

Murdock Capital Partners, June 2013

Natural Resources Symposium Series

Presented by Benjamin Cox



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Mining & Finance Background



CEO, Director

- Copper and zinc
- Near surface
- Best hole: 105m at 2.9%



Founder, Managing Director

- Equity finance data
- Sector, broker analysis
- Due diligence

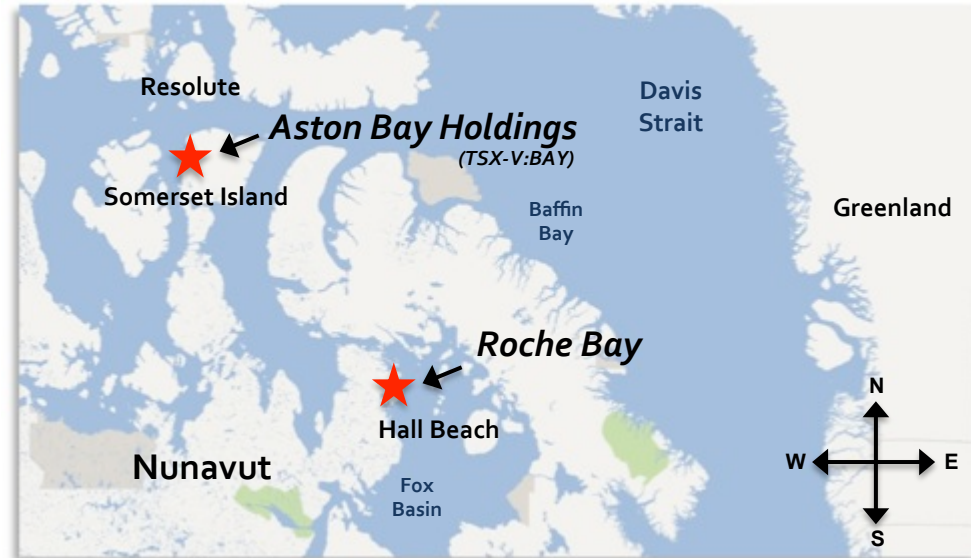


CEO, Director

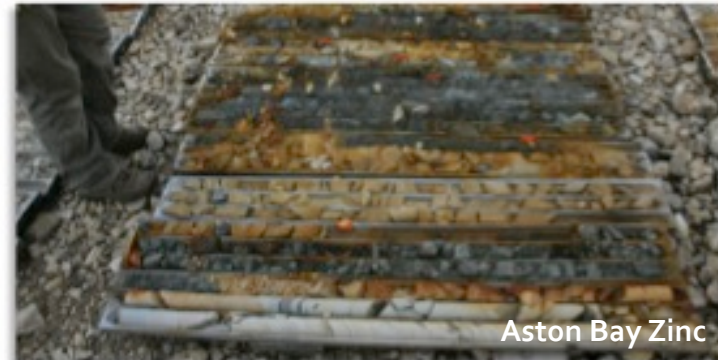
- Iron ore
- Multiple JV partners

Previous:

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



- Focus on a commodity that you like, understand, and have faith in
- Quality commodities have:
 - Supply constraints
 - Inelastic demand
 - A lack of quality pipeline projects
 - A foreseeable shutdown in major mines
- Oreninc likes zinc, copper, coking coal, iron ore, and nickel



- **“Precious Metal” is not a static category.**
- **The root of the word “Salary” may be related to salt. Salt was sometimes used to pay Roman soldiers and was from time to time used for soldiers’ wages through the War of 1812.**

