Australian Gold Fund
Performance Report
For Quarter Ending 31st March 2025
For Quarter Ending 31st December 2024

2025 March quarter – Gold and gold stocks break out as the Trump administration tariffs and cost-cutting measures unsettle global markets

2025 March Fund Performance Statistics				
	Australian Gold Fund	ASX Gold Index (XGD)	Van Eck GDX	Van Eck GDXJ
Quarter Performance	36.79%	31.24%	35.56%	33.80%
Quarter Volatility (%)	23.14%	25.53%	26.67%	32.23%
12 Month Performance	66.12%	54.14%	47.09%	51.44%
12 Month Volatility (%)	25.03%	27.21%	30.04%	34.56%
Performance Since Inception	66.69%	56.83%	72.52%	55.66%
Volatility Since Inception (%)	30.35%	33.90%	38.07%	45.37%
Quarter % Days Outperform XGD	50.77%			
12 Month % Days Outperform	49.24%			
% Days Outperform Since Inception	49.42%			

The first quarter of 2025 was our second best performing quarter since the inception of the Australian Gold Fund. The fund enjoyed a return of 36.8%, beating the benchmark gold stock indices, which all delivered over 30% returns.

Despite the solid results, our strategy to outperform the benchmark indices by holding an overweight position on speculative gold stocks is coming to fruition. We speculative gold stocks are positioning to outperform the more established gold producers.

Gold came out of its corrective phase at the start of 2025, after spending the last two months of 2024 to form a base. The US dollar surged after President Trump's election, holding gold back. Shortly after his inauguration, the US dollar peaked, allowing gold to resume rallying. Gold made new highs in quick succession - $2,800 in early February, $2,900 less than a fortnight later and $3,000 by mid-March. It ended the quarter at US$3,125, delivering a quarterly return of 19%, which is anomalous for a safe haven asset.

Gold stocks resumed rallying, but this time, several explorers and developers emerged from their slumber and began to close the gap on the more established stocks. These speculative gold stocks including Black Cat Syndicate, Cavalier Resources, Great Boulder Resources, Kairos Minerals, Magmatic Resources, Meeka Gold, and Rox Resources rose faster than the producers, as the latter are now trading close to, even above, their fair value.

During the quarter, we continued to reduce our exposure to some producers and invested in more developers. Despite increasing our holdings to explorers and developers, the proportion of producers in our portfolio by market value did not fall as much because producers perform better than their smaller counterparts. Our portfolio exposure to producers is predominantly on the mid-tier and junior producers, having sold down most of our major and large producers in the last two years. Recognising that the gold bull market has run for an extended period, we saw it prudent to deploy a small proportion of our profits to precious metals ETFs.

As per previous quarters, our decision to be overweight on good-quality explorers and developers should help us outperform our benchmark indices by a wider margin in the coming quarters. However, as discussed above, this trend appears to be changing.

2024 December quarter – A strong start to the quarter overshadowed by President Trump's victory and the "America First" Policy

2024 December Fund Performance Statistics				
	Australian Gold Fund	**ASX Gold Index (XGD)**	**Van Eck GDX**	**Van Eck GDXJ**
Quarter Performance	-3.01%	-3.34%	-13.84%	-10.17%
Quarter Volatility (%)	27.16%	29.23%	30.33%	33.64%
12 Month Performance	24.49%	16.14%	10.64%	15.64%
12 Month Volatility (%)	24.93%	28.26%	31.05%	35.00%
Performance Since Inception	21.86%	19.50%	27.27%	16.34%
Volatility Since Inception (%)	30.37%	33.92%	38.48%	45.86%
Quarter % Days Outperform XGD	53.03%			
12 Month % Days Outperform	49.24%			
% Days Outperform Since Inception	49.35%			

The final quarter of 2024 ended completely in contrast to how it started. Gold and gold stocks had a phenomenal month in October as the impact of the first rate cut by the US Federal Reserve in September helped propel the spot price of gold and the ASX Gold Index to a new high. The trend changed with the victory of President Trump in the US 2024 election when the markets realised that his "America First" policy would benefit the US economy. This led to the US dollar recovering strongly over the next two months to the end of 2024.

The Australian Gold Fund followed a similar pattern during the quarter, rising strongly in October and giving back our gains to end the quarter lower. It slightly outperformed the ASX Gold Index for the quarter. For 2024, the Australian Gold Fund was up by almost 25%, a solid result that puts us ahead of the benchmark gold stock indices.

