



New Fund Launch

L1 Capital Gold Fund

Introduction for prospective investors

STRICTLY CONFIDENTIAL
FOR WHOLESALE INVESTORS ONLY

March 2025

Contents

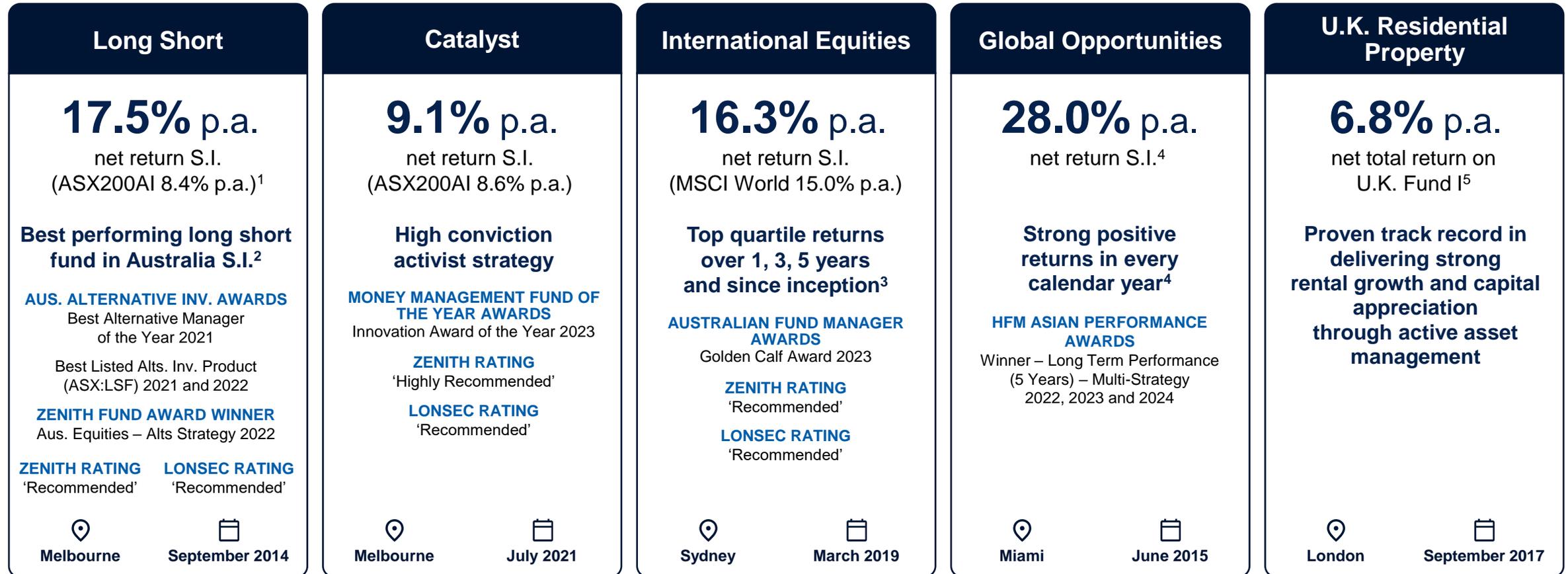
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Overview

L1 Capital Funds: Strong performance culture



Source: Bloomberg and L1 Capital as at 31 January 2025. Please see important information at the end of this pack regarding Zenith and Lonsec ratings. **Past performance should not be taken as an indicator of future performance.**

1. L1 Capital Long Short Fund – Monthly Class since inception (1 September 2014). 2. Ranking amongst funds in Zenith Australian Shares – Long Short sector using FE Analytics data as at 31 January 2025.

3. Ranking in Morningstar Direct peer group "Australia – Equity World Large Blend" as at 31 December 2024. 4. As at 31 December 2024. Latest data available. 5. Hedged Class of L1 Capital U.K. Residential Property Fund I to 30 June 2024.

