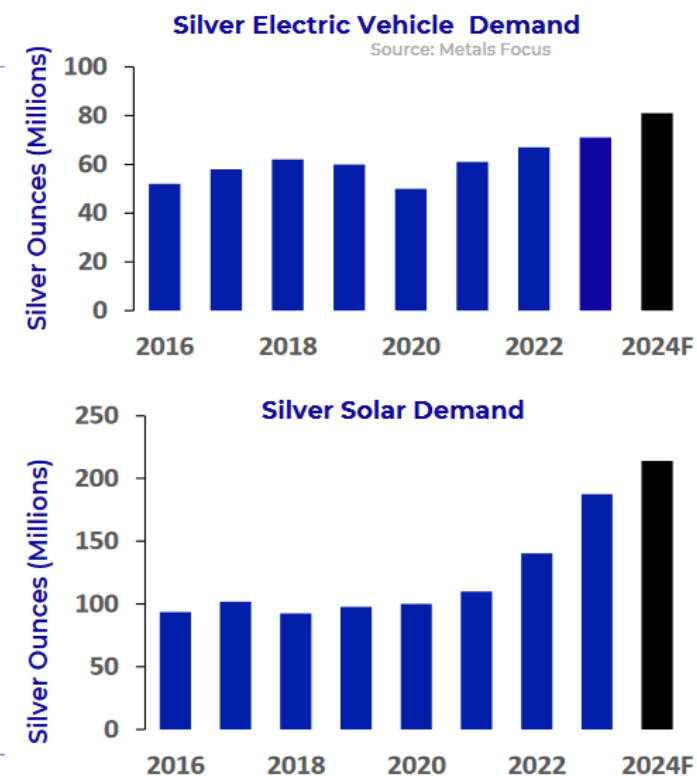


Perfect storm for silver

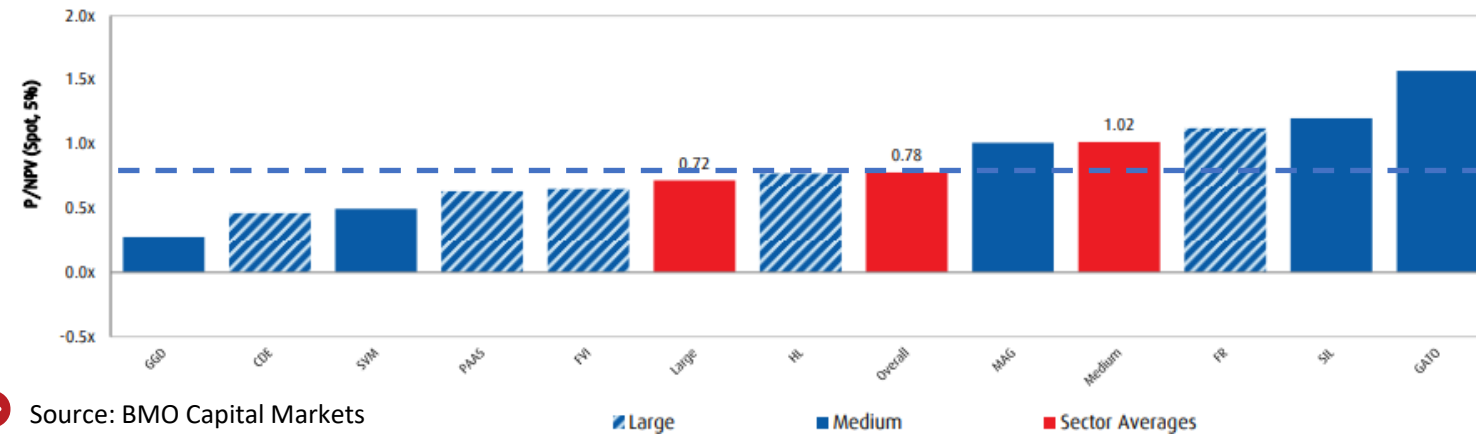
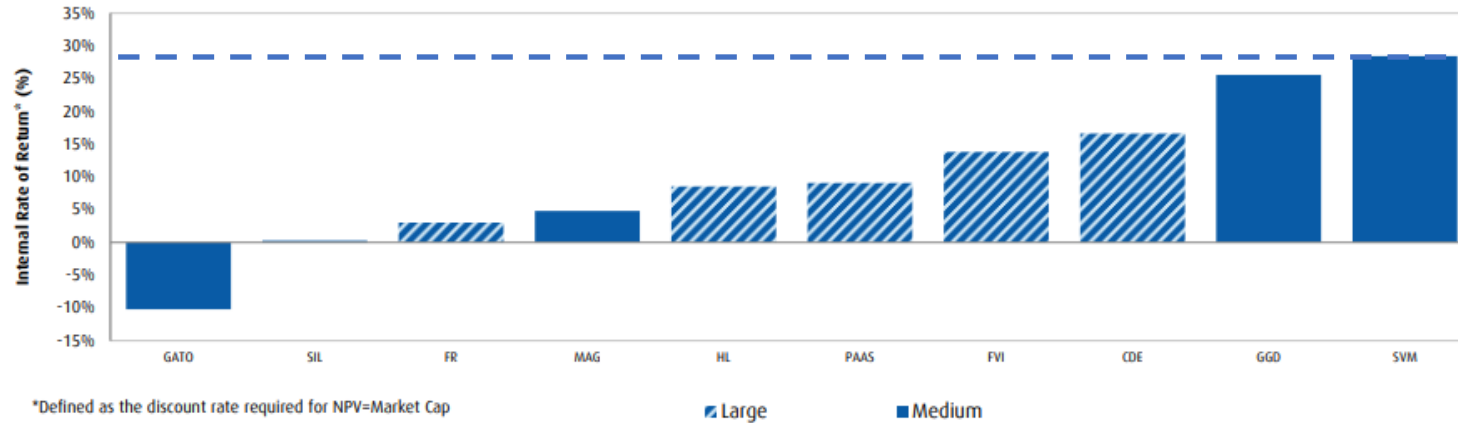
- Rising Demand
- Falling Production
- 4th year in a row of supply deficits 2024
- ETF selling could stop or reverse
- Supply response difficult
- Price breaking out of a 10-year slumber



~30% of total demand



Silver Sector Valuations at Spot (US\$24/oz)