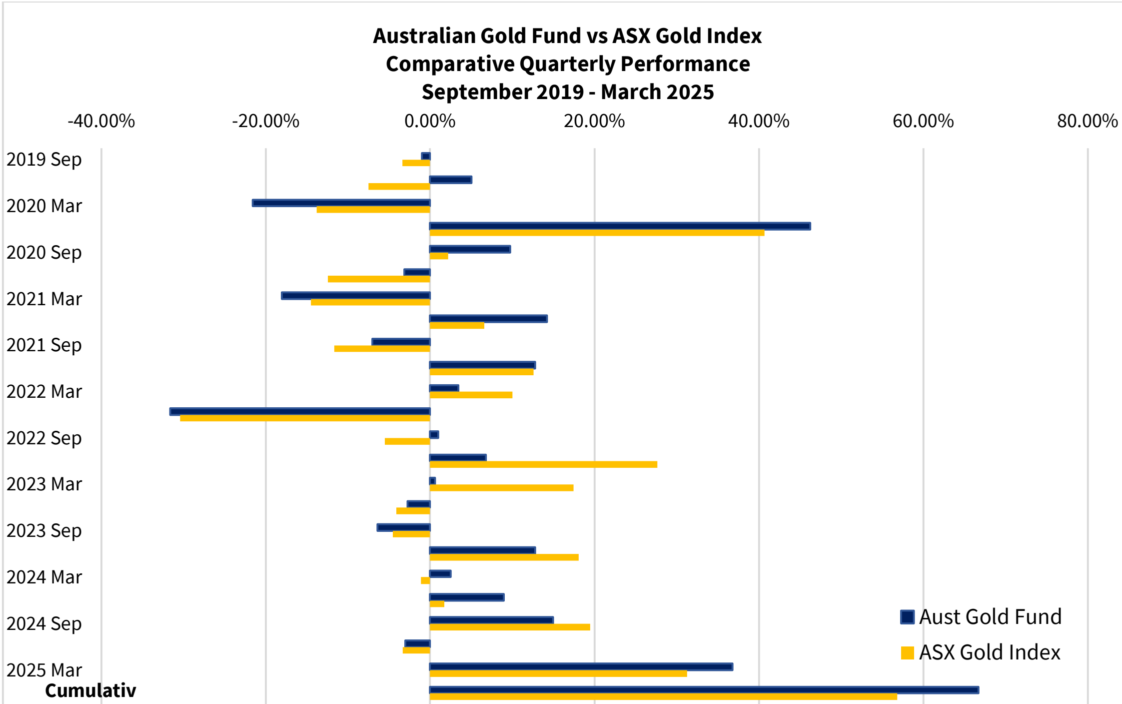
Our portfolio outperformed the benchmark indices in 2024, but our strategy to be overweight on explorers and developers has not paid off yet. Instead, a few developers and a junior producer delivered particularly strong returns this year, namely Black Cat Syndicate, Catalyst Metals, Meeka Gold, Southern Cross Consolidated and Spartan Resources.

During the quarter, we secured some gains in gold producers and late-stage developers when they rallied in October. Like the previous quarters, we shifted some of our profits to speculative gold stocks as we await their recovery.

Australian developers started to rise near the end of the year as investors took interest in their advanced projects progressing towards production. To this end, we increased our exposure to these companies. We have seen positive results from our decision.

An underwhelming end to a phenomenal year

We present our historical quarterly performance below:



Source: Australian Gold Fund

Our fund surged of 15% within October while the ASX Gold Index increased by 14% and gold by around 11%. We took some profits on gold producers Bellevue Gold, Catalyst Metals, Perseus Mining, Ramelius Resources, and West African Resources as they ran higher. The proceeds from these sales went to developers including Cavalier Resources, Horizon Minerals, and Warriedar Resources.

After President Trump's election win was confirmed and gold stocks retreated, we continued to increase our exposure to more developers. In addition to those named above, we increased our exposure to Delta Lithium, Meeka Gold, and Strickland Metals.

Some companies surged during October and delivered stunning returns. These included Ora Banda (52.8%), Brightstar Resources (47.1%), Investigator Resources (43.2%), Meeka Gold (42.6%), and Black Cat Syndicate (41.6%). It is notable that these are less established companies, pointing to a shift in market sentiment from the larger players. A broad correction of gold stocks after the US election outcome to the end of the year pared early gains. Our portfolio's best performers for the quarter were Rox Resources (48.1%), Maximus Resources (31.1%), Horizon Gold (29.7%), SSR Mining (27.6%) and Meeka Gold (26.2%).

Since Christmas 2024, gold producers led the industry to rally once more as they reported record operating margins for the final quarter of 2024. After the inauguration of President Trump, the US Dollar Index fell further, boosting gold's momentum. This pushed the ASX Gold Index above 10,000 points in early February, helping several developers gain momentum. Barton Gold Holdings, Black Cat Syndicate, Cavalier Resources, Horizon Minerals, Meeka Gold, Patronus Resources, Rox Resources, and Spartan Resources all rallied into the end of the quarter. A handful of explorers such as Maximus Resources and Southern Cross Consolidated also performed well.

