



# MINING: SHORT-TERM BLIP OR STRUCTURAL BOOM? WITH DAVID RADCLYFFE

# Agenda

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- **Iron ore: China exposure**
- **Lithium: Battery hype vs mine economics**
- **Gold: relationships between gold miners & gold price**
- **Copper: effect of electric vehicles & solar on copper**
- **Investment Outlook**



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Tim Fuller  
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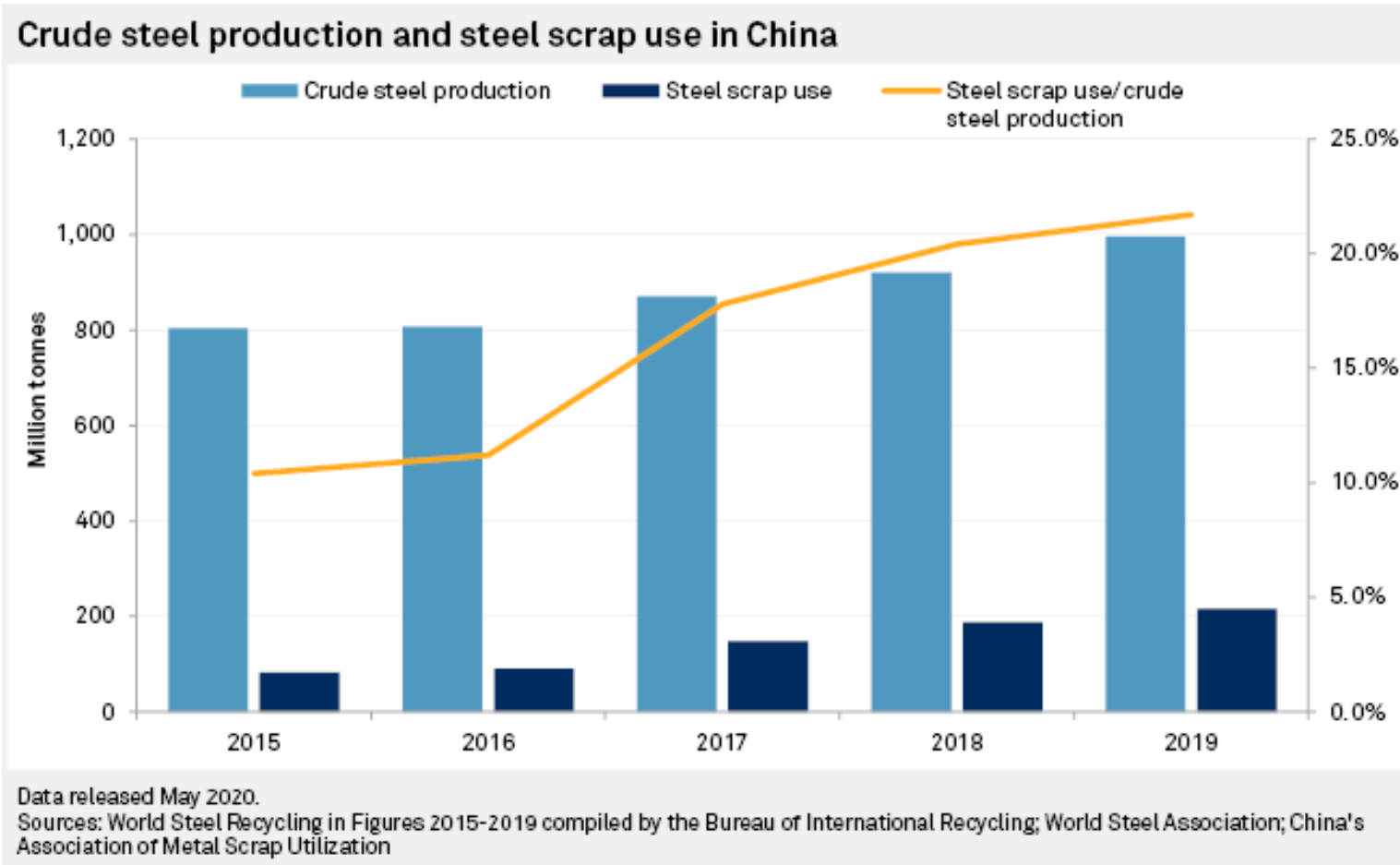
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# Iron ore: China exposure