Introduction to the L1 Capital Gold Fund

An outstanding opportunity to generate strong returns

L1 Capital sees the gold mining sector as an outstanding, medium-term opportunity over the next 2-3 years.

- Highly supportive macro-economic environment
- Recent gold price rally yet to be reflected in gold equities
- 50%–100% potential upside in leading mid-cap gold equities
- Diversification benefits from gold's low correlation properties
- Fund will use hedging to reduce portfolio risk from potential fall in gold price
- L1 Team investing personally in the Fund alongside investors



Fund highlights

- 8–12 long equities positions
- Shorting physical gold and/or equities
- Typical gross long: 150%–200%
- Typical gross short: 100%–150%
- Closed end, 3-year structure
- 0% management fee
- 20% performance fee
- **Applications open now**
- **Fund launches 3 March 2025**
- **Applications close 31 March 2025**

Source: L1 Capital

Why invest in gold equities now?

Strong medium-term drivers for gold equities underpinned by structural support for physical gold



Supportive gold price

A strong and sustainable uplift in gold prices



Gold equities have lagged

Equities not yet reflecting structurally higher prices



Fundamental valuations attractive

50%–100% share price upside over 2-3 years in select names



An inflection point

Anticipate significant profit and cash flow inflection



Portfolio diversification

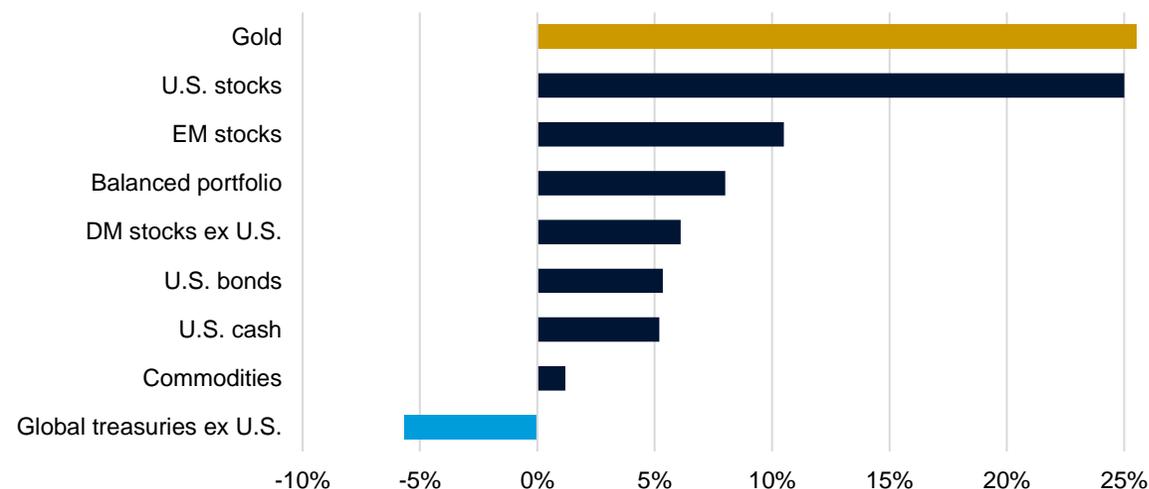
Gold endures as an important portfolio diversifier

Supportive gold price environment expected to endure

Support from central banks, geopolitics, fiscal uncertainty and Asian demand

- Gold was the top performing major asset class in 2024
- 2024 rally in gold price driven by:
 - Accelerated buying from central banks
 - Asian consumer/investor demand
 - U.S. fiscal sustainability a key concern
 - Elevated geopolitical risks

Gold performance in 2024



We remain positive on gold due to elevated geopolitical tensions, lower real interest rates and structural demand growth from central banks and consumers.

