

Benjamin Cox, Oreninc MD  
**Premier Presentation**



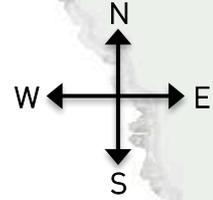
# Gold vs. Gold Equities

Why I now like gold equities, even though I don't love gold...



Benjamin Cox | Managing Director | 360.262.6969 | [bjc@oreninc.com](mailto:bjc@oreninc.com)

# 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

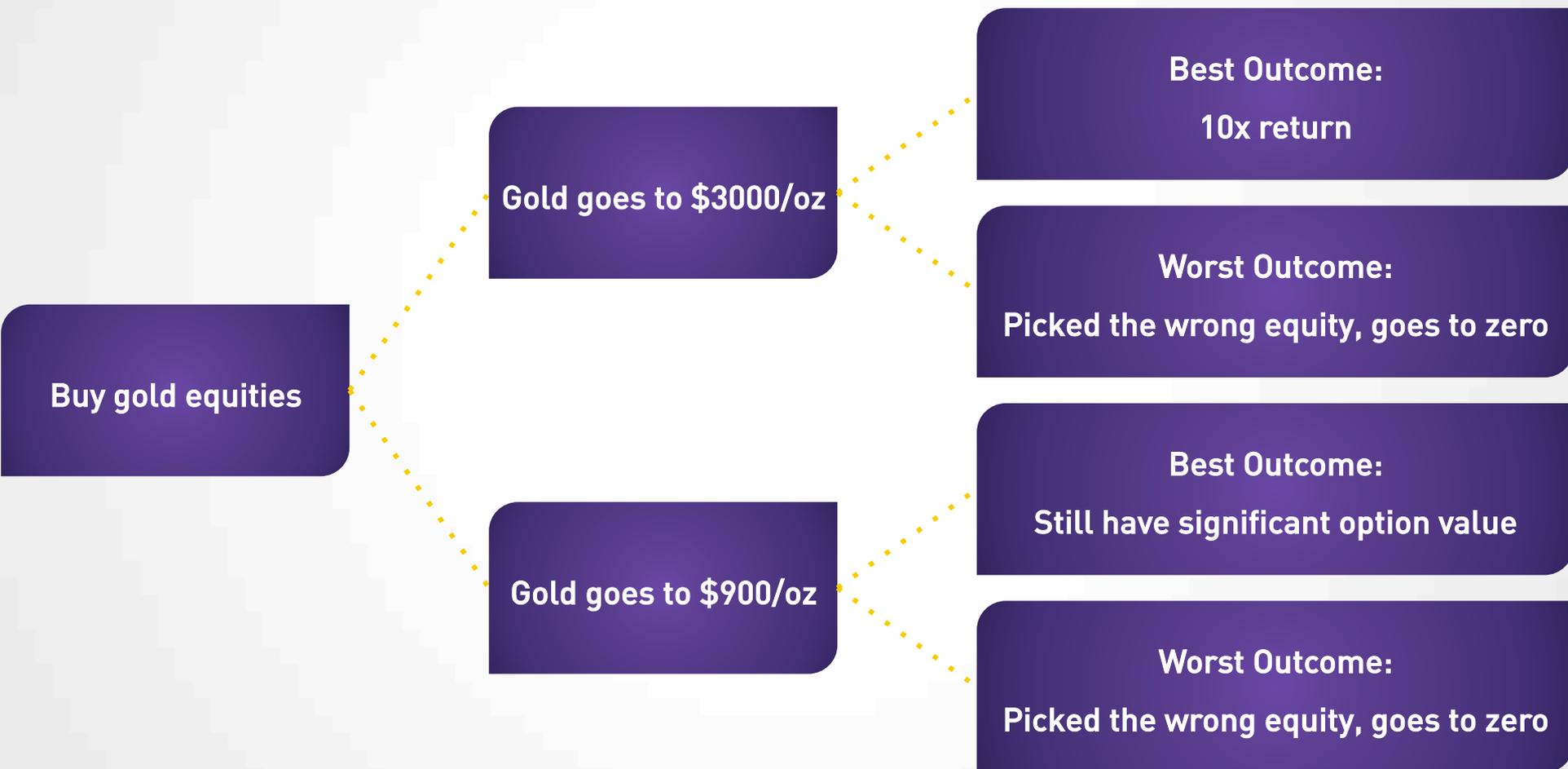


**CEO, Director**

Iron ore

Multiple JV partners

# What are the real options?



# What is the gold price going to do?

- 1 If it goes up, everyone parties.
- 2 If it goes down, everyone panics.
- 3 How do you position yourself so that you can survive either case?

# Case against mined gold & producing assets

- 1 Buy quality juniors, where the gold is safer *in the ground*.
- 2 Even if it won't be mined quickly, the long-term theory on gold means that if you like gold, you like the long-term investment model.

# You have to pay rent to own gold in the ground...

- 1 Buy the shares.
- 2 Expect 10% dilution per year just to stand still.
- 3 Expect 20-30% dilution per year to do exploration and progress the projects.
  - If exploration goes well, valuations will grow.

# Understand that the gold may never be mined

- 1 How important is that?
- 2 In the instance where gold is devalued by an economic recovery, you have limited downside.
- 3 If the price of gold spikes, you have a leveraged bet on the price of gold.

# Leverage option on gold

- 1 \$4/oz valuation in the ground = \$1,400/oz on the street.
- 2 If the price of gold goes to \$3,000/oz, then your \$4/oz in the ground is going to go up in value 20x.

# So, what's the play?

- 1 If you spend \$4/oz now, plan on spending an additional \$0.40/oz to keep the position intact.
- 2 Get leverage to the metal; if there is a recovery in gold, the juniors are going to be a wild ride.

# If the price of gold goes up...

- 1 You are getting a leveraged rocket ride.

# And if it goes down...

- 2 You lose a fraction of what you would have lost if you had purchased physical gold.

# The Takeaway

- 1 Buy gold juniors when they are cheap.
- 2 If you think gold is undervalued, the market is not rationally pricing equity risk.

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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.



**Oreninc**  
**RESEARCH**

TARGETED DATA  
THAT INCREASES TRANSPARENCY  
IN AN OPAQUE MARKET



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