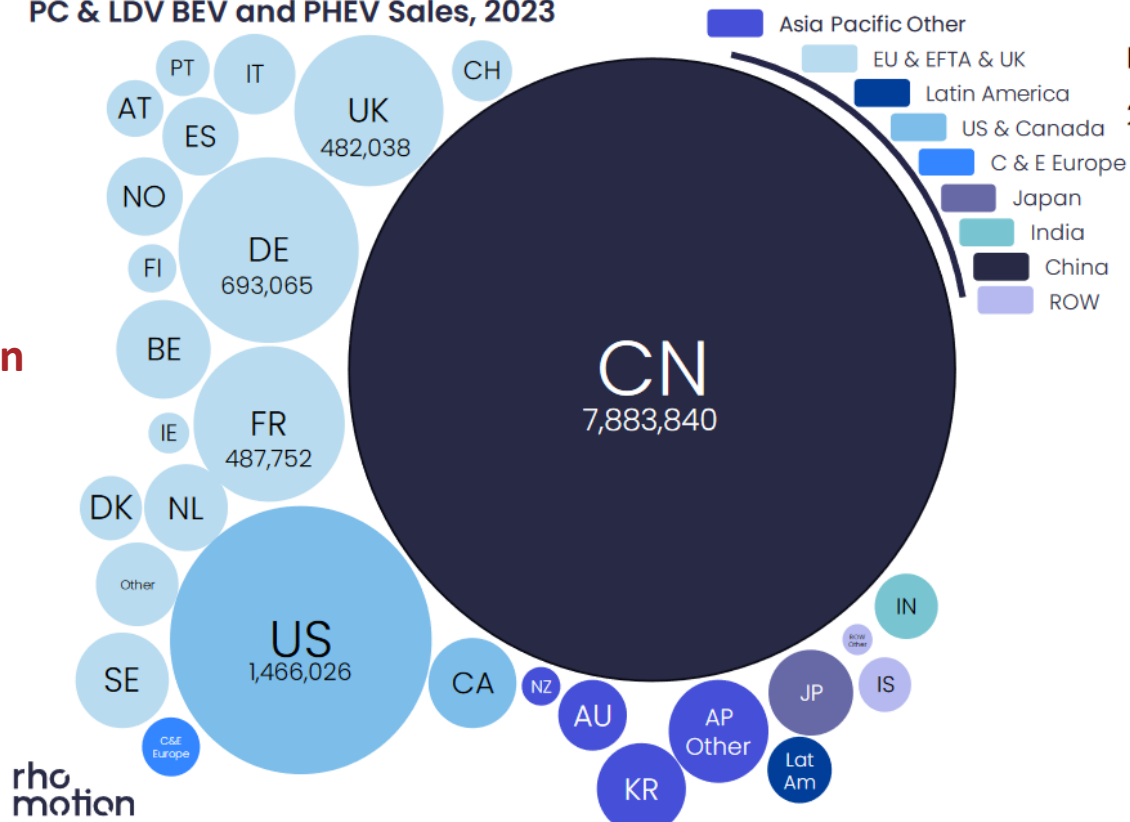
Mid cycle mean reversion = Ag US\$45/oz!

Reset for EV market but growth charges ahead

→ Source: rho motion

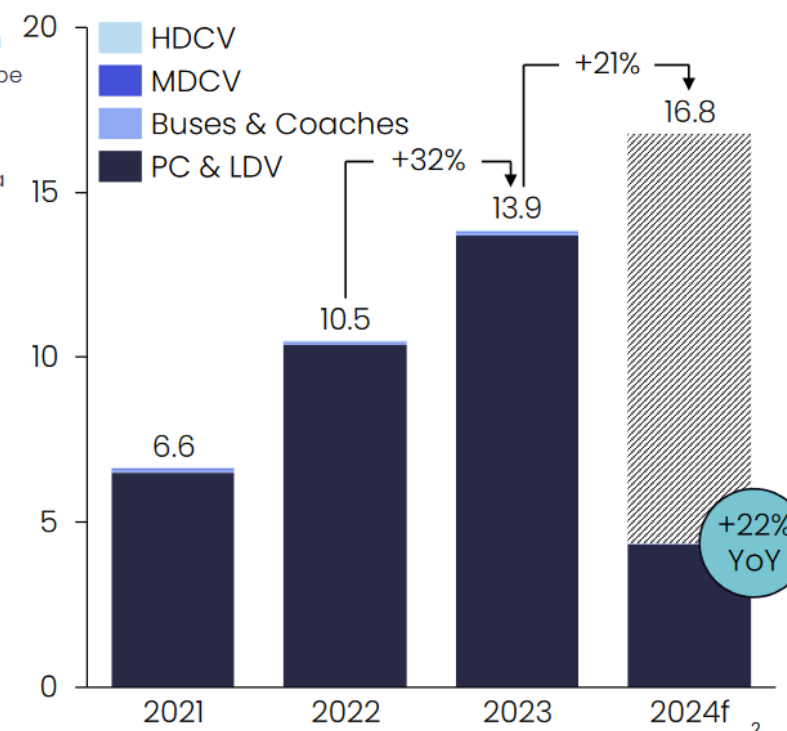
EV sales continue to grow, China in the driving seat

PC & LDV BEV and PHEV Sales, 2023



EV sales outlook by vehicle class

Million units



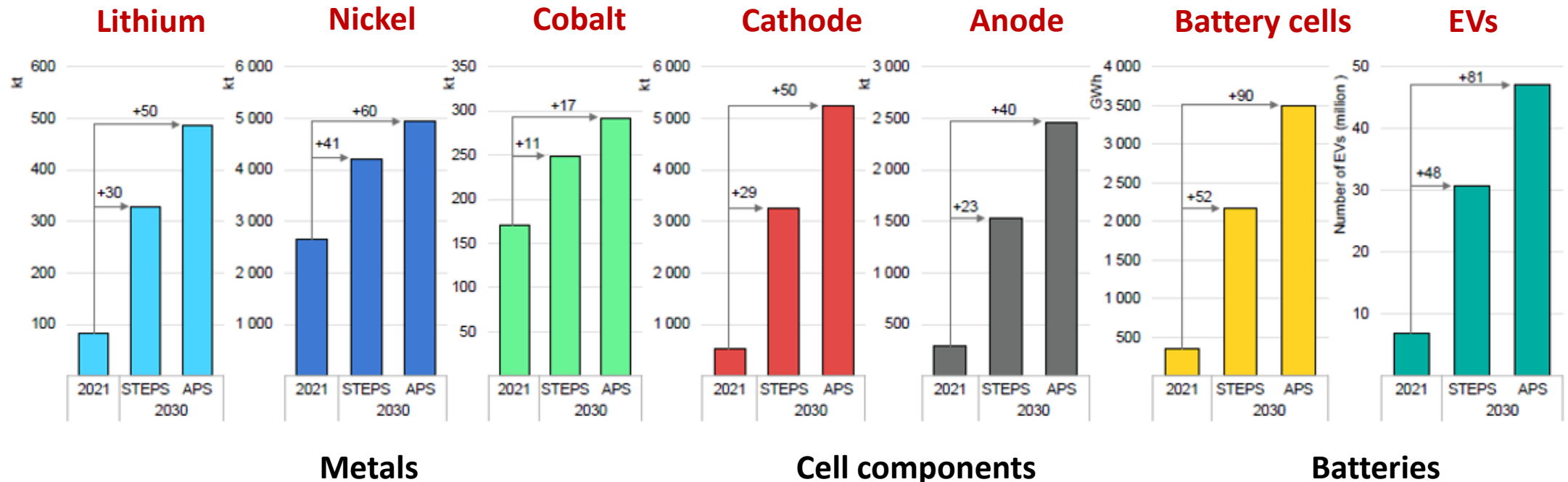
Europe and US are playing catch up

Asia Pacific Region an emerging force

Number of mines, battery gigafactories and EV plants needed

→ Source: IEA

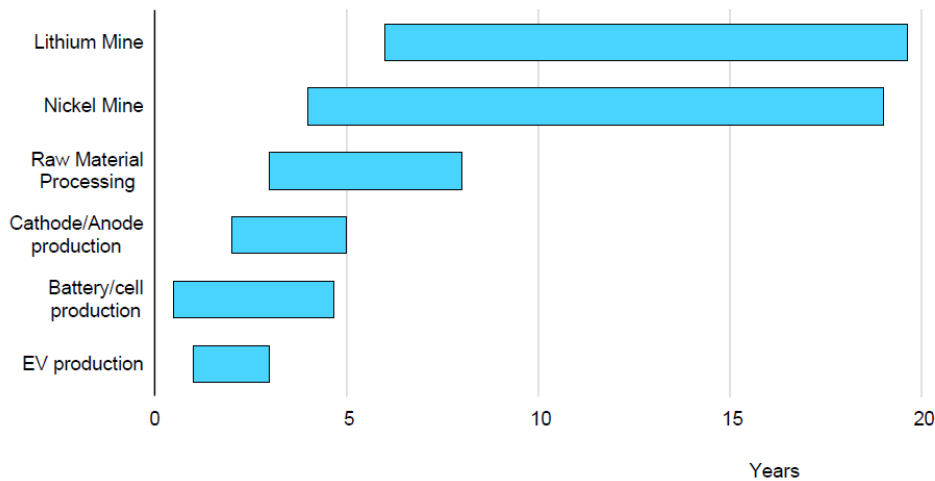
New mines, factories and assembly plants needed