Source: Bloomberg

Gold price environment hasn't been reflected in underlying equities

Significant de-rate in equities throughout the course of 2024

- US\$1.8b outflow¹ from primary gold index last year
- Impacted by:
 - Low sector credibility due to production misses, cost and capital increases
 - Inflation eroded gold price appreciation
 - Capital allocation in sector has been mixed
 - Large producers (e.g. Newmont and Barrick) have delivered minimal share price growth in >15 years

Gold Index (GDJ) 12m forward P/E Ratio (x)



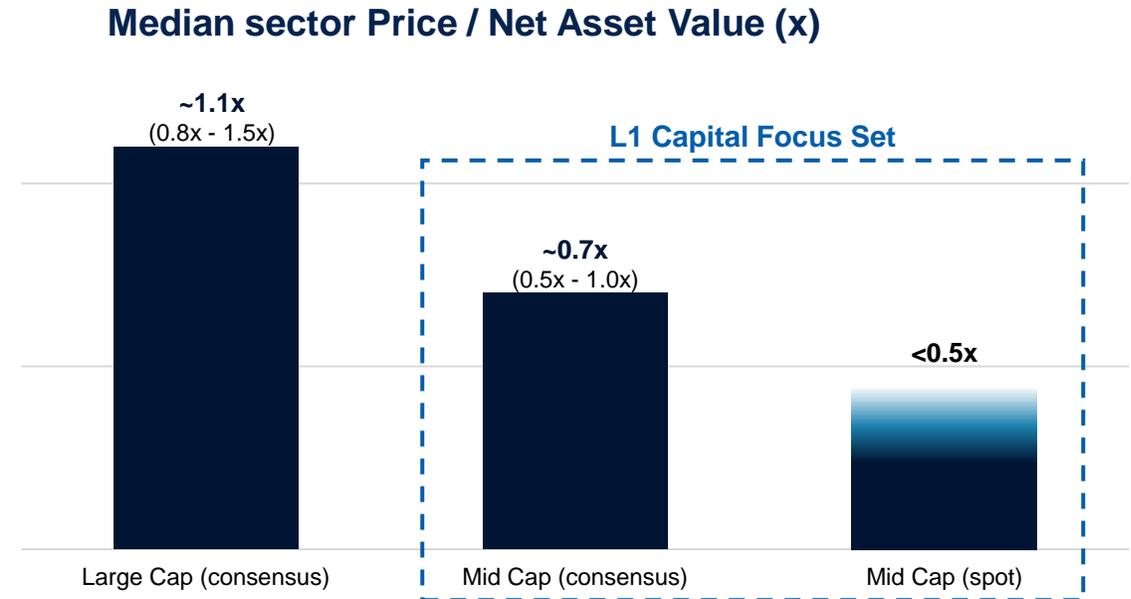
Gold equities have failed to adequately re-rate amidst a higher price environment.

Source: Factset. 1. Index is the VanEck Gold Miners ETF (GDJ). Funds flow data from Factset, from 1 January 2024 to 31 December 2024.

Fundamental valuations are currently highly compelling

Large opportunity set in the sector that trades well below net asset value

- Highly compelling sector valuations
- Broker consensus long term assumptions at ~US\$2,300/oz vs. current price of ~US\$2,850/oz
- Industry fragmentation provides excellent opportunity for fundamental stock pickers
- Strong balance sheets allow shareholders to benefit from rising prices
- Profit margins set to inflect sharply upwards



It's important to be selective: 50%–100% share price upside opportunity over 2-3 years in key names.

Source: Visible alpha broker consensus (as at 1 January 2025). Large cap are NEM, ABX, AEM, GFI, AU, KGC, NST. Midcap are EDV, EGO, B2G, IMG, EQX, NGD, OGC, ORLA, K92, CXB, CG, GOR, GMD, PRU, WGX.