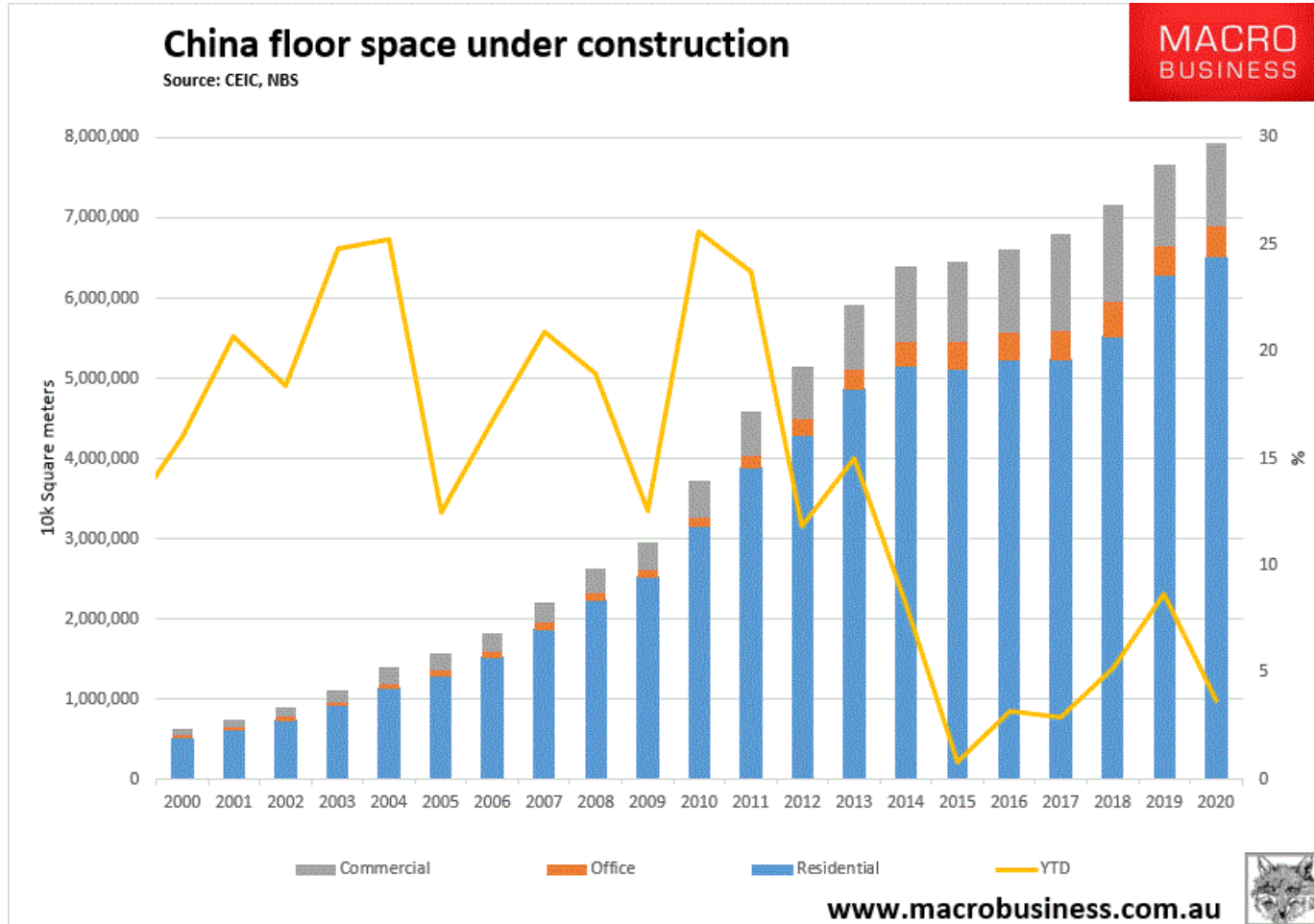


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# Iron ore: China exposure



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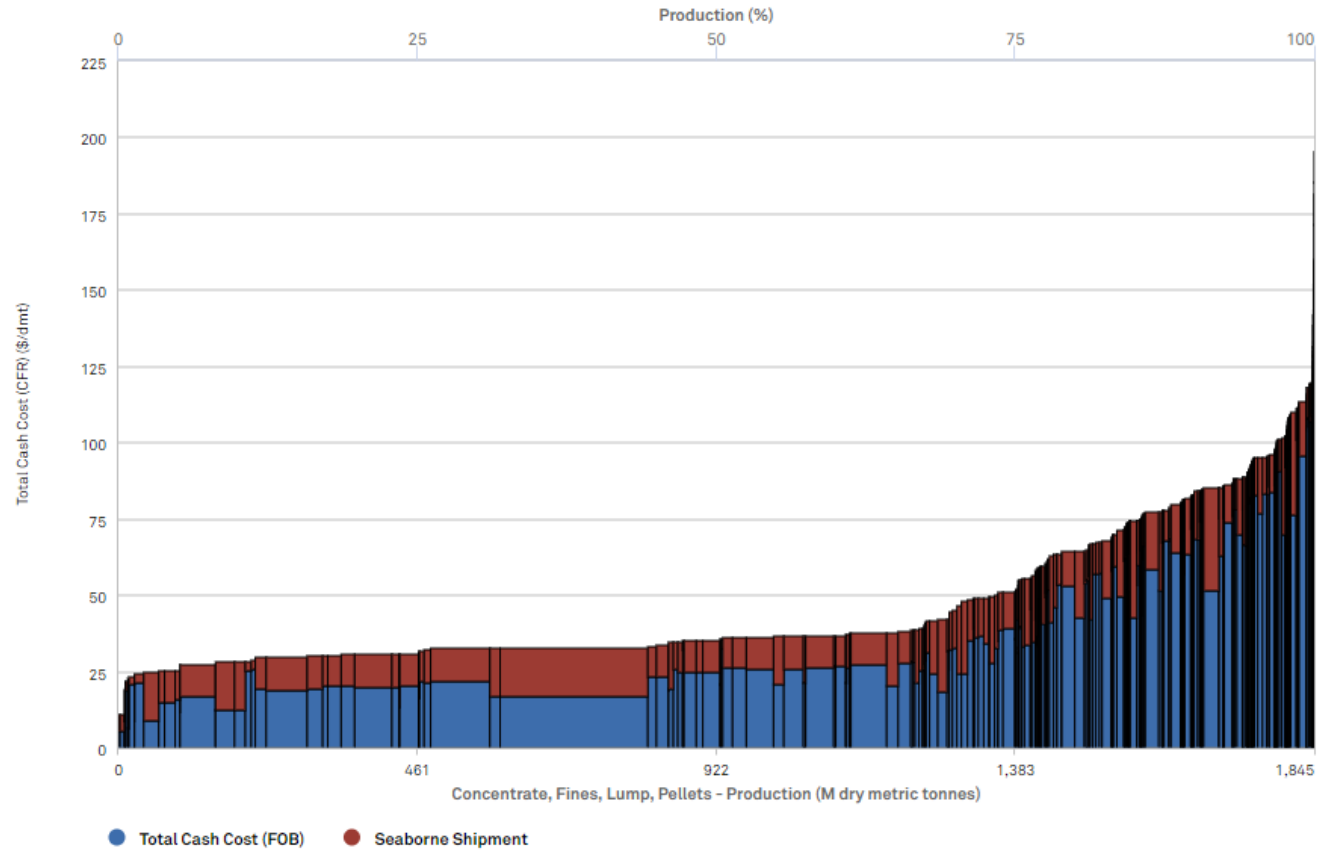
