



STATE OF JUNIOR MINING FINANCE

MINES & MONEY

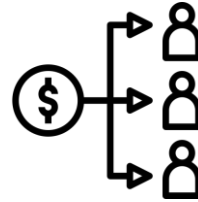
NEW YORK - MAY 1ST, 2019



WHAT IS ORENINC?



- We track on **over 1,400 companies** on the TSX, TSX-V, and the CSE
- Provide **sector and broker reports**



- Logged **+32 500 deals** since 2011
- Data-driven approach to examining financings



- **In-house** data analyst
- Consulting on capital raises and ancillary aspects

OUR CRITERIA.

JUNIOR MINING MARKET

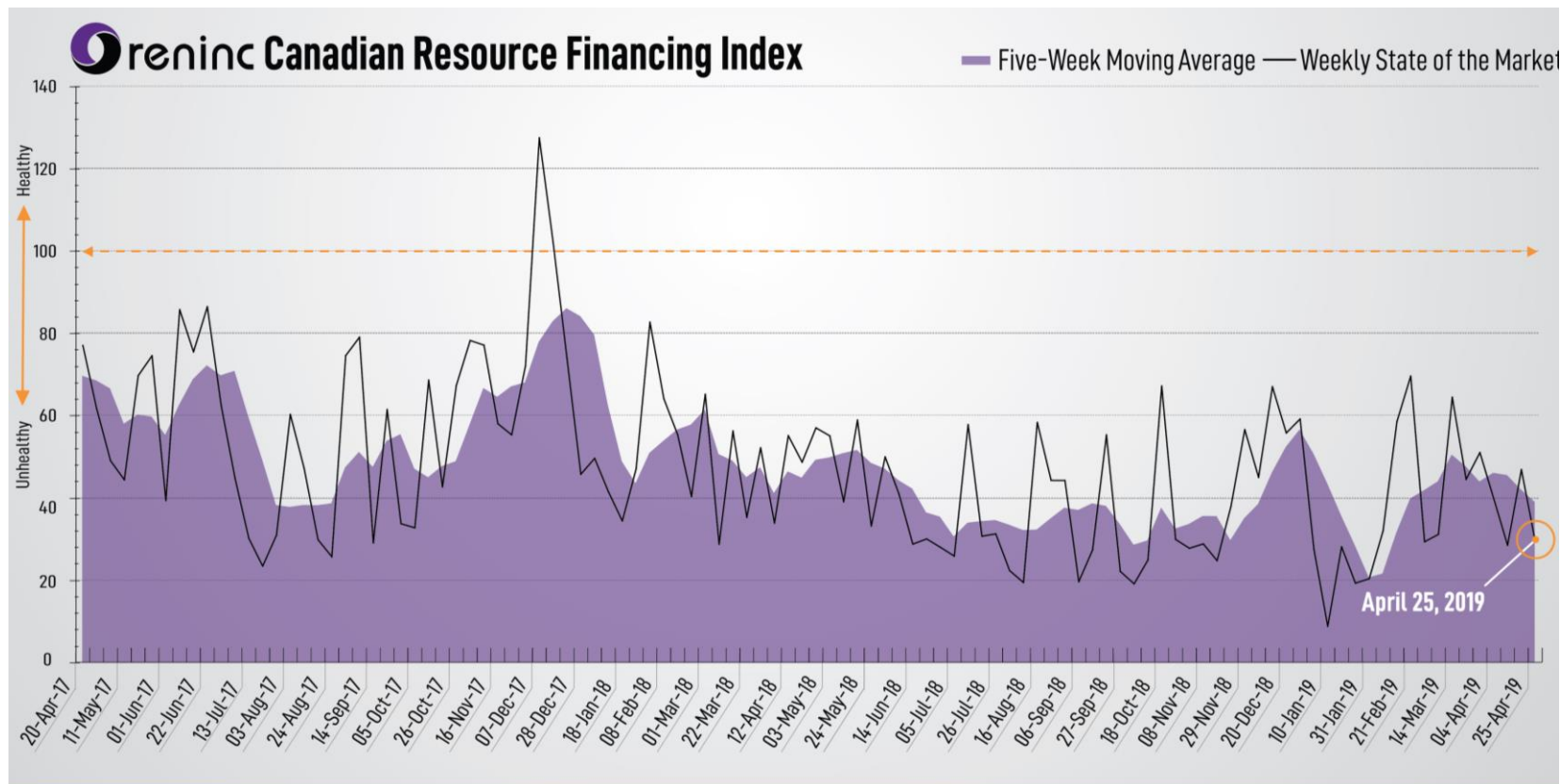
<1.5bn

CAD market cap

<100mil

CAD financing

THE INDEX.



Weighted Index Factors:

1. Total \$s of financings opened
2. Percentage of broker participation
3. Total # of deals opened

STRONG HEADWINDS IN 2018.