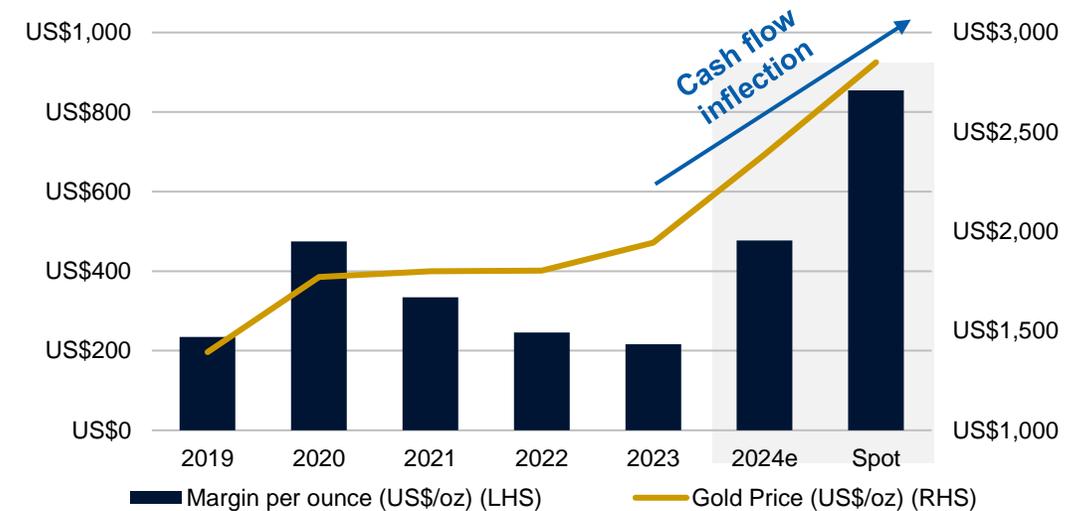


Equities well set up for a cash flow inflection in 2025

Moderating cost inflation and material price increase expected to result in cash flow inflection

- Profit margins set to inflect sharply upwards
 - Price increase over 2024 more than sufficient to expand margin over pricing costs
 - Signs of cost inflation moderation
- Strong balance sheets allow shareholders to benefit from rising prices
 - Limited sector leverage
 - Zero or very moderate gold price hedging

Cash margin per ounce produced (US\$ per oz)



Cash flow inflection is a catalyst for equities to re-rate and close value gap.

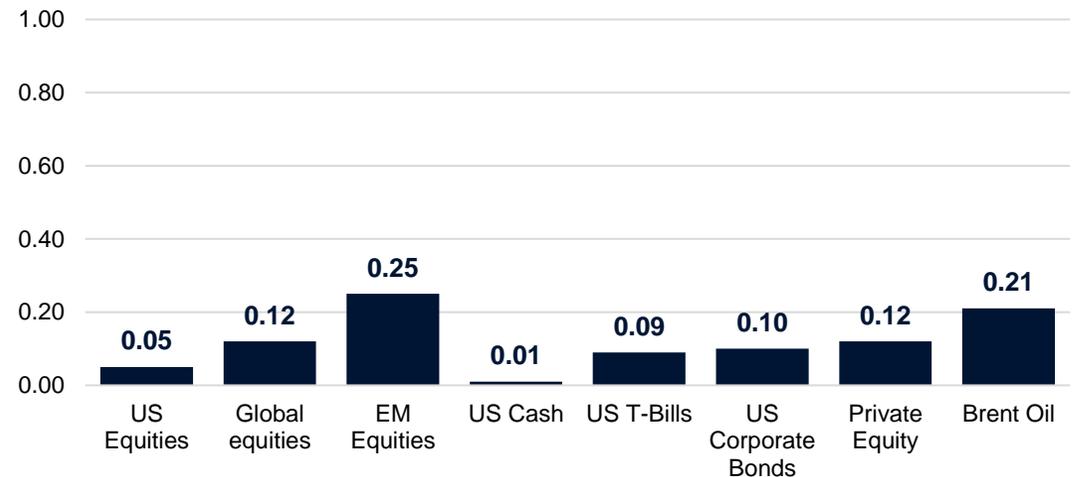
Source: BMO margin analysis across ~30 gold names. Cash margin shows margin after cash costs, sustaining capex, growth capex, taxes and interest. Spot assumes a further ~5% growth in costs vs. 2024 average, based on a spot gold price of US\$2,850/oz.