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# Iron ore: China exposure

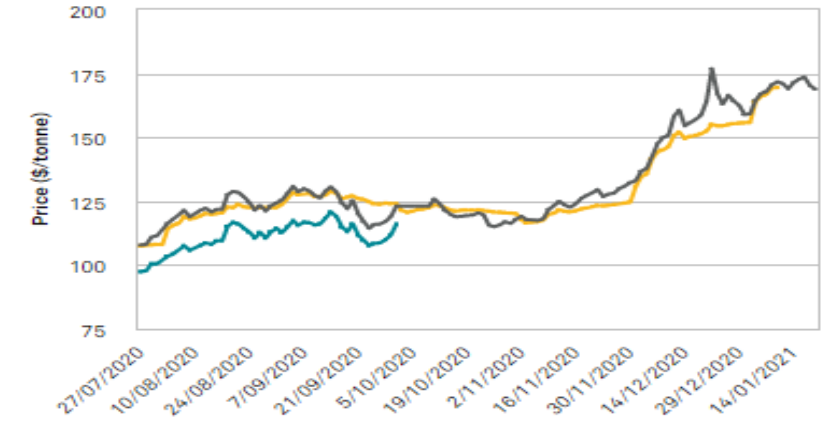
## 2020 Iron Ore Production Ranked on Total Cash Cost (CFR)\*