Cannabis & related companies

- 270 transactions
- 60.5% of all trading volume
 - Technology 18.9%
 - Mining 11.8%
- 76% of the overall capital raised
- **\$3.99bn (!)** of a total of \$5.22bn
 - Curaleaf Holdings - \$520mn
 - Acreage Holdings - \$416mn
 - Harvest Health & Recreation - \$288mn

Mining

- 221 transactions
- **\$217mn** raised



Photo:
welovecycling.com



Competing
with a new
industry

...

And we are
losing.

Liquidity Q1 2019

Value Traded

TSX TOP 10		
	TICKER	Q1 VALUE TRADED (C\$M)
1 Royal Bank of Canada	RY	38,158.2
2 Toronto-Dominion Bank (The)	TD	35,961.3
3 Enbridge Inc.	ENB	30,919.3
4 Bank of Nova Scotia (The)	BNS	26,155.9
5 Canopy Growth Corporation	WEED	24,252.8
6 Aurora Cannabis Inc.	ACB	23,854.7
7 Suncor Energy Inc.	SU	22,396.0
8 Bank of Montreal	BMO	22,115.0
9 Canadian Imperial Bank Of Commerce	CM	20,678.7
10 TransCanada Corporation	TRP	19,351.0

Volume Traded

TSX TOP 10		
	TICKER	Q1 VOLUME TRADED (millions of shares)
1 Aurora Cannabis Inc.	ACB	2,359.3
2 Bombardier Inc.	BBD	1,408.3
3 Encana Corporation	ECA	1,041.2
4 Aphria Inc.	APHA	793.6
5 Barrick Gold Corporation	ABX	746.9
6 Manulife Financial Corporation	MFC	685.6
7 Enbridge Inc.	ENB	666.6
8 The Green Organic Dutchman Holdings Ltd.	TGOD	653.9
9 Crescent Point Energy Corp.	CPG	623.0
10 Suncor Energy Inc.	SU	517.3

TSXV TOP 10		
	TICKER	Q1 VALUE TRADED (C\$M)
1 OrganiGram Holdings Inc.	OGI	852.4
2 Khiron Life Sciences Corp.	KHRN	311.7
3 Namaste Technologies Inc.	N	307.8
4 Emerald Health Therapeutics, Inc.	EMH	221.8
5 Aleafia Health Inc.*	ALEF	197.8
6 Canopy Rivers Inc.	RIV	185.0
7 PharmaCielo Ltd.	PCLO	183.7
8 Patriot One Technologies Inc.**	PAT	105.8
9 Cobalt 27 Capital Corp.	KBLT	102.3
10 Auxly Cannabis Group Inc.	XLY	102.2

TSXV TOP 10		
	TICKER	Q1 VOLUME TRADED (millions of shares)
1 Namaste Technologies Inc.	N	304.7
2 Sugarbud Craft Growers Corp.	SUGR	173.8
3 Solo Growth Corp.	SOLO	163.5
4 CUV Ventures Corp.	CUV	156.5
5 Newstrike Brands Ltd.	HIP	145.8
6 Kalytera Therapeutics Inc.	KLY	137.1
7 MAX Resource Corp.	MXR	135.1
8 Auxly Cannabis Group Inc.	XLY	130.6
9 OrganiGram Holdings Inc.	OGI	113.3
10 Walker River Resources Corp.	WRR	100.8



Q2 2016
We were in
a better
place

LIQUIDITY

VALUE TRADED

TSX TOP 10		
	TICKER	Q2 VALUE TRADED (C\$M)
1 Royal Bank of Canada	RY	12,686
2 Toronto-Dominion Bank (The)	TD	11,031
3 Bank of Nova Scotia (The)	BNS	9,565
4 Suncor Energy Inc.	SU	8,774
5 Canadian Imperial Bank Of Commerce	CM	7,527
6 Barrick Gold Corporation	ABX	7,445
7 TransCanada Corporation	TRP	7,370
8 Bank of Montreal	BMO	6,890
9 Canadian National Railway Company	CNR	6,114
10 Canadian Natural Resources Limited	CNQ	6,033