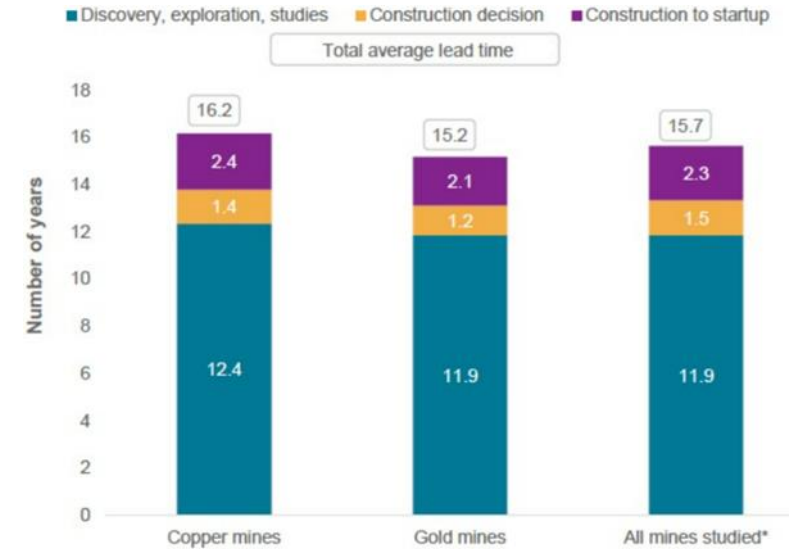
STEPS = Stated Policies Scenario; APS = Announced Pledges Scenario

Time is ticking; maybe the EV is before the Mine (the cart before the horse)?

Range of typical lead times to initial production for selected steps in EV battery supply chain

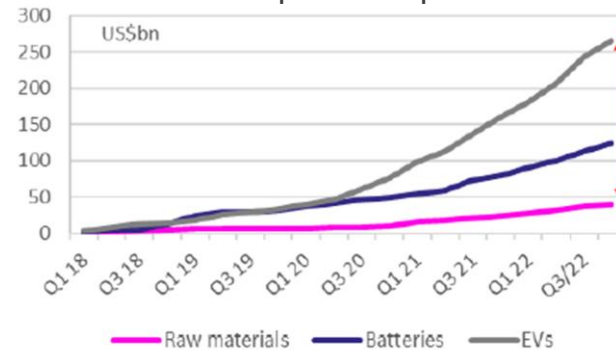


**Development & construction
timeframes >15 yrs!**



127 mines (Au, Cu Ag, Ni, Zn) studied 2002-2023

Cumulative Development capital 2018-2022



?? 15 yrs

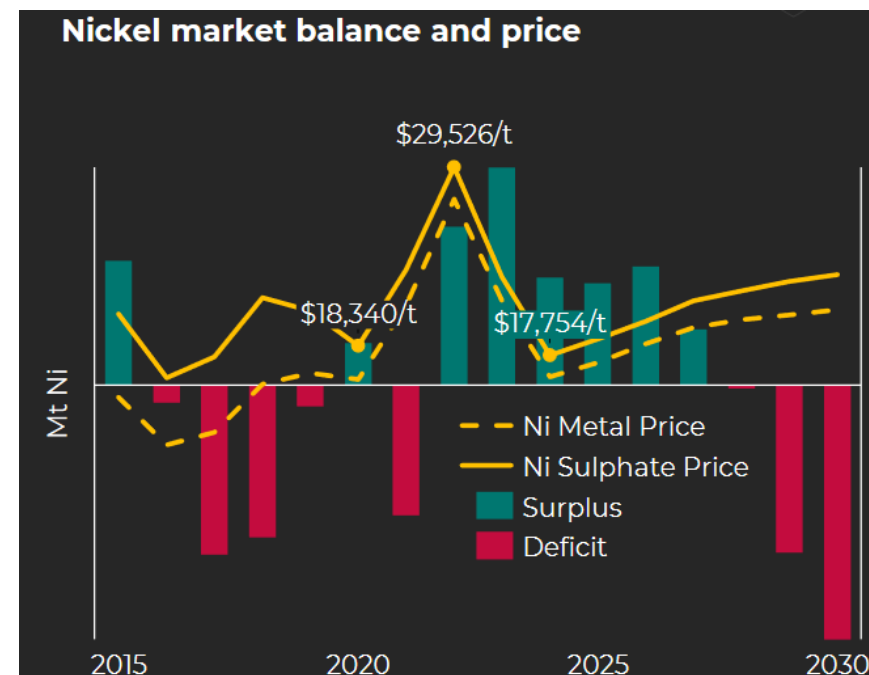
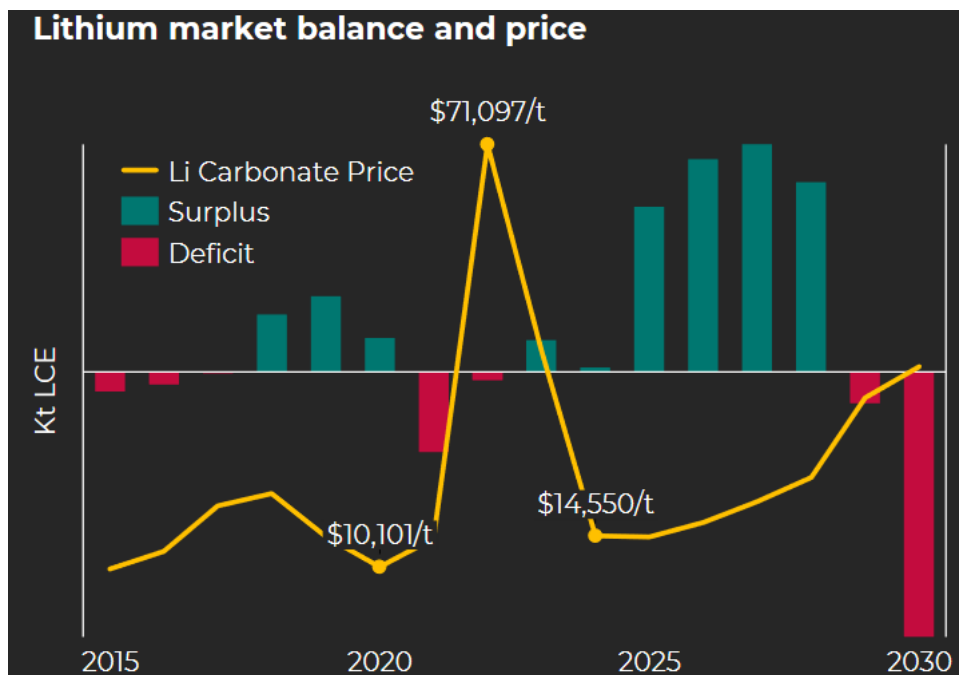
Pushing out supply deficits