Scenario: Market Intelligence 2019 Constant USD



## Iron Ore

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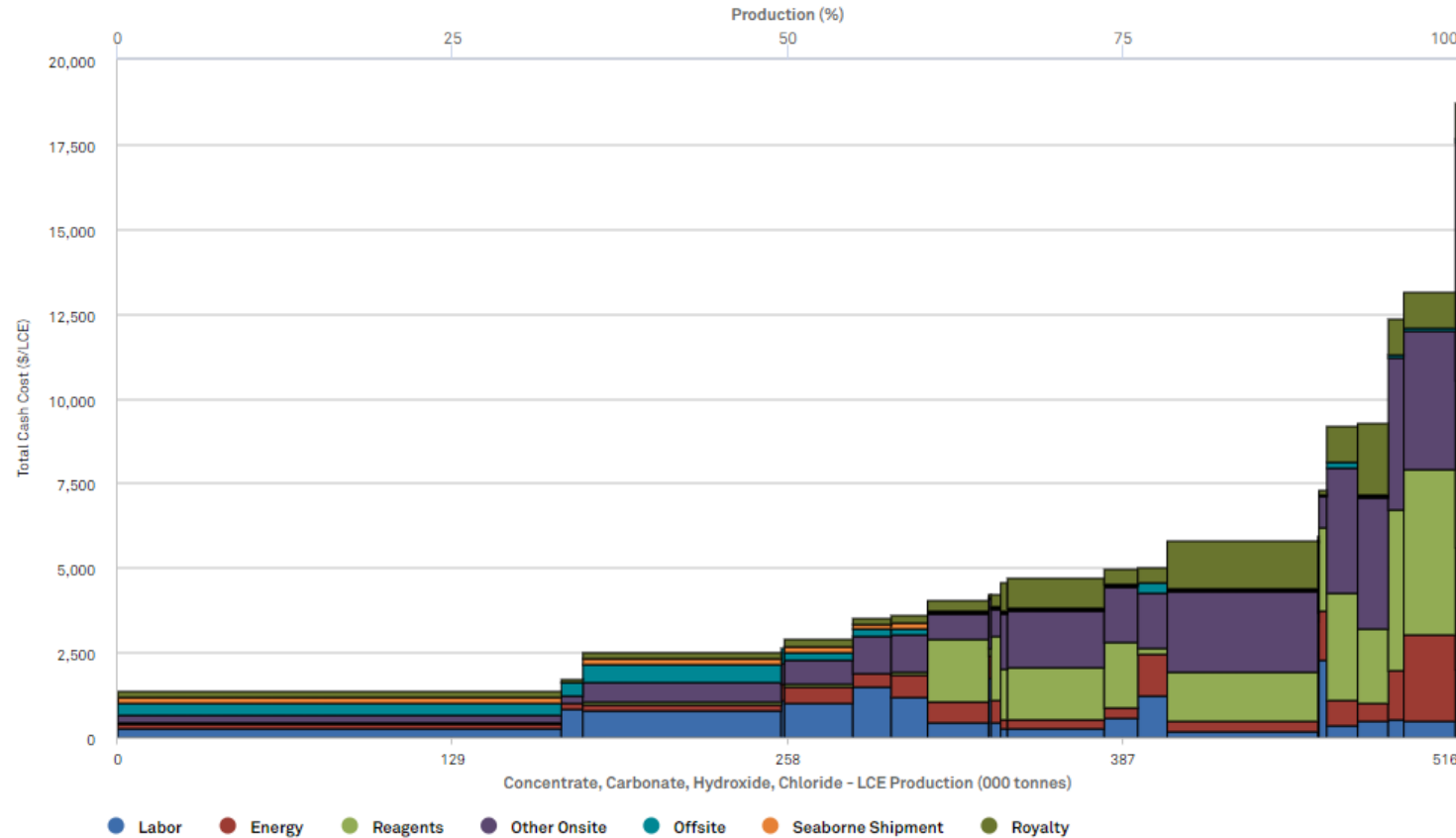
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# Lithium: Battery hype vs mine economics

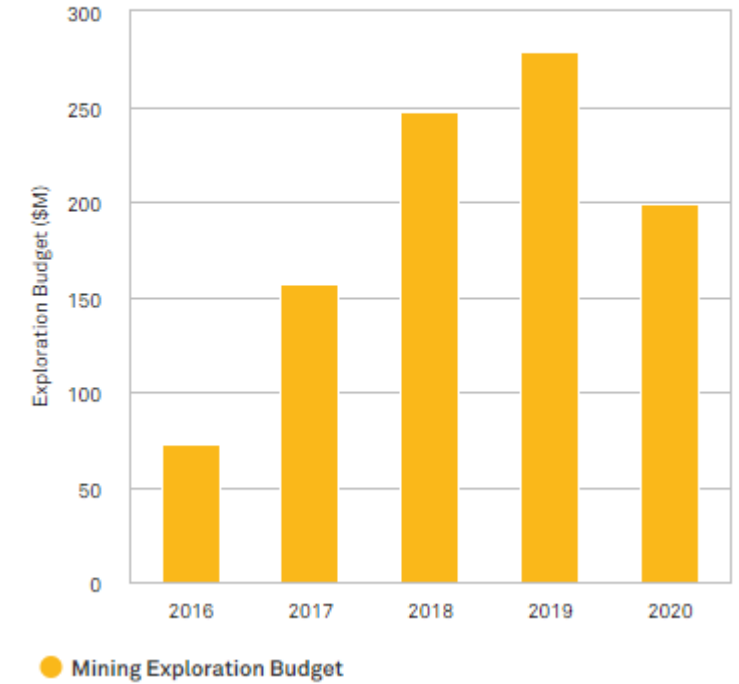
## 2020 Lithium Production Ranked on Total Cash Cost\*

