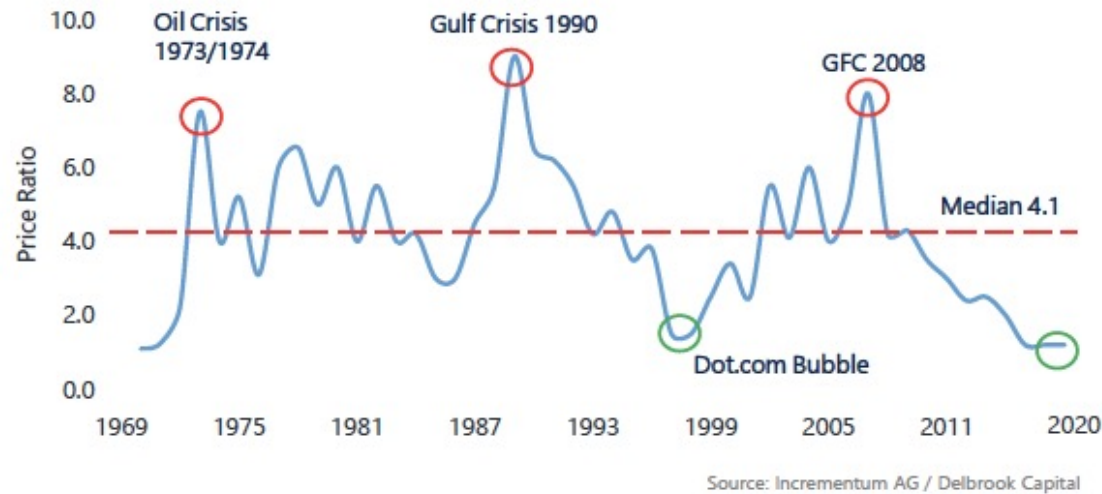
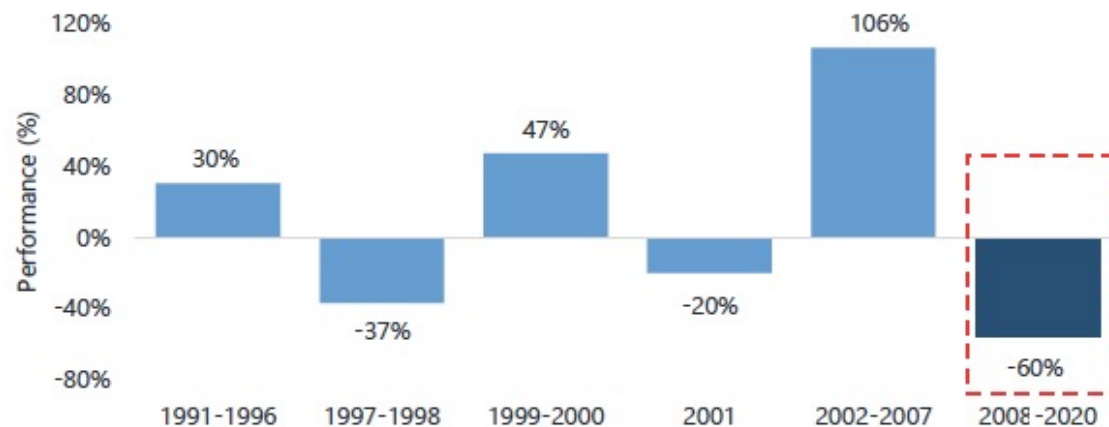


COMMODITY VALUATIONS AT HISTORIC LOWS

S&P GSCI TOTAL RETURN CME / S&P 500 INDEX RATIO



COMMODITY PERFORMANCE CYCLES



Source: Bloomberg / Delbrook Capital

- Since 2008, the Bloomberg Commodities Index is down 60%; the S&P 500 is up more than 150%.
- S&P 500 Index appears expensive on a relative basis vs. the natural resources sector.
- The cyclical and volatility of the resource sector makes it an ideal area for active managers who can take advantage of rapid market movements.
- We believe that select commodity fundamentals and macro-economic tailwinds are combining to make generational investment opportunity.
- Resource capital market underfunding and share price suppression vs. real value proposition gives rise to specific high-return buying opportunities.