We continued to reduce our exposure togold producers that delivered outstanding results including Catalyst Metals, Genesis Minerals, Perseus Mining, and West African Resources. These proceeds went to developers that were gaining momentum since the start of the year, such as Horizon Minerals, Patronus Resources, and Strickland Metals. We also increased our holdings of gold producers that pulled back during the quarter, namely Alkane Resources, Ramelius Resources and Westgold Resources. We also bought gold and silver ETFs.

Our best-performing companies in the 2025 March quarter were Catalyst Metals (124.0%), Meeka Gold (101.3%), Pantoro (88.9%), Black Cat Syndicate (70.8%), Cavalier Resources and Rox Resources (70%).

We believe that the upside potential for gold producers is decreasing even as gold continues to set new records and the gold-oil ratio rises to levels last seen in 2020. We observed many investors buying gold stocks in the past year, focusing mainly on gold producers. As their operating margins improved, they rallied significantly. Therefore, we see less upside potential for these companies as they are generously valued.

Meanwhile, explorers and developers have remained relatively unloved, with a few exceptions. Sentiment for these companies has been improving, with excitement expected to build when the price of silver hits the critical US$35 level.

Revealing the impotence of central bank policies and the dawning of a new global order

The defining moments of modern history occurred during this quarter. The first is the victory of President Trump in the 2024 election that should steer the world in a new direction. The second is the undeniable return of gold as true money, having overpowered the US dollar and fiat currencies in our financial system.

How does the return of the Trump administration steer the world in a new direction?

The answer lies in its policy direction.

Rather than the US acting as the world's police to dictate international affairs, adopting "America First" will likely spur countries to manage their own affairs. Furthermore, this stance puts the US in the position to help ease conflicts precipitated by the US and its allies imposing their will on the world.

Even though most have lived with the belief that the US is the dominant superpower and represents the beacon for the world to look towards, its administration and the bureaucratic organisations have shown over time to be the cause of conflicts, disasters and global tension. This could change as the Trump administration, through the Department of Government Efficiency (DoGE), exposes how hidden powers and forces are responsible for fomenting these problems.

On economy and trade, the Trump administration hopes to implement tariffs and overturn its reliance on the US Federal Reserve and taxation. This trading strategy was commonly used in the 19th and early 20th century before the introduction of the third central banking system in 1913 that became the US Federal Reserve.

In theory, the US is the preeminent importer and consumer of the world's resources. Moreover, the US has been subsidising the costs and expenses of many nations for decades, and a legacy of deals made by past administrations. Moreover its reliance on its reserve currency status gives it the dubious privilege of having unlimited borrowing capacity that it can pass the liabilities to its citizens and other nations. The Trump administration intends to reverse this by leveraging its substantial bargaining power against other nations wishing to trade with it. In turn, these tariffs will fund government spending and subsidies to US businesses and households.

While we sound optimistic about the direction the Trump administration hopes to take the US and the world, we understand significant resistance and risks exist. The Trump administration must navigate both internal and external challenges.

Within the government and the country, the administration faces heavy resistance from an entrenched army of bureaucrats, public servants, corporate lobbyists and global think-tanks that have latched their tentacles onto the public and private enterprises to funnel resources to finance their social and geopolitical engineering. Those who are part of the coordinated resistance gradually expose themselves as their money trails and connections to nefarious activities become apparent for all to see. Moreover, we expect their allied media and news outlets to pump incessant articles expressing outrage, further losing credibility because they are partisan and report opinions rather than news.

The second challenge is the economic upheaval in response to the tariffs imposed against different countries. Introducing tariff wars is a change in paradigm for global and domestic trade, with many parties whose interests are threatened by this new approach. We expect governments, banks, businesses and oligarchs with vested interests to retaliate by various means. The ultimate goal is to win the narrative war and sway public opinion, and both sides are bent on using whatever is at their disposal to achieve their goal.

Despite these challenges, the Trump administration made significant grounds in combating its opponents. It launched preliminary investigations into different agencies that revealed widespread corruption, fraud and waste, covert domestic and foreign operations, and slush funds used for bribery and money laundering. The battles are waging in the courts with different judges issuing conflicting decisions, some sticking to the US Constitution while others subvert it for partisanship. The spotlight is shining on these corrupted and compromised players, and it is more difficult for them to hide.

On foreign relations, the Trump administration has worked to bring Russia, Ukraine, Israel, Palestine and other Arab nations to the negotiation table to end armed conflicts. Interestingly, the parties responsible for prolonging these wars appear to be the traditional US allies, including NATO, the European Union, Israel, and Ukraine. There appears to be an interest in continuing the conflict as some within these nations or organisations stand to benefit from US aid. In the past, suggesting that war is a racket to help certain parties profit from misery was deemed “conspiracy theories”. Currently, there is increasing evidence to reveal the conspiracy and confirm the theory as fact.