→ Source: BMO Capital Markets

Record prices were unsustainable

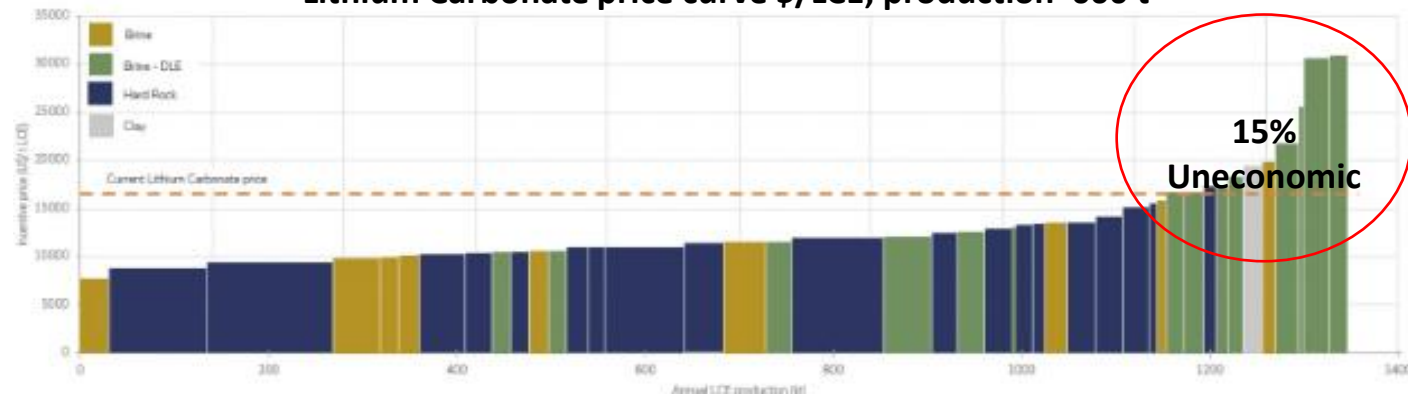
Lower than expected EV sales

Rising supply – Zimbabwe/Indonesia



Lithium - The numbers don't work

Lithium Carbonate price curve \$/LCE; production '000 t



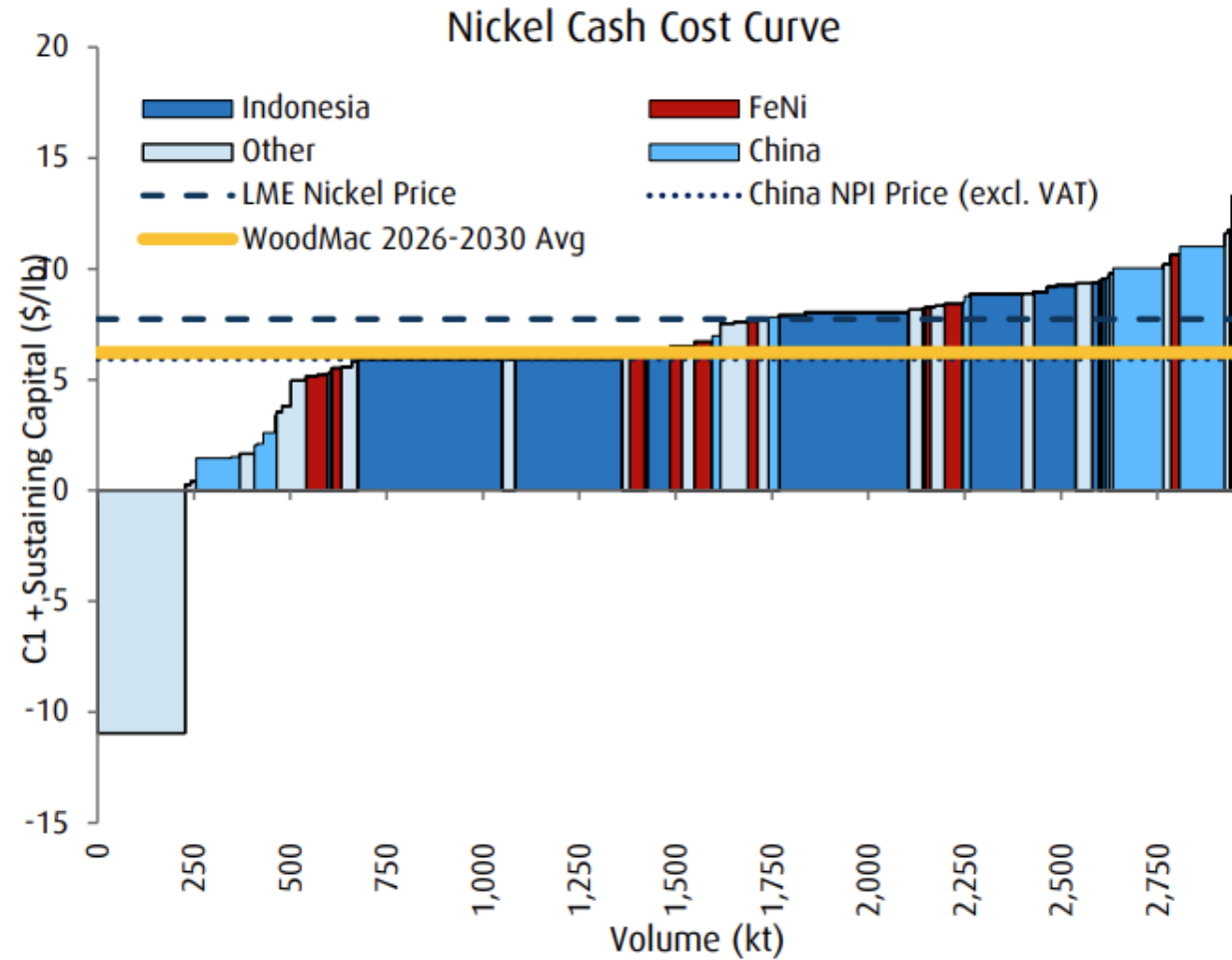
Spodumene price curve \$/LCE; production '000 t