VOLUME TRADED

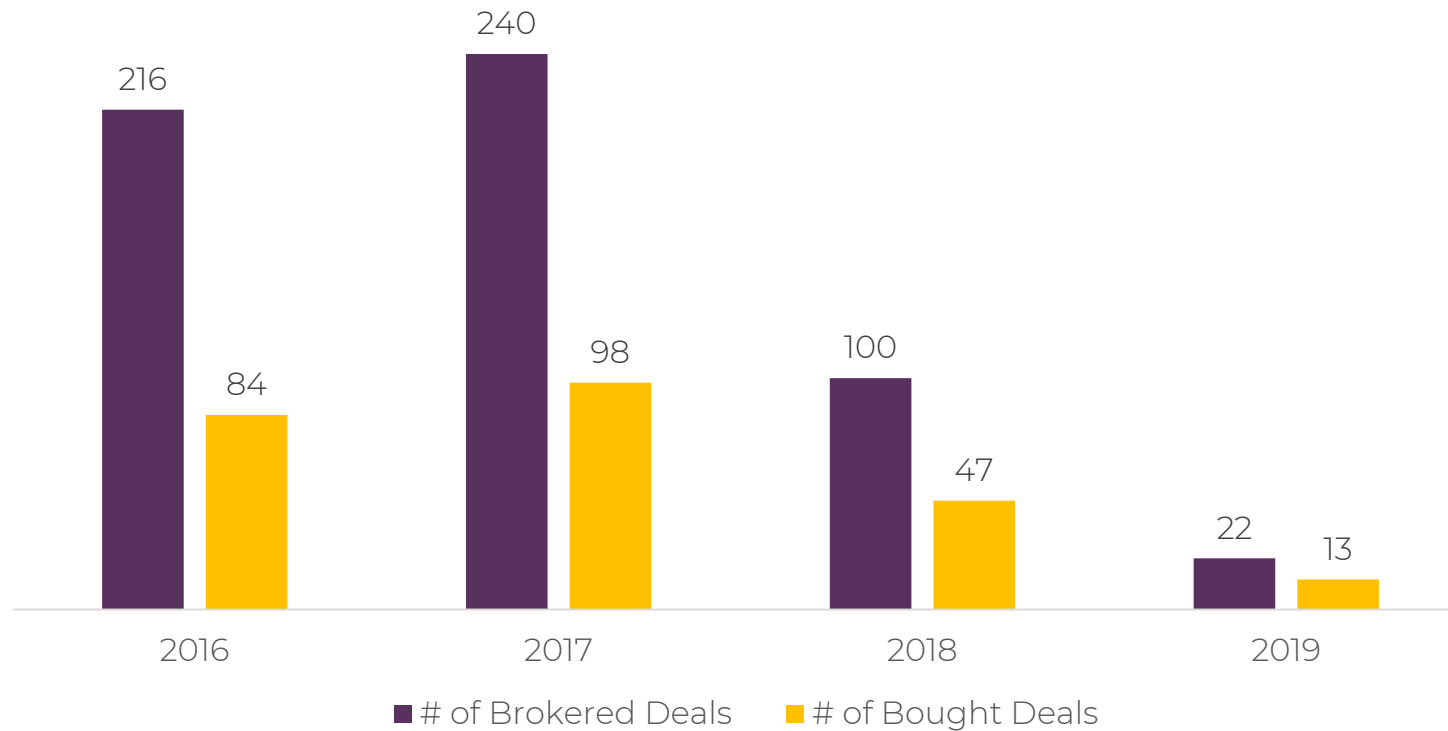
TSX TOP 10		
	TICKER	Q2 VOLUME TRADED (MILLIONS OF SHARES)
1 Bombardier Inc.	BBD	587.5
2 Kinross Gold Corporation	K	542.6
3 First Quantum Minerals Ltd.	FM	487.6
4 Yamana Gold Inc.	YRI	470.2
5 Baytex Energy Corp.	BTE	466.2
6 Teck Resources Limited	TCK	414.4
7 Encana Corporation	ECA	410.7
8 B2Gold Corp.	BTO	395.9
9 Horizons BetaPro NYMEX Crude Oil Bull Plus ETF	HOU	365.6
10 Barrick Gold Corporation	ABX	321.5

TSXV TOP 10		
	TICKER	Q2 VALUE TRADED (C\$M)
1 NexGen Energy Ltd.	NXE	237.3
2 Reservoir Minerals Inc.*	NSU	171.0
3 Nemaska Lithium Inc.**	NMX	164.9
4 Kaminak Gold Corporation***	G	137.0
5 Lithium X Energy Corp.	LIX	78.7
6 First Mining Finance Corp.	FF	76.2
7 Brazil Resources Inc.	BRI	75.3
8 Integra Gold Corp.	ICG	67.6
9 Canopy Growth Corporation**	CGC	65.8
10 Roxgold Inc.	ROG	63.5

TSXV TOP 10		
	TICKER	Q2 VOLUME TRADED (MILLIONS OF SHARES)
1 MacArthur Minerals Limited	MMS	139.9
2 Ashburton Ventures Inc.	ABR	135.3
3 Nemaska Lithium Inc.**	NMX	128.3
4 Spearmint Resources Inc.	SRJ	124.7
5 WestKam Gold Corp.	WKG	119.8
6 First Mining Finance Corp.	FF	112.5
7 Patient Home Monitoring Corp.	PHM	110.0
8 Integra Gold Corp.	ICG	105.5
9 PMI Resources Ltd.	PMI	103.9
10 Graphite One Resources Inc.	GPH	103.6



