



# **CRESCAT CAPITAL®**

**THE VALUE OF GLOBAL MACRO INVESTING**

June 2022

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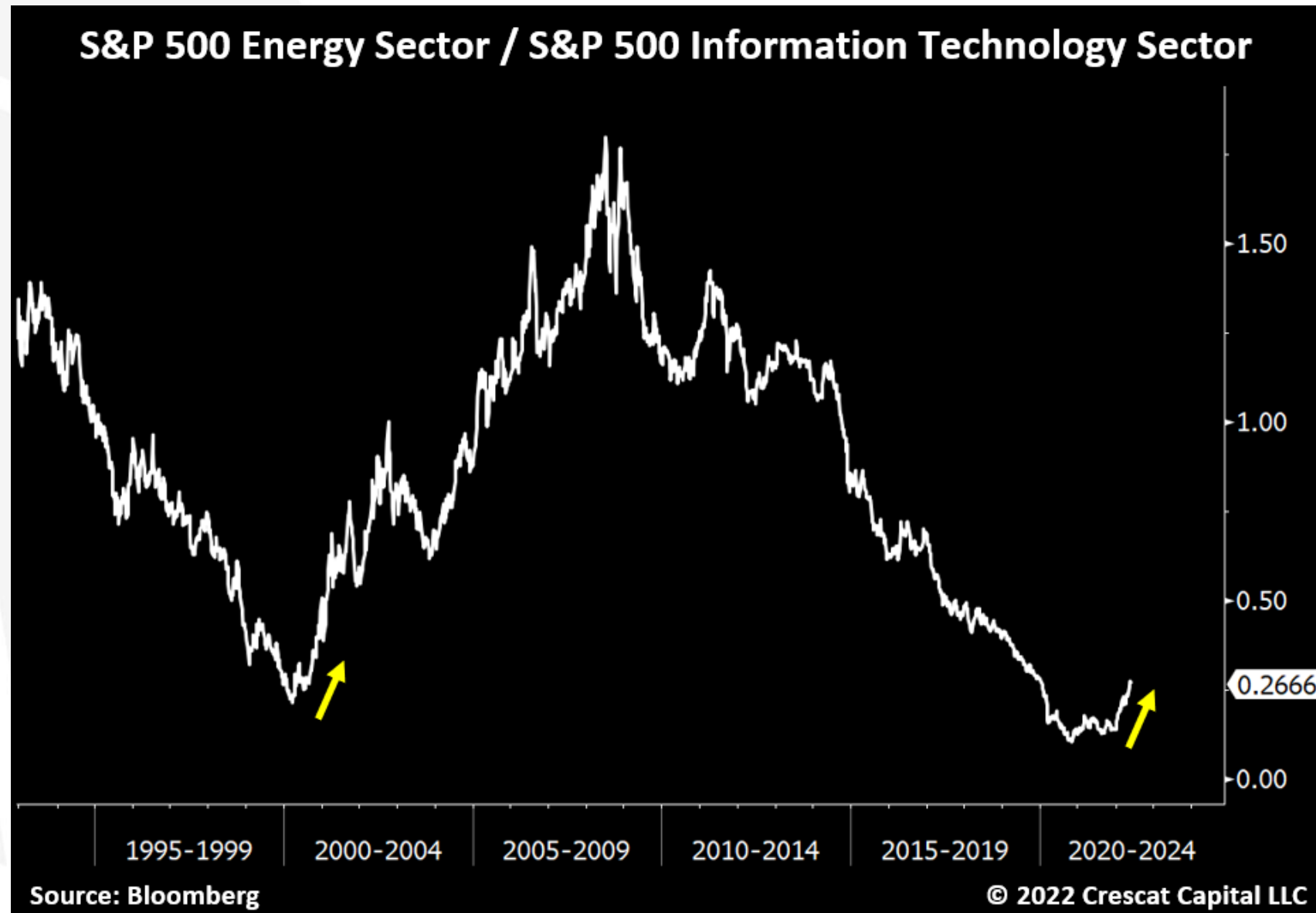
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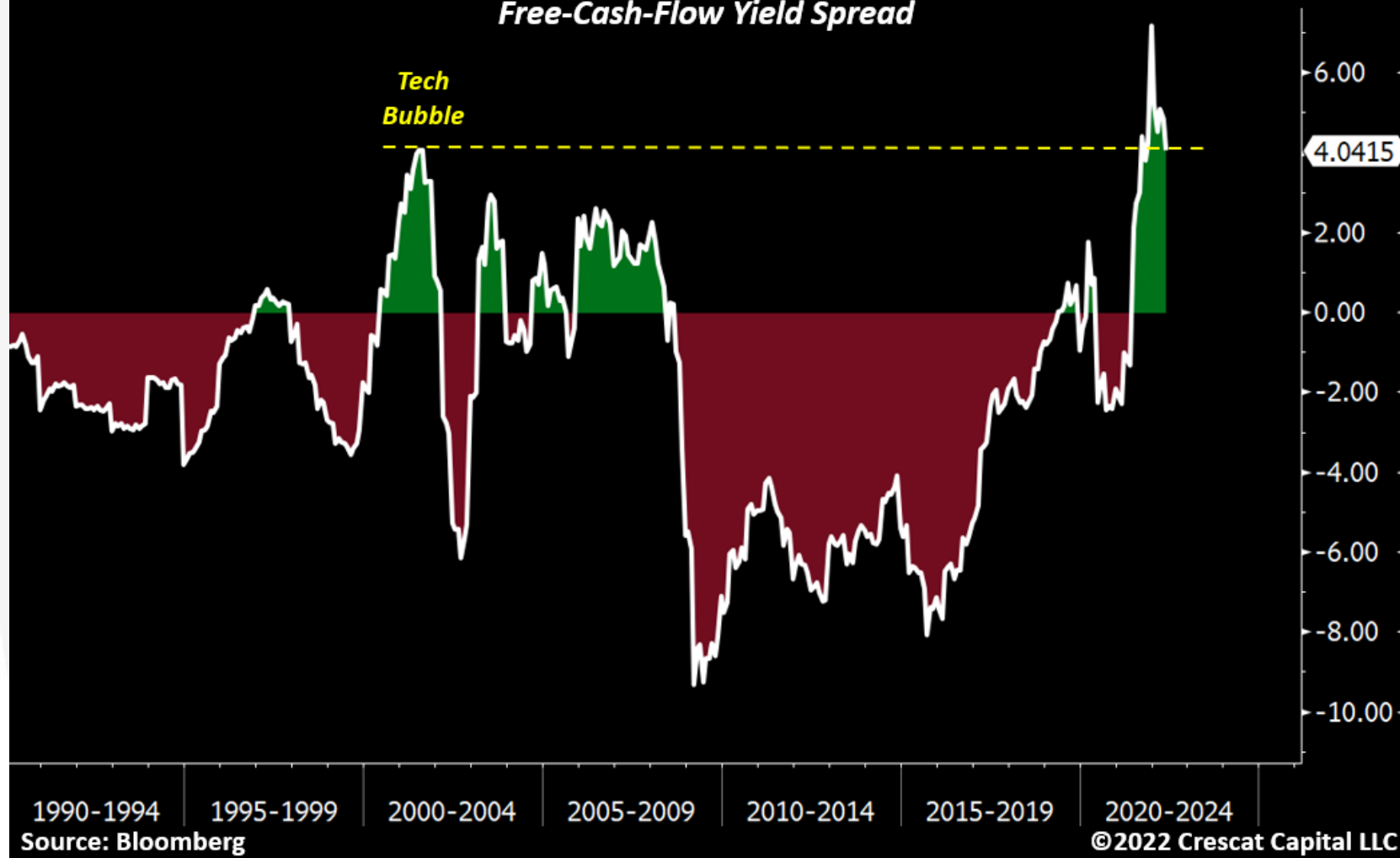
## S&P 500 Sectors: Performance Since the Pandemic Lows