INVESTMENT UNIVERSE

PRECIOUS METALS

- Gold
- Silver
- Platinum
- Palladium



BASE & INDUSTRIAL METALS

- Copper
- Nickel
- Zinc
- Tin
- Lead
- Aluminum
- Iron
- Molybdenum
- Coal



ENERGY METALS

- Coal
- Cobalt
- Nickel
- Lithium
- Uranium



>4,500 companies listed globally with total market capitalization of >\$2.0T

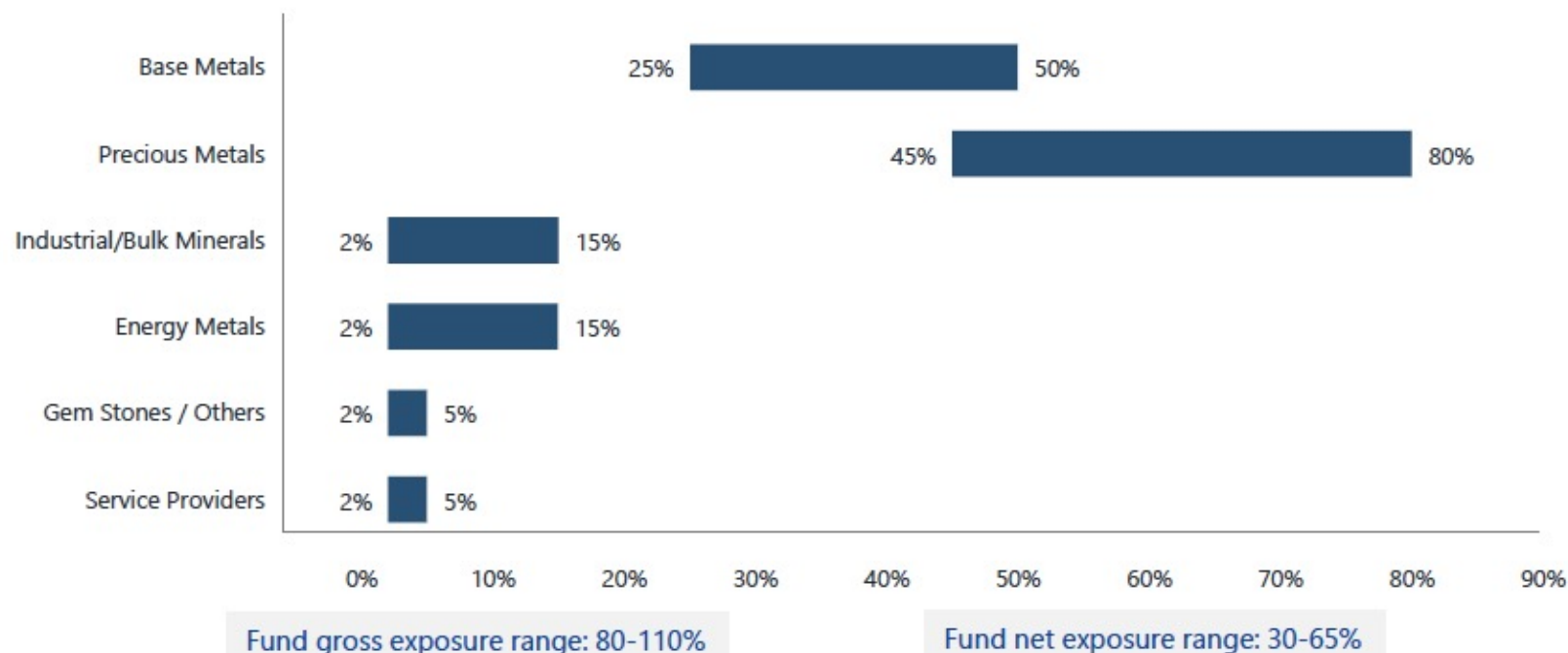
INVESTMENT STRATEGIES

RELATIVE VALUE
25-35%

EVENT-DRIVEN
25-35%

LONG DURATION
20-30%

GROSS EXPOSURE RANGE BY COMMODITY SUB-SECTOR ⁽¹⁾



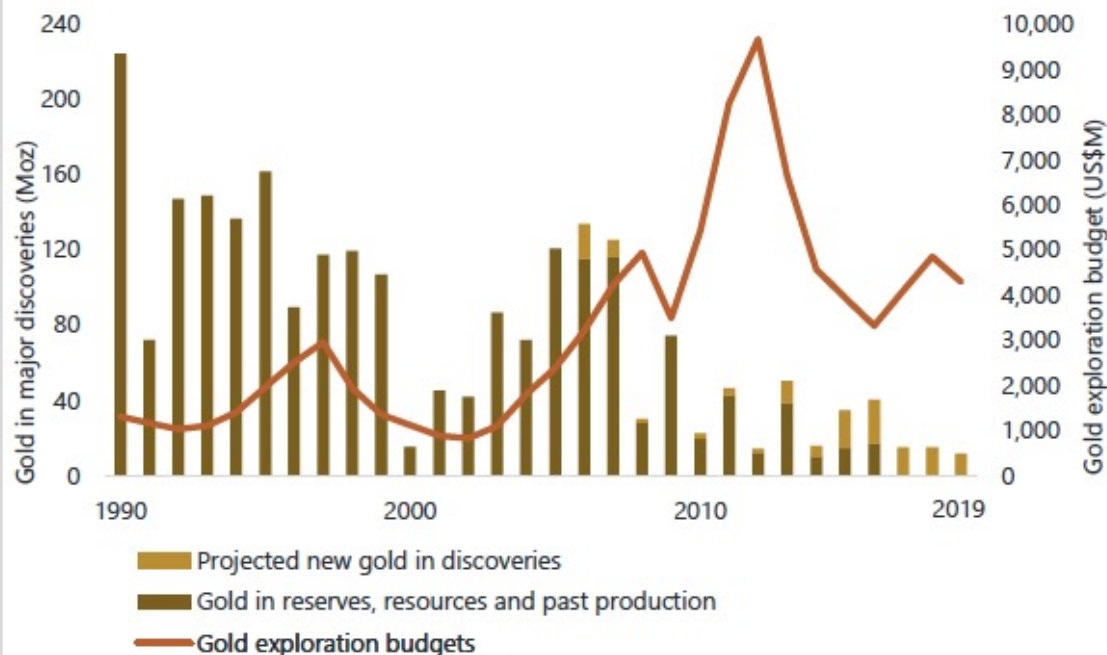
1. Since Inception date of September 2018

NEW MAJOR GOLD DISCOVERIES ARE RARE

PRECIOUS METALS – SETTING UP FOR A PERFECT STORM?

- Capital efficiency has declined substantially as “easy ounces” have been found, developed and mined.
- Collapse in precious metals prices has further dampened exploration budgets.
- **Bottom line:** lack of exploration capital will result in higher precious metals prices as reserves have not been replaced.

MAJOR¹ GOLD OUNCES ARE BECOMING HARDER TO FIND



Source: SNL / Delbrook Capital

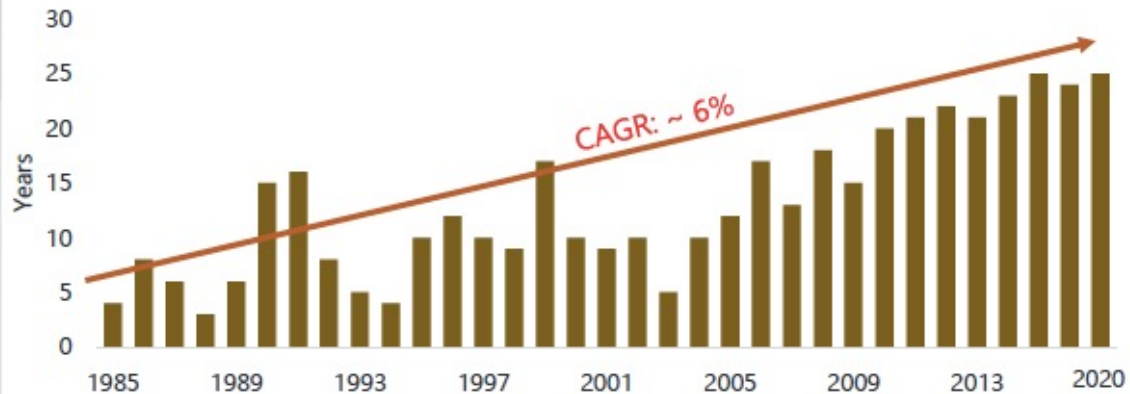
1. All deposits containing over 1 Moz of gold in reserves and past production, or 2 Moz of gold in reserves, resources and past production.