Meanwhile in Australia, the rally in the US dollar post-US election pushed our dollar below 65 US cents. The dollar last traded at these levels in 2022. The real estate market ended the year with falling demand and turnover as the Australian economy faced rising costs and slower economic growth. Despite this, the Reserve Bank of Australia hesitated to cut rates before the end of 2024 because inflation remained above the desired range. It waited until 19th February to cut the 24 Hour Cash Rate by 0.25% to 4.1%.

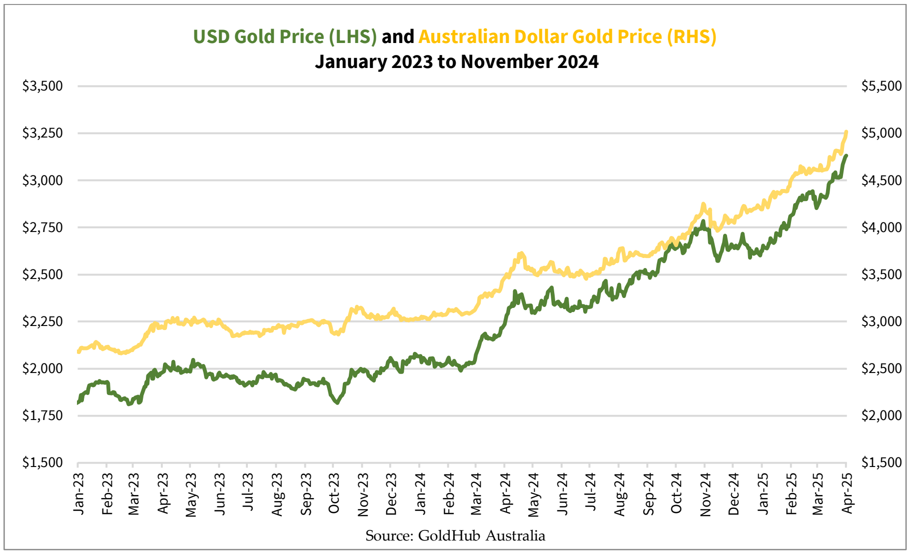
The harsh reality is that most Australians are struggling in a stagflationary economy. In the meantime, many politicians, bureaucrats, and economists are detached from reality, resorting to deceiving either the public or themselves by bending the official data like an acrobat in a circus. They feed their talking points to their obsequious journalists and influencers who then confuse and mislead the public.

Adding insult to injury is that Australia’s economic plight is self-imposed. Only in this day and age can one of the world’s most resource-endowed nations charge record electricity and gas prices on its population, all because the governments and corporations want to promote the absurd idea of global boiling, rapidly rising sea levels, and the need to move into 15-minute cities to save the world.

Moreover, these climate alarmists have gone beyond the legend of King Canute and his sycophantic servants who sought to flatter him by saying he could turn the waves. Perhaps King Canute should have put this to the test by imposing a “turn the wave tax”, thereby proving the servants right rather than embarrassing them when the waves soaked them!

Sarcasm and absurdity aside, gold rallied over these two quarters, interrupted by a sharp correction in November and December.

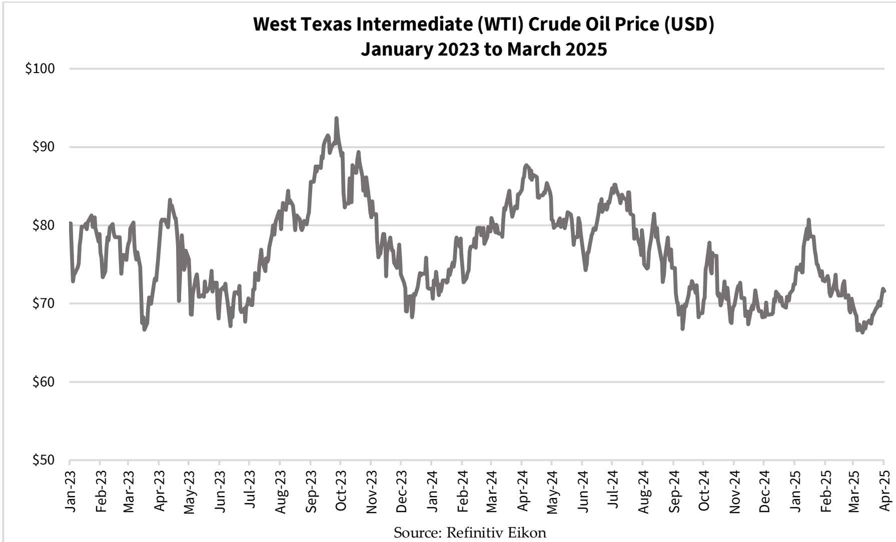
Here is how gold moved in US and Australian dollar terms:



Gold ran up from US$2,630 at the start of the quarter, breaking above US$2,700 by mid-October and was within an inch of US$2,800 by the end of the month. It pulled back sharply within a week in November to build a base at around US$2,580 an ounce. During December, gold continued to trade at a tight range as the US dollar continued to dominate into the year-end. It picked up momentum at the turn of 2025 and rapidly increased into the end of the first quarter of 2025, surpassing US$2,800 in late January, US$2,900 two weeks later and US$3,000 by the end of March.