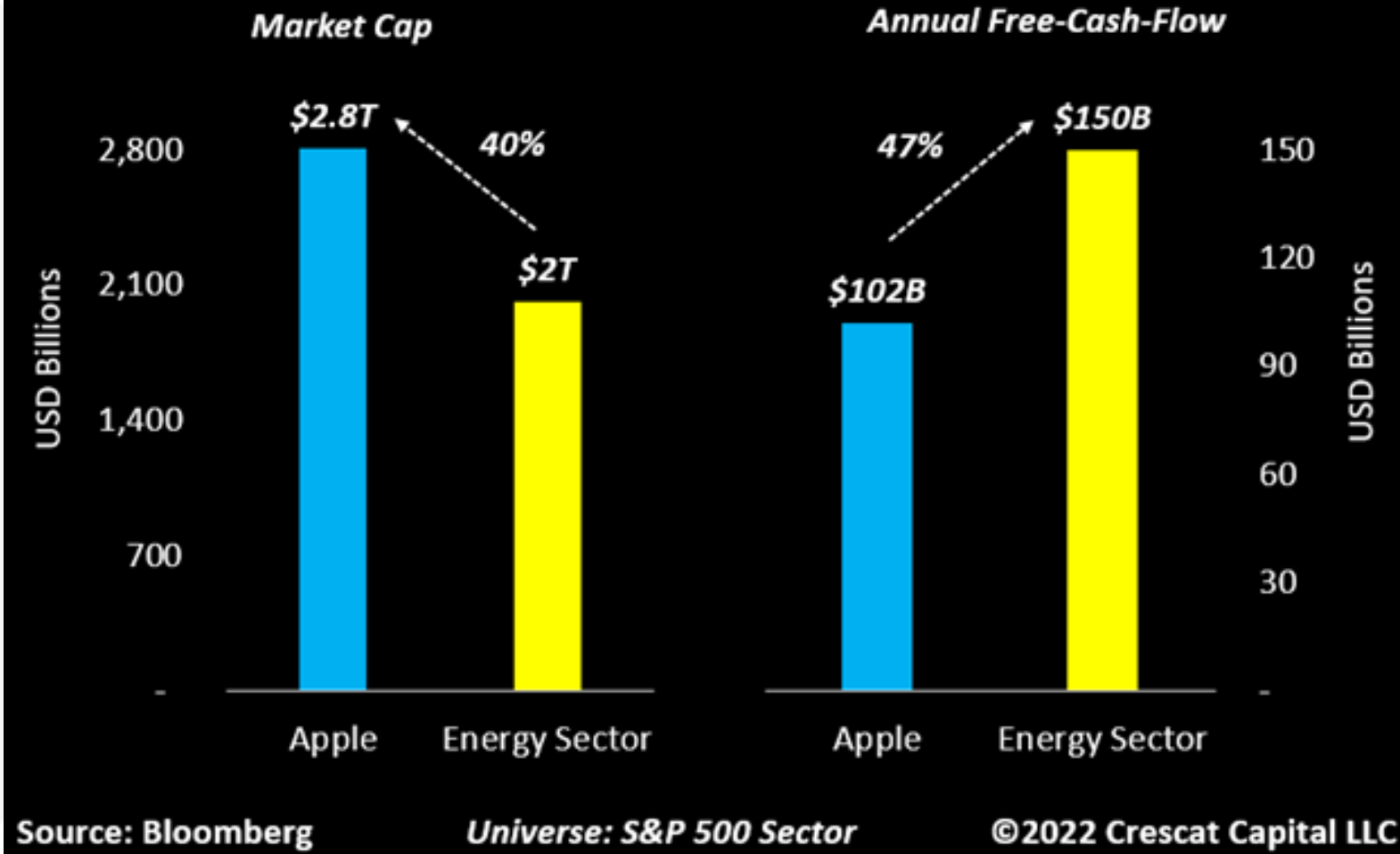


# Energy Stocks vs. S&P 500

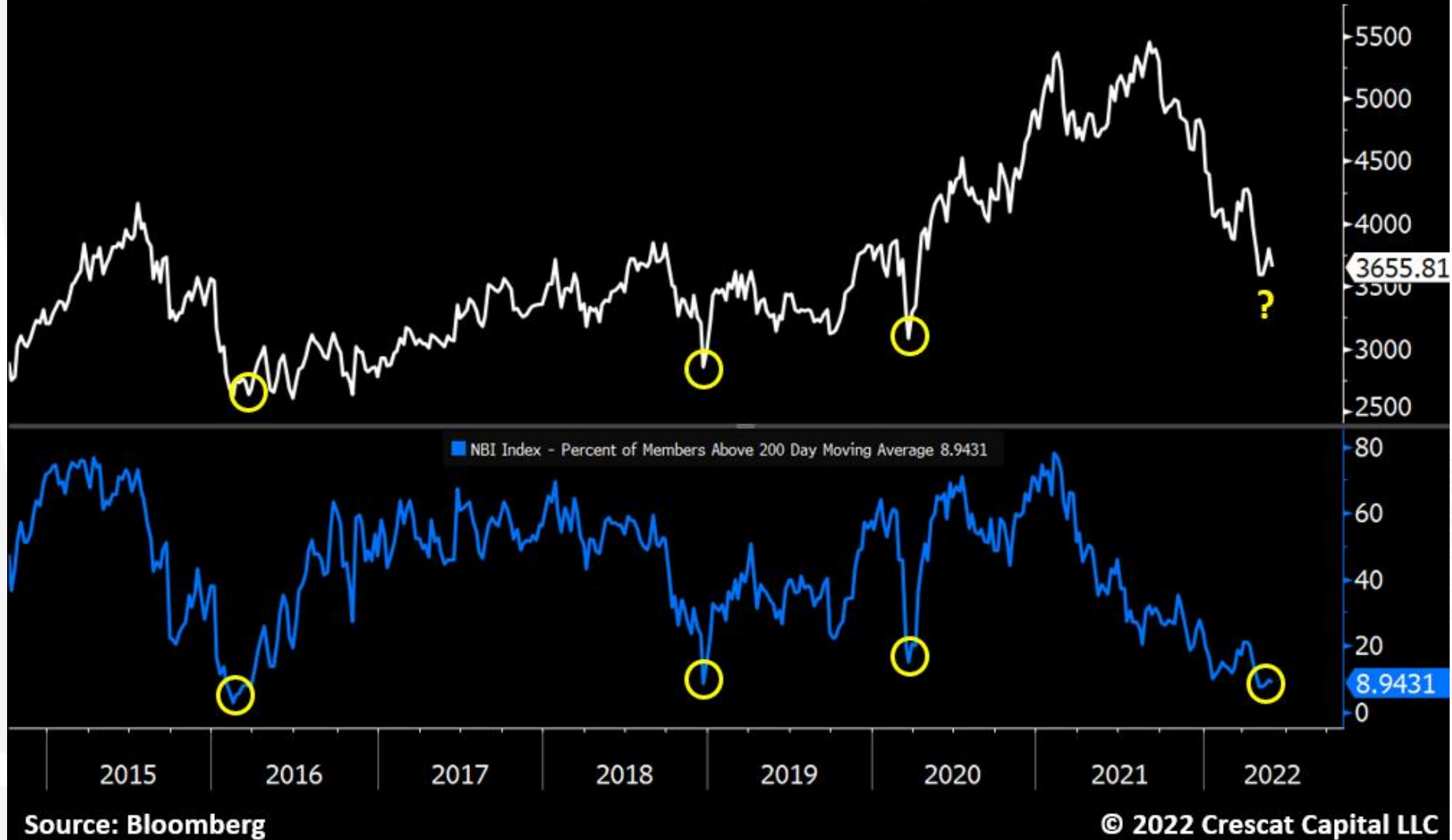
*Free-Cash-Flow Yield Spread*



# Apple vs. Energy Stocks



# Nasdaq Biotechnology Index





## Cash Rich

Number of Nasdaq Biotech members trading for less than cash has surged

■ Nasdaq Biotechnology Index members trading below their cash value



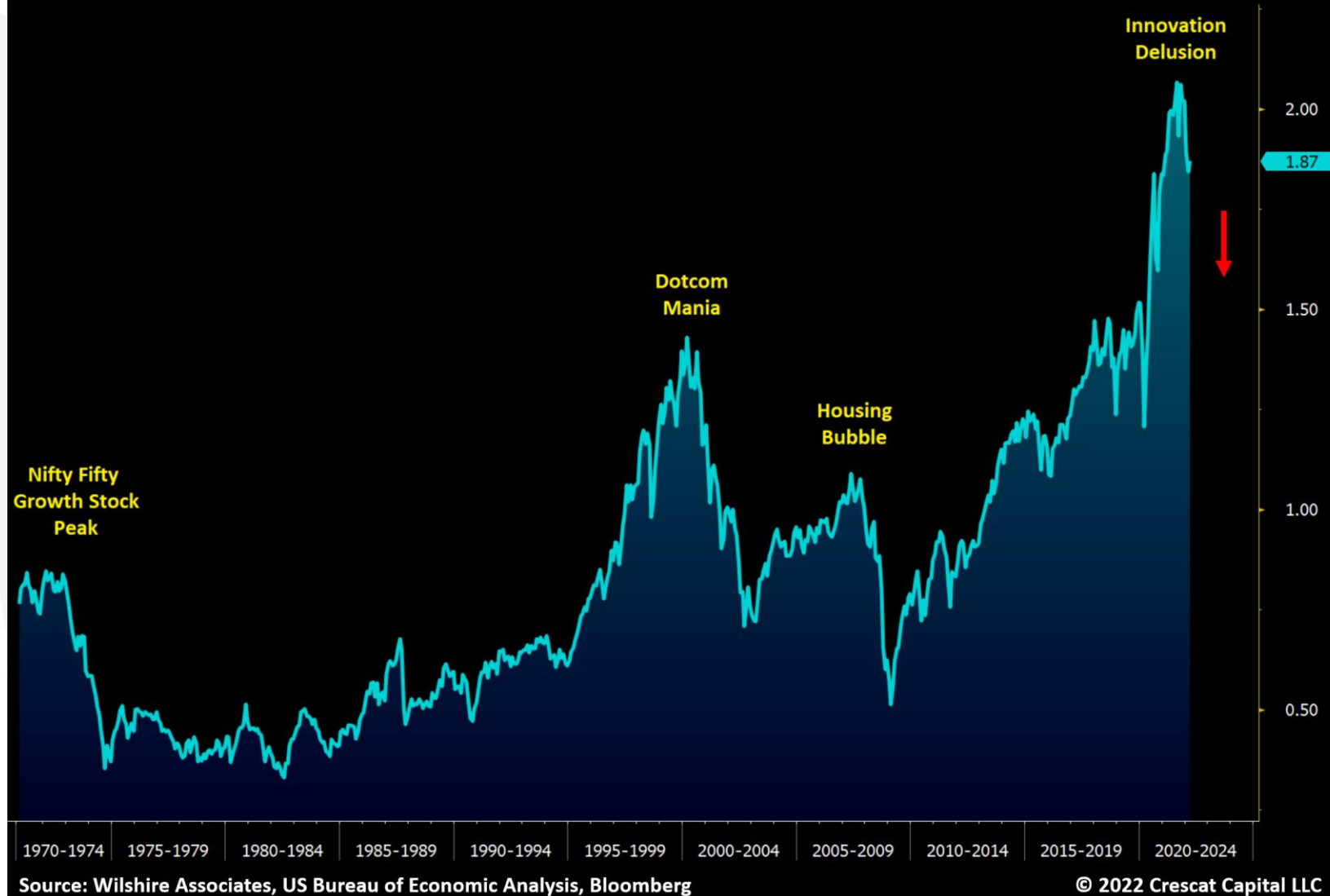
Source: Bloomberg

Bloomberg

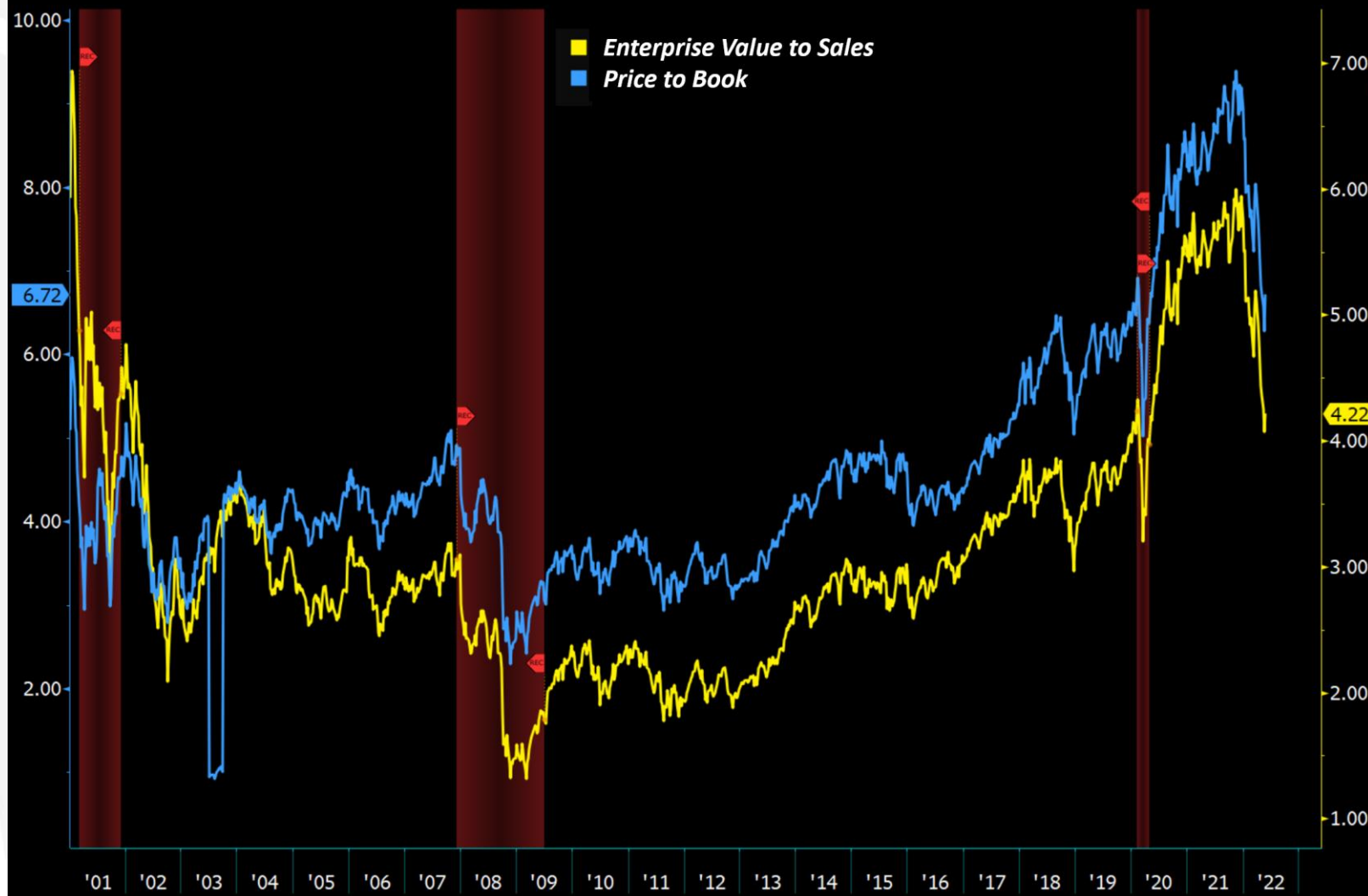
(h/t Matt Turner, Tom Contiliano; monthly data, as of end of April)



# US Total Market Cap to GDP



# NASDAQ 100 Valuation Multiples



Source: Bloomberg

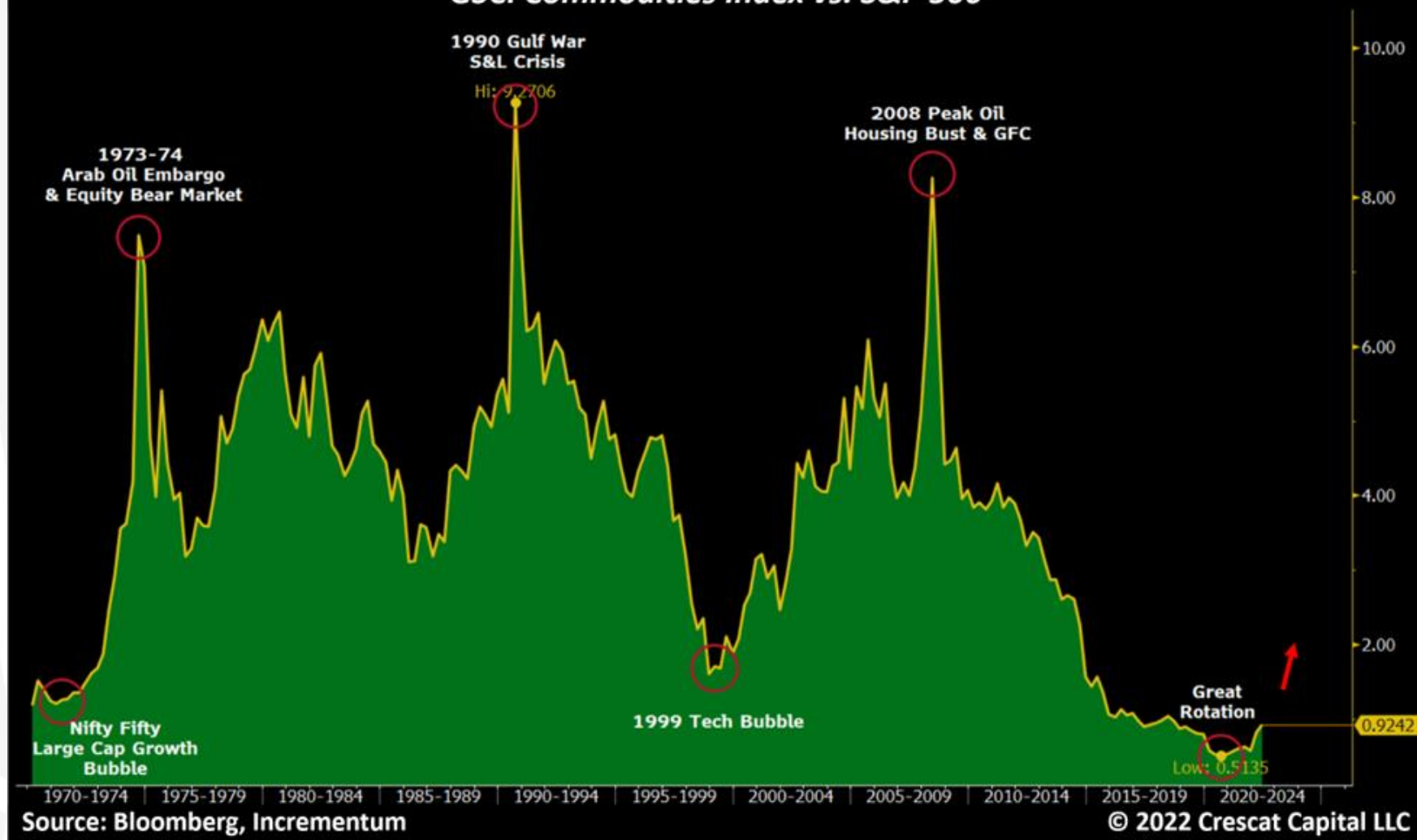
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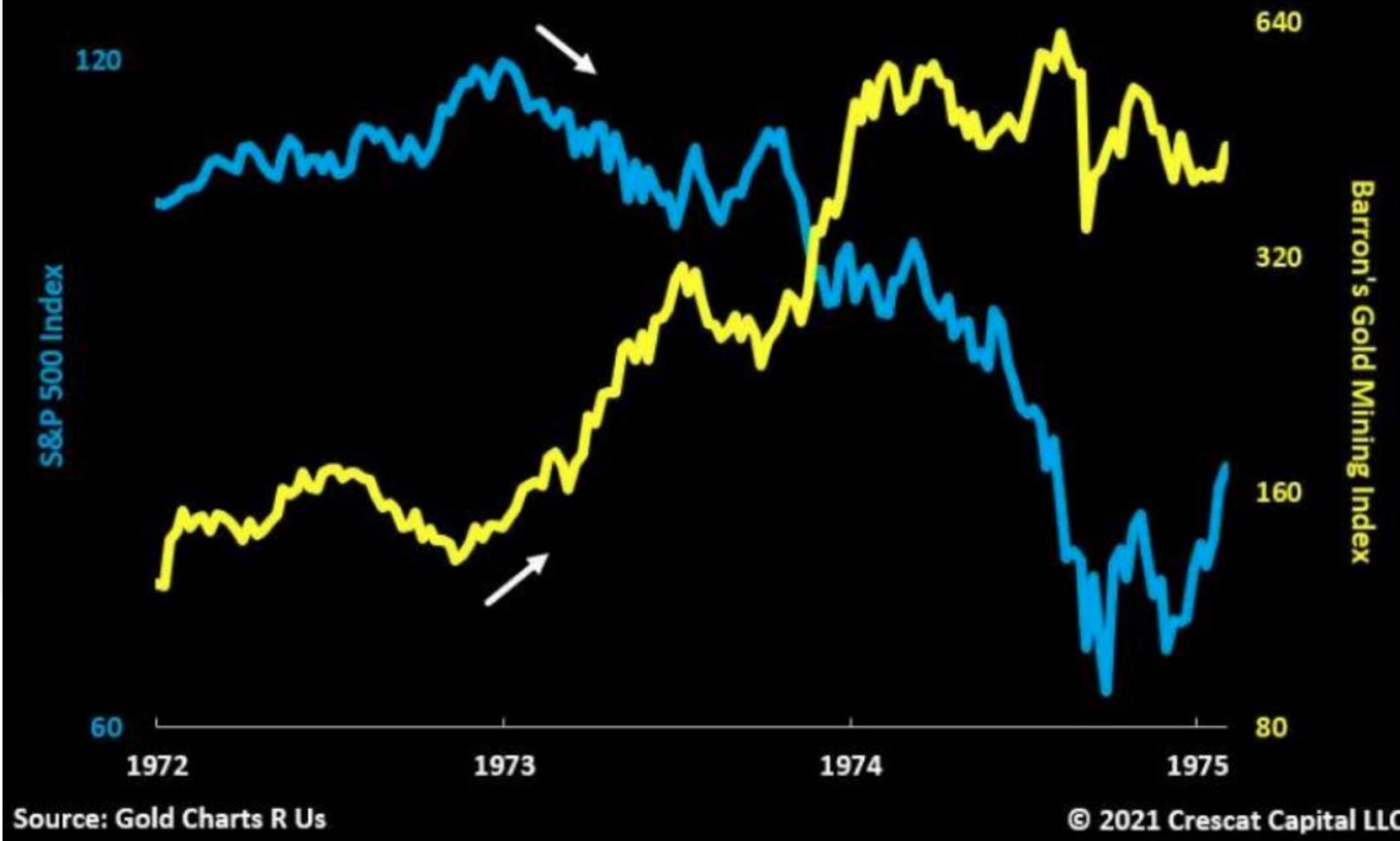
# Commodities-to-Equities Ratio

