INVESTOR HOSTING CENTRE

# WHAT INVESTORS LOOK FOR IN MINING FINANCE

## 1 CLARITY OF RESOURCE & REVENUE MODEL

A compelling mining opportunity must articulate full revenue logic. This entails commodity & product form, grade profile, recoverable resource, processing route & who captures margin at each stage. JORC or NI 43-101 compliant resource is non-negotiable.

## 2 MARKET CERTAINTY, NOT COMMODITY SPECULATION

Price assumptions must be grounded on empirical bases, not aspirational. Commercial certainty is non-negotiable. This entails proof such as signed offtake agreements, letters of intent from traders or processors & demonstrated demand from end-use industries.

## 3 EXECUTION CAPABILITY

Investors evaluate the team behind the resource just as much as they do the geology. Investors want to see named expertise & experience in, at least, the mining method, processing method & financial management. It is not necessarily the project or opportunity that gets funded, it is the people behind it.

## 4 RESOURCE UPSIDE & SCALABILITY

Can the project grow beyond the initial mining plan? Investors want to know whether the current resource is the floor or ceiling. Exploration targets against defined resource are key here. Geological continuity into unexplored zones & historical drilling that was under-reported are also key here.

## 5 PROJECT ECONOMICS THAT HOLD UNDER STRESS

If the numbers only work at today's prices, then the numbers are not solid. Financial modelling must clearly show core elements such as AISC, NPV, IRR & payback period, premised on empirical assumptions. Investors also look at capital intensity & sensitivity analysis.

## 6 RISK AWARENESS & MITIGATION

Mining comes with geological, regulatory, environmental & community risk. Investors want to see proper articulation of risk with respect to geological, technical, regulatory & policy, environmental & social & financial aspects. For each identified risk there must be mitigatory measures.

## 7 FINANCIAL DISCIPLINE & TRANSPARENCY

Clear records, realistic CAPEX & honest cash flows indicate management maturity. Investors want to see audited financial statements, itemized CAPEX schedules, construction & commissioning phases and an OPEX model. Capital structure & deployment must be clearly articulated.

## 8 VALUE CHAIN POSITIONING & BENEFICIATION INTENT

Investors evaluate where a project or opportunity participates in the value chain. In Zimbabwe, beneficiation is now a compliance requirement & value creation mandate. Thus, product specification & processing technology must be clearly laid out.

## 9 IMPACT WITH PROFITABILITY

Investors now require Environmental & Social Impact Assessment or Environmental Impact Statement aligned with IFC Performance Standards or Equator Principles. Community benefit agreements & local employment ratios are now standard expectations. ESG assessment is now necessary.

## 10 SKIN IN THE GAME

Investors back people who have already committed time, capital & credibility to the project or opportunity. Examples of commitment indicators are historical exploration expenditure, regulatory fees paid, management time & opportunity cost and existing infrastructure investment. Document your sunk costs.