BANKER & BROKER ACTIVITY

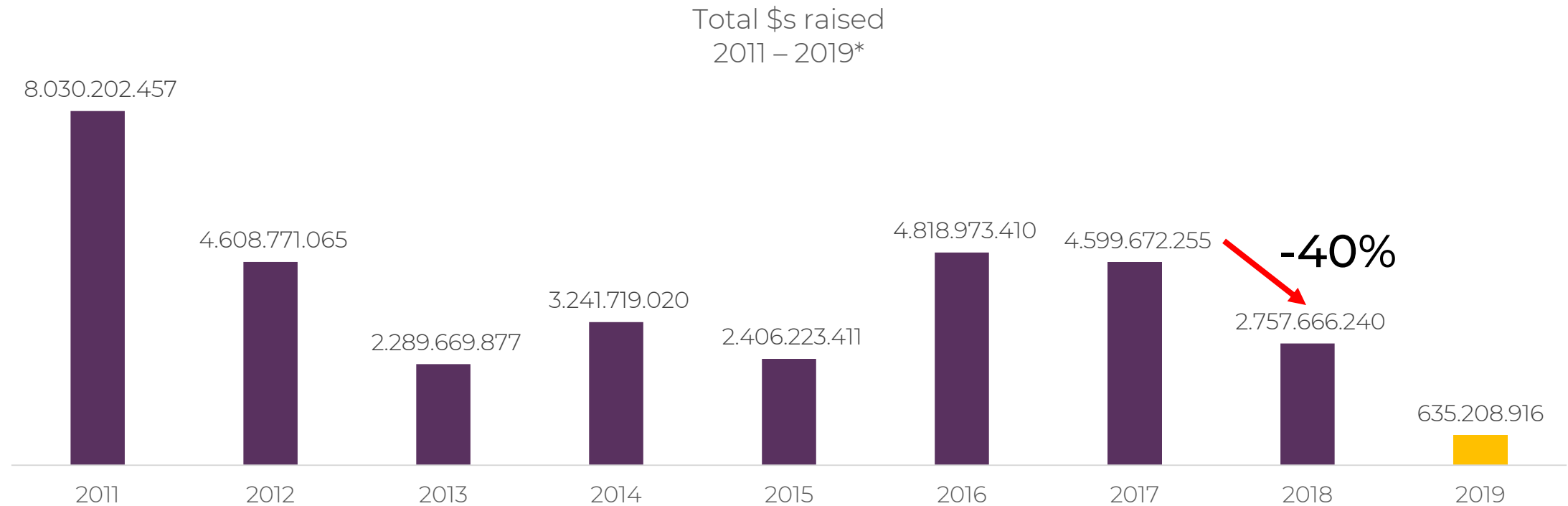


Source: Oreninc; as of April 25, 2019

**NO COMMISSIONS TO BE
MADE IN MINING**



THE COLD HARD TRUTH – part I

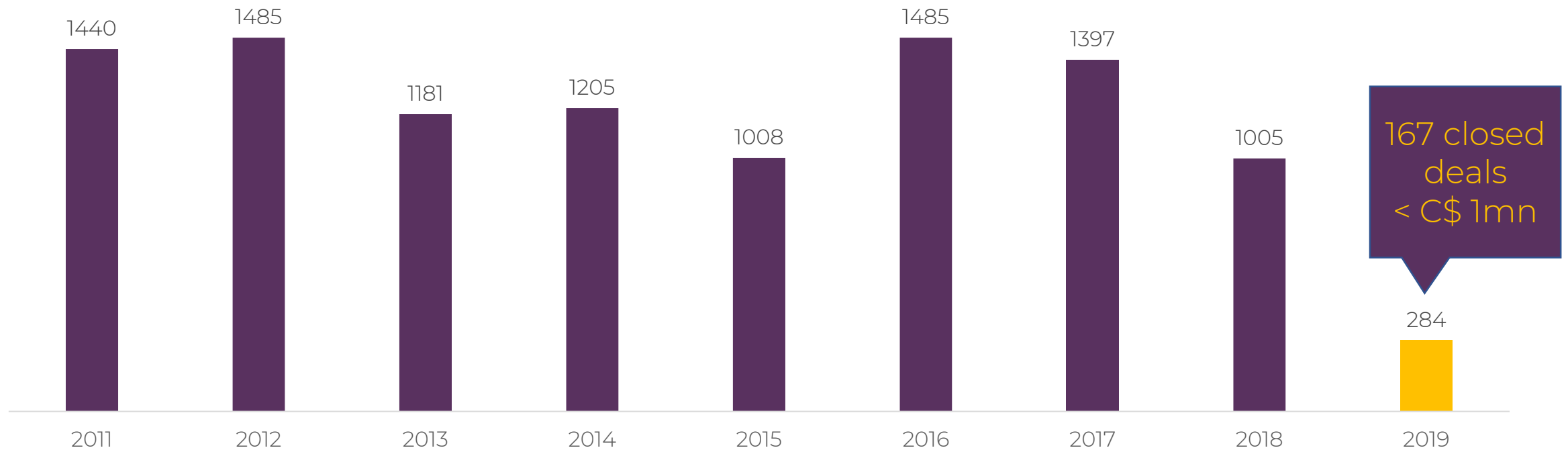


*includes Common & Flow-Through, ex Oil & Gas & Frack Sand

Source: Oreninc; as of April 25, 2019

THE COLD HARD TRUTH – part II

Total # of Deals
2011 - 2018

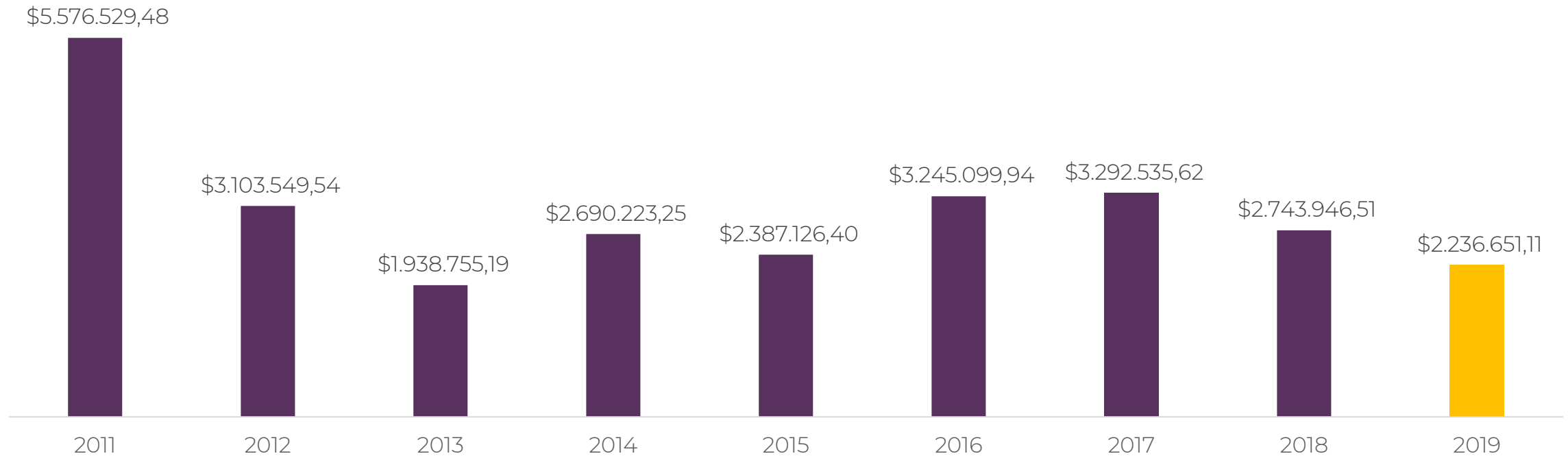


Source: Oreninc; as of April 25, 2019

*includes Common & Flow-Through, ex Oil & Gas & Frack Sand

