Orefinders Updates Investment Thesis, Provides View on How Recent Gold Price Movements Impacts the Juniors

26.06.2019 | CNW

TORONTO, June 26, 2019 - Orefinders Resources Inc. ("Orefinders" or the "Company") (TSX.V: ORX) is pleased to provide its updated investment thesis, originally published in September 2018, to include its view on the recent gold price movements, how this impacts the major miners, the gold juniors and how this fits into Orefinders strategy.

WHAT HAVE WE SEEN THESE LAST 30 DAYS?

Gold price movements in June 2019 look promising as we have exceeded the $1,400 level. This key psychological threshold needs to hold and mature for confidence to be restored from generalist capital so that it flows back into the sector. Should $1,400 hold, it could mark the beginning of a rebirth for gold juniors which Orefinders' strategy has been specifically planned for: to acquire in the downturn and develop in a bull market.

Thus far the gold majors have seen an increase in share price correlating with gold price. The gold price was $1,280/oz 30 days prior to reaching $1,400/oz. This 10% increase in gold price corresponds to a 25% share price increase over the same time period for well known gold equities including Barrick, Kirkland Lake Gold and the GDX. The correlation is evident, but also note the leverage to gold price being 2.5:1. The narrative for investing in gold equities is to get levered exposure to gold price, which has held true this past month.

Gains within the juniors have been comparatively muted, but this is expected as the they will lag gold's movements as a higher gold price does not directly impact a junior's bottom line. Furthermore, greater sector confidence is required for capital to travel up the risk curve.

WHAT COULD HAPPEN NEXT?

Initially, generalist capital seeks returns in the perceived lowest risk segment of gold – the majors. As these investors gain confidence and realize returns in gold, the upside to the majors will rationalize and investors will increase their risk appetite and pivot towards the mid-tiers. The process will be repeated until risk capital flows back into the industry and provides attention to the junior explorers and developers.

While perceived low-risk companies like Barrick and Kirkland Lake Gold have seen a 2.5:1 increase to gold price, the juniors, who've lost 90% of their value since 2012, are poised to deliver many multiples which the majors have thus far provided. Should this $1,400/oz gold price be sustained, there appears to be an opportunity get ahead of the curve by evaluating gold equities which correlate but lag gold price movement.

MERGERS AND ACQUISITIONS UPDATE

MAJORS

Since 2013, institutional investors have demanded rightsized operations, delevered balance sheets and lower costs. In a depletion business such as mining, these themes can only be temporary.

Over the past year, Orefinders has met with a series of large mining companies who are all thinking about their five year plan to replenish depleted reserves. Securing future gold supply will again be thematic, with

M&A at the forefront and exploration soon after.

MID-TIERS

This segment is facing intense pressure to merge amongst themselves, with the narrative from institutional investors being that a $2 billion company is no longer practical or competitive. The Barrick-Randgold and Newmont-Goldcorp mergers set the tone that bigger is once again better. The mid-tiers, who compete with the majors for capital from the same pool of investors, will need to follow suit.

M&A is no longer just about operational synergies. The objective is to become the big name in gold in order to access the lowest cost of capital to fund operations and acquisitions.

GOLD JUNIORS

Gold juniors have been neglected to the point where they have lost 90% of their value.

However, should the gold price hold or exceed the $1,400/oz level, in time, all boats are likely to rise. But the cream of the crop will dramatically outperform the average. If we apply Pareto's 80-20 Principle, 80% of junior gold companies are little more than long-term liabilities, while 20% are good companies with interesting assets run by quality management. If we apply anther 80-20 deviation to the 20% of good companies, we can approximate that 4% of juniors will deliver mines or trade sales within a reasonable investment horizon. The remaining 96% may offer phenomenal trades in the near term but carry longer term risks.

We forecast that should gold price hold at the $1,400/oz level for a few months, on the balance, junior gold explorers and developers are set to outperform. While high quality juniors could offer remarkable returns.

Furthermore, if there is validity in the thesis of a lag between gold price and various categories of gold equities, we encourage you to read Orefinders' investment thesis titled "Why Invest in Orefinders?". This is reproduced in the link below but originally published in September 2018.

Orefinders strategy was built on being cognizant of the gold cycle, the Company's cost of capital and the return on investment to its shareholders. Orefinders has taken a different approach from typical gold juniors in preparation for an uptick in the gold market, which as of June 2019, appears to be underway with many of the themes in Orefinders' investment thesis having now been realized.

Read Orefinders full investment thesis 'Why Invest in Orefinders?' originally published in September 2018

About Orefinders Resources Inc.

Orefinders is a Gold exploration and development company focused exclusively in Kirkland Lake, Ontario within the Abitibi Greenstone Belt. The Company is listed on the Toronto Venture Exchange under the symbol ORX.

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