Nickel - The numbers don't work with no green premium

→ Source: BMO Capital Markets

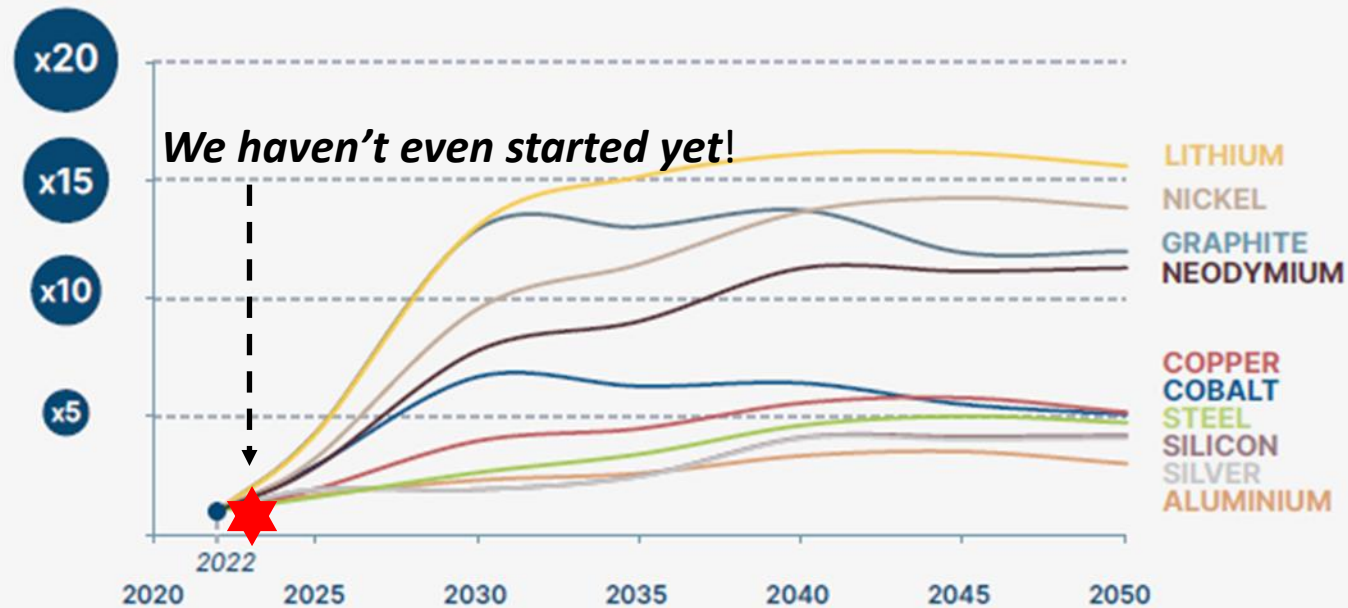


Big Picture Thinking

Material demand from renewable energy

REQUIRED SCALE-UP IN MATERIALS DEMAND BY 2050

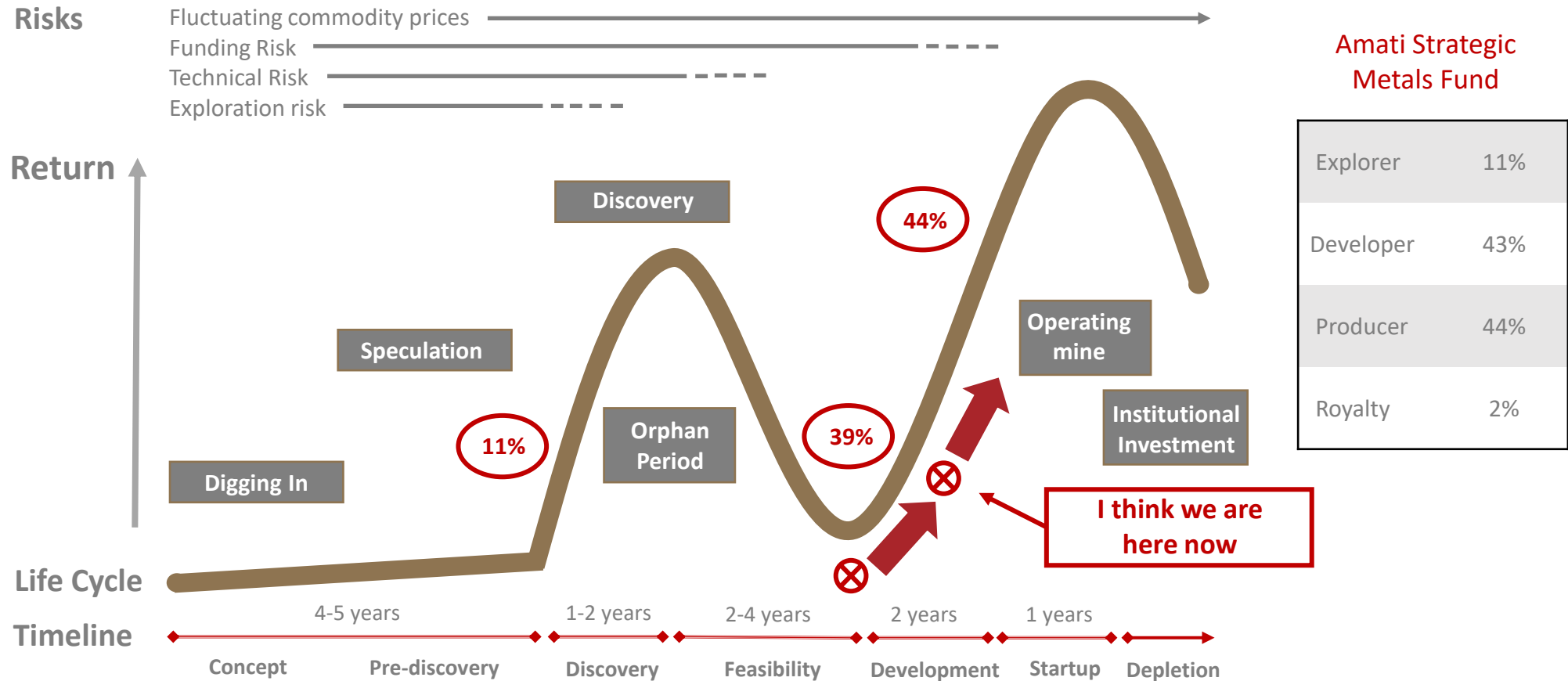
Relative increase in demand for key materials from clean energy technologies, from 2022





Risk is starting to return to the resource industry

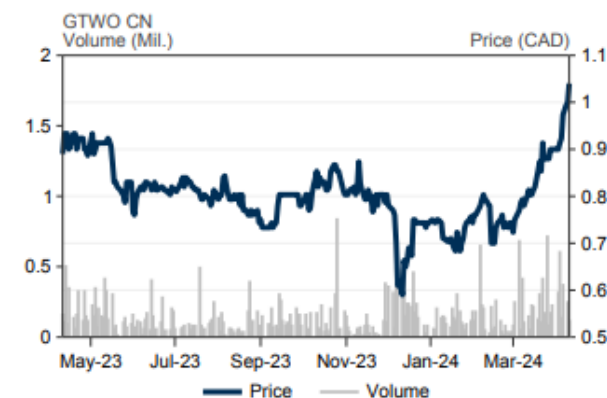
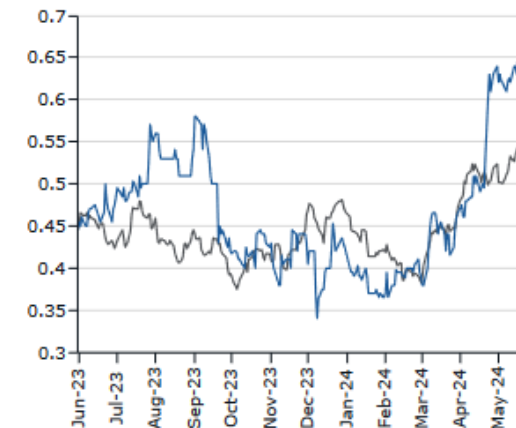
→ Source: Amati Global Investors





G Mining , Reunion Gold (together 6%) and G2 Goldfields (3%) core holdings for the Fund