THE COLD HARD TRUTH – part III

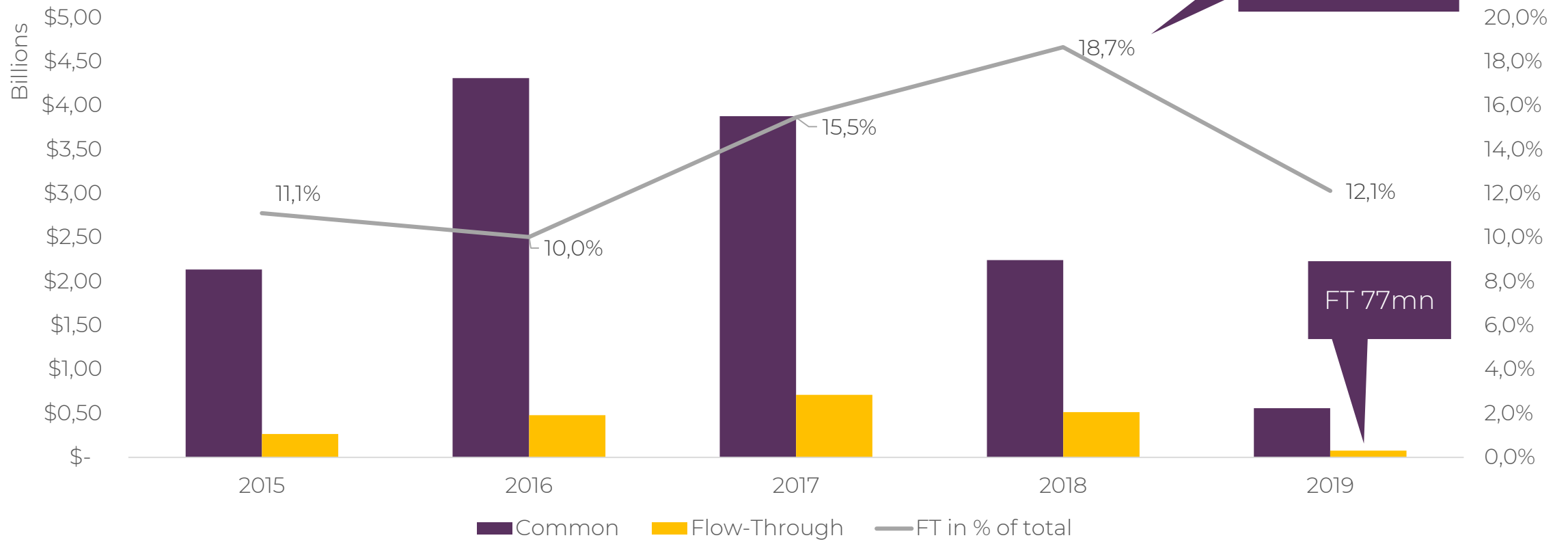
Average Deal Size 2011 - 2018



Source: Oreninc; as of April 25, 2019

*includes Common & Flow-Through, ex Oil & Gas & Frack Sand

FLOW THROUGH A LIFE SAVER



Source: Oreninc; as of April 25, 2019

WARRANTS QUALITY SHOWS

2019	235 Financings	1/1 Warrant	1/2 Warrant
	No. of Financings	119	60
	Average Premium	73%	61%
	Average Term	27.9 mo.	26.4 mo.
2018	731 Financings	1/1 Warrant	1/2 Warrant
	No. of Financings	363	216
	Average Premium	56%	28%
	Average Term	27.7 mo.	25.6 mo.