GOLD SUPPLY CONTRIBUTION IS DECREASING YEAR OVER YEAR

GOLD SUPPLY

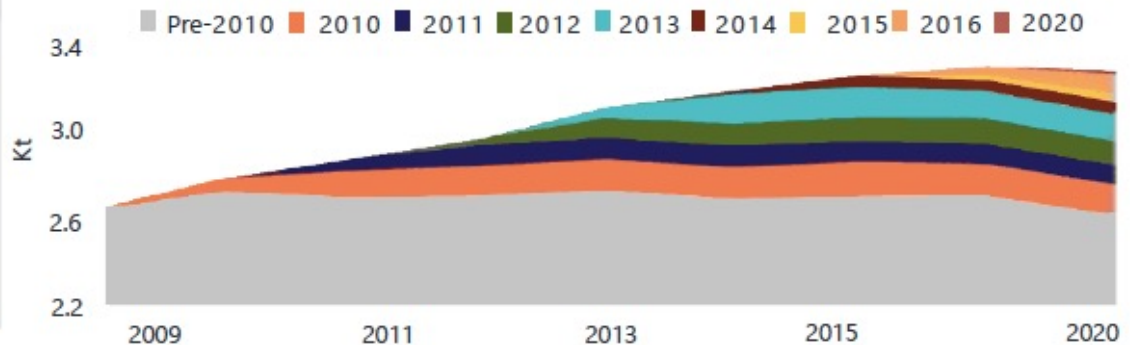
- The average number of years from deposit discovery to mine production has increased by 400% since 1985.
- Today, it takes approximately 20 years to bring a deposit from discovery into production.
- Year on year global mine supply contribution, from mines that went into production since 2010, has been decreasing. We have reached peak production.

NUMBER OF YEARS FROM DISCOVERY TO PRODUCTION



Source: MinEx Consulting / Delbrook Capital

GOLD MINE SUPPLY



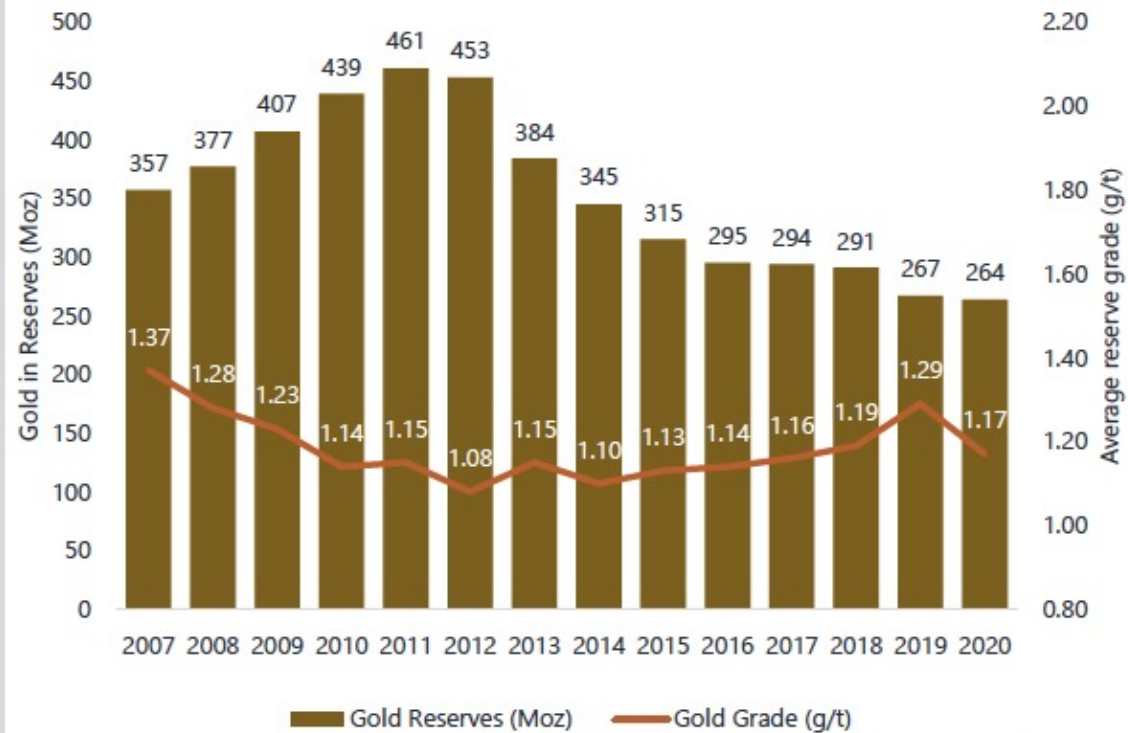
Source: Metals Focus / Delbrook Capital

GOLD GRADES ARE DECLINING

GOLD RESERVES & GRADES

- The average grade of major gold miners has decreased 15% over the last 15 years.
- Despite higher gold price for reserve calculations, gold reserves have declined by 25%.
- Declining grades and reserves will put upward pressure on gold prices and increase industry consolidation as companies backfill project pipelines to address underinvestment and depletion.