→ Source: BMO Capital Markets

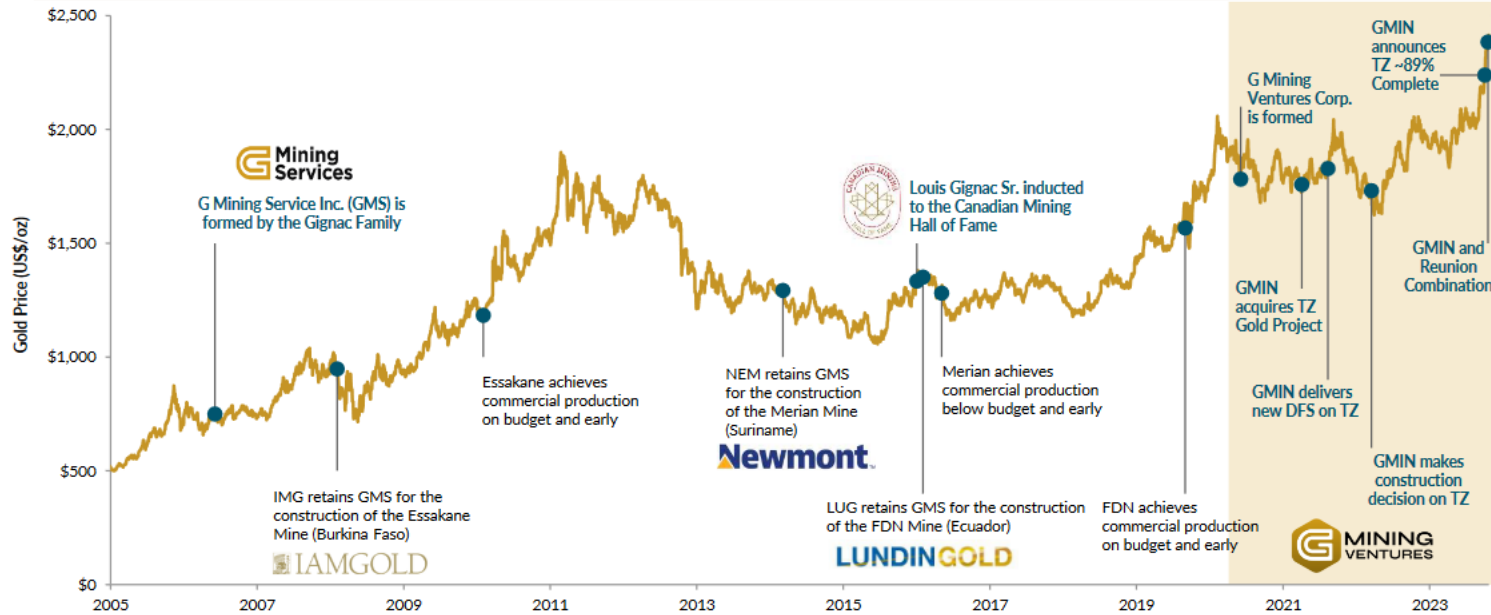


G Mining bids for Reunion Gold, AngloGold creep on G2 Goldfields

→ Source: Scotiabank

Platform for Building the Next Intermediate Gold Producer

Mission: To Build the Next Intermediate Gold Producer Through Flawless Project Development and Execution



Source: S&P Capital IQ as of April 19, 2024

TSX:GMIN 11



News |

AngloGold Ashanti picks 11.7% stake in G2 Goldfields

The deal involved the purchase of 24.5 million shares at C\$0.90 per share.

Umesh Ellichipuram | January 22, 2024

South America's next major gold mine in Guyana

→ Source: G Mining Ventures

One of the Highest Quality Gold Development Projects Globally, with an Expedited Development Timeline

Oko West Project Highlights



Multi-Million Ounce Gold Deposit
(4.3 Moz Indicated + 1.6 Moz Inferred)⁽¹⁾



Amongst Highest Grade Open-Pit Deposits
(Indicated Resource Grade of 2.05 g/t)⁽¹⁾