76%

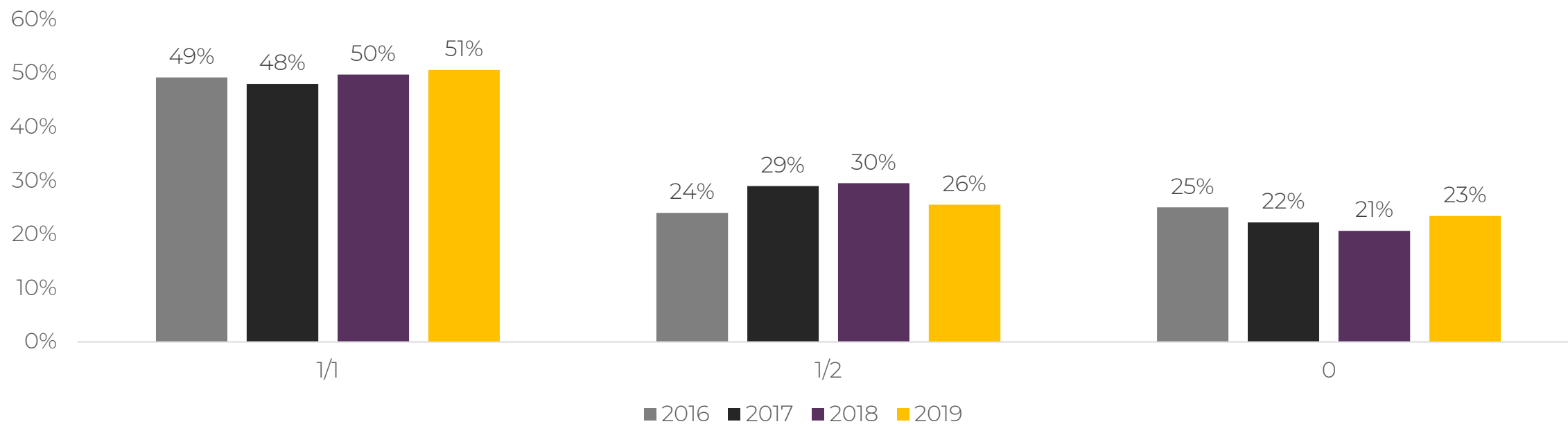
Premiums up
Terms remain

80%

Premiums low
Terms acceptable

WARRANTS TRENDS

Deals with Warrants

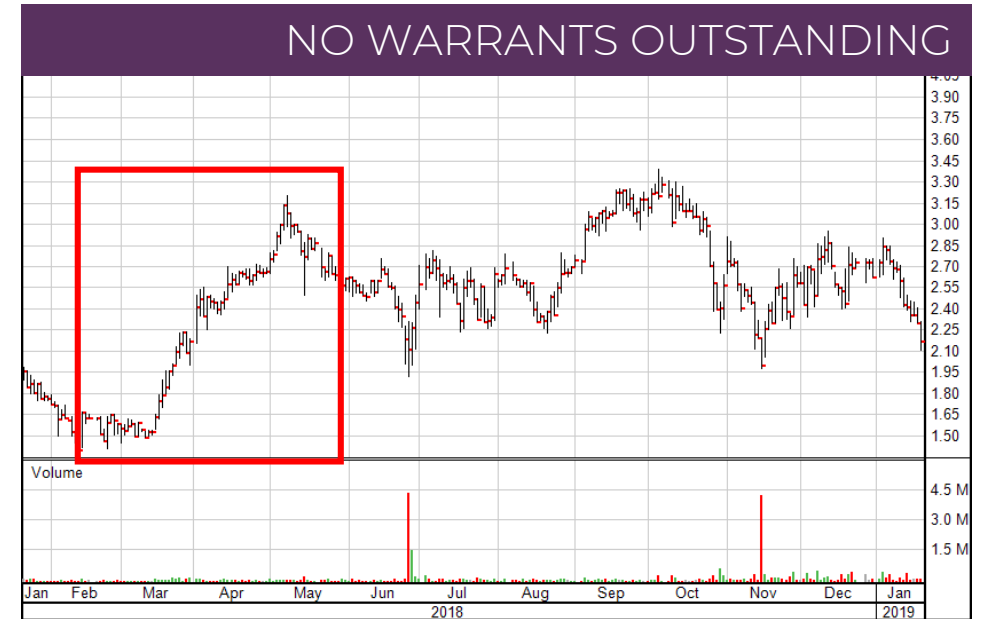


Source: Oreninc; as of April 25, 2019

WARRANT OVERHANG DEBATE

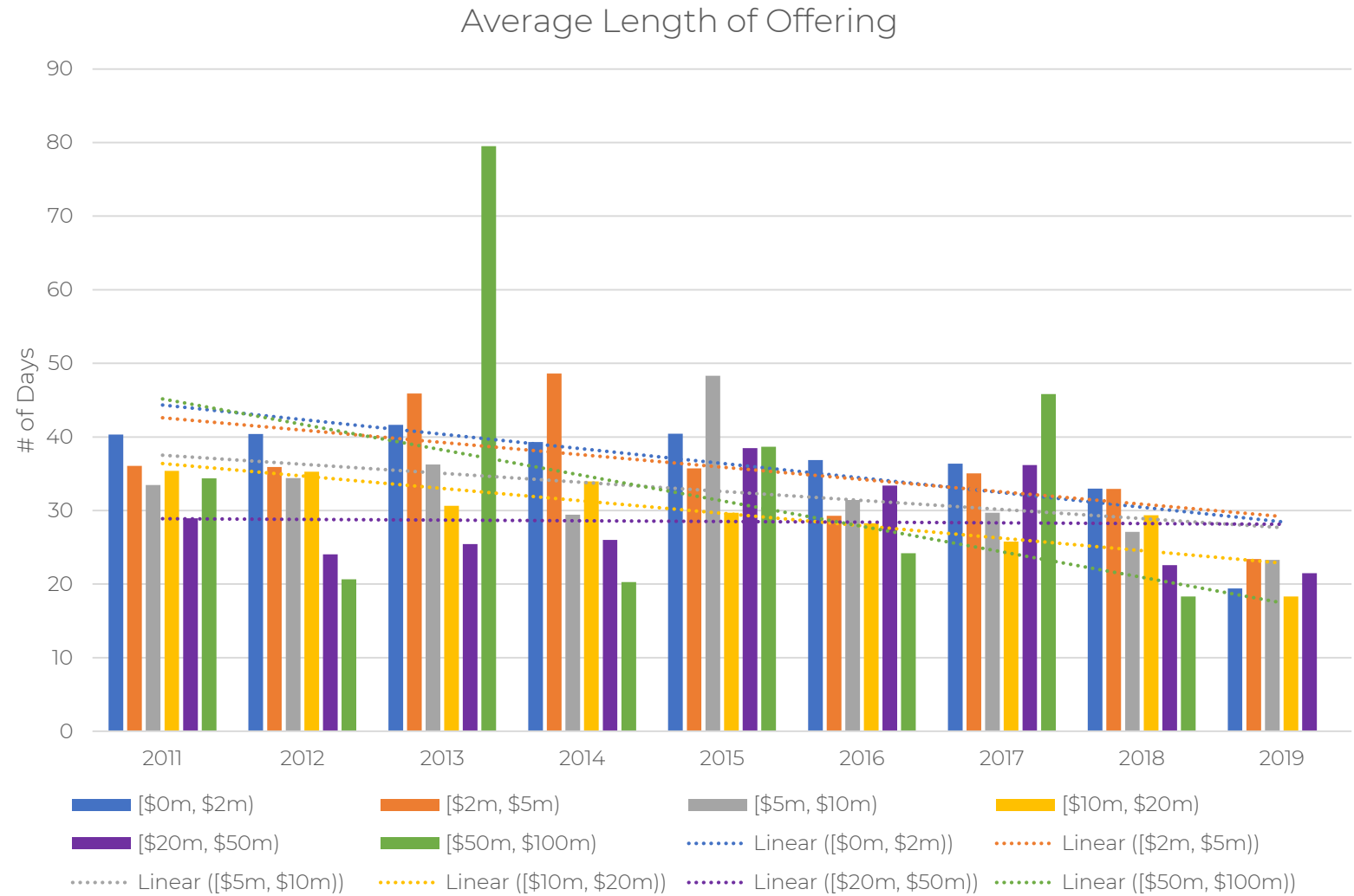


VS





OPEN WHEN YOU CAN CLOSE



DEATH SPIRAL.

Example.

- ↓ Commodity & Jurisdiction
- ↓ Overburdened management team
- ↑ Capital Structure, less than 100mn shares
- ⇒ Joint-Venture or Strategic Partner for 19.9%



*Source: Stockwatch & SEDAR



TOP 20 of 2019.

Lundin Gold Inc.	46.575.000,00	Financial backing by Lundin family
Bonterra Resources Inc.	28.000.050,00	Financial backing by Sprott
Gabriel Resources Ltd.	26.300.000,00	
Bluestone Resources Inc.	22.426.651,00	Discovery Group – John Robbins
Barkerville Gold Mines Ltd.	20.000.160,00	Financial backing by Osisko
NGEx Resources Inc.	20.000.000,00	Financial backing by Lundin family
Alphamin Resources Corp.	15.960.000,00	
Northern Dynasty Minerals Ltd.	15.453.125,00	
Victoria Gold Corp.	15.004.300,00	Financial backing by Osisko
Victoria Gold Corp.	15.000.000,00	Financial backing by Osisko
Reunion Gold Corporation	13.093.500,00	Strategic investment by Barrick Gold