Meanwhile, gold's rally in Australian dollar terms was smoother. It traded above AU$4,000 for the first time on Monday 14th October and ran up to as high as AU$4,250 at the end of the month. The pullback after the US election took gold back below AU$4,000 for only a week in mid-November. It has not looked back since. When 2025 came, gold broke more hurdles, AU$4,500 at the start of February, AU$4,600 a week later, $4,700 a month after, and closed just a whisker from AU$5,000.

A new era of cheap oil?

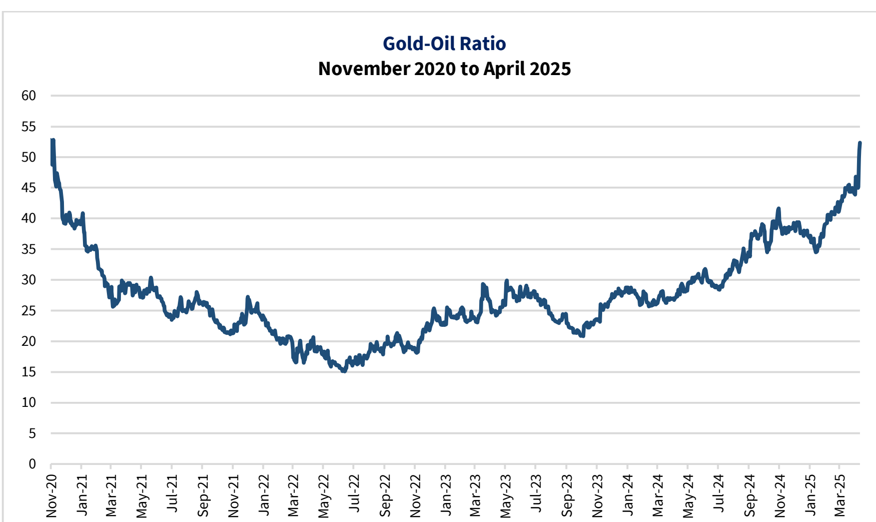


Source: Refinitiv Eikon

In the past two quarters, oil traded between US$65-80 a barrel. It staged two small rallies, the first in October, which took it to almost US$75 and the second in January that took it to just a little over US$80 before giving back all its gains and more. With the Trump administration rolling back The Green Agenda and encouraging the drilling and production of oil and gas, we are potentially looking at the price of oil remaining at the US$60-90 range.

Despite threats of intensifying conflict in the Middle East caused by the fall of the Assad regime in Syria and the US fighting against Houthi rebels in Yemen, these have not caused a spike in the price of oil. The Israel-Palestine conflict appears to be subsiding with the US and the Gulf Nations playing a role in brokering a truce, including hostage exchanges. However, there are concerns over Iran and Israel kindling another conflict but this may remain under control given Saudi Arabia, the UAE and Qatar indicating they will not tolerate this.

The rising price of gold, coupled with a retreat in the price of oil, propelled the Gold-Oil Ratio from 38 to 44 in the past six months, as seen below:



Source: GoldHub Australia

The average gold-oil ratio for the 2024 December quarter was 38, increasing to 40.4 in the 2025 March quarter. With such strong ratios, the average operating margin for gold producers increased. The 2024 December quarter was impressive, with the industry average operating margin of 46.2%, beating the previous record of 43.4 in the 2020 December quarter.

As the 2025 March quarter results are due for release later this month, we expect that the industry average operating margin could rise further because of the strong performance of the gold-oil ratio.

While operating margins are expected to rise further, we see signs that gold producers are trading at fair value, with some exceeding it.

Gold producers – Strong operating margins and first Federal Reserve rate cut fuels rally

The ASX Gold Stock Index went through a phenomenal six months, as you can see below:

Source: Refinitiv Eikon

The index broke the 2020 record of 9,518 points at the end of October and rose to as high as 9,910 points before the sharp correction of around 17% in the following month. The index built a base in December and early January before resuming its ascent. It broke above 10,000 points on 6th February. During March, the index mirrored the sharp ascent like it did in the previous year.

There were several mergers and takeovers during this period, though most involved explorers and developers. Despite that, Australia's largest gold producer, Northern Star Resources, announced in early December that it will acquire De Grey Mining, the Western Australian based developer which owns the largest undeveloped gold deposit. This transaction valued De Grey at around $5 billion, making it the largest merger for gold stocks in Australia.