Diversification benefits of gold

Gold has low long-term correlation to other major asset classes

- Equity markets valuations are stretched and concentrated
 - Theoretical reward for equity risk in the S&P 500 is currently at zero
- Gold is unique in its ability to offer uncorrelated returns to other major asset classes
- Tends to capture some return during risk-on periods, while providing protection during periods of stress

Gold's correlation to alternative asset classes (last 20y)



Diversification is particularly important in elevated and uncertain markets

Source: World Gold Council, priced as at 31 January 2025 over last 25 years. From left to right: LBMA Gold Price PM (US\$/oz), MSCI USA, MSCI Global, MSCI EM, US Cash, BBG US T-Bills, BBG US Corp HY Bonds, S&P Private Equity, BBG Brent Oil.



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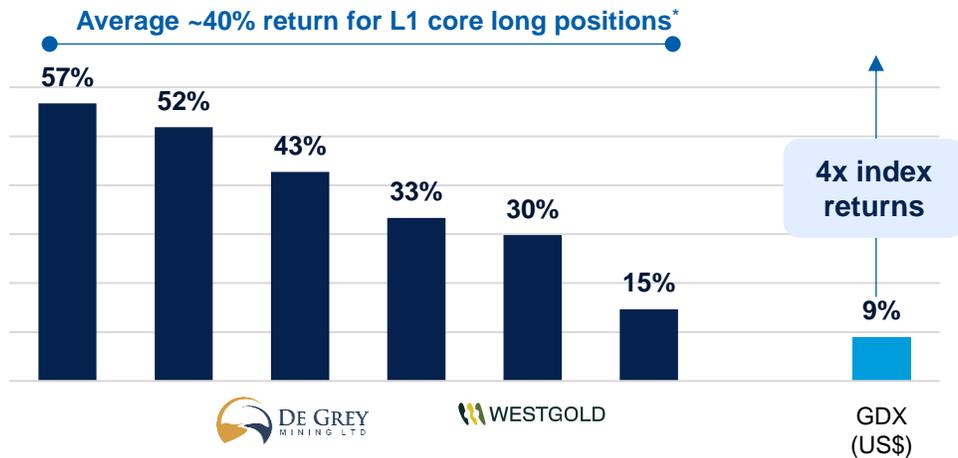
The L1 Capital Gold Fund

L1's track record in gold investing

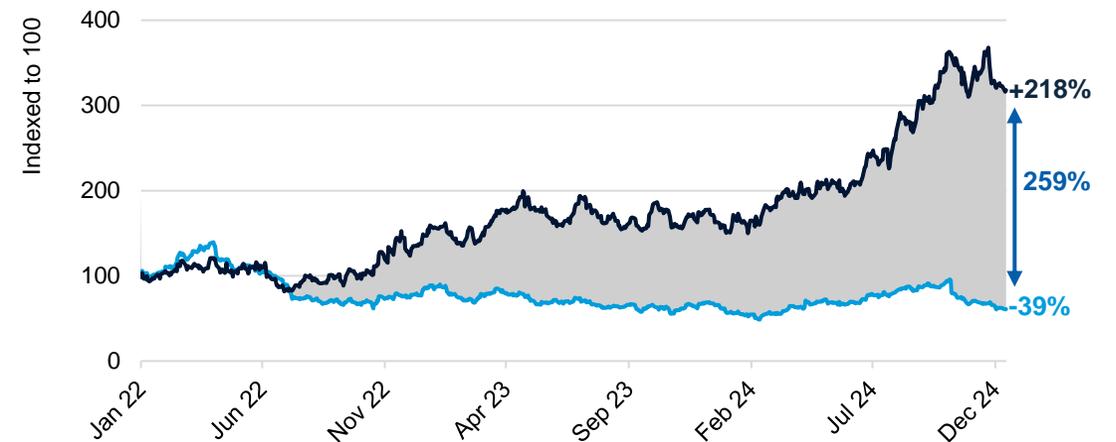
L1 strong track record in a sector with significant return dispersion