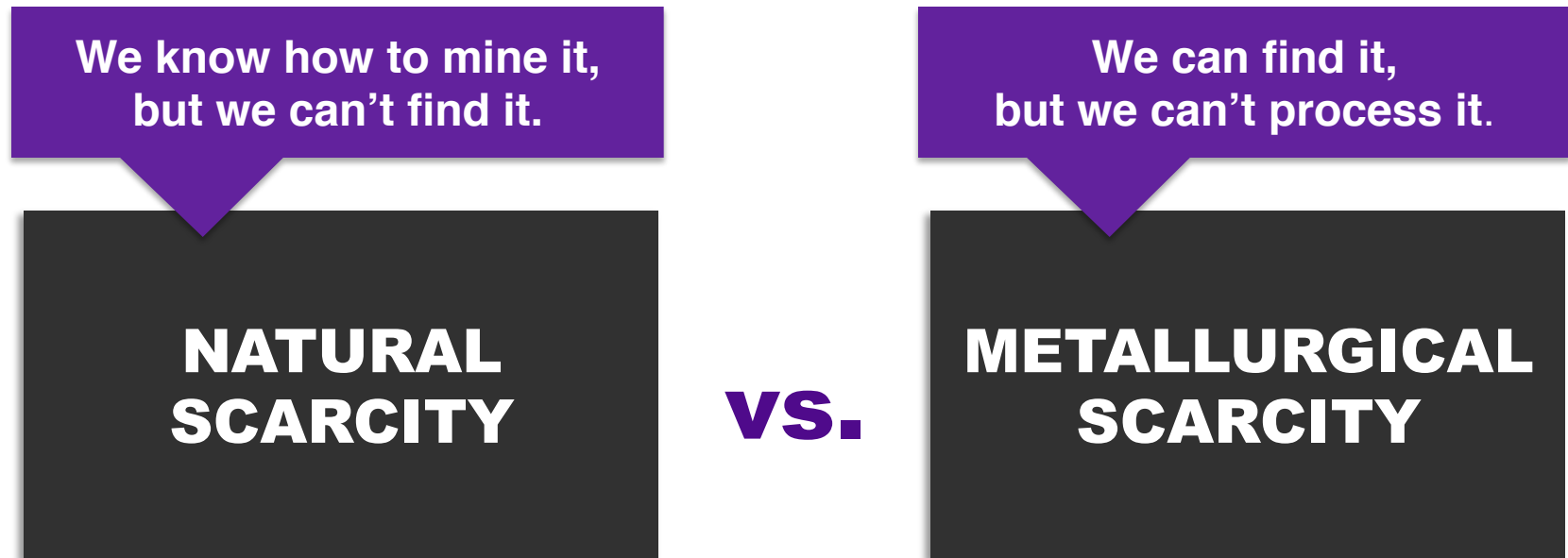
Cap it in Aluminum

- The Washington Monument was capped with Aluminum in 1885.
- Napoleon III maintained a prized set of aluminum cutlery for special guests at banquets.
 - Other guests used gold or silver
- Early aluminum ingots sold for \$550 per pound and were displayed alongside crown jewels.



Note: Polished and engraved replica of the aluminum pyramid cast in the same foundry 100 years later November 12, 1984.

- We like to talk about two different types of supply-side scarcity.



- The scarcities are not mutually exclusive.

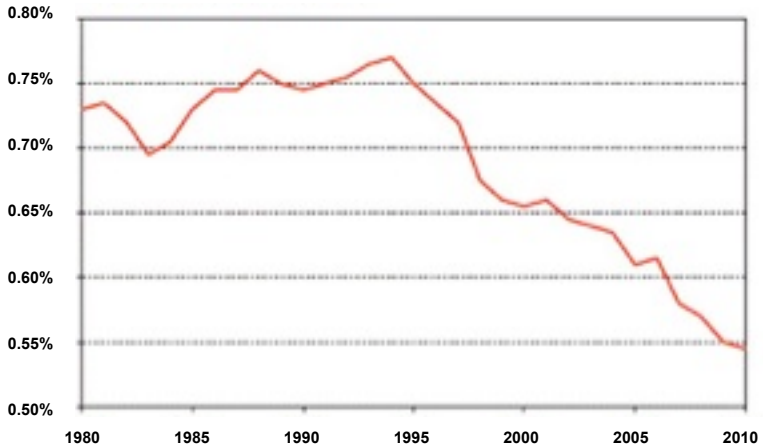
- Copper, gold, PGMs, and some others are naturally scarce; we are running out of high-grade deposits, and extraction costs are going up.
- Historically, salt and aluminum were metallurgically scarce, but that has since been solved.
- Nickel continues to be metallurgically scarce.
- Humans are extraordinary at surpassing technical challenges; however, we haven't yet built a Star Trek Replicator, which is why Oreninc is fundamentally “long” on naturally scarce resources, and less so on metallurgically scarce ones...