GOLD GRADES OF SENIOR PRODUCERS HAVE BEEN DECLINING



Source: Company Filings / TD / Delbrook Capital

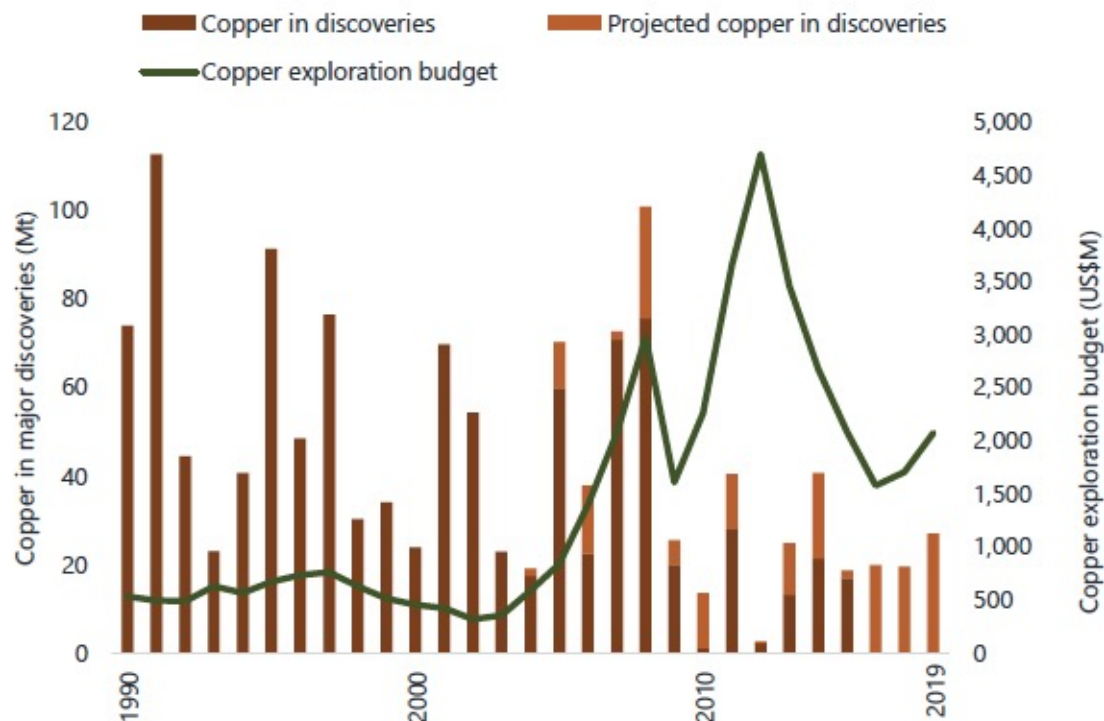
LACK OF COPPER

COPPER DISCOVERIES

Although the >US\$28 billion allocated to copper exploration over the past decade is more than double the US\$10.5 billion spent over the preceding 17 years.....

- The increased funding has so far failed to identify more copper discoveries.
- Only 150 Mt of copper was defined in 31 discoveries over the last 10 years, compared to 863 Mt in 190 discoveries in the preceding 18 years.
- **Bottom line:** easy copper has already been found, copper prices need to rise materially to attract higher exploration and development capital.

COPPER DISCOVERY RATES PLUMMET



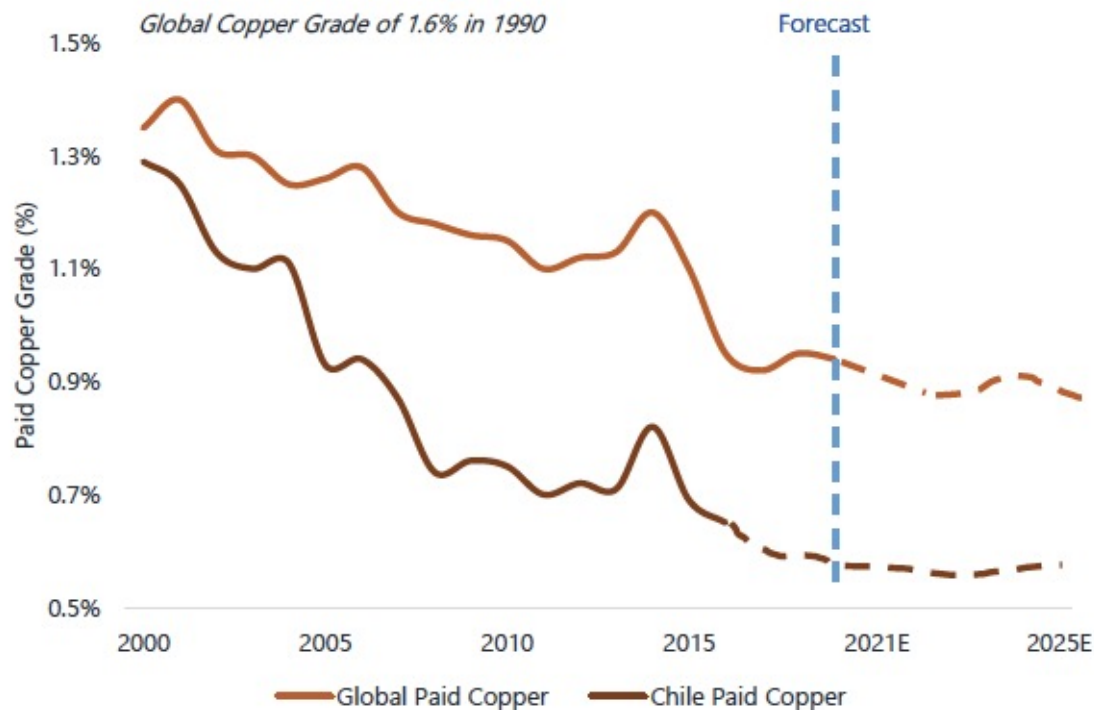
Sources: SNL / Delbrook Capital

COPPER GRADES ARE DECLINING

COPPER GRADES

- Global copper grades have significantly declined over the last 20 years.
- Chile, which is the world's top copper producer, must process larger amounts of rock to obtain the same amount of copper it used to a decade ago.
- Decrease in global copper grades will put upward pressure on copper prices.