- The L1 team has vast experience investing in gold companies
- Current L1 long gold positions materially outperformed GDX index over 2024
- Sector return dispersion high, stock picking critical

Performance of L1 core gold names vs. index over 2024



Spread between top and bottom sector performers (Last 3y)



Source: LHS – L1 analysis. Returns shown reflect initial entry price in local currency of stock market listing and should be considered at illustrative. Actual realised returns may differ due to accumulation over an extended period at differing prices. Select investments may also have been sold and re-entered later. "GDX (USD)" is the VanEck Gold Miners ETF in USD on a price return basis. * Simple average of share price returns shown for companies displayed in the chart over 2024. RHS – Factset, spread between 24 gold companies. Past performance should not be taken as an indicator of future performance.

Example holding: Westgold Resources

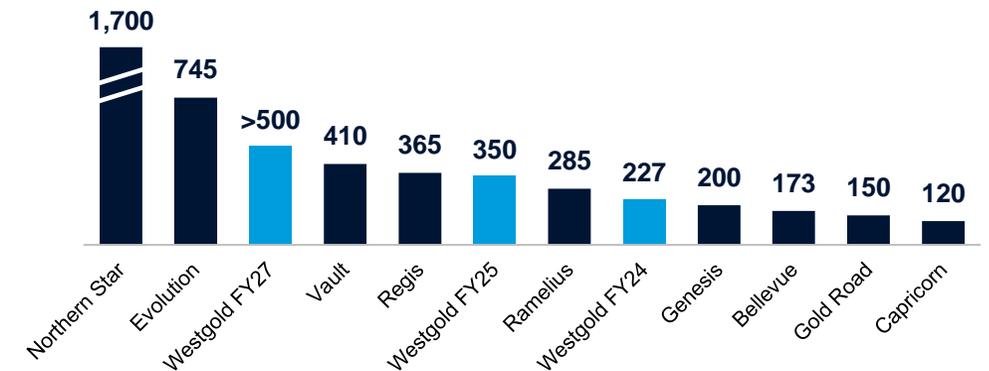


- 100% West Australian underground gold miner
- Operations split between the 'Murchison region' and 'Southern Goldfields'
- Significant earnings leverage from the rising A\$ gold price and production growth
- Increased scalability expected to increase production to >500k/oz from 350k/oz today at a lower cost
- Net cash balance sheet and unhedged to prices

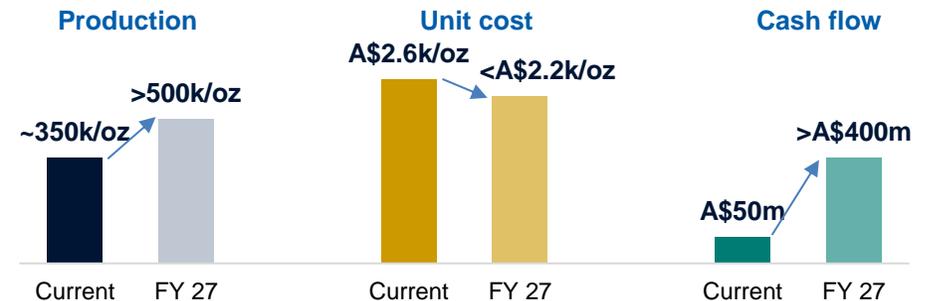
Trading on ~6x P/E (2026) vs. ASX peers at P/E ~11.5x (consensus median)

Westgold is an emerging leader on the ASX

Production (k/oz)



Westgold is at an inflection point



Source: Top chart – L1 analysis, company filings. Bottom chart – company filings, Visible Alpha.