Significant Exploration Upside



Expedited Timeline to Production



Mining Friendly Jurisdiction

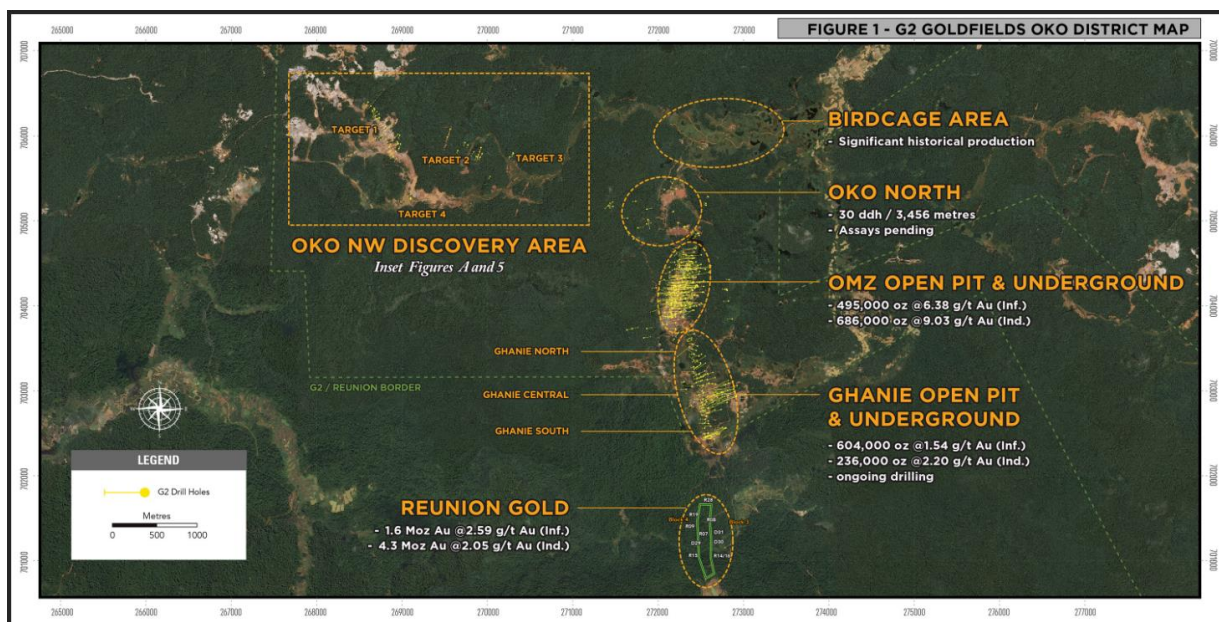
REUNION GOLD
Oko West



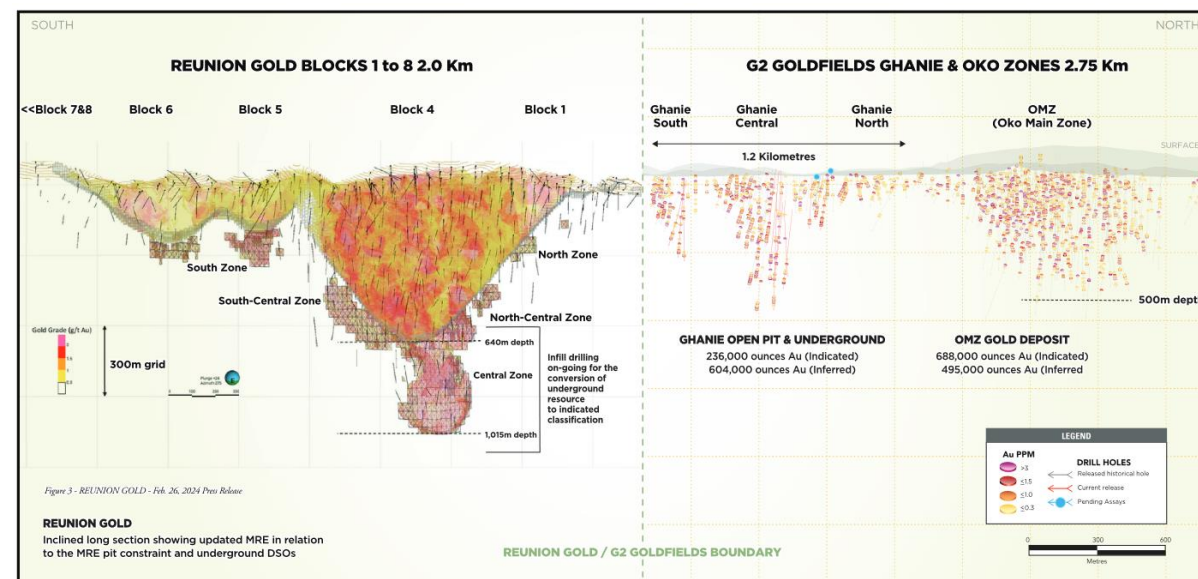
Guyana -

→ Source: G2 Goldfields

Plan view – Reunion/G2 Goldfields



Cross-section– Reunion/G2 Goldfields



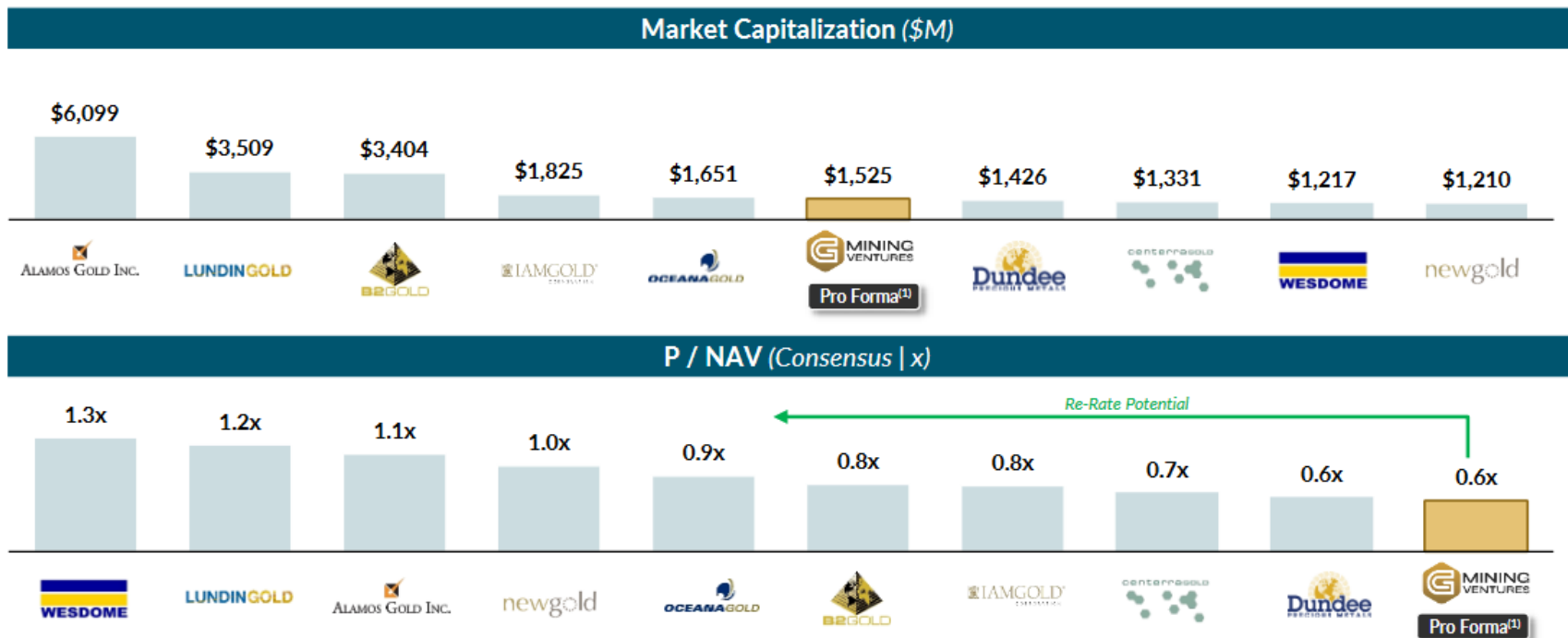


Deal propels G Mining Ventures in next major medium cap producer

→ Source: G Mining Ventures

Compelling Re-Rate Opportunity

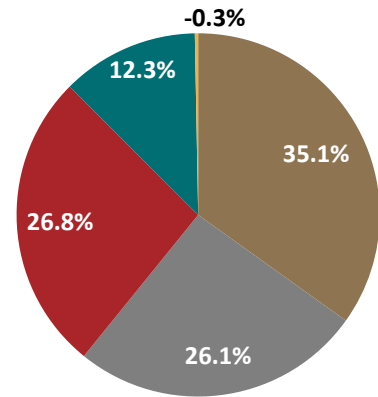
Meaningful Re-Rate Potential Driven by High-Quality Portfolio, Peer-Leading Growth, and Enhanced Capital Markets Profile