Scenario: Market Intelligence 2019 Constant USD



## Exploration Budget Trends<sup>2</sup>

2016 - 2020



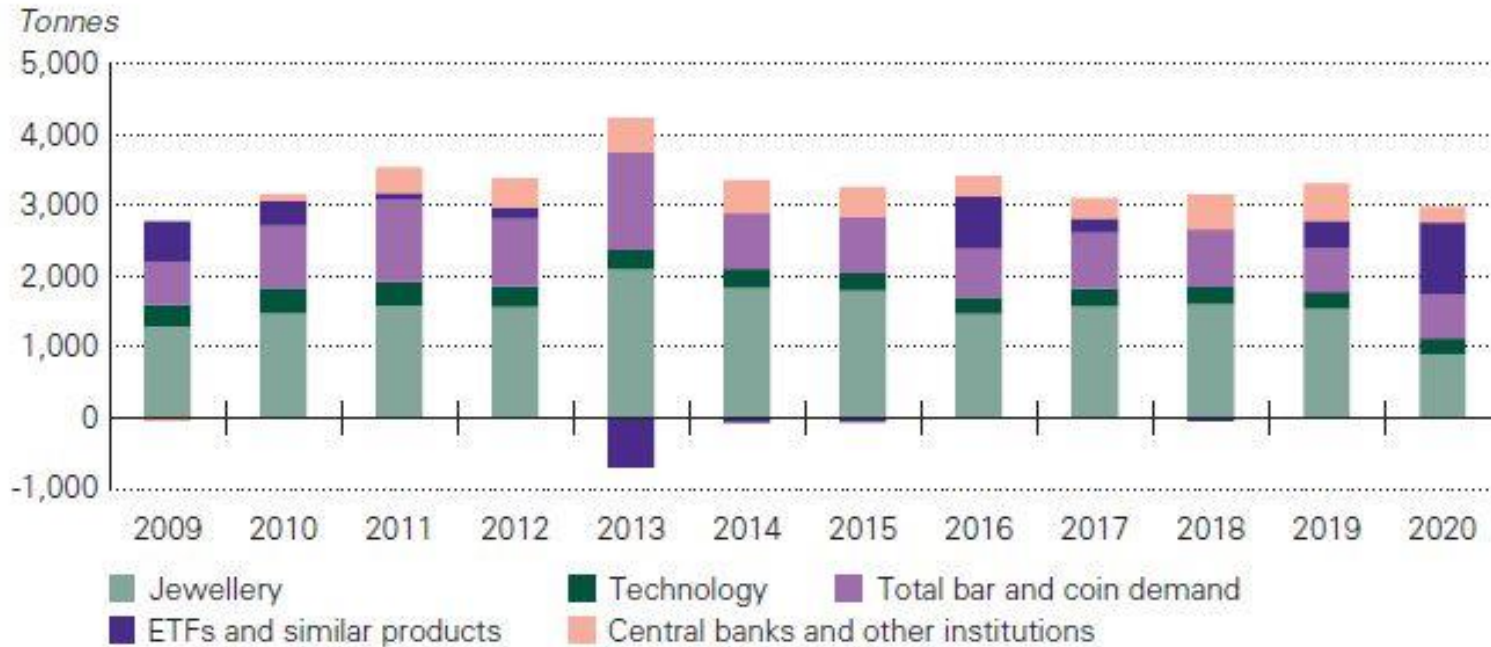
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# Gold: relationships between gold miners & gold price