GLOBAL COPPER GRADES HAVE BEEN DECLINING SINCE 2000



Sources: Wood Mackenzie / CEMI / Delbrook Capital

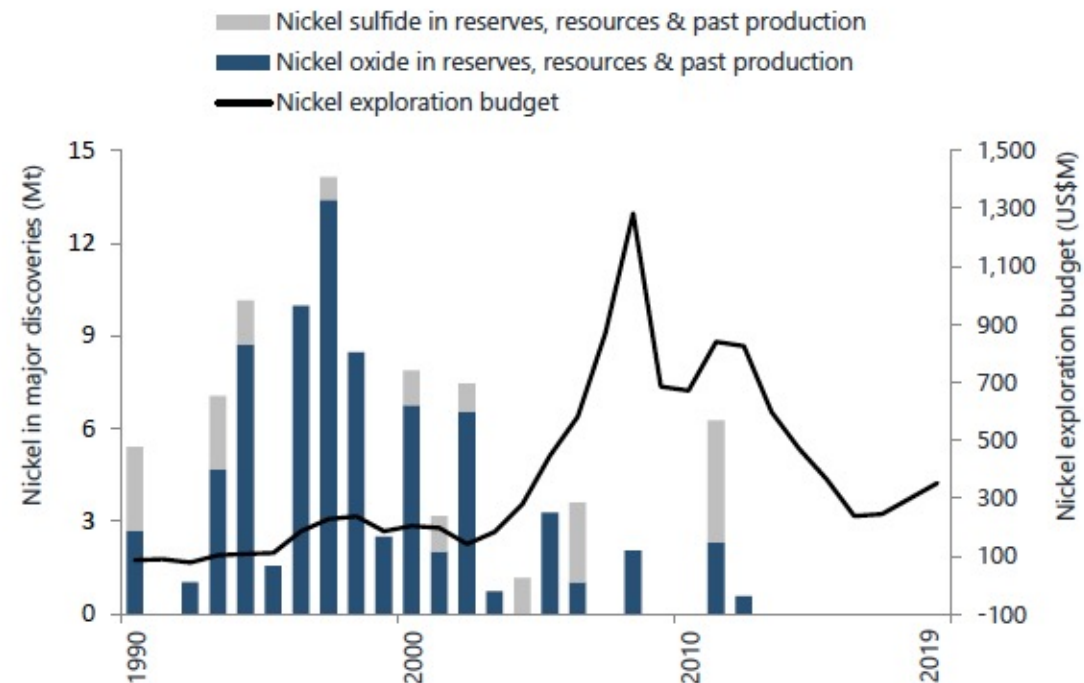
LACK OF NICKEL

NICKEL DISCOVERIES

Although the >US\$5.5 billion allocated to nickel exploration over the past decade is equal to US\$5.5 billion spent over the preceding 19 years.....

- The increased funding has so far failed to identify more nickel discoveries.
- Only 6 Mt of nickel was defined in 2 major discoveries over the last 10 years, compared to 90 Mt in 20 discoveries in the preceding 19 years.
- **Bottom line:** easy nickel has already been found, nickel prices need to rise materially to attract higher exploration and development capital.

NICKEL DISCOVERY RATES PLUMMET



Sources: SNL / Delbrook Capital

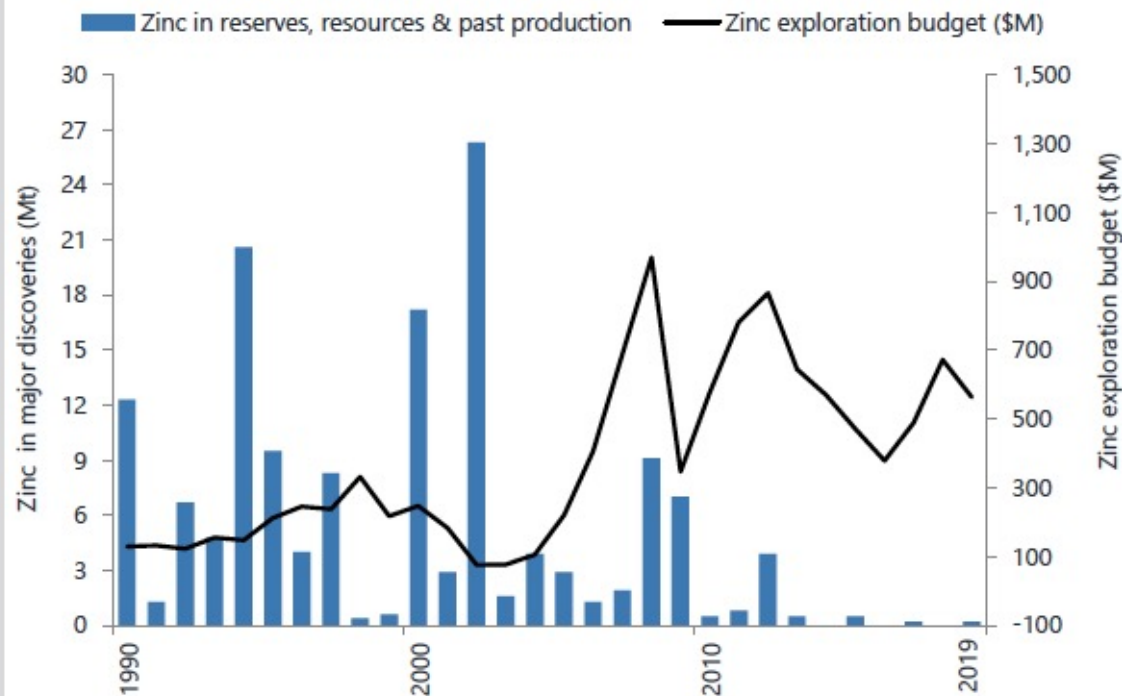
LACK OF ZINC

ZINC DISCOVERIES

Although the US\$6.3 billion allocated to zinc exploration over the past decade is higher than US\$5.0 billion spent over the preceding 19 years.....

- The increased funding has so far failed to identify more zinc discoveries.
- Only 14 Mt of zinc was defined in 11 major discoveries over the last 10 years, compared to 135 Mt in 19 discoveries in the preceding 19 years.
- **Bottom line:** easy zinc has already been found, zinc prices need to rise materially to attract higher exploration and development capital.

ZINC DISCOVERY RATES PLUMMET



Sources: SNL / Delbrook Capital

TECHNOLOGICAL INNOVATION ACCELERATING DEMAND

DEMAND PROJECTIONS STAGGERING

- The rapid adoption of EV technology will lead to materially increased demand for several commodities.
- Naïve to assume the composition of EV batteries won't change over next 5-10 years.