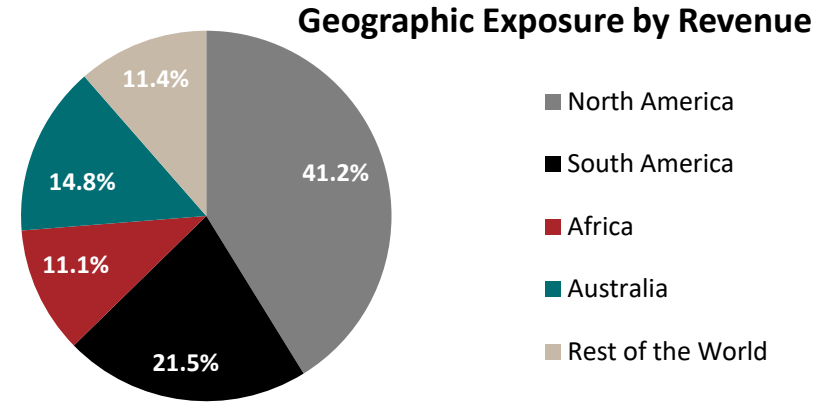
Portfolio Breakdown – Risk Management

→ Source: Amati Global Investors as at 31/05/2024



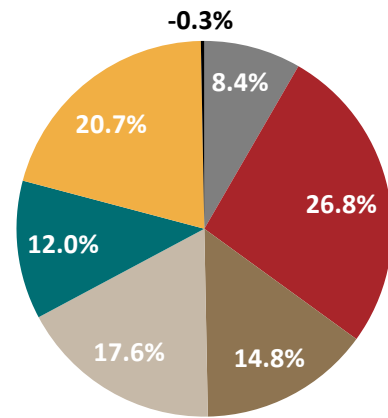
Asset Split

- Gold
- Silver
- Specialty
- Industrial
- Cash



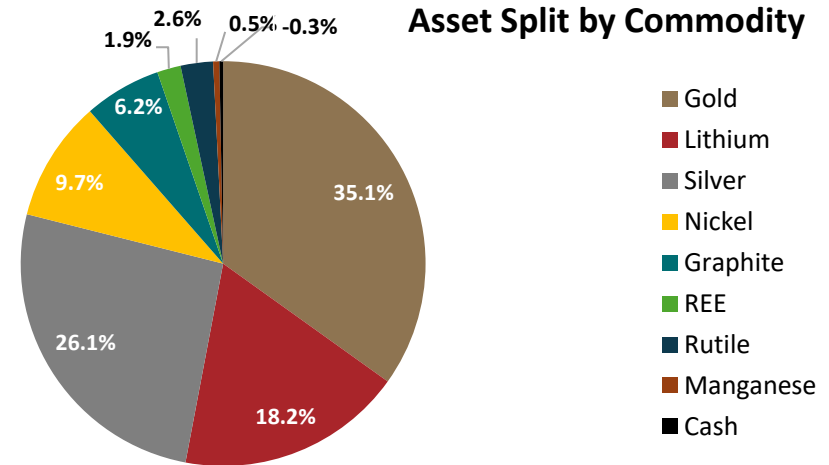
Geographic Exposure by Revenue

- North America
- South America
- Africa
- Australia
- Rest of the World



Market Cap (\$m)

- <\$100m
- \$100m-\$250m
- \$250m-\$500m
- \$500m-\$1000m
- \$1000m-\$2000m
- >\$2000m
- Cash



Asset Split by Commodity

- Gold
- Lithium
- Silver
- Nickel
- Graphite
- REE
- Rutile
- Manganese
- Cash



Portfolio Summary

→ Source: Amati Global Investors as at 31/05/2024

Fund size	£61.9m
Average market cap	\$923m
Weighted average market cap	\$1,537m
Market cap range of portfolio	\$10m - \$8,031m
Number of Holdings	38
▪ Explorers	6
▪ Developers	18
▪ Producers	13
▪ Royalty	1



Top 10 Holdings

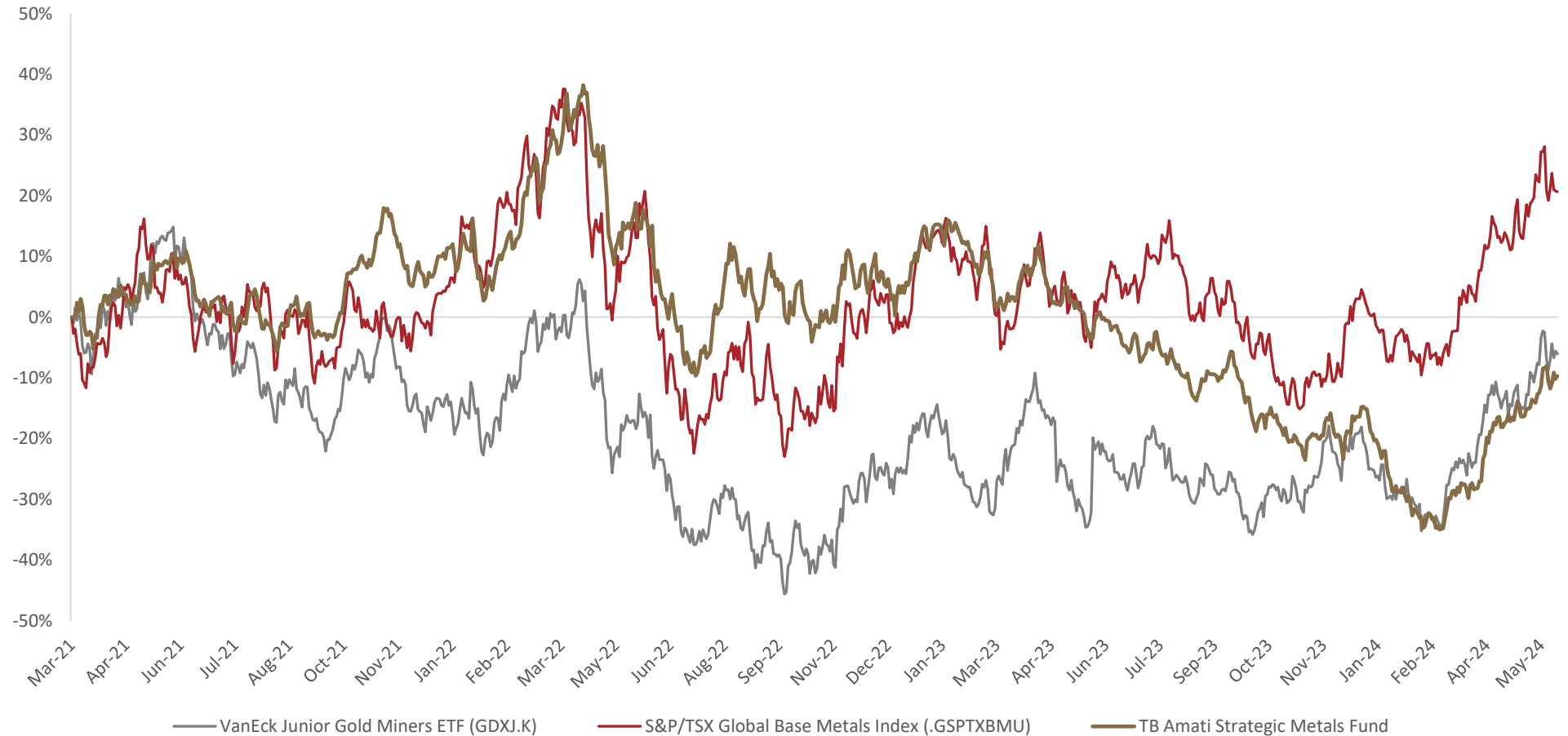
→ Source: Amati Global
Investors as at 31/05/2024

Company	Asset Class	MCAP (USD \$m)	Type	Percentage
Pan American Silver	Silver	8,031	Producer	7.6%
Eldorado Gold Corp	Gold	3,299	Producer	5.2%
Fresnillo plc	Silver	5,815	Producer	5.2%
Atlantic Lithium Ltd	Specialty	200	Developer	4.8%
Mag Silver Corp	Silver	1,381	Producer	4.7%
Reunion Gold Corp	Gold	603	Exploration	4.4%
Liberty Gold Corp	Gold	92	Developer	4.1%
K92 Mining	Gold	1,323	Producer	4.1%
I-80 Gold Corp	Gold	405	Producer	4.0%
G2 Goldfields Inc	Gold	210	Exploration	3.9%
Total				48.0%



Mar 2021 – May 2024: challenging times – it's about the long-term opportunities

→ Source: Refinitiv Eikon
GDXJ S&P/TSX BM, as at
31/05/2024



Past performance is not a reliable indicator of future performance



Market Outlook

- **Macro Funds have preferred copper as their hard asset play.**
 - Implication for economically sensitive industrial metals if very strong Chinese growth does not materialise - Cu & Al - versus EV/renewable energy related metals
 - Inflation/Ukraine Crisis/Banking crisis a clear risk of global recession and/or stagflation
- **EV & renewable energy expectations have been reset**
 - Implication for our preferred metals – Nickel and Lithium
- **Precious metals**
 - Current level of bearishness is incredible but headwinds are subsiding.
 - Offers diversification in periods of systemic risk
 - Should perform best in a global recession/stagflation environment
 - Strong earnings and cashflow growth at current metal prices
- **Investment Opportunities**
 - Selective across all the sectors



Any Questions?



Georges Lequime
Fund Manager