## Y-t-d demand on a par with 2009

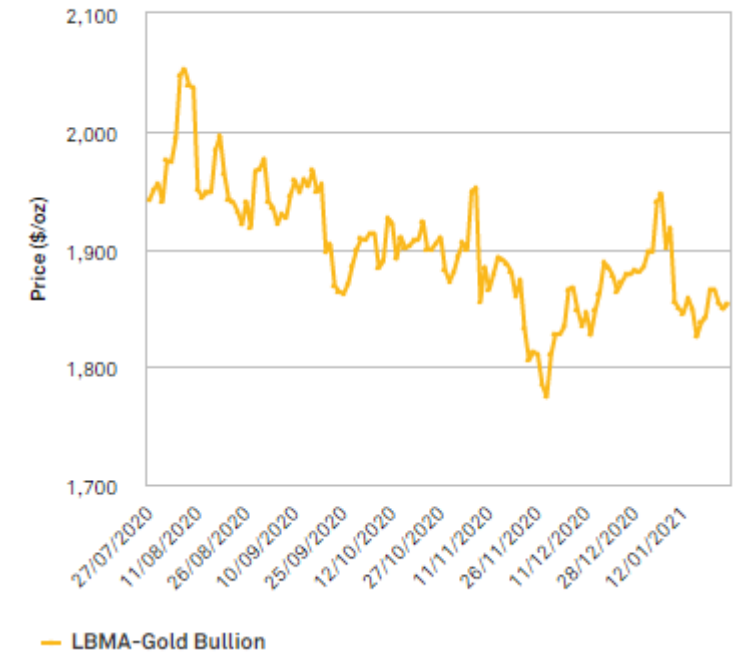


Note: Bars represent year-to-date demand for each corresponding year

Source: Metals Focus, Refinitiv GFMS, World Gold Council

## Gold

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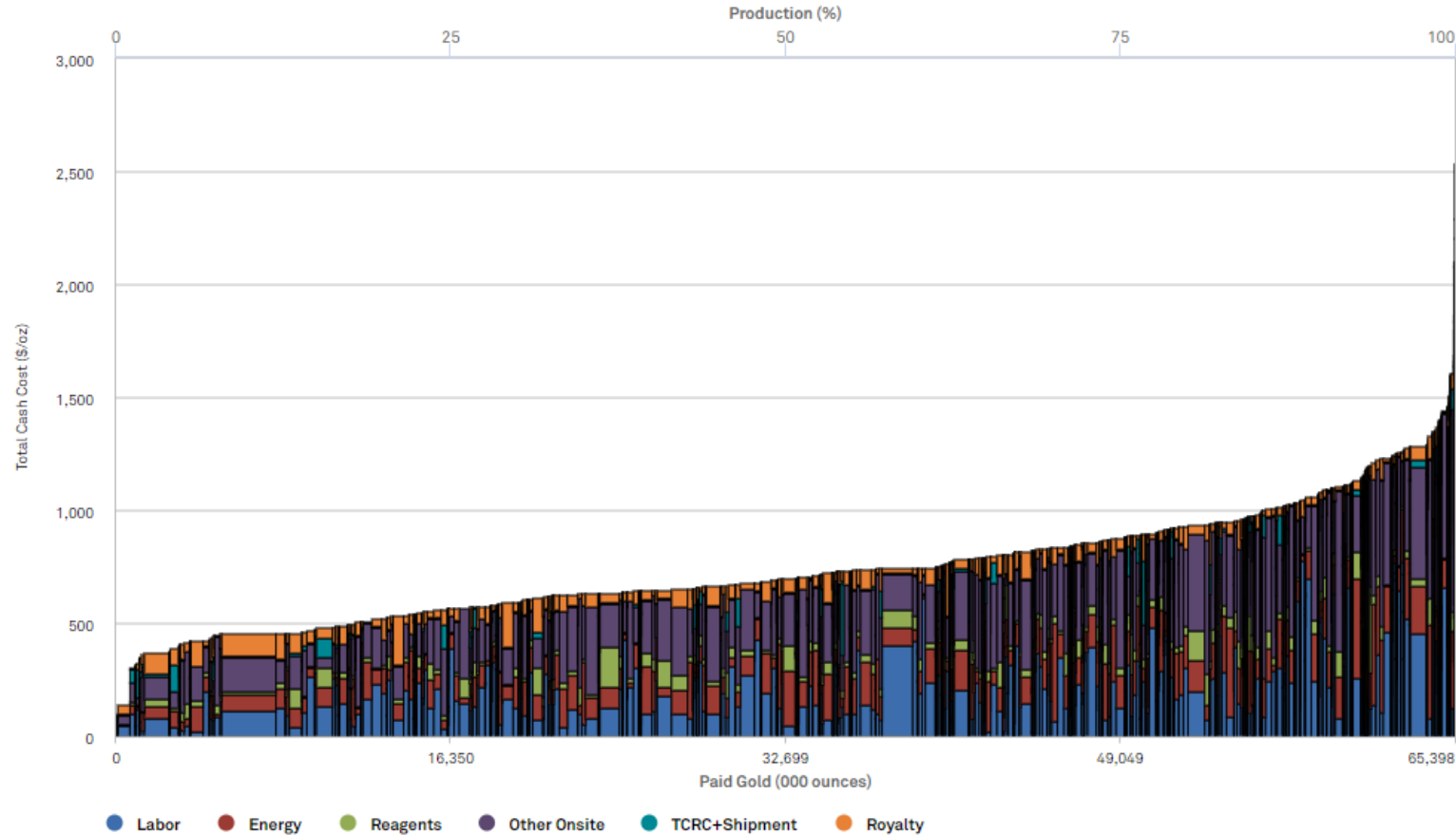