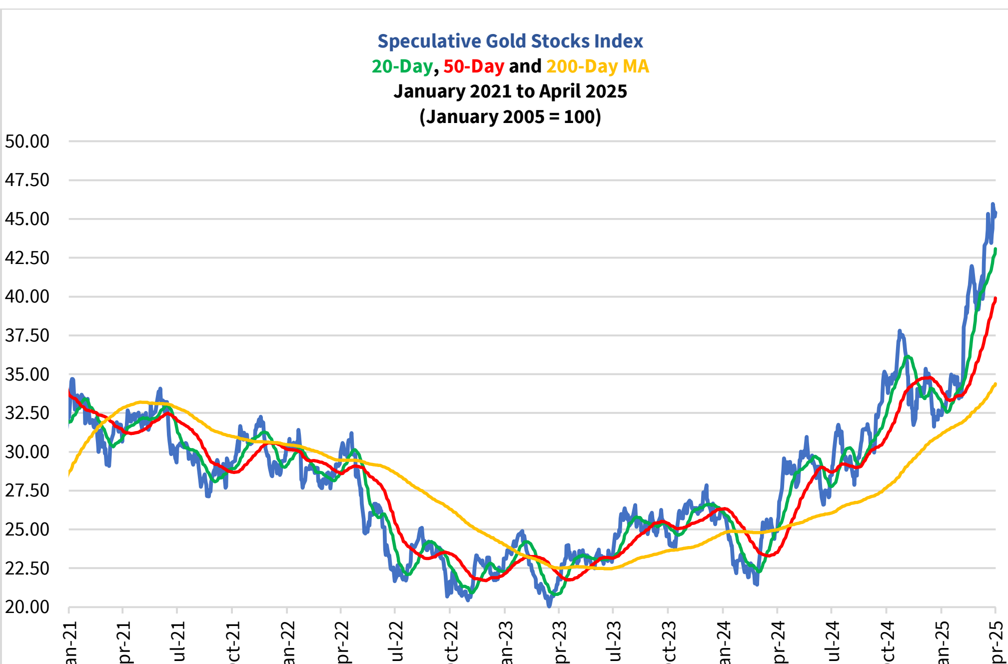
In the middle of March 2025, Westgold Resources announced it would sell the Lakewood processing plant in Kalgoorlie to emerging gold producer, Black Cat Syndicate. Black Cat Syndicate had recently joined the ranks of a gold producer after restarting the Paulsens mine, which once belonged to Northern Star Resources. The purchase of Lakewood accelerates gold production at the Kal East deposit.

The quarter ended with the much-anticipated merger of Ramelius Resources and Spartan Resources, potentially creating a multi-billion dollar gold producer operating in the Meekatharra and Murchison region in Western Australia. For several months, rumours swirled over the likely union between these two companies who can fulfil each other's needs – Ramelius Resources needing more ore and processing capacity to fill its gap after decommissioning Edna May, and Spartan Resources seeking an existing operation to begin feeding some of its high-grade ore at Never Never and Pepper.

As gold stocks enjoy much positive investor sentiment and the environment favouring operations, many companies are making the most of this opportunity to create value and consolidate their business.

Gold explorers and developers – Strong trends remain, but many still lag behind

Gold explorers and early-stage explorers have begun their long-awaited path to close the gap on gold producers in the past six months. Our Speculative Gold Stocks Index, an in-house proxy metric for the performance of explorers and early-stage developers shows how the index has gone parabolic since February 2025:



Source: GoldHub Australia

While the index suggests that the bull market in speculative gold stocks is well and truly underway, the developers overrepresent the moves. Several developers including Astral Resources, Ausgold, Black Cat Syndicate, Brightstar Resources, Horizon Minerals, Meeka Gold, Rox Resources, and Saturn Metals secured substantial funding to progress their projects amidst increased interest in this space. For explorers, only a small proportion of companies staged a recovery and held those gains. Even at the end of the March quarter, many explorers remain stranded, trading less than 50% higher than its lows in this cycle.

Several developers we owned merged or acquired new mine assets during the past six months, setting the stage for them to accelerate their development. Notable transactions included the following:

Late-stage developer Astral Resources acquired explorer Maximus Resources to add a neighbouring gold deposit to its proposed Mandilla operation at the Eastern Goldfields of Western Australia.

Emerging gold producer Brightstar Resources acquired explorer Alto Metals and the Montague East project from another explorer, Gateway Mining, to consolidate the Sandstone region in Western Australia.

Horizon Minerals, a late-stage developer, acquired Poseidon Nickel, adding a processing plant and two base metals deposits to its portfolio. This accelerates the company's plan to become a standalone producer in 2026-27.

Patronus Resources, an early-stage developer, helped recapitalise Papua New Guinea-based developer, Geopacific Resources and acquired strategic stakes in developers Aurumin, Matsa Resources and Emmerson Resources. Given its large cash balance, these transactions expanded its geographical exposure and allowed it to be a strategic partner to these companies.