Copper is Naturally Scarce

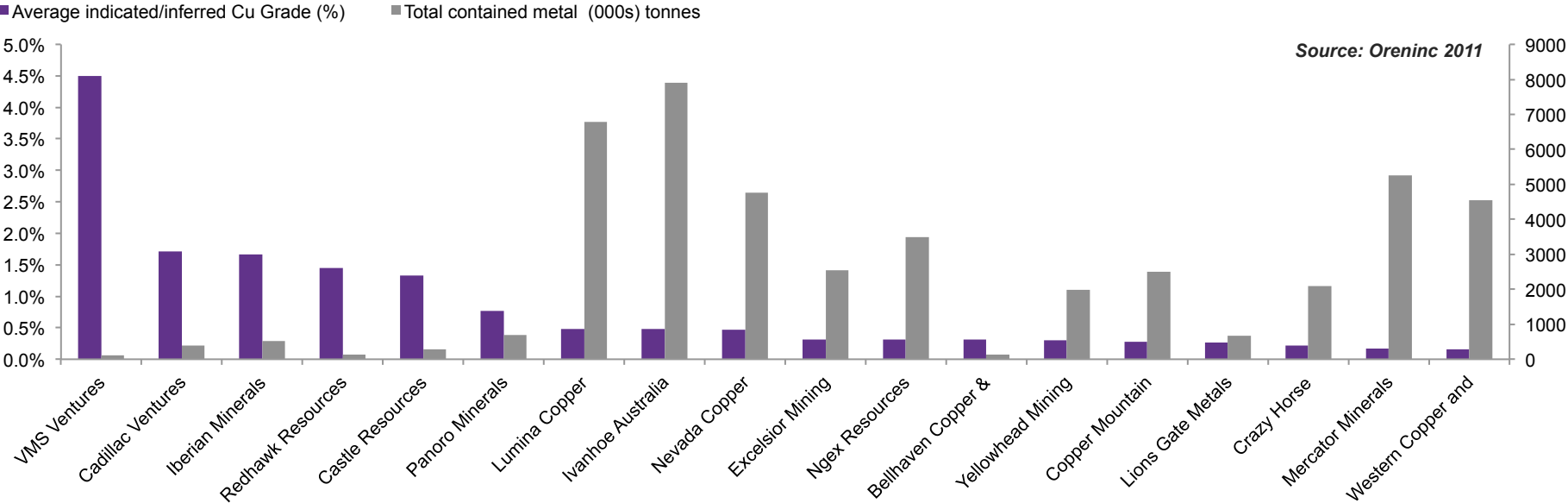
Copper: Low Cost Supply ≠ Demand

- Supply is constrained by lack of new major open pit mines and declining grades from current producers
- Demand is inelastic; copper is necessary for apartments, cars, refrigerators, A/C, cell phones, lights, heat, etc.

Recoverable Copper Ore Yield Grade



TSX Junior Copper Universe



Feasible Substitutions

Plumbing

PEX vs. Copper pipes

High-power transmission lines

Aluminum vs. Copper

Theoretical Substitutions

Wiring

Graphite-based graphene and carbon nanotubes hold the potential.

Aluminum

We could learn how to market aluminum alloys that can be used for wiring with low risk.

Gold/silver

Want to wire your house in gold/silver?

For civilization to actively replace copper:

- **Copper prices have to skyrocket to justify it;**
- **People have to believe that copper is not coming back down; and**
- **Technology has to be developed and adopted.**

Therefore: Our view is that copper is king for 30+ years.



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