*GSCI Commodities Index vs. S&P 500*



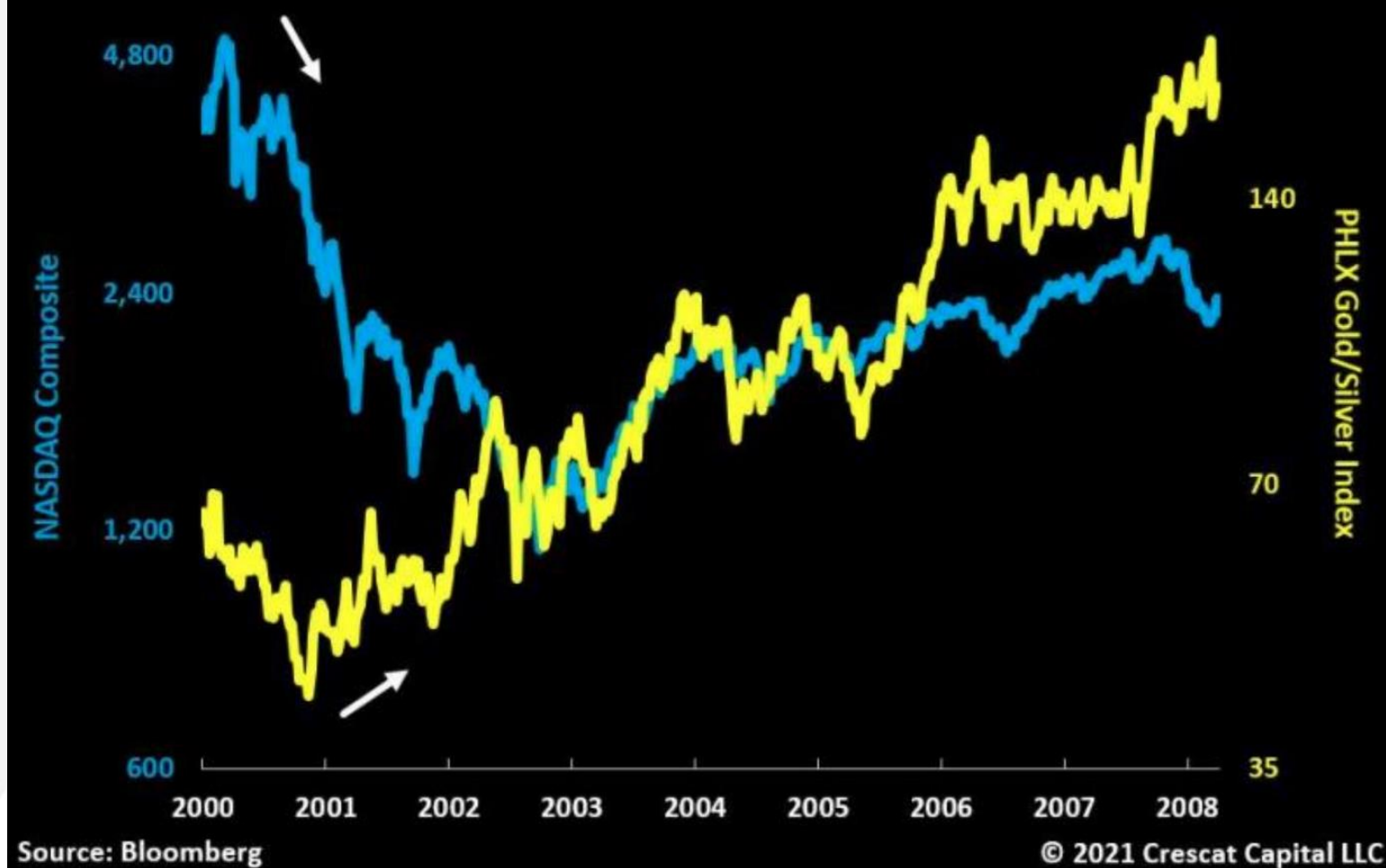
# Inflationary Recession of 1973-74

*Barron's Gold Mining Index vs. S&P 500*



# Tech Bust

*Philadelphia Gold and Silver Index vs. Nasdaq Composite*





# Commodity Producers: Capex Cycle Adjusted For GDP

*Aggregate Trailing 12-Months of Capex in USD Millions*



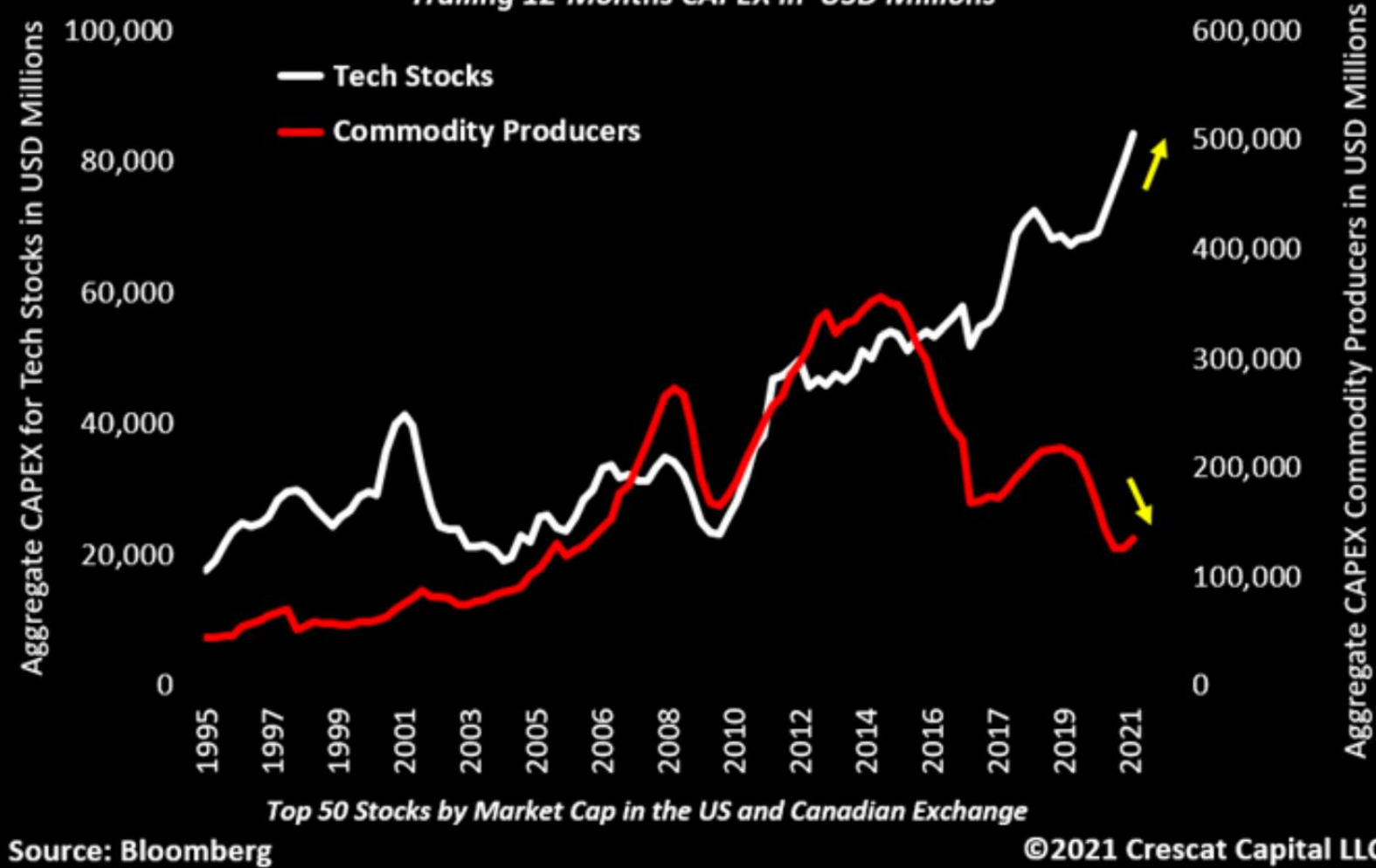
*Commodity Producers With Market Cap Above \$1B in the Canadian & US Stock Exchanges*

Source: Bloomberg

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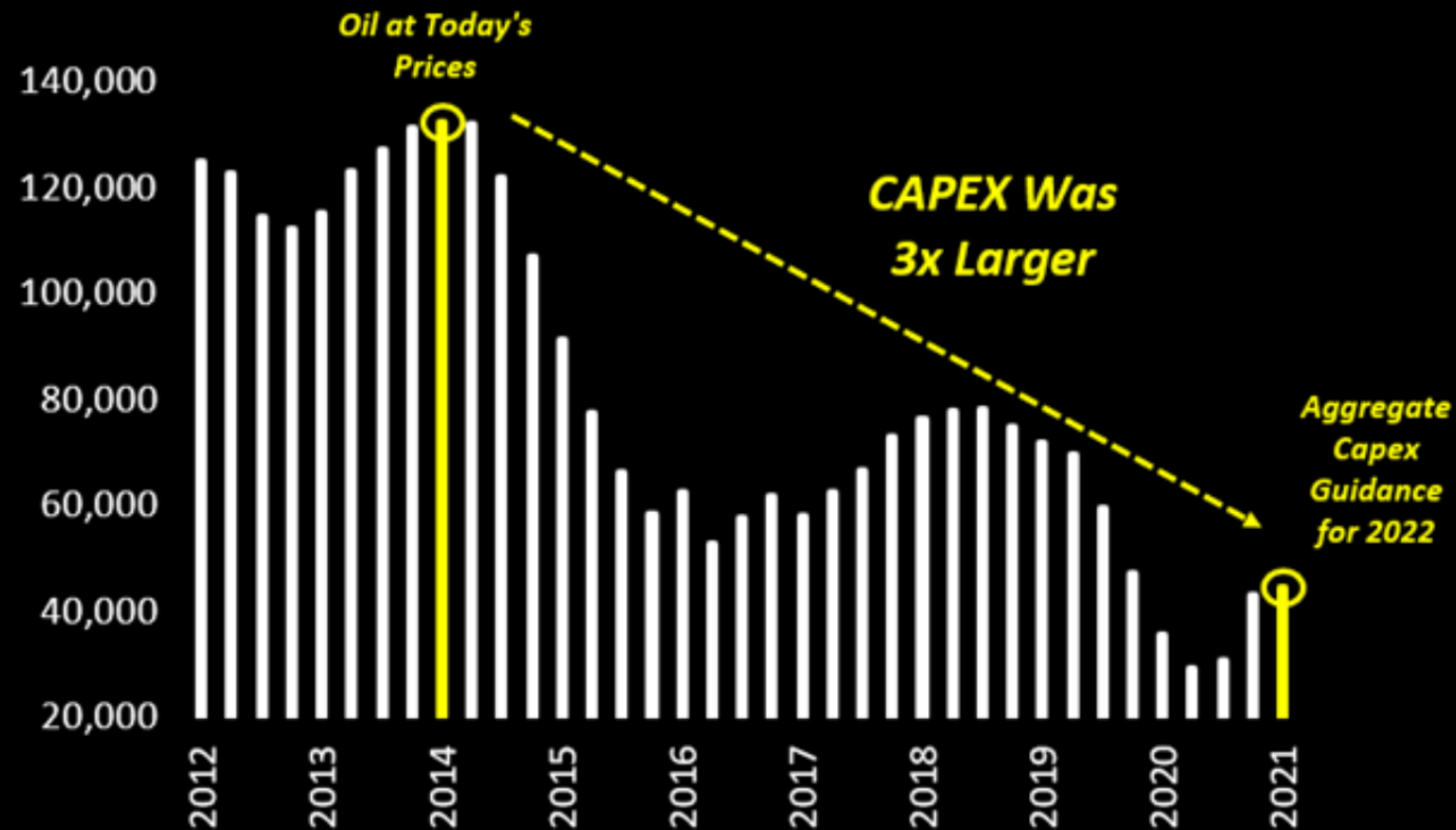
## CAPEX Cycle: Tech Stocks vs. Commodity Producers

*Trailing 12-Months CAPEX in USD Millions*



# US Oil and Gas Exploration & Production

*Aggregate Capex in USD Millions*



*Top 50 E&Ps by Enterprise Value in the US Stock Exchanges*

Source: Bloomberg

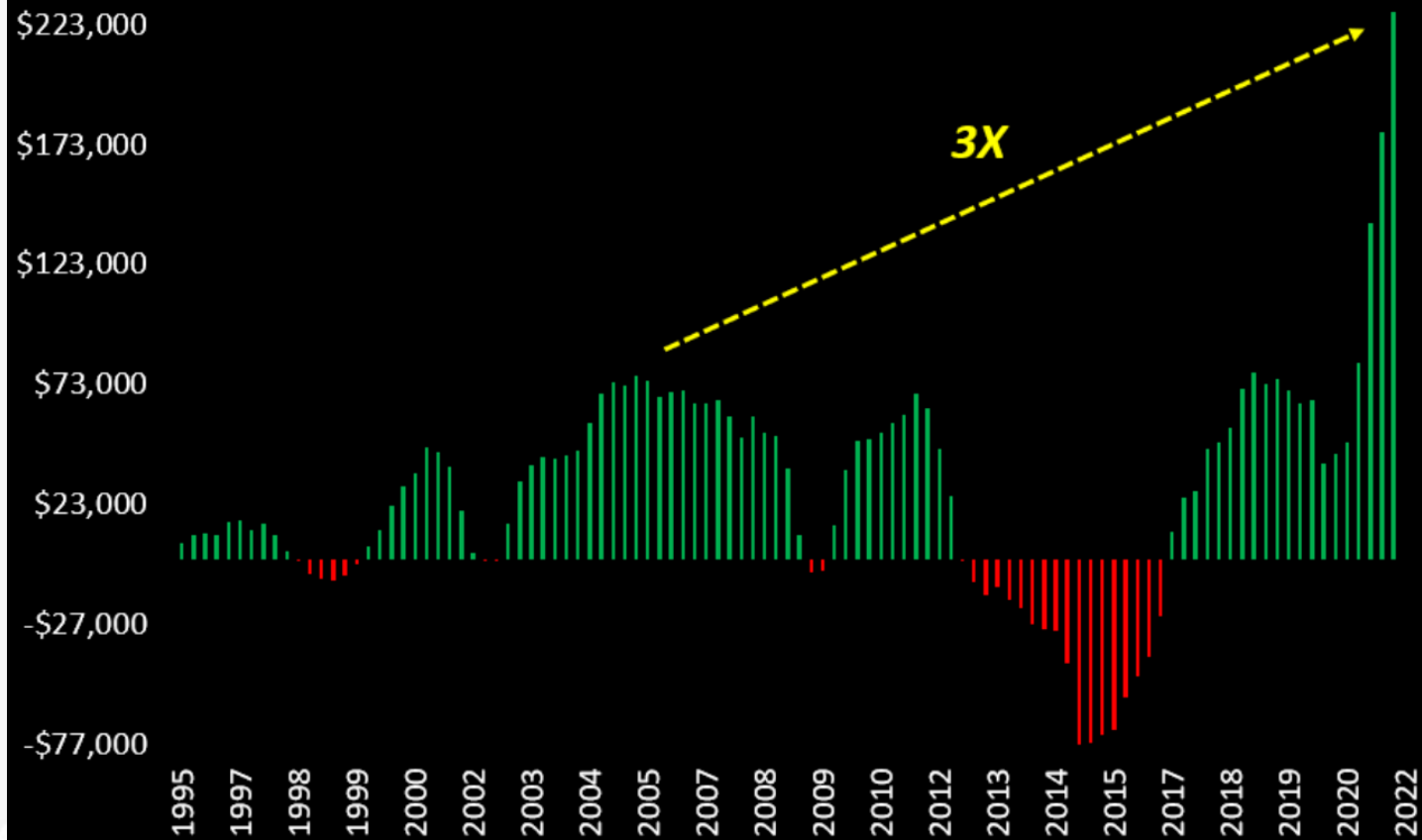
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# Commodity Producers: Free-Cash-Flow

*Aggregate Trailing 12-Months of Free-Cash-Flow in USD Millions*

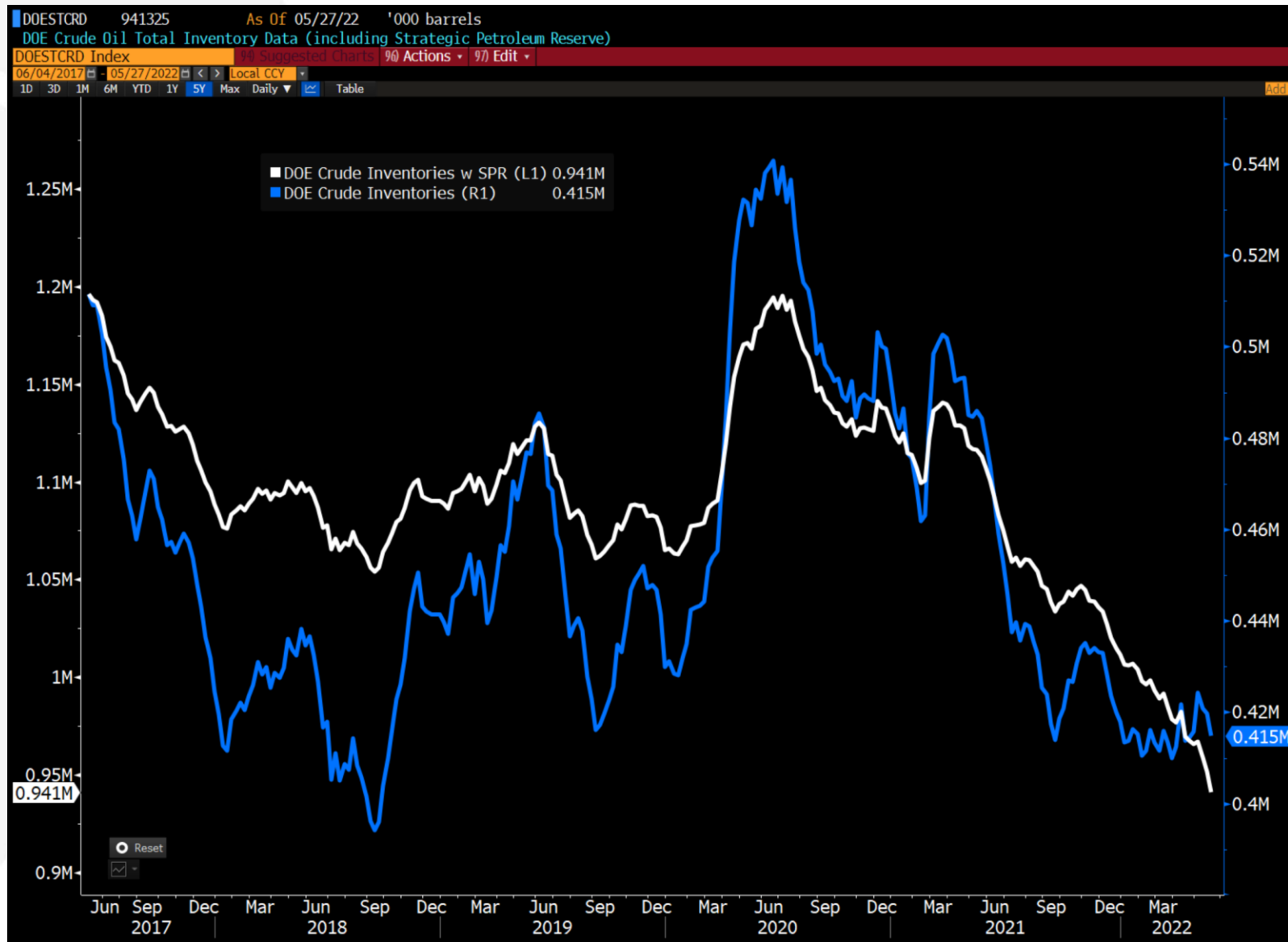


*Commodity Producers With Market Cap Above \$1B in the Canadian & US Stock Exchanges*