Standard Lithium Ltd.	11.390.500,00	
Premier Gold Mines Limited	11.056.500,00	Producer, Strong management team
Nouveau Monde Graphite Inc.	10.298.875,00	
Northern Dynasty Minerals Ltd.	9.400.000,00	
Bonterra Resources Inc.	8.741.046,00	Financial backing by Sprott
Irving Resources Inc.	8.025.761,00	Strategic investment by Newmont
Goldsource Mines Inc.	7.479.600,00	Strong management team
Kootenay Silver Inc.	7.043.332,00	Financial support out of Europe
Rio2 Ltd.	7.000.000,00	Strong management team
Cantex Mine Development Corp.	6.014.000,00	





HOW TO ESCAPE.

- Strong backing by a financial group or strategic partner
- Joint-Venture or Strategic Partner
- Jurisdiction
- Management
- Capital Structure
- Balance sheet



Consolidated Balance Sheets			
April 30, 2018 and 2017			
(Expressed in US dollars)			
(Prepared in accordance with US GAAP)			
	Notes	2018 \$	2017 \$
ASSETS			
Current assets			
Cash		213,322	287,282
Receivables		8,881	7,169
Prepays		35,725	65,259
		255,848	359,710
Equipment		14,118	9,090
Mineral property interest and deferred development costs	3	1,145,906	305,850
Deposits		28,728	14,932
TOTAL ASSETS		1,444,600	689,582