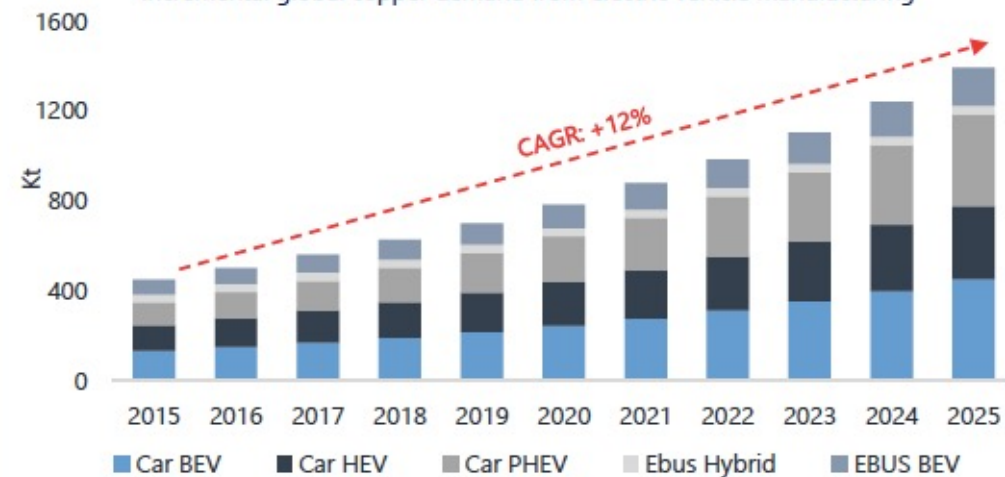


Global metals and materials demand from EV batteries



Sources: Bloomberg New Energy Finance / Delbrook Capital

Incremental global copper demand from electric vehicle manufacturing



Sources: International Copper Association / Delbrook Capital

STRATEGIC METALS – VANADIUM and COBALT

VANADIUM MARKET

- Closure of Mapochs mine in South Africa has removed 11,000 of vanadium from the market (~13% of supply), putting upward pressure on prices.
- New Chinese environmental regulations and import ban on scrap metals have further tightened the market.

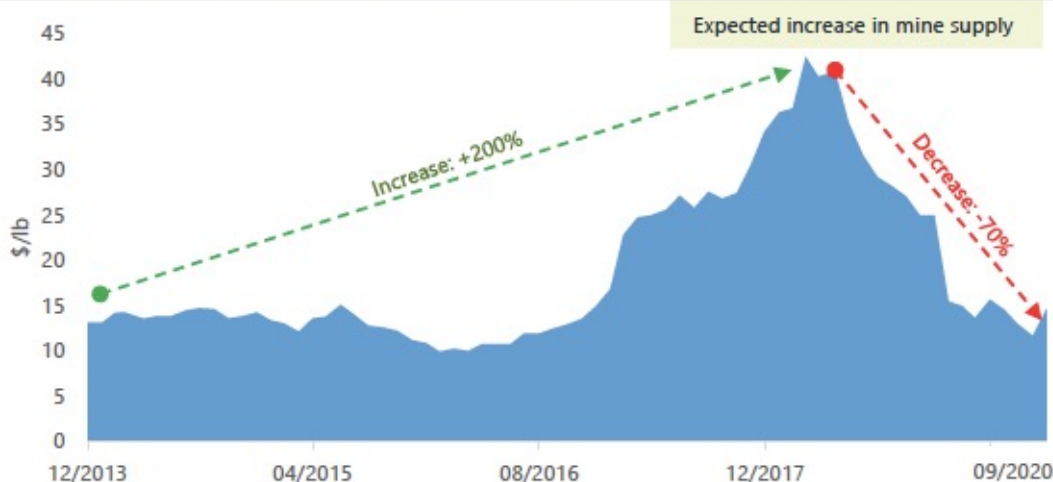
VANADIUM PRICE HAS SPIKED TO ALL TIME HIGHS



COBALT MARKET

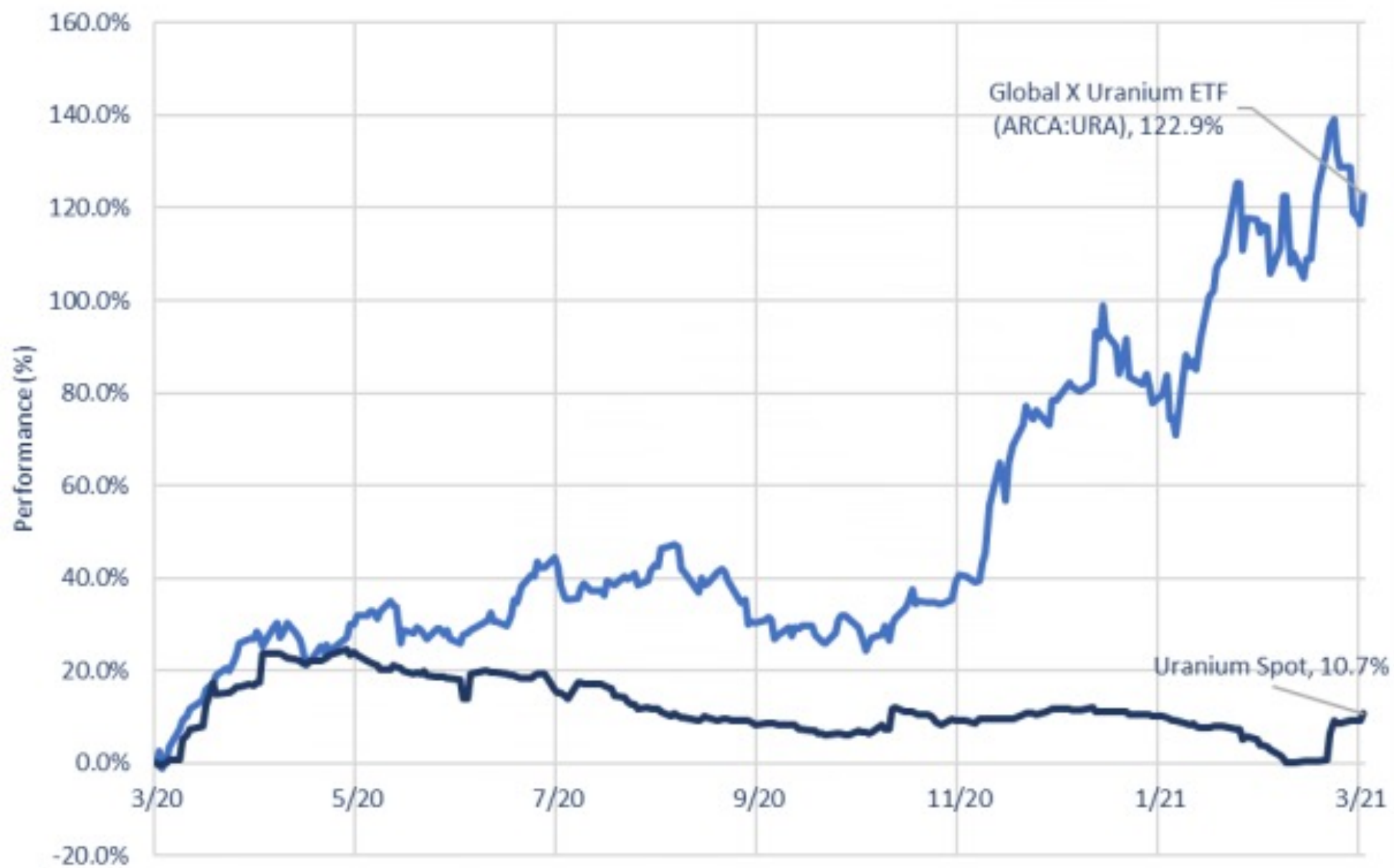
- Due to supply concerns, cobalt price has spiked in 2018.
- However, expected cobalt supply increase has erased the price hike.
- **Bottom line:** Hedge Fund structure allows alpha to be generated in a rapidly changing commodity environment.