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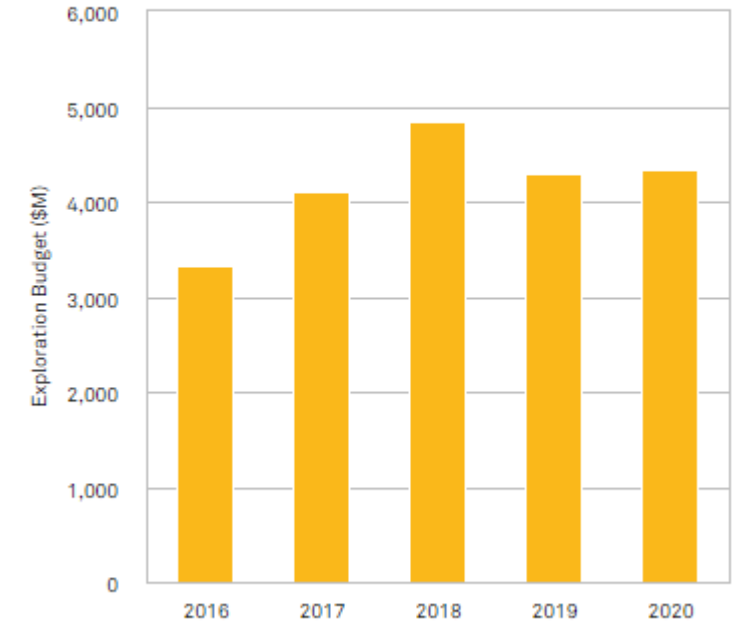
## 2020 Gold Production Ranked on Total Cash Cost\*

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## Exploration Budget Trends<sup>2</sup>

2016 - 2020



● Mining Exploration Budget



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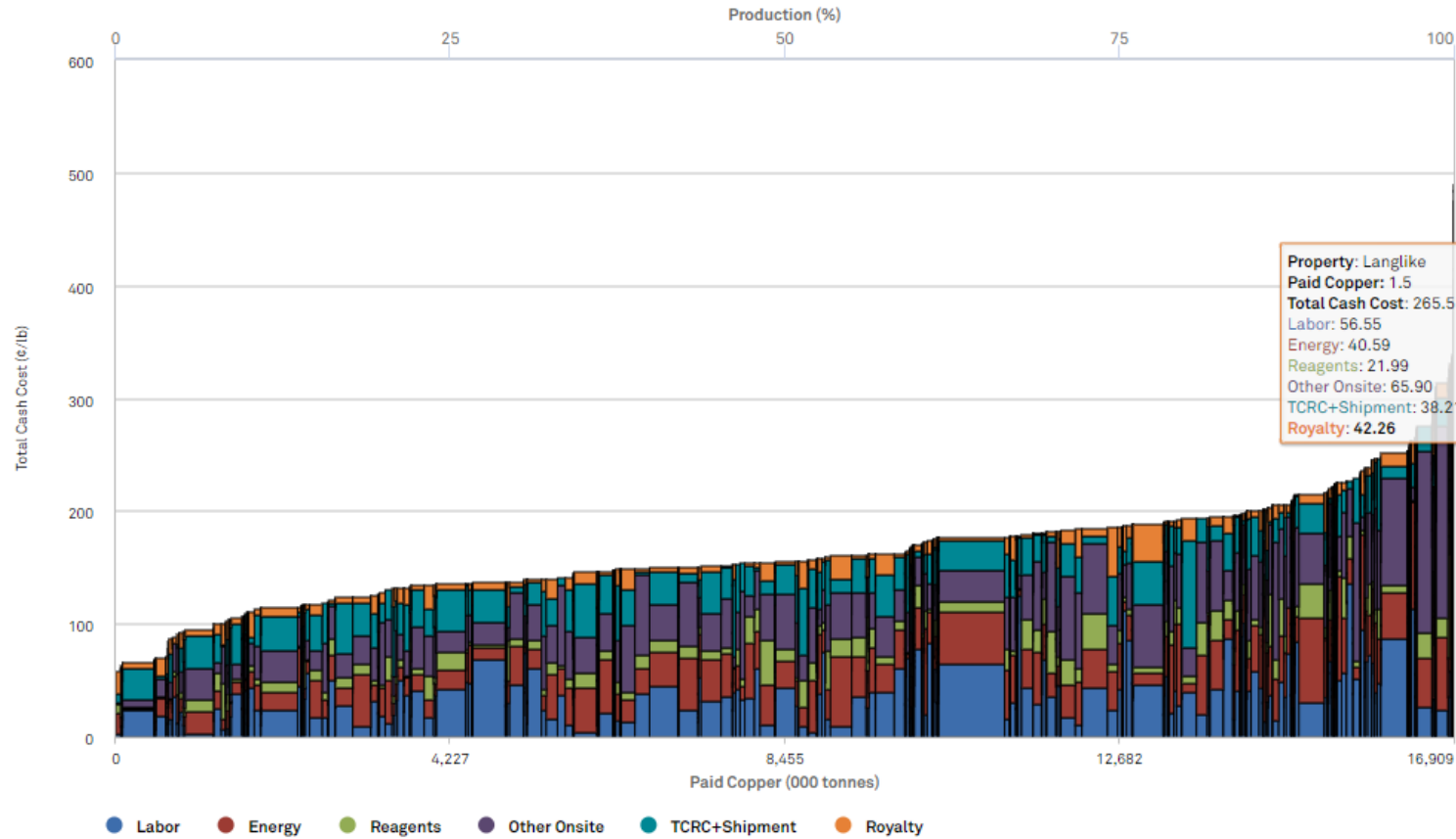
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# Copper: effect of electric vehicles & solar on copper