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	4,9	1,475,121	1,168,606
Promissory notes	5	18,240,855	14,147,964
Derivative liabilities	2,6,7	300,690	1,188,937
		20,016,666	16,505,507
Promissory notes	5	-	165,208
TOTAL LIABILITIES		20,016,666	16,670,715
CAPITAL DEFICIT			
Capital Stock			
Authorized:			
Unlimited common shares with no par value			
Issued and fully paid: 89,831,955 (April 30, 2017 - 89,372,359)	7	18,787,998	18,658,118
Additional paid-in capital		1,890,220	1,948,384
Commitment to issue shares	5	50,625	29,625
Deficit		(39,300,909)	(36,617,260)
TOTAL CAPITAL DEFICIT		(18,572,066)	(15,981,133)
TOTAL LIABILITIES AND CAPITAL DEFICIT		1,444,600	689,582

OUTLOOK – TRENDS FOR 2019.



FLOW – THROUGH

Financing form will remain extremely important.



ACCESS TO FINANCINGS

Few remaining institutional investors will have easy access to deal flow, retail less so.
Emergence of deal clubs.



CASH CRUNCH LOOMING

Exploration companies financed in 2016 & 2017 are running out of capital.

“The Canadian side of the business, it’s capitalized at this point,” CSE chief executive Richard Carleton said.

*Globe and Mail, November 15, 2018

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