COBALT PRICE DECREASES AMID MINE SUPPLY RISE



Sources: SNL / Delbrook Capital

Uranium Price vs. Uranium Equities



Graph 1 (Source: Capital IQ)

Uranium Contracting

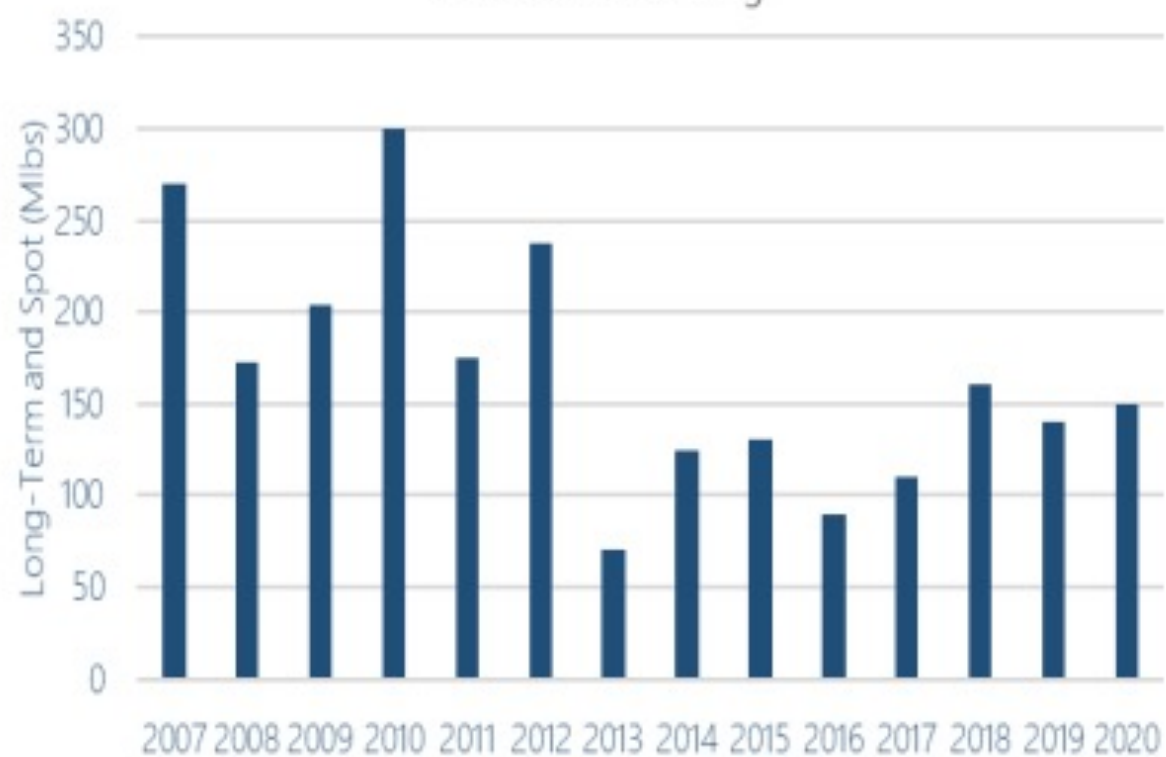


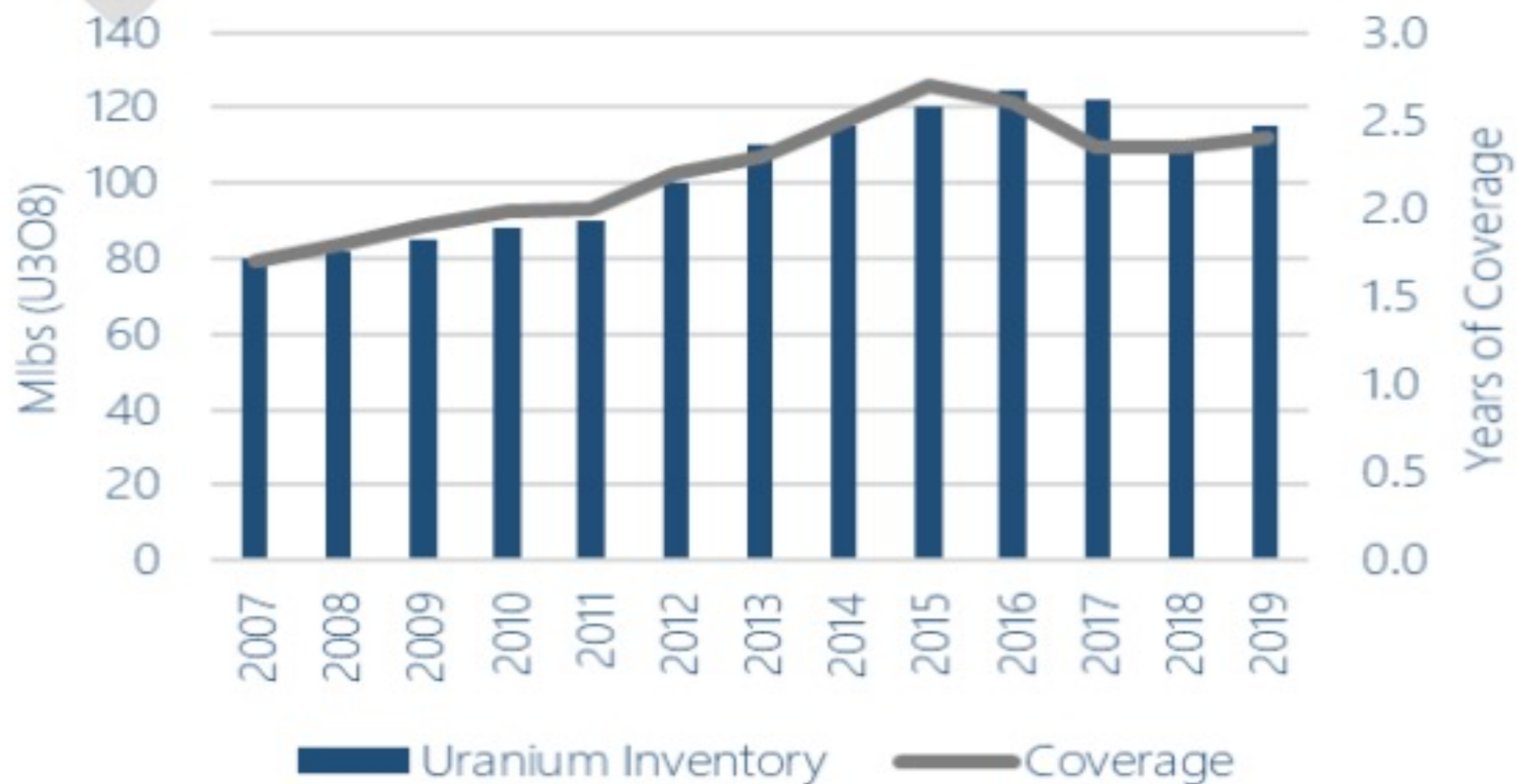
Figure 1 (Source: RBC Capital Markets)