Source: Bloomberg

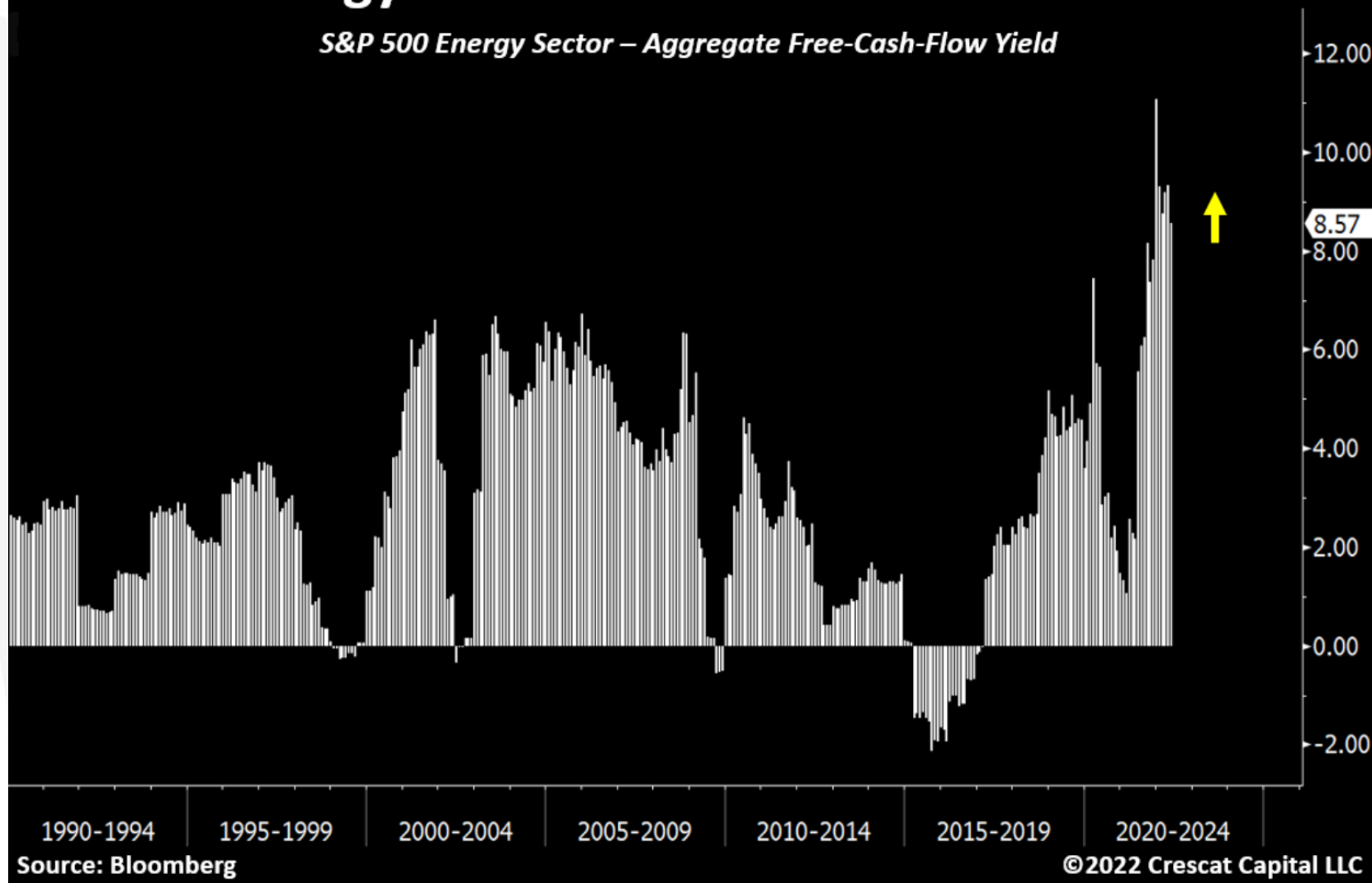
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# Energy Stocks: Free-Cash-Flow Yield

*S&P 500 Energy Sector – Aggregate Free-Cash-Flow Yield*

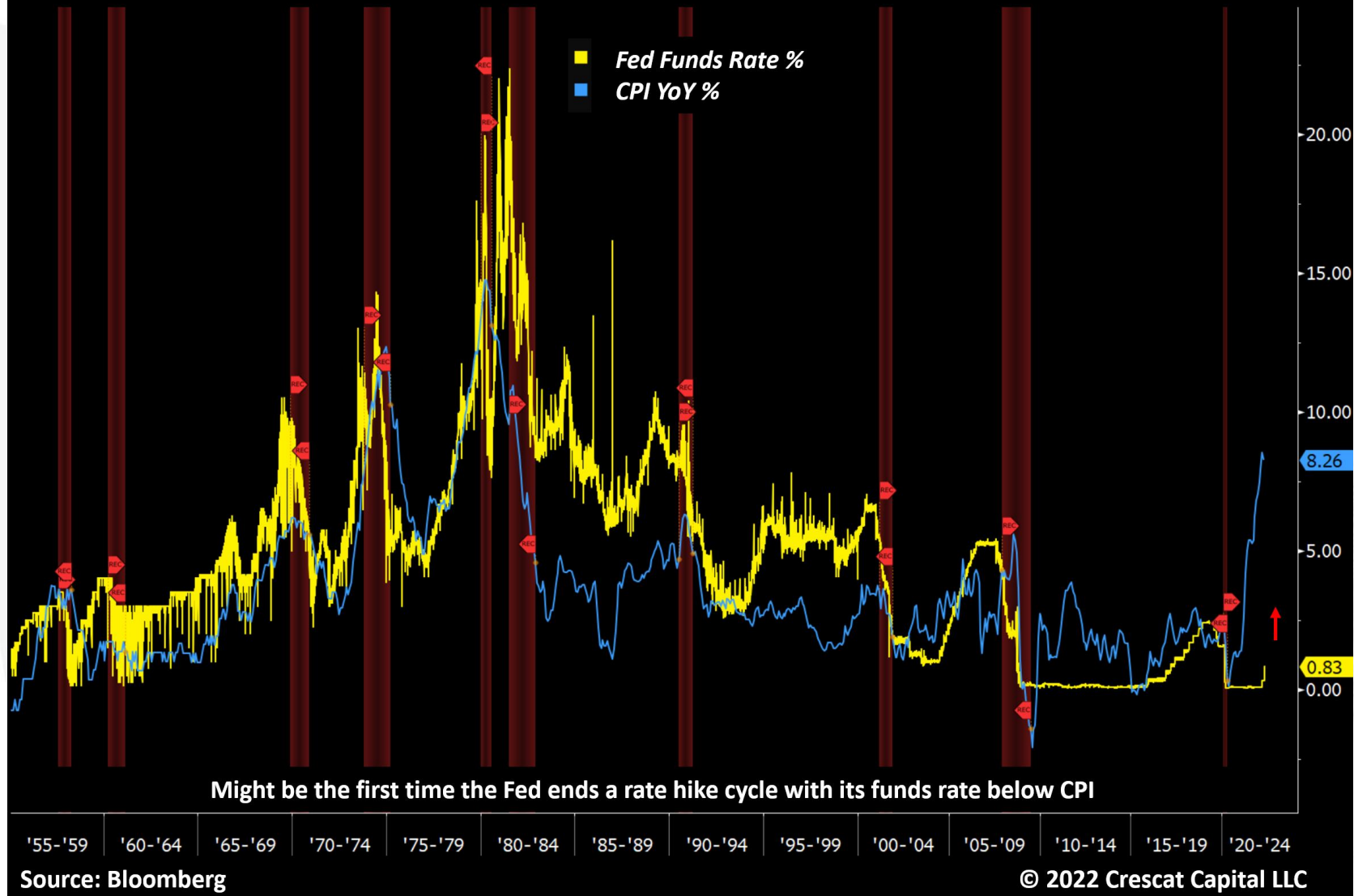


## S&P 500 Energy Sector Weighting (%)





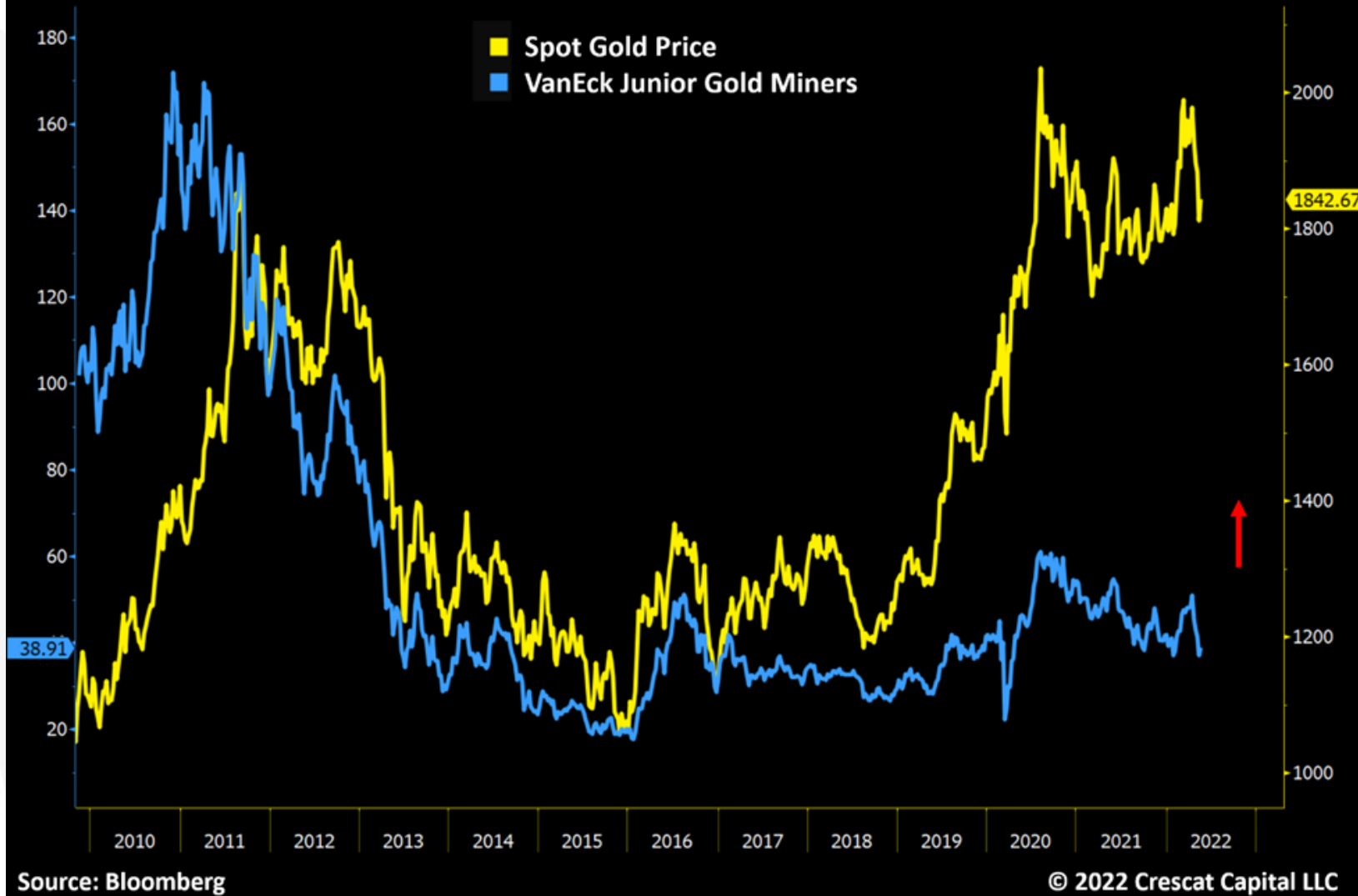
# Fed Tightening Cycles vs. CPI



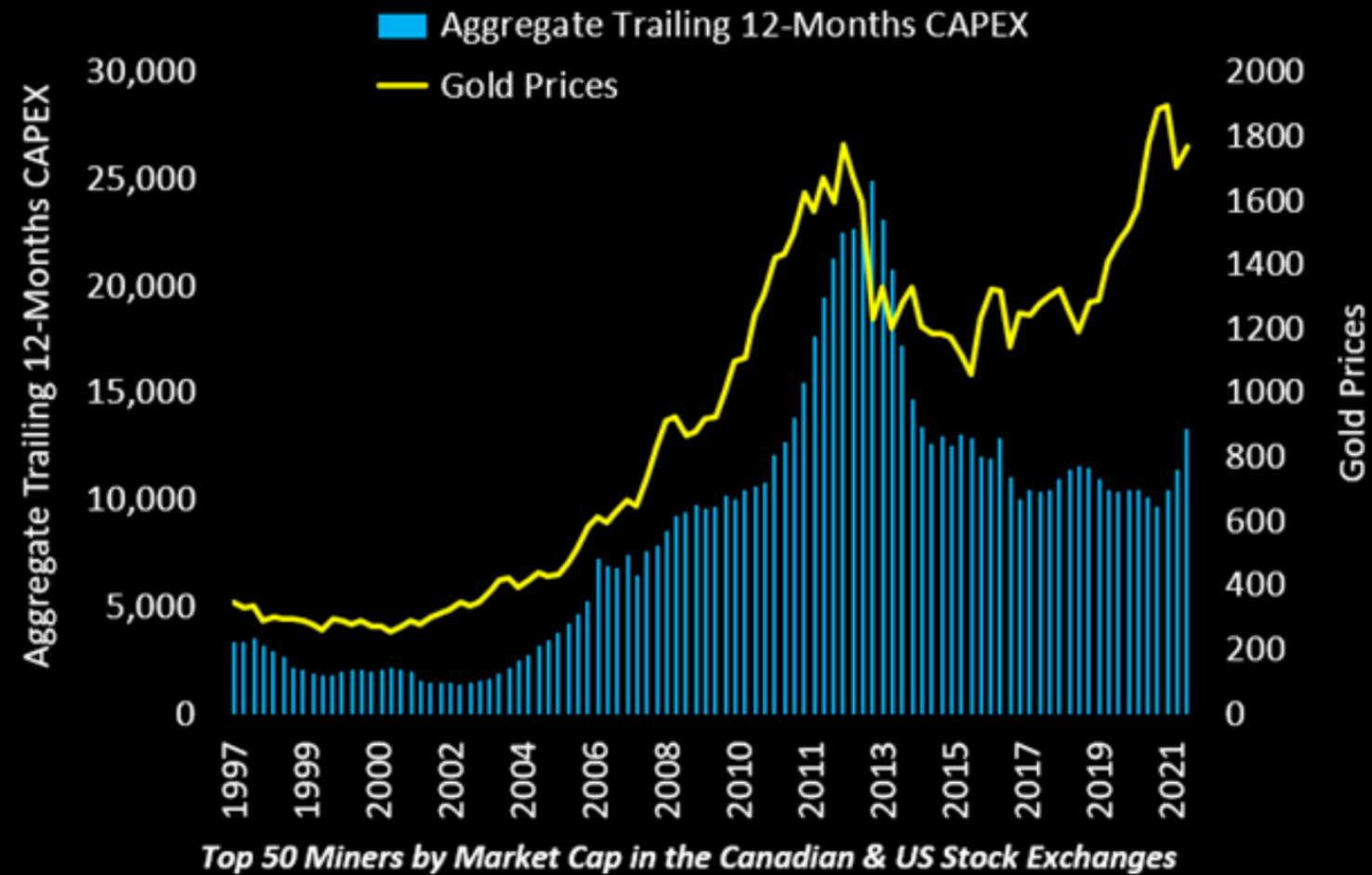
## Pullback in Long Term Inflation Expectations Overdone