Several companies upgraded their resources and reserves during this period, which should attract more capital when more investors become interested in the speculative gold stocks space in the coming months.

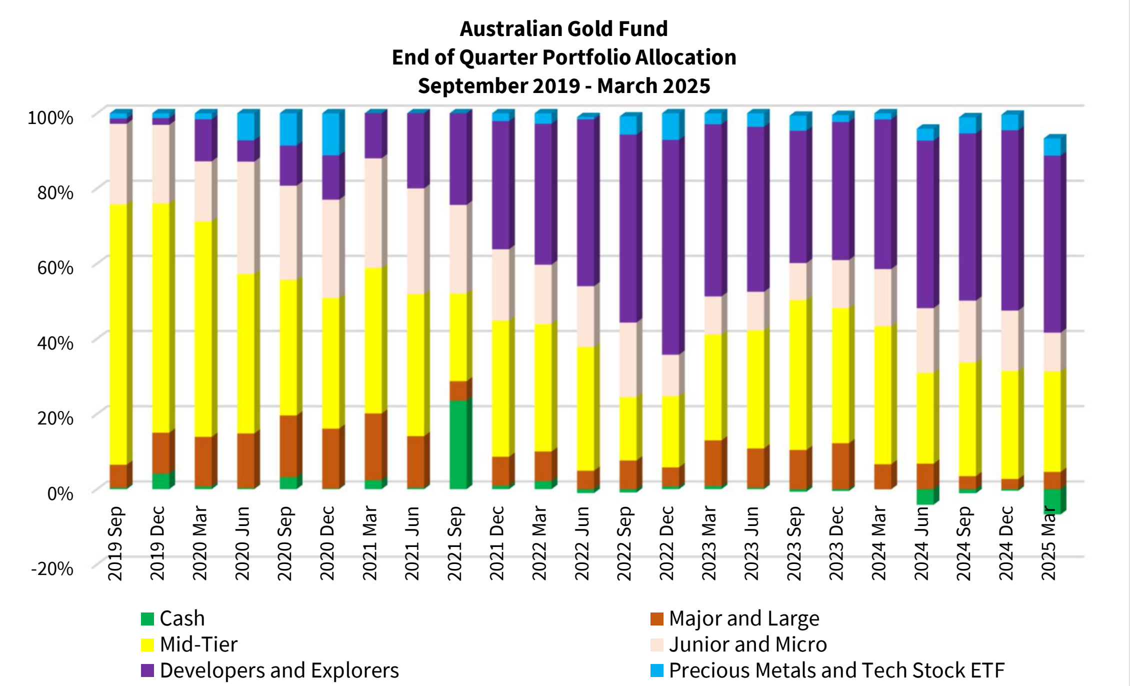
Our foray into speculative gold stocks continues

The following tables outline the Australian Gold Fund's portfolio composition as at 31st March 2025 and 31st December 2024:

31st March 2025	% Portfolio by Market Value	Range
Cash	-7.7%	2-10%
Major and Large Producers	5.3%	0-20%
Mid-Tier Producers	30.8%	0-60%
Junior and Micro Producers	11.9%	0-60%
Developers and Explorers	54.4%	0-25%
Precious Metals and Tech ETF	5.3%	0-30%

31st December 2024	% Portfolio by Market Value	Range
Cash	-4.4%	2-10%
Major and Large Producers	6.6%	0-20%
Mid-Tier Producers	33.3%	0-60%
Junior and Micro Producers	11.3%	0-60%
Developers and Explorers	48.7%	0-25%
Precious Metals and Tech ETF	4.4%	0-30%

We also provide our historical allocation below:



Source: Australian Gold Fund

In the past six months, our portfolio's exposure to producers has reduced as we increased our holdings in explorers and developers. We slightly increased our exposure to the Precious Metals ETFs, given that we believe gold producers are starting to become generously valued.

Our strategy is to wait for the bull market for speculative gold stocks to flourish and secure profits, deploying the bulk of these to the Precious Metals ETFs. We will also sell some mid-tier and junior producers in the coming manic phase in gold stocks. After the gold stock bull market finishes, we plan to have a small exposure to quality producers, developers and explorers as they may continue to develop their projects or consolidate during the bear phase of the gold price cycle.

Top 5 Holdings

Our Top 5 holdings as at 31st December 2024 and 31st March 2025 are given below:

Top 5 Holdings 31st March 2025
Black Cat Syndicate
Spartan Resources
Meeka Gold
Pantoro
Alkane Resources

Top 5 Holdings 31st December 2024
Black Cat Syndicate
Spartan Resources
Oceanagold Corporation
Kingsgate Consolidated
Meeka Gold

Of our top 5 holdings over the two quarters, Black Cat Syndicate and Spartan Resources remained our two largest exposures, while Meeka Gold became our third biggest holding at the end of the 2025 March quarter. Black Cat Syndicate and Meeka Gold were among the top performers in our portfolio for the latest quarter, while Spartan Resources dipped in the first half of the quarter before a sharp recovery after the news of its impending merger with Ramelius Resources. We sold some of our holdings in these three companies during the quarter as they appreciated.