Example holding: Eldorado Gold

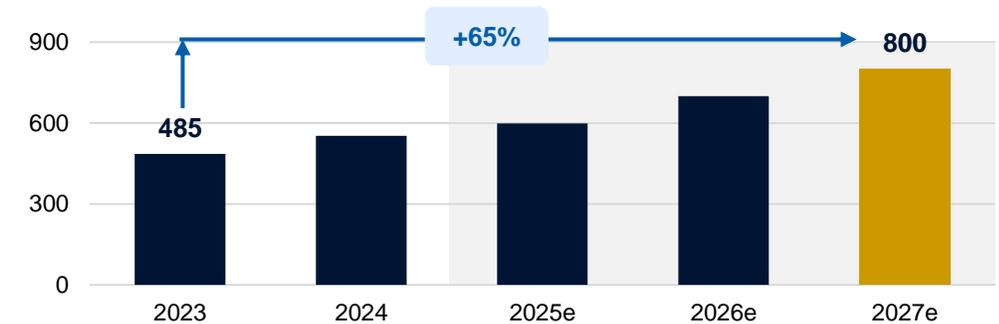


Assets diversified across Greece, Canada and Turkey

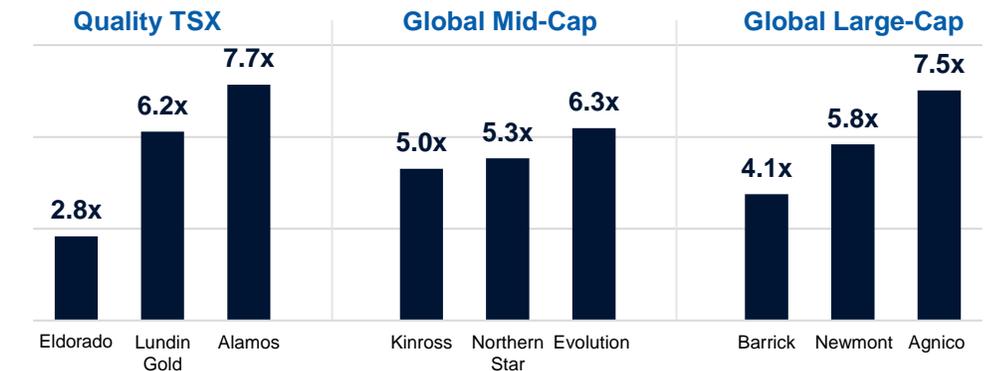
- 65% gold equivalent production growth 2023 – 2027
- Fully funded to complete \$1b Skouries copper/gold project
 - High margin on gold
 - Mine site costs covered by copper by-product credits
 - Expected to generate \$400-500m free cash flow per annum from 2027

Cash flow inflection point is approaching and expected to drive material re-rating.

Significant production growth (k/oz gold eq.)



Heavily discounted valuation (EV/EBITDA)



Source: Top chart – L1 analysis, company filings. Bottom chart – company filings, Visible Alpha.

The L1 Capital Gold Fund

An outstanding opportunity for generating strong returns while protecting the downside

Fund highlights

- 8–12 long equities positions
- Shorting physical gold and/or equities
- Typical gross long: 150%–200%
- Typical gross short: 100%–150%
- Typical net: 50%–100%
- Closed end, 3-year structure
- 0% management fee
- 20% performance fee
- **Applications close 31 March 2025**



Seeks to deliver strong absolute returns.

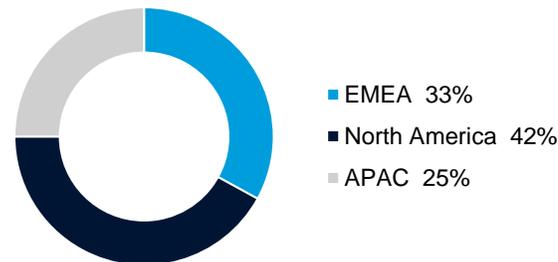
Excellent environment for active, bottom-up fundamental stock picking