# Spot Gold vs. Junior Miners



# Gold & Silver Miners Capex Cycle



Source: Bloomberg

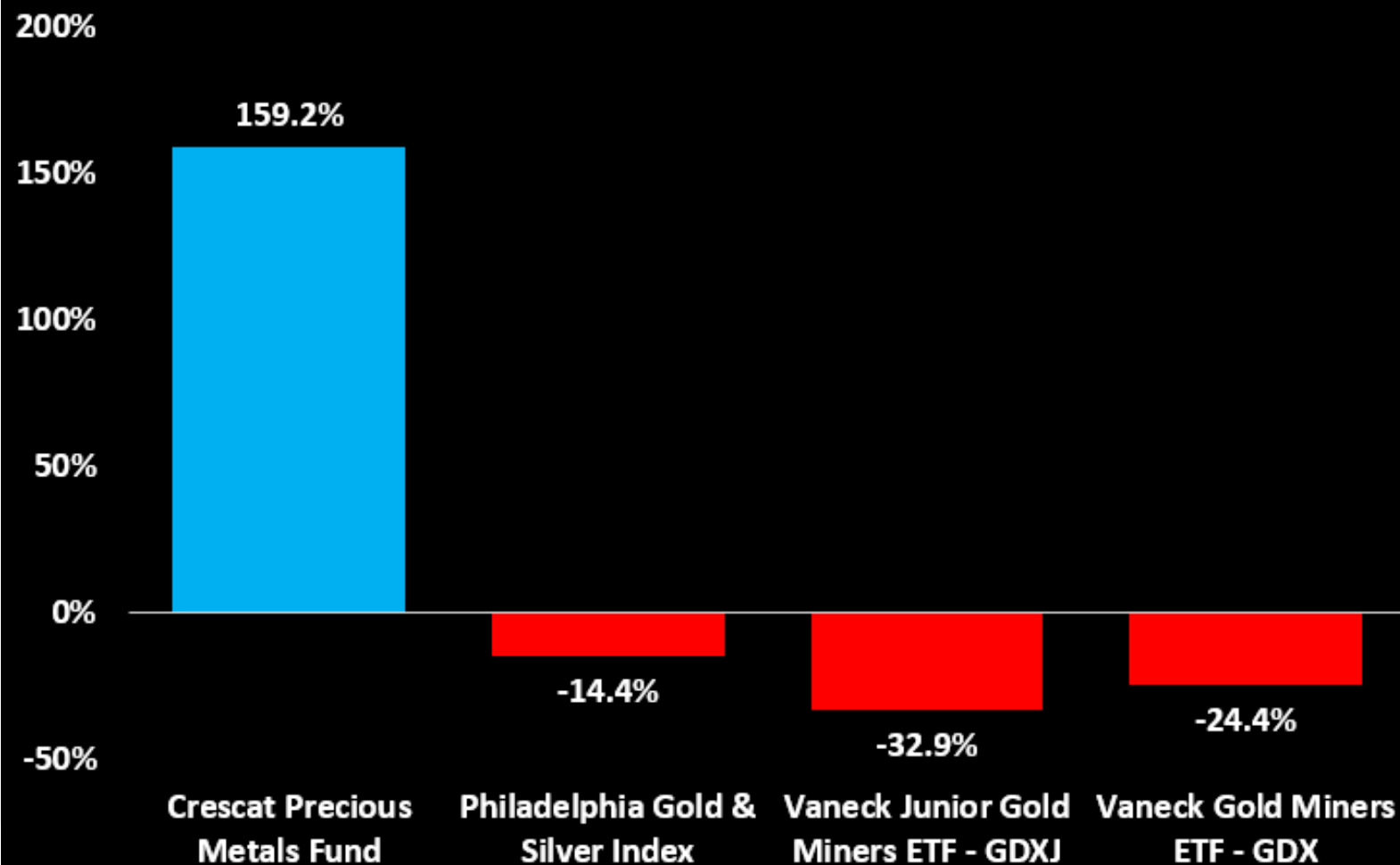
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## Crescat Precious Metals Fund Performance Since Inception

*August 2020 through May 2022 - Estimates*





# CRESCAT CAPITAL<sup>®</sup>

The Value of Global Macro Investing

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**Marek Iwahashi**

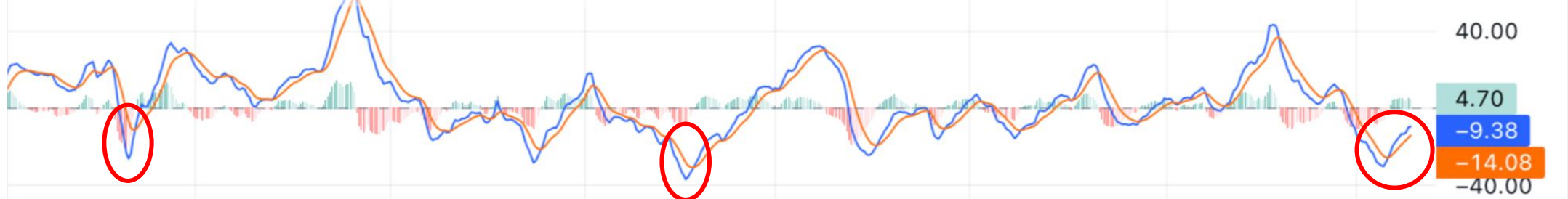
Client Service Specialist

(303) 271-9997 | [miwahashi@crescat.net](mailto:miwahashi@crescat.net)

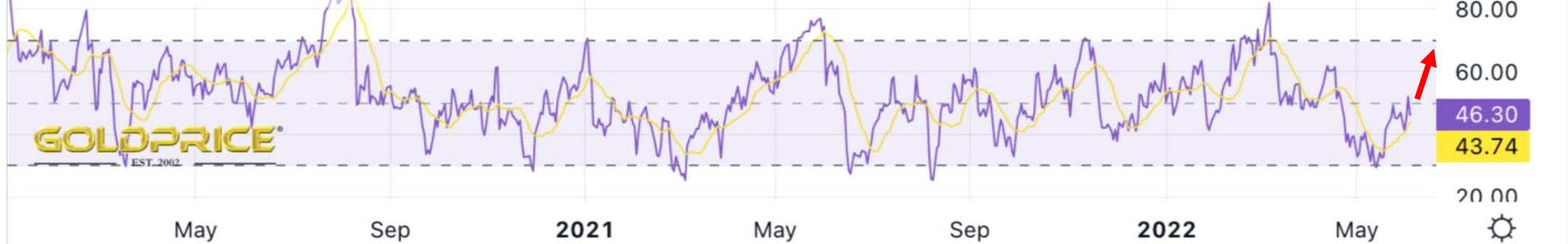
CFDs on Gold (US\$ / OZ) · 1D · TVC ● ≈  
O 1868.87 H 1874.14 L 1848.10 C 1848.73 -19.73 (-1.06%)  
Vol 0



MACD 12 26 close 9 EMA EMA 4.70 -9.38 -14.08



RSI 14 close SMA 14 2 46.30 43.74 ∅ ∅



**GOLDPRICE**  
EST. 2002

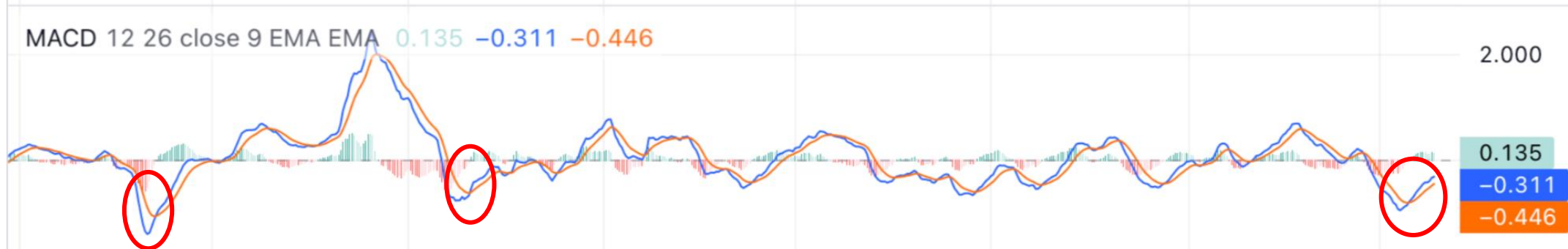
# CFDs on Silver (US\$ / OZ) · 1D · TVC

O22.298 H22.484 L21.853 C21.870 -0.413 (-1.85%)

Vol 0



MACD 12 26 close 9 EMA EMA 0.135 -0.311 -0.446



RSI 14 close SMA 14 2 44.91 42.10 ∅ ∅



**GOLDPRICE**  
EST. 2002



An “extreme” shortage of copper over the coming decade could drive the price of the crucial commodity up as high as \$US100,000 (\$140,000) per tonne as supplies effectively “run out”, one expert has warned.

The looming supply shock is being driven by surging demand for electric vehicles (EVs) and other “green” technologies, coupled with chronic underinvestment and lack of expertise required to build new copper mines, according to Goldman Sachs metals strategist Nicholas Snowden.

Speaking with [Bloomberg’s Odd Lots podcast](#) on Wednesday, Mr Snowden predicted copper could rise from its current price of around \$US9300 (\$13,000) a tonne to \$US15,000 (\$20,000), and “we don’t rule out [that] copper could be a \$US50,000 (\$70,000), could be a \$US100,000 (\$140,000) commodity”.

Mr Snowden explained that such a previously unheard of level was because, unlike energy and agricultural commodities such as oil or wheat, the price of copper only made up a very small part of the cost of the end product.

“So for the copper price to drive demand destruction in cars, in electronics, you’re going to have to see a massive outsized move in the copper price to achieve the necessary increase in the cost of the total good to drive that demand destruction,” he said.

“The thing about the copper market is that we’ve never been in such an extreme set of fundamental circumstances. We’ve never had to go to end demand destruction pricing to achieve a rebalancing.”

Copper is the third most widely used metal in the world, with global demand of about 25 million tonnes per year.

The 27 MIFTs identified by the BofA included lithium, cobalt, nickel, manganese, aluminum, iridium, molybdenum, copper, and more. Use cases listed were everything from powering electric vehicles, wind applications, and energy storage.

One solution to this is more investment. And that means at least doubling mining's capital expenditures.

"Based on the current resource endowment and market balances, we don't expect the 1.5°C global warming target to be achieved by 2050: 1.7-1.8°C looks likely. One solution to resolving shortages and constraints, as ever, lies in investment," Widmer and Blanch said. "To prevent metal shortages and achieve Net Zero, mining CAPEX needs to nearly double."

The mining industry needs to spend \$81 billion annually to 2030, and that is just to avoid shortages to achieve net zero. "It is worth noting that this CAPEX requirement does not even include any demand growth from traditional consumers," the report said. "Operators are underspending massively, suggesting that CAPEX may need to almost double to \$160 billion pa for the world to hit Net Zero by 2050."

!!!



**Board and Management of your average  
mining or oil&gas company**



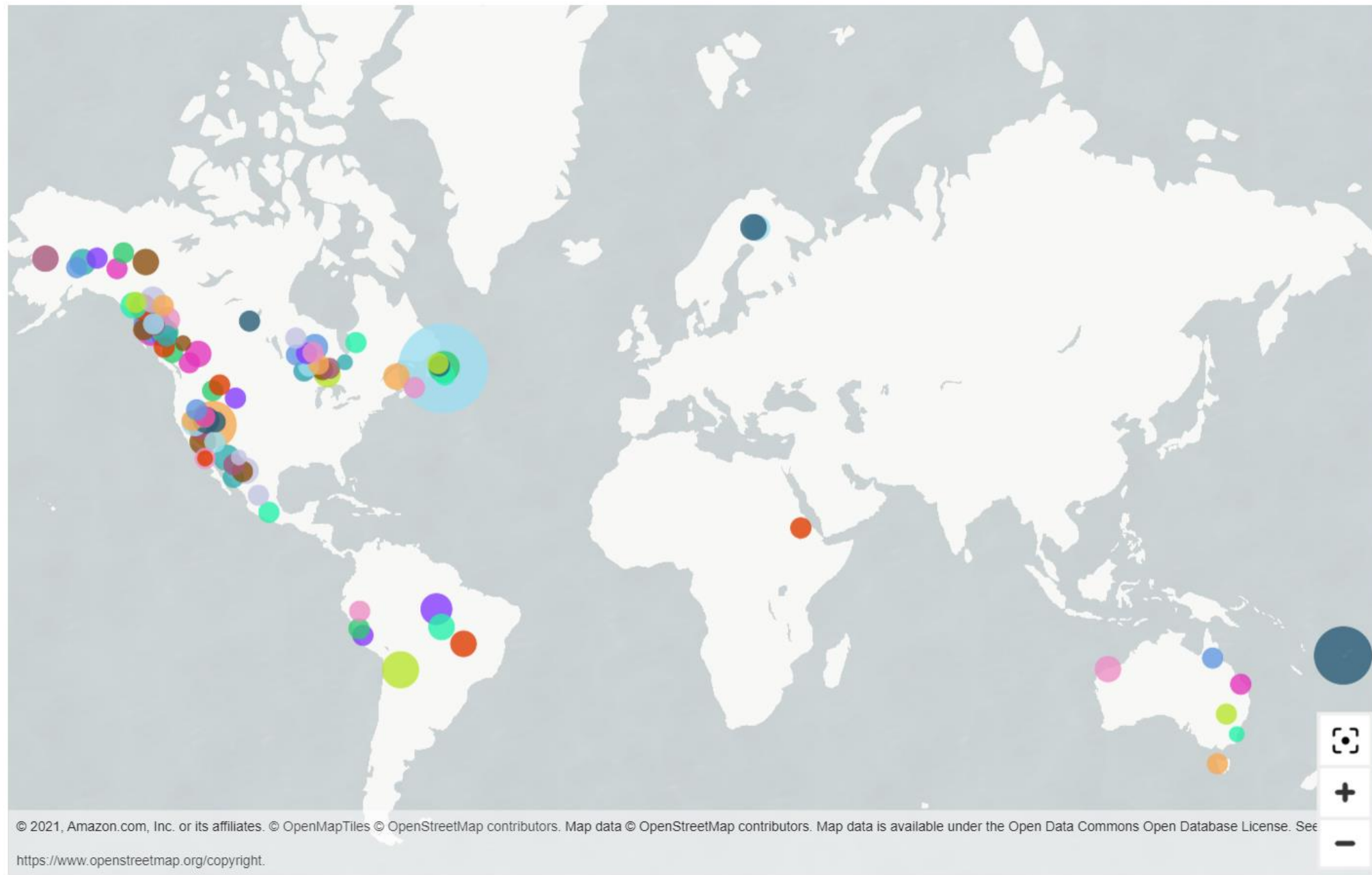
**Here's the real problem!!!**

# What Crescat is all about...





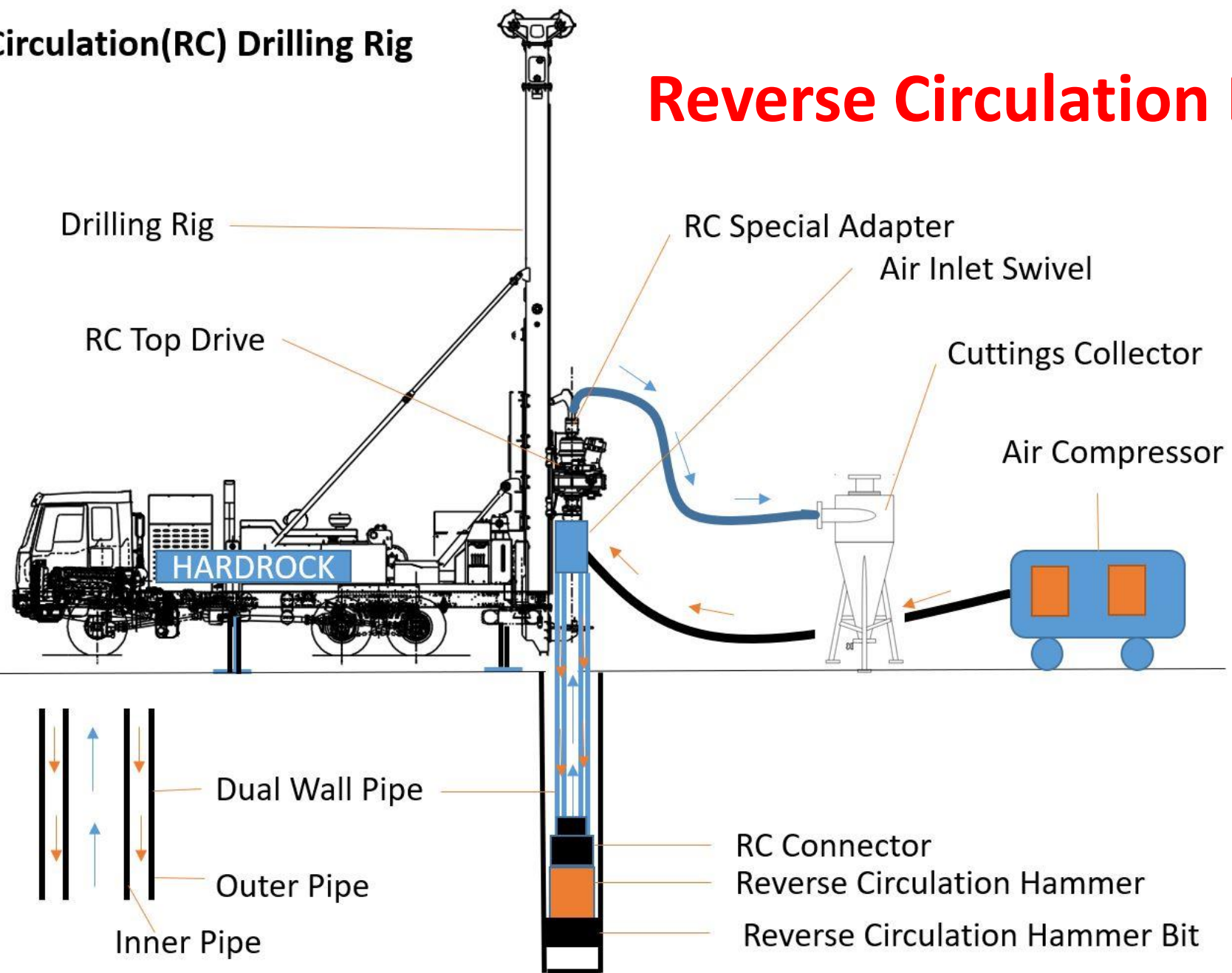
## 161 Drills Turning Over Next 12 Months