Large Global Inventories



Figure 2 (Source: RBC Capital Markets)

US Coverage is above average



2016 U3O8 Production Ranked on Total Cash Cost*

Actual Money of the Day

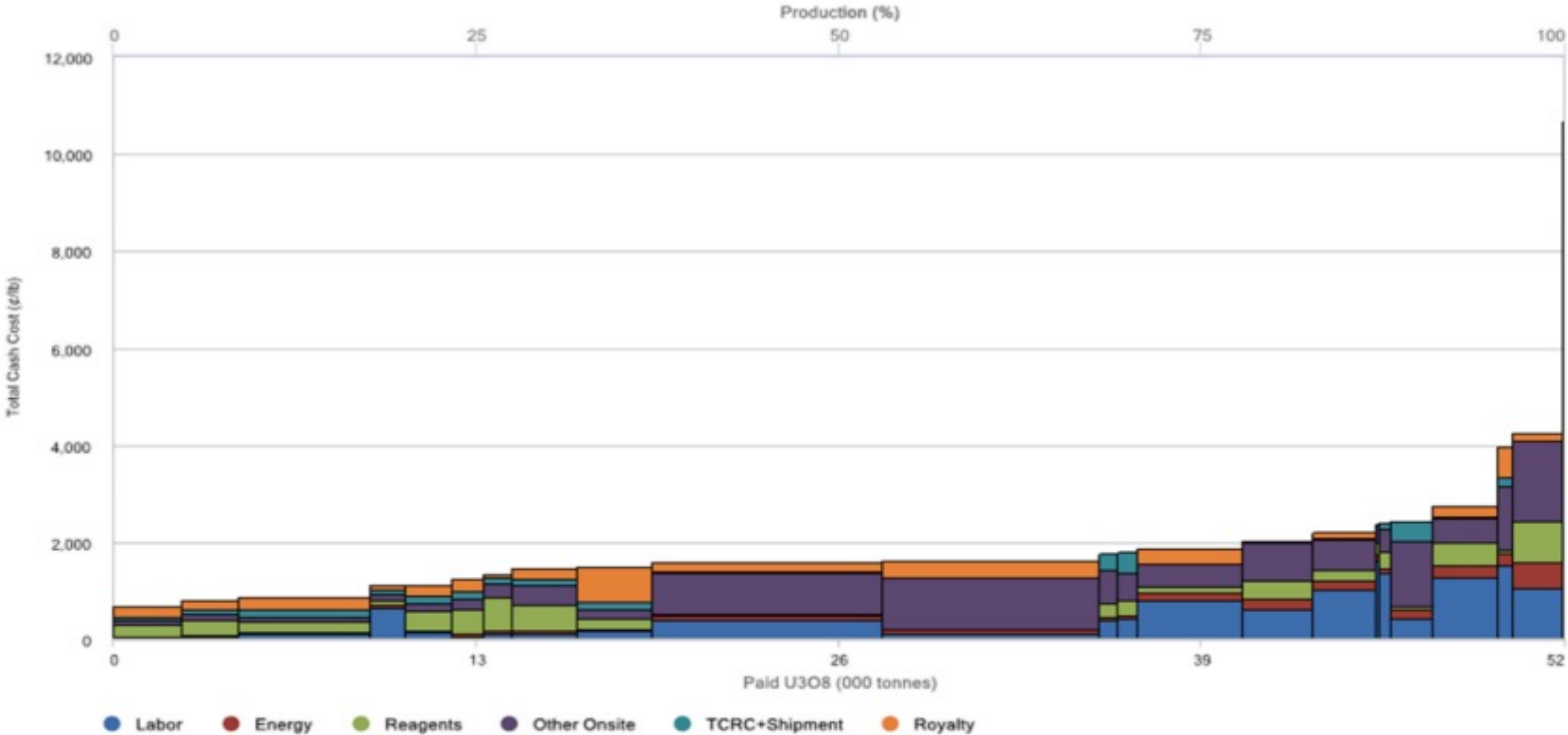


Figure 4 (Source: SNL)

China U Inventories vs. Demand Coverage