L1 staff investing considerable amount alongside investors

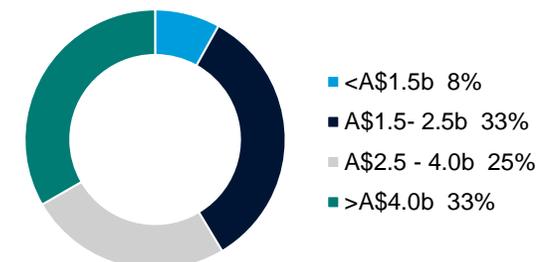
Opportunistic exposure to other precious metals

Hypothetical portfolio*

Geographical Split



Market cap split (\$A)



Source: Factset. * Hypothetical portfolio only. Does not reflect a live portfolio. Subject to change between now and fund launch, as well as over the life of the Fund.

An aerial view of a city skyline at dusk. The sky is a mix of orange, yellow, and blue. The city is filled with skyscrapers, many of which are illuminated with lights. A prominent red tower is visible on the left side of the image. A river or canal flows through the city, with a bridge crossing it. The overall scene is a vibrant and modern urban landscape.

3

Conclusion

Conclusion

The gold equities space presents an outstanding opportunity to generate strong returns over the next 2-3 years

- Structural support from economic backdrop
- 50%–100% potential upside in leading mid-cap gold equities
- Highly attractive entry valuations and expected positive cash flow inflection
- Fragmented gold equities sector ideal for active stock pickers
- Diversification through gold's low correlation to other assets

Source: L1 Capital



Why the L1 Gold Fund?



L1 track record

Strong outperformance with fundamental stock selection



Risk management

Protecting investors' capital with prudent hedging



Alignment

Material L1 team investment and aligned fee structure

An aerial view of a city skyline at dusk. The sky is a mix of orange, yellow, and blue. The city is filled with tall buildings, many of which are lit up. A prominent red, lattice-like tower structure is visible on the left side of the image. A river or canal flows through the city, with a bridge crossing it. The overall scene is a vibrant and modern urban landscape.

4

Fund Characteristics

L1 Capital Gold Fund: Fund Characteristics

Fund launch date	3 March 2025
Subscription period	1 March – 31 March 2025, weekly applications. <i>Please ask your L1 contact to provide a copy of the Investment Memorandum upon release.</i>
Investment approach	Absolute return, bottom-up long and short stock picking focused on capturing investment opportunities in the gold in the gold sector, with opportunistic investments in other precious metals. Rigorous, independent research with a contrarian bias, complemented by expertise in managing derivatives for hedging and return generation.
Investment objective	15% net return p.a. (on average) over the life of the Fund
Gearing	Typical gross long: 150%–200% , typical gross short: 100%–150%, typical net: 50%–100%
Term & structure	3-year closed-end Australian unit trust (expected to terminate by 31 March 2028 or earlier)
Distributions	Reinvested after 30 June each year, unless otherwise directed by the Manager
Minimum investment	AUD 100,000
Redemptions	No redemptions are intended for the term of the Fund. See Investment Memorandum for further information.
Unit currency	AUD, unhedged
Fees	0% management fee with 20% (plus GST) of increase in NAV on high watermark basis, calculated monthly and paid following Fund termination
Expenses	Trustee fee and other ordinary expenses (i.e., custody, admin and registry) subject to cap of 0.25% (plus GST) p.a.
Reporting	Half yearly reporting
Administrator	Apex Fund Services Pty Ltd
Eligible investors	Wholesale clients, as defined in the <i>Corporations Act 2001</i>

Please see Investment Memorandum for full details.

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L1 Capital Pty Ltd

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Lonsec: The ratings issued for L1 Capital Long Short Fund – Daily Class (October 2024), L1 Long Short Fund Limited (October 2024), L1 Capital Catalyst Fund (October 2024) and L1 Capital International Fund (Managed Fund) (ETL1954AU and ASX:L1IF) (May 2024) are published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. Copyright 2024 Lonsec. All rights reserved.

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