## Hardrock - Reverse Circulation(RC) Drilling Rig



# Reverse Circulation Drilling

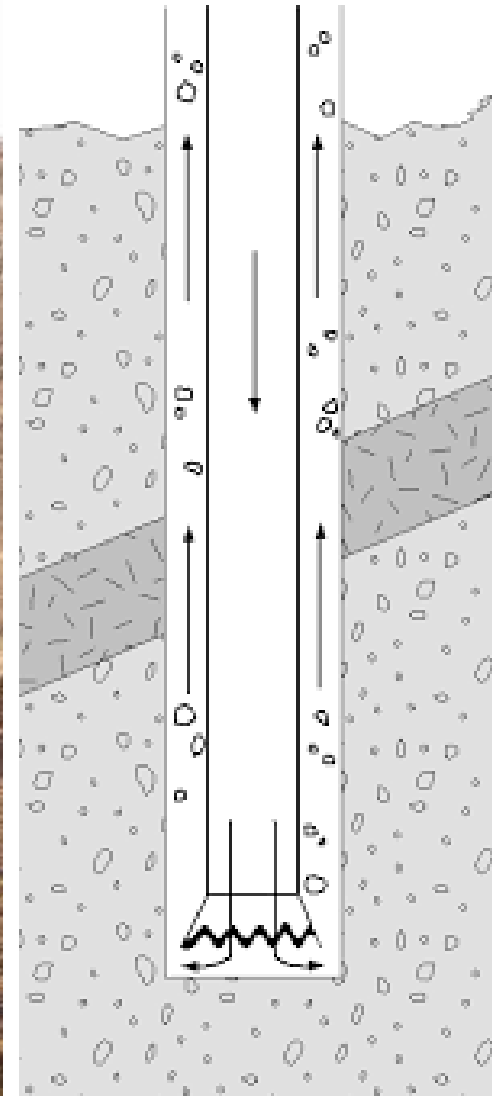




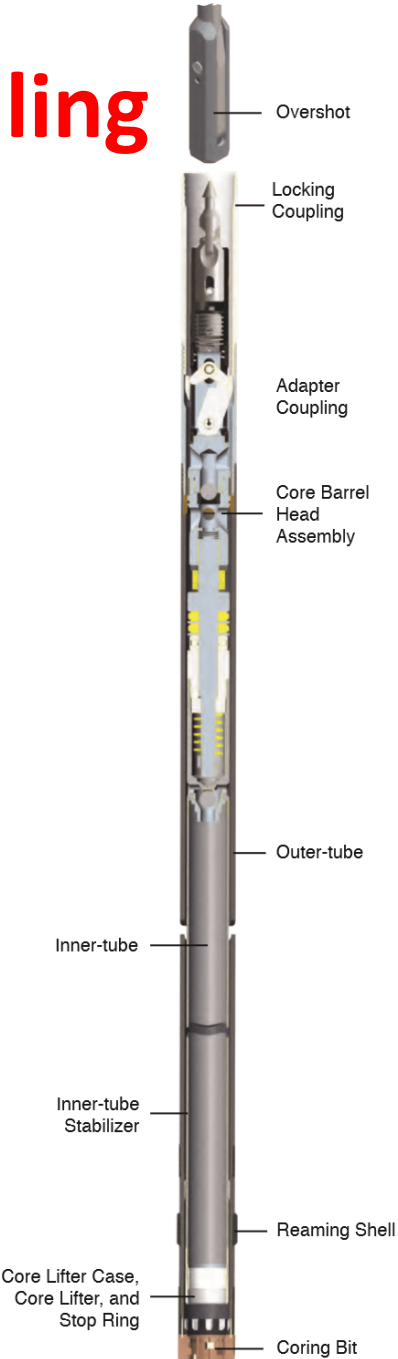
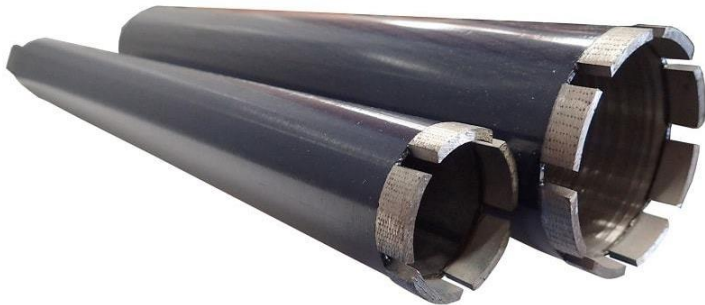




# Rotary Air Blast Drilling



# Diamond Core Drilling







# **Crescat's 2022 Drilling Lineup!!**





# Eskay Mining Commences 30,000 Meter Drill Program at Consolidated Eskay VMS Project, Golden Triangle British Columbia

ESK TSX.V  
ESKYF OTC





## **Core Assets Mobilizes for Inaugural 5,000 Metre Diamond Drilling Campaign at the Blue Property**

- **High-grade Fe-Cu-Au skarn mineralization delineated from prospecting and historic drilling between the South and North Adits at Laverdiere is traceable for 800m along surface, to 300m at depth, and remains open in all directions.**
- **The Silver Lime Carbonate Replacement Project currently boasts an average surficial grade (365 rock samples) of 4.9% Zn, 2.0% Pb, 0.33% Cu, and 92.0g/t Ag within the extensive 6.6km x 1.8km mineralized corridor making it the largest known, untested exposure of Carbonate Replacement Mineralization globally.**





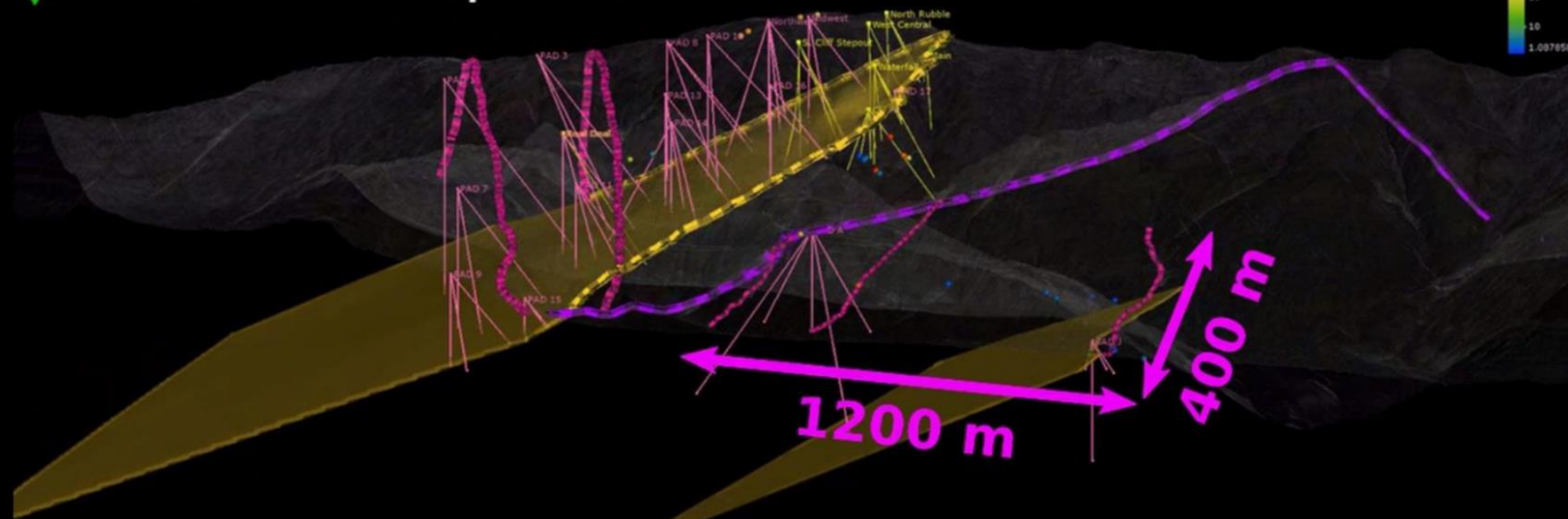
## GOLIATH MOBILIZES FOR 24,000 METER DRILL CAMPAIGN ON ITS EXTENSIVE HIGH-GRADE GOLD-SILVER DISCOVERY IN THE GOLDEN TRIANGLE, B.C.

### Newly Discovered Surebet Zone Highlights:

- ✚ Fully funded 24,000 meter drill campaign totaling 85 holes from 24 separate drill pad locations with four diamond drill rigs.
- ✚ The 2022 campaign will include infill drilling as well as targeting the outer extremities of the known gold-silver zone down-dip to trace the extent of this extensive high grade system that remains open.

### Similarities of the New Extension Target to Surebet Zone:

- ✓ Widespread high-grade Au-Ag polymetallic mineralization
- ✓ Similar geologic setting, mineralization and textures
- ✓ Similar strike and dip of mineralization

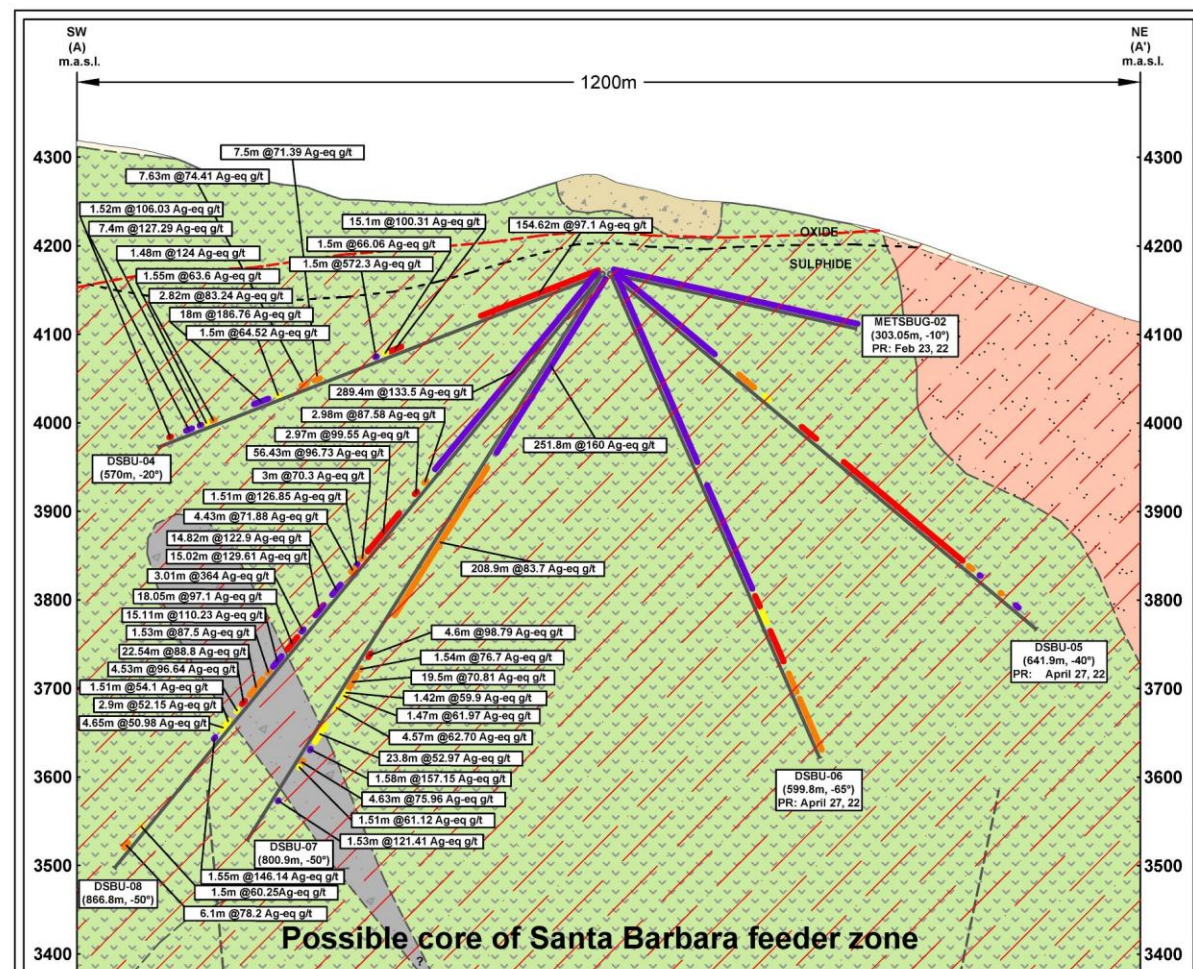


**New Extension target contains widespread high-grade Gold-Silver polymetallic mineralization and remains open**



Eloro Resources Intersects 160.00 g Ag eq/t (27.37g Ag/t, 0.62% Zn, 0.52% Pb and 0.11% Sn) over 251.87m and 133.45 g Ag eq/t (19.10g Ag/t, 0.20 g Au/t, 0.42% Zn, 0.64% Pb and 0.08% Sn) over 289.45m in the Santa Barbara Target area at the Iska Iska Silver-

May 25, 2022



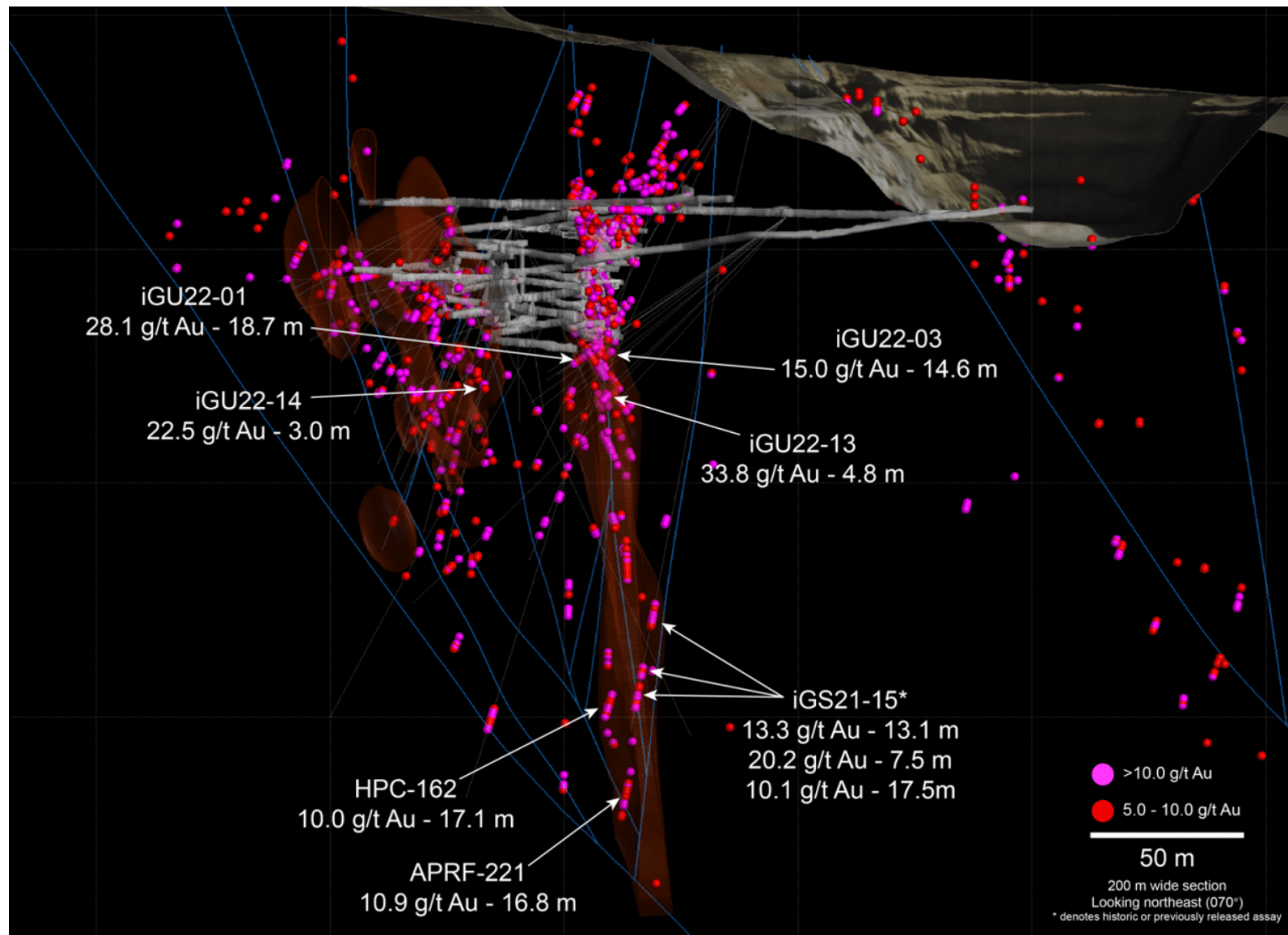


IAU TSX.V  
IAUCF OTC

# i-80 Gold Intersects High-Grade Gold in Drilling of the Ogee Zone at Granite Creek - Provides Initial Results from 2022 Underground Program