Alkane Resources and Pantoro replaced Kingsgate Consolidated and Oceanagold Corporation as our top 5 holdings. We increased our exposure to Alkane Resources in early January after its shares dipped upon news that its 2024 December quarter results disappointed. We remain confident the Tomingley Expansion Project will deliver more gold in the coming quarters, earning higher revenue with gold tipped to rise further. As for Pantoro, the company's exceptional performance during the 2025 March quarter made it a more significant holding even after we sold a small amount.

Portfolio Investment Strategy (Updated 4th April 2025)

The Australian Gold Fund manages its investment portfolio by considering the stage of the gold price cycle to determine the level of exposure to different precious metals assets. The portfolio comprises companies selected using a bottom-up approach, considering the quality of their assets, stage of the mining life cycle, geographic exposure, financial position, management quality and relative valuation.

Our quantitative approach considers the macroeconomic conditions and how they affect the operating and financial performance of gold mining companies. We believe the relative price of gold and oil being the **Gold-Oil Ratio**, is an effective predictor of the performance of gold producers in the next one or two quarters. In turn, investors are first interested in gold stocks based on the sentiment for gold, and then on the attractiveness of gold stocks based on their potential to create value.

When selecting companies, we rank gold producers and late-stage developers using the **Valuation to Profit Margin Multiple**, a metric created by our Founder, Brian W.B. Chu, similar to the **Price-Earnings Ratio**. It considers the producer's annual gold production, adjusted by the cost incurred to extract the gold. A higher ratio suggests the market is either overvaluing the company or pricing in factors besides its cost-adjusted production.

With explorers and early-stage developers, we believe these companies are driven more by investor sentiment than their assets. To this end, we pick the company based on its potential to develop its mine assets and whether it has sufficient cash to fund its activities without needing to unduly dilute its shareholdings. We assess the drill results, deposit grade, size, and stage of development. To determine if it is attractively valued or not, we evaluate the company's relative value by comparing its price relative to its level during the gold price cycle, rather than estimating its fundamental value, which is speculative.

Glossary

We define **gold producers** based on their annual gold production and classify them as follows:

Major producer – 1Moz p.a. or more

Large producer – 0.5-1Moz p.a.

Mid-tier producer – 150 000-500 000oz p.a.

Junior producer – 50 000-150 000oz p.a.

Micro producer – less than 50 000oz p.a.

We define **gold developers** as companies with at least one advanced deposit that has confirmed resources, reserves, and there exists a scoping study or feasibility study projecting the costs and operating metrics. We further divide it by early or late-stage based on the amount of permits and approvals secured, whether there is funding for mine construction and the stage of construction. Gold developers with a completed mine operation pouring first gold is still a late-stage developer until the company confirms the mine has reached commercial capacity.

We define **gold explorers** as companies that own mine properties in early stages of exploration and development. It varies from companies surveying the ground for evidence of a mineral deposit (**Pre-discovery**), those that have found mineral veins but not a confirmed deposit, and those with a confirmed deposit but have yet to release a study showing its projected economics.

To value gold mining companies, we use **Enterprise Value**, which is the market value of the company's equity (**Market Capitalisation**) plus the company's **Net Borrowing**s (or less the company's **Net Cash**). Net Cash/Debt is the net amount of cash and bullion the company holds after discharging its borrowings and interest-bearing debt.

In other words, this calculates the market value of the company's deployed capital, net of its cash balance. We compare that against the company's tangible assets, including mine operations, deposits, exploration properties, fixed assets and inventory, to determine whether the company is reasonably valued.

The **All-in Sustaining Cost (AISC)** is a standardised cost measure adopted by the World Gold Council for gold mining companies to allow for meaningful comparison across different jurisdictions. This cost typically includes the **Cash Cost** associated with direct production (extraction, transportation, processing and refining costs, staff salary and wages and relevant corporate costs) plus **Sustaining Expenditure** that may include maintenance of mine equipment and infrastructure, insurance and administration costs over its production life. Companies may still have discretion in apportioning their expenses.

The **Net Cashflow from Operations Excluding Maintenance Capital Expenditure** measures to what extent the company can generate cashflows from its operations after paying for its operating costs as well as Cash Paid for Purchases of Property, Plant and Equipment and the Cash Paid for Development Expenditure in the Investing Cashflows section of the Statement of Cash Flows. It does not include Cash Paid for Exploration and Evaluation, which is assumed to be growth capital expenditure. This is by no means a stable and comparable measure as different companies may have discretionary interpretation of what constitutes as Operating Activities and Investing Activities or Development, Exploration and Evaluation expenditures.

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