

The Crisis is Over

Did we learn anything?



- CURRENT TRENDS IN MINING FINANCE, APRIL 2014

- PANEL: "WHAT ANALYSTS SEE AHEAD"



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Who is Benjamin Cox?



Aston Bay



Somerset
Island

Baffin Bay

Greenland

Diverse background in mining & finance:

- D.E. Shaw: Hedge fund
- Linux Fund: Open-source technology



Roche Bay
Hall Beach

Baffin
Island

Davis
Strait

Nunavut, Canada

Foxe
Basin



CEO, Director

Copper and zinc

Near surface, +1% average intersections



Founder, MD

Equity finance data and research
Sector, broker analysis



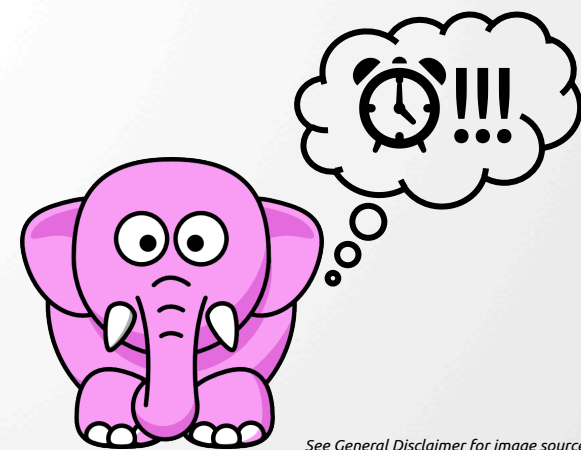
CEO, Director

Iron ore

Multiple JV partners

We have 11 minutes, let's make this quick...

- 1 Spring kills, not winter**
- 2 Old management can't learn new term sheets**
 - a. Once management has completed one type of deal, that is all they will do going forward
- 3 Majors got burned as badly as anyone, and they are looking for a new exploration business model**
- 4 No one seems to care about the details or read the fine print**
 - a. Loan-to-own
 - b. Debts secured with shares
 - c. Debt for non-cash-flow companies
 - d. Covenants (does anyone read those?)
- 5 Capital has no memory**



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We are past the bottom of the market

That doesn't mean we get a rocketship recovery:

- 1 The dead/dying companies have not been cleaned out nearly enough
- 2 We are lacking stories that will reshape the investment environment of the last two years
- 3 Instead of cleaning up messes in the crash, many companies created new messes:
 - a. Standby equity
 - b. Ballooning accounts payable
 - c. Significant short-term debt for non-revenue generating/prospective companies

What companies should have done:

- 1 Gotten rid of useless management and directors
 - a. But since many individuals waived pay and companies owed them money for loans, they kept them around, racking up more A/P
- 2 Re-structured deals/assets to make them work
- 3 Cleaned out their share registries at cheap prices
- 4 Waited
 - a. Lots of people did find time to go on “vacation”; fortunately, not always on the companies’ dime

What companies did:

- 1 Anyone that could print paper, printed it
- 2 Management teams stayed intact
- 3 Exploration budgets were slashed
- 4 No one changed their operating models until it was too late
- 5 Now companies are hunkering down, rather than thinking of ways out

What should change (but probably won't):

- 1 Majors should partner earlier, and juniors should examine the risk/reward payoff for every stage
- 2 Juniors should learn that expensive office space does not lead to better exploration
- 3 Everyone should look at cost structures
- 4 Everyone should know that public capital markets are:
 - a. Good for exploration
 - b. Horrible for project development

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With over 1,400 companies continually financing throughout the year, it's nearly impossible for investors to see every deal, let alone the terms of each deal. Oreninc built the Oreninc Deal Log (ODL) to increase the visibility of transactions and to show financing activity in a digestible format. We are continually working to improve the financing market by providing clear, accurate, and concise data.

Oreninc uses a data-driven methodology that allows us to examine financings from a quantitative standpoint. Our fundamental research serves as a platform for consulting companies on capital raises and providing strategic management services. Oreninc has structured, restructured, advised, and formed several resource companies since its establishment.



TARGETED DATA
THAT INCREASES TRANSPARENCY
IN AN OPAQUE MARKET



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14thWarrior. Cartoon Elephant. 2010. Graphic. Open Clip Art. Web. 8 Apr 2014. <http://openclipart.org/detail/83479/cartoon-elephant-by-14thwarrior>.

icons8. Black alarm clock icon. Graphic. IconsDB. Web. 8 Apr 2014. <http://www.iconsdb.com/black-icons/alarm-clock-icon.html>.