The deepest hole drilled by i-80 so far, iGS21-15, intersected multiple high-grade mineralized horizons including **13.3 g/t Au over 13.1 m, 20.3 g/t Au over 7.5 m and 10.1 g/t Au over 17.5 m**

28.1 g/t Au over 18.7 m in hole iGU22-01  
15.0 g/t Au over 14.6 m in hole iGU22-03  
33.8 g/t Au over 4.8 m in hole iGU22-13  
22.5 g/t Au over 3.0 m in hole iGU22-14







WESTERN ALASKA  
MINERALS

Western Alaska Minerals Announces the Commencement of Drilling at Its Waterpump Creek High-grade Silver-lead-zinc Deposit; Increases Land Position





**E 2 GOLD INC**

*Lead. Innovate. Discover.*

SYMBOL - ETU:TSX-V

## **E2Gold Announces Strategic Investment By Kinross Gold**

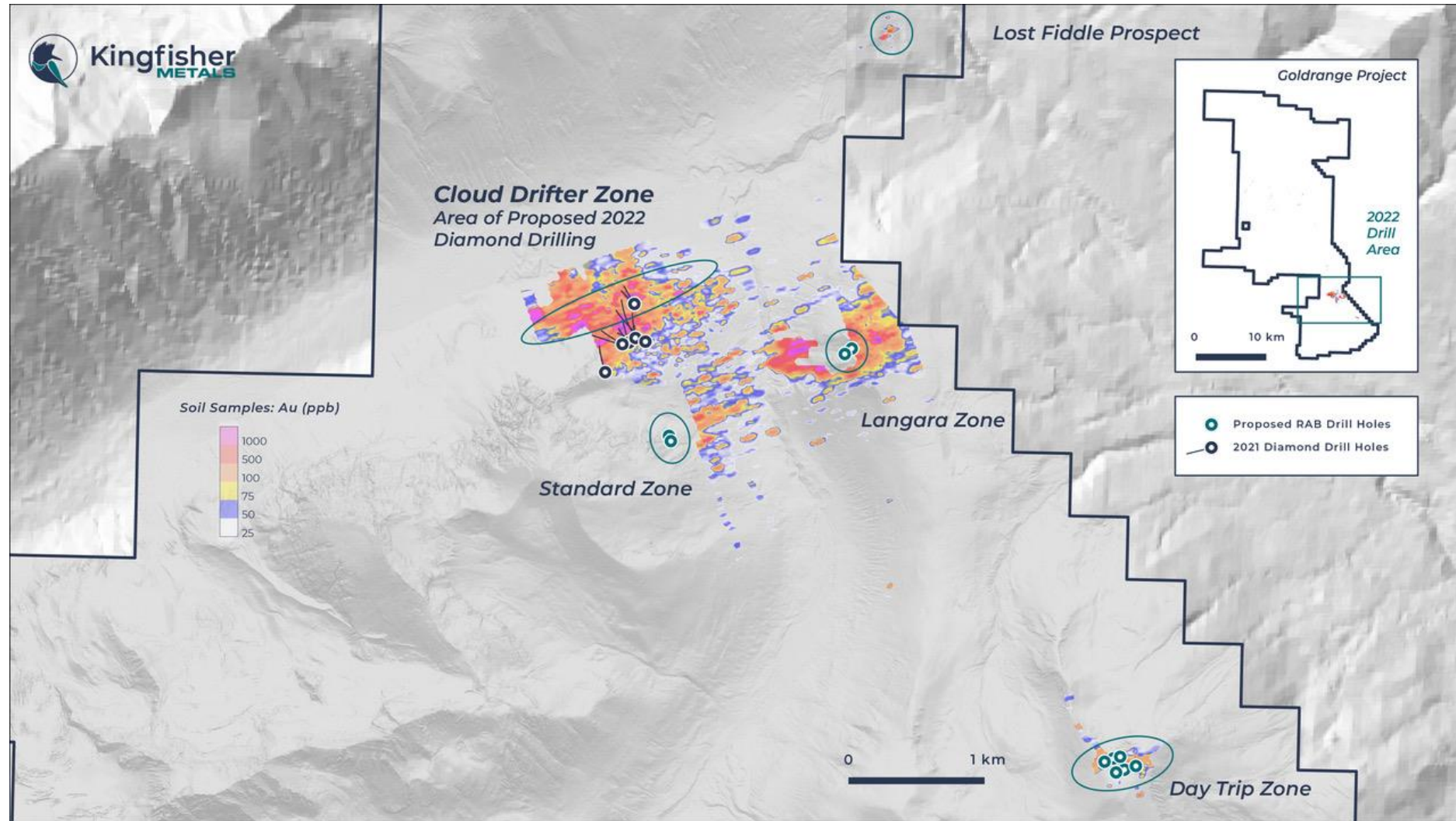
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ACCESSWIRE | May 31, 2022 7:30 AM EDT



# Kingfisher Metals announces commencement of rotary air blast (RAB) drilling at the 100% owned 511 km<sup>2</sup> Goldrange Project

Rock samples at Langara grade up to 60.4 g/t Au, 1500.1 g/t Ag, and 6.8 % Cu.





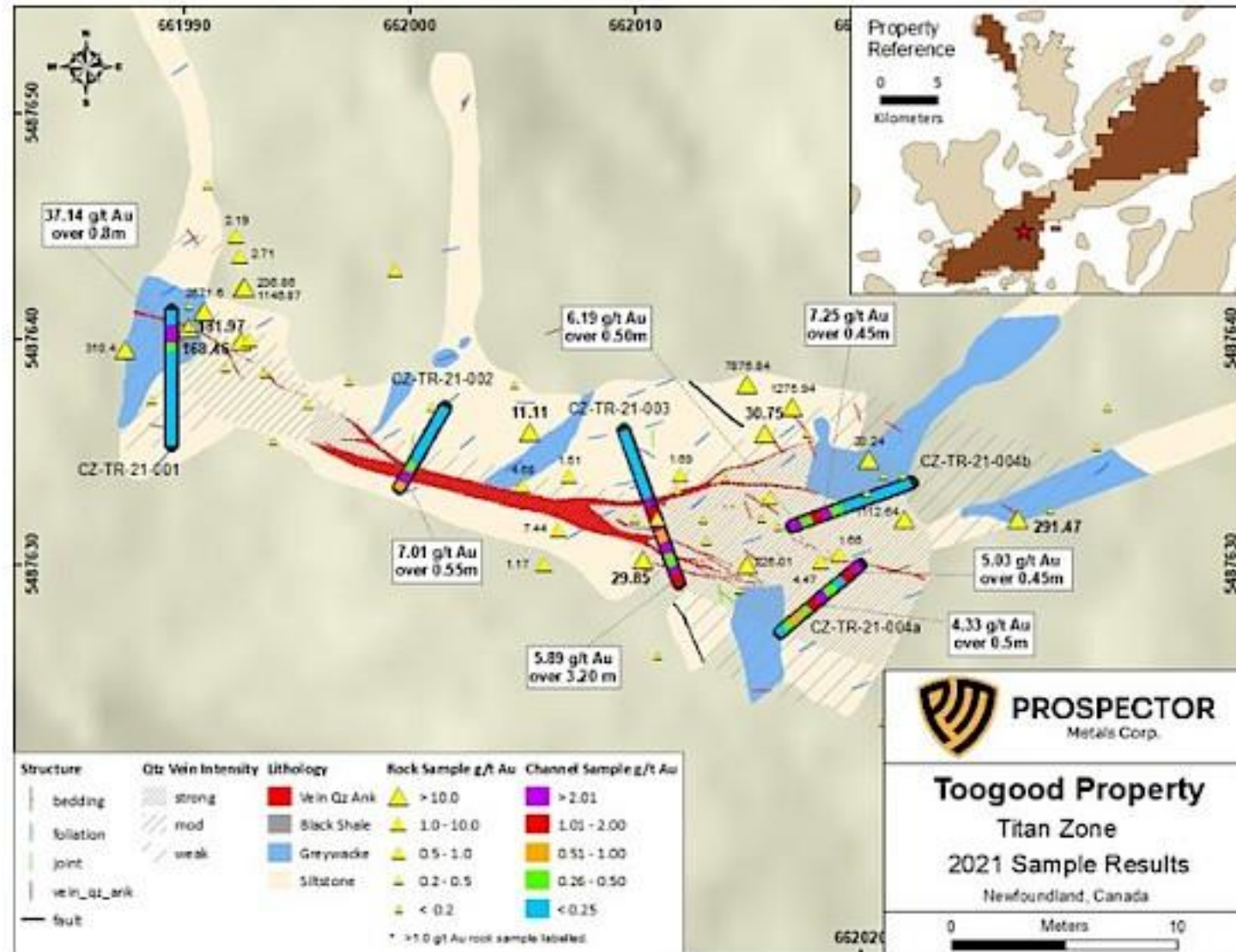




**PROSPECTOR**  
Metals Corp.

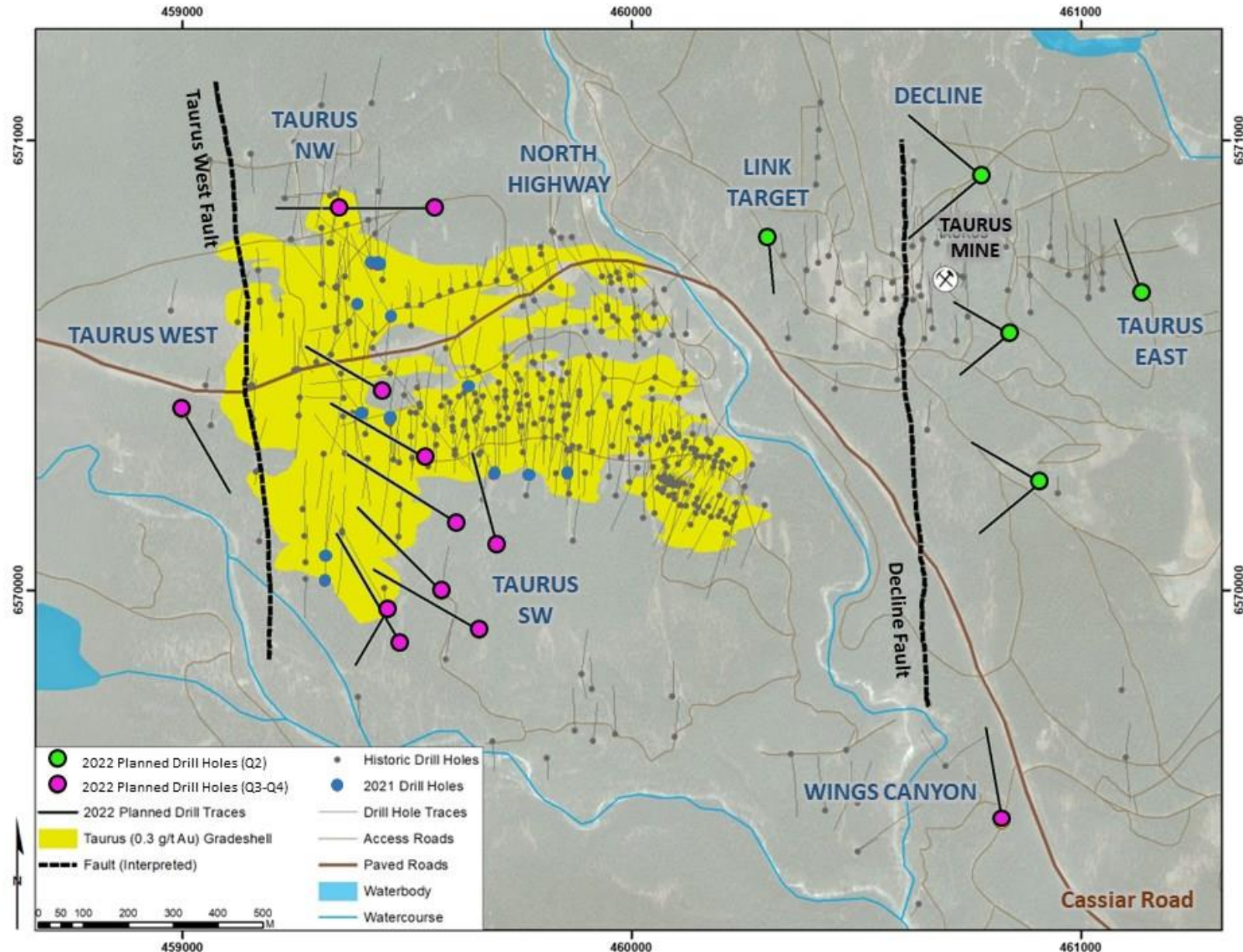
## Prospector Commences Drilling at Toogood Project, Newfoundland