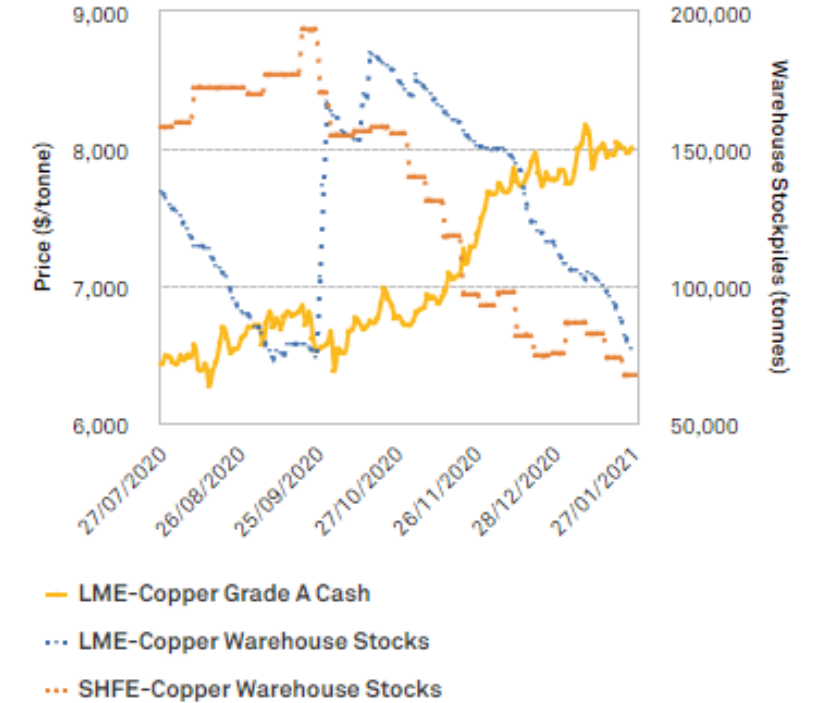
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## Copper

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# Investment Outlook

## Dancing, but near the door

### Key positive factors

- Government stimulus
- Low probability of US tax hikes
- Earnings very good
- Inequality to increase

### Other positive factors

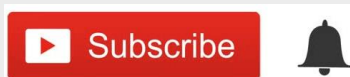
- Bankruptcies limited
- Evictions limited
- Mortgage repayment holidays
- Wage growth very low
- Capital efficiency
- Low oil prices
- Vaccine hope
- Policy certainty
- Structural change in industries leading to cost efficiencies

### Key negative factors

- Virus in Northern Hemisphere
- Valuation
- Latent bankruptcies
- Low genuine credit growth

### Other negative factors

- Short term gap in US economic conditions
- Inequality longer-term effects
- Effects gradually rolling off
- Structural change in industries leading to weak demand
- Cycle
- Demand weak
- Australian stimulus badly targeted



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# Viewer question of the week

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Is mining experiencing a short-term blip or structural boom?

Drop your answers in the comments



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