May 18, 2022



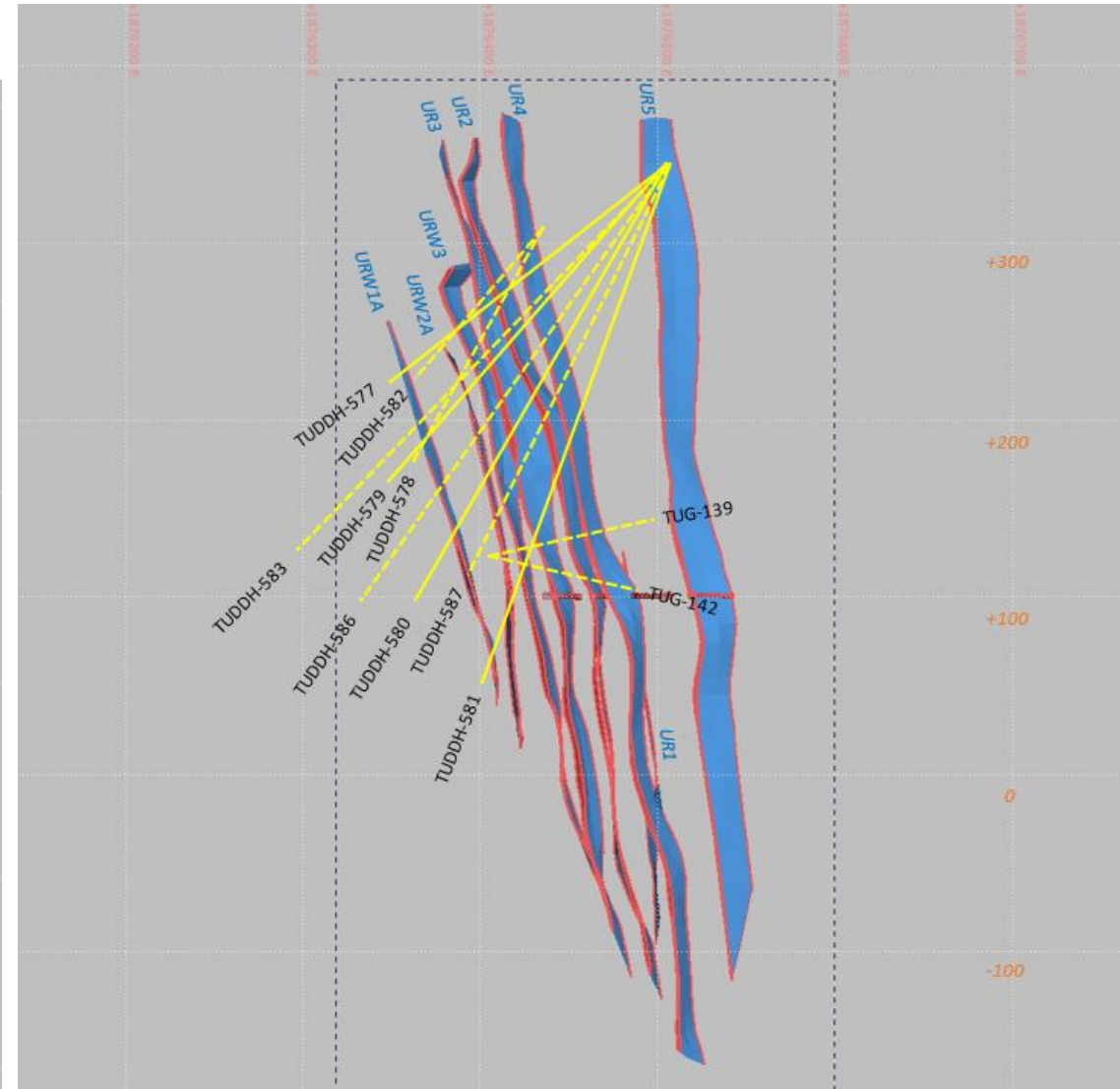
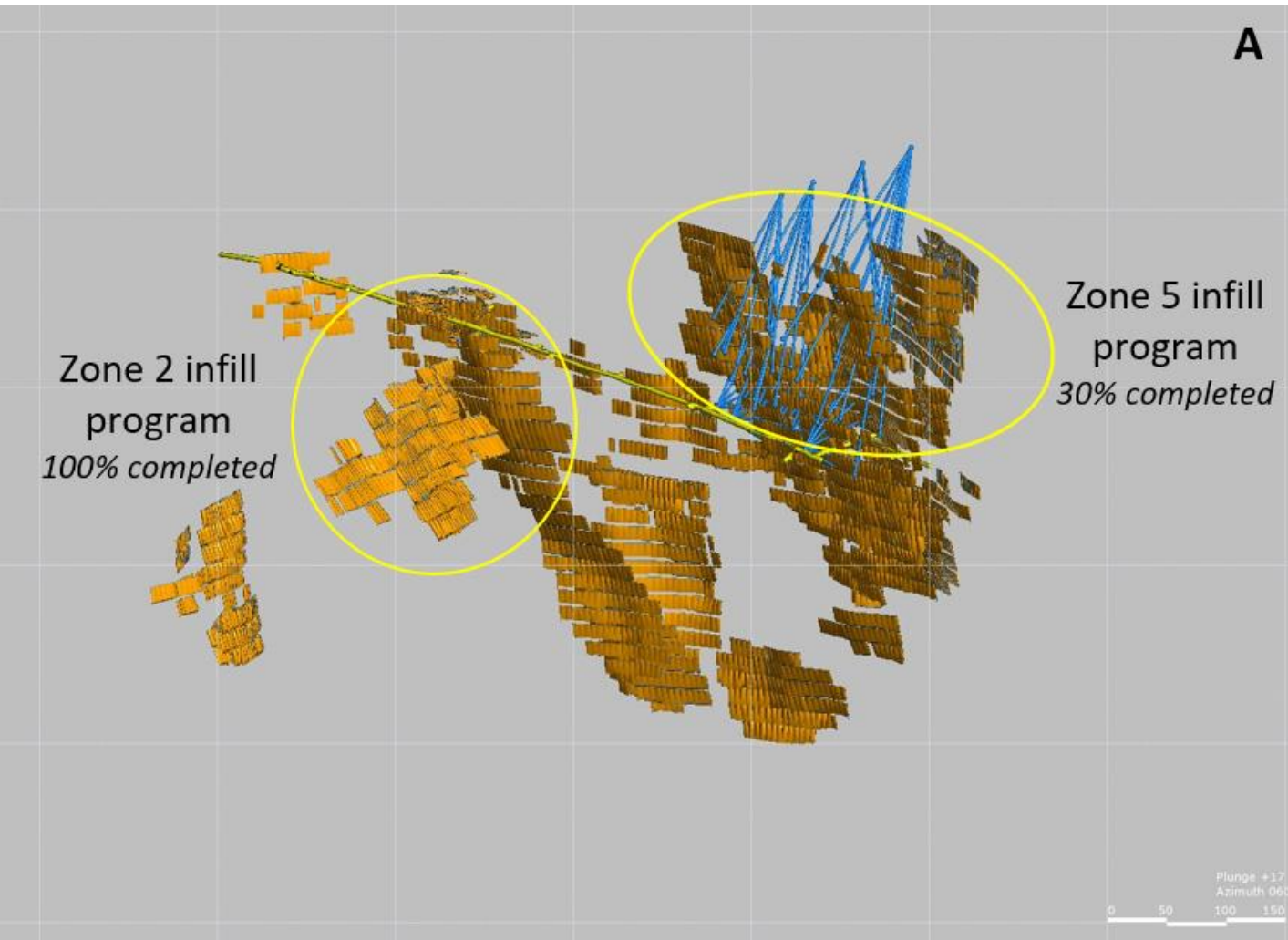
# Cassiar Gold Commences 20,000 m Drill Campaign and Exploration Program at the Cassiar Gold Property

GLDC TSX.V  
CGLCF





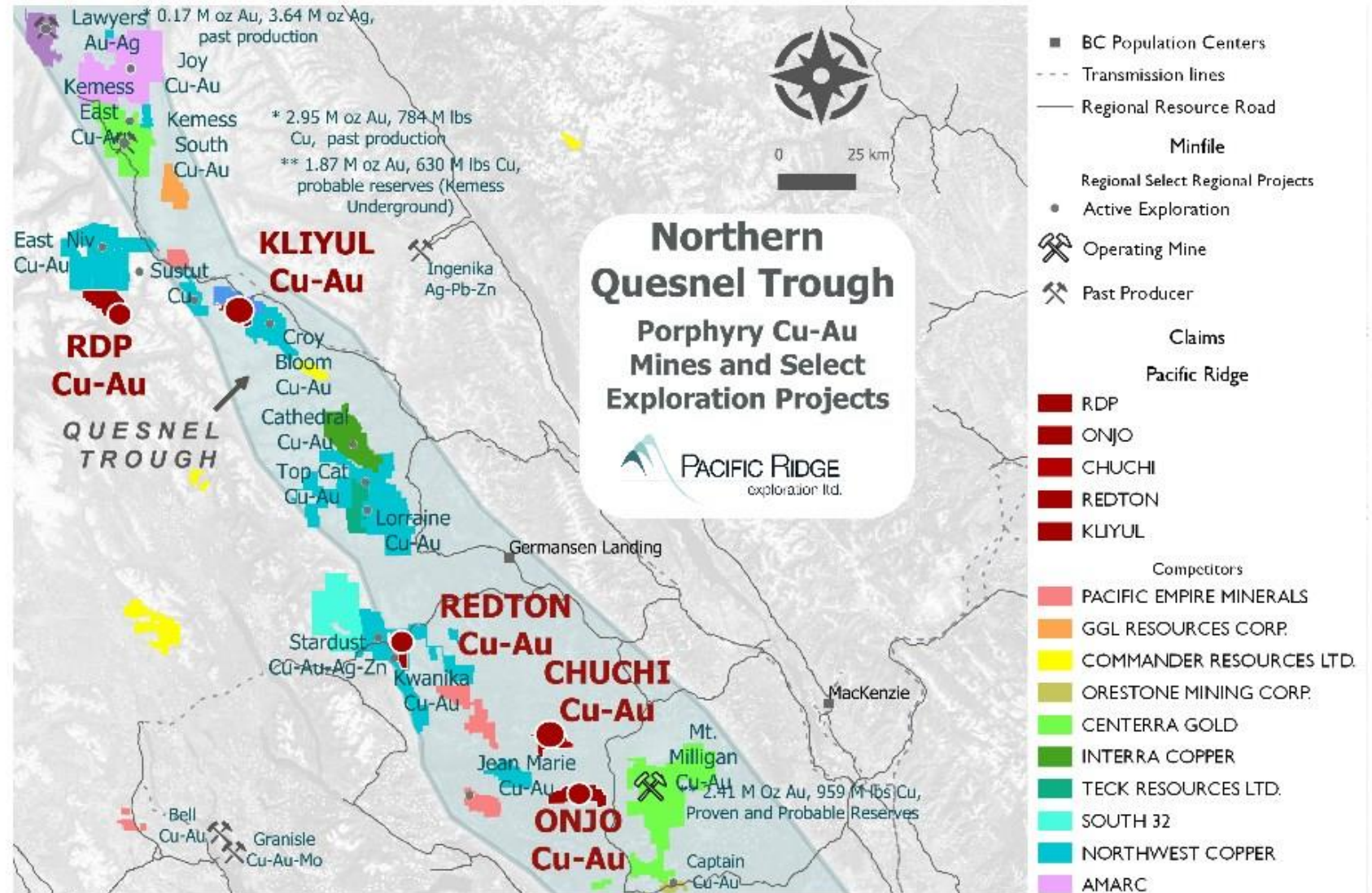
# Lion One Metals Reports Latest Results from Its Phase 2 Infill Drill Program from Tuvatu, Fiji, Demonstrating Significant New Mineralization, Including a Bonanza Intercept of 584.07 g/t Au Over 0.30m



# Pacific Ridge Exploration Announces 2022 Exploration Plans; All Five Copper-Gold Porphyry Projects to Be Advanced This Summer

PEX TSX.V  
PEXZF OTC

- 6,000 m of drilling at Kliyul
- 1,500 m of drilling at RDP
- Exploration program starts this month.

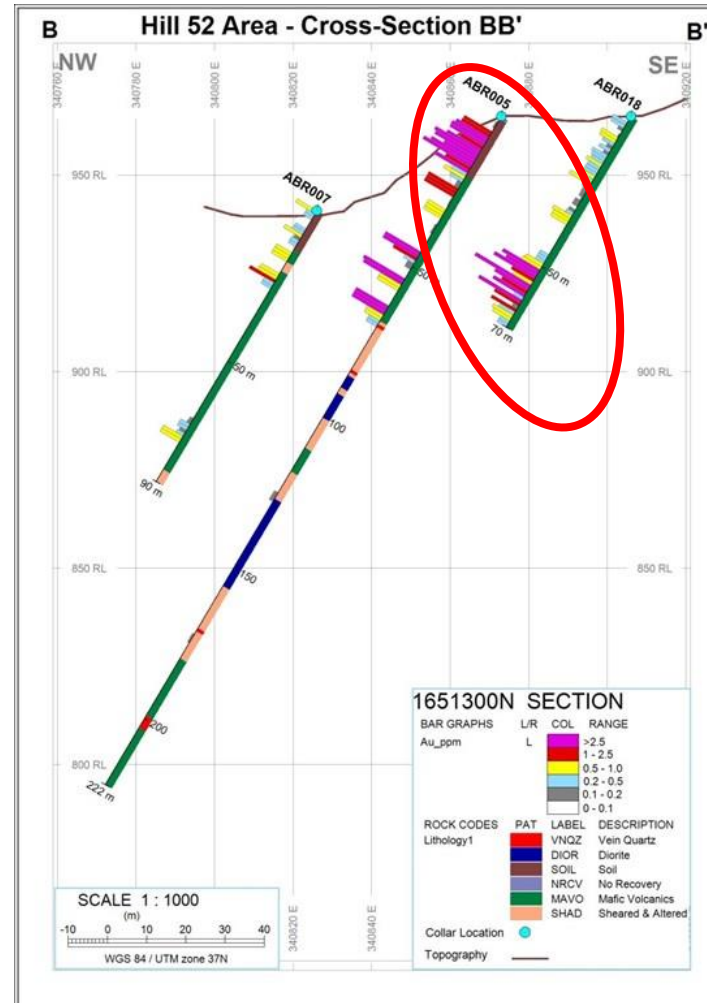






# Alpha Exploration Announces More Drilling Results from Aburna with Intercept of 22 M of 4.50 G/T Gold

Newsfile | May 25, 2022 7:58 AM EDT





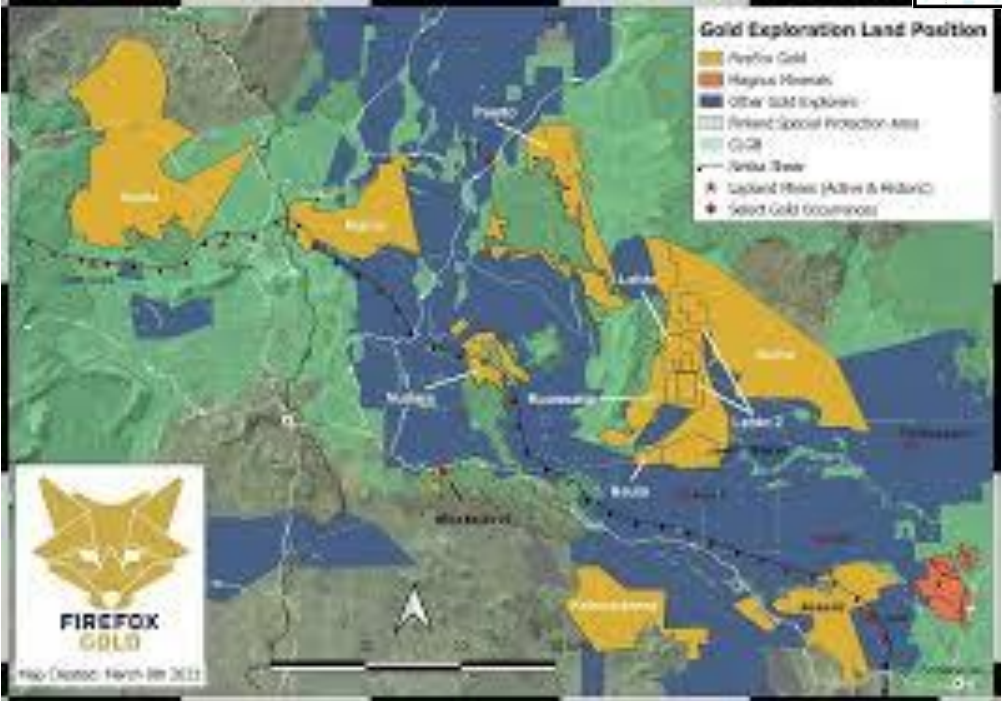
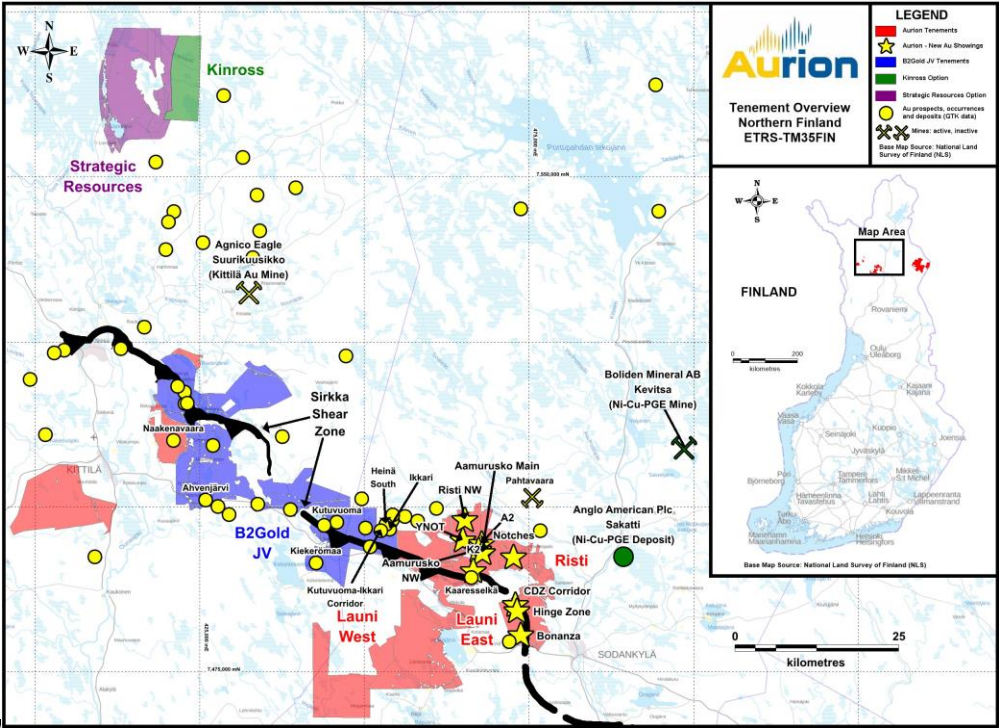
# Newfoundland Gold Hunt!



**NEWFOUND**  
**GOLD CORP**

**IAB**

# Battle of Lapland!



# US Copper War!









# S5 Program

