INVESTMENT STRATEGY WEBINAR

In Search of the True Juniors



What Makes Junior Gold Miners Different?
What Are The Risks And Opportunities of True Juniors?
Why Are True Juniors Difficult to Find in ETFs?

MERK INVESTMENTS

November 2026

AGENDA

Today's discussion

01	**Gold Miners Dynamics**	The good and bad of gold miners
02	**The Case For True Juniors**	Return asymmetry across gold bull and bear markets
03	**When "Junior" Isn't Really Junior**	Why True Juniors are difficult to find in ETFs
04	**Identifying True Juniors**	Constructing a True Juniors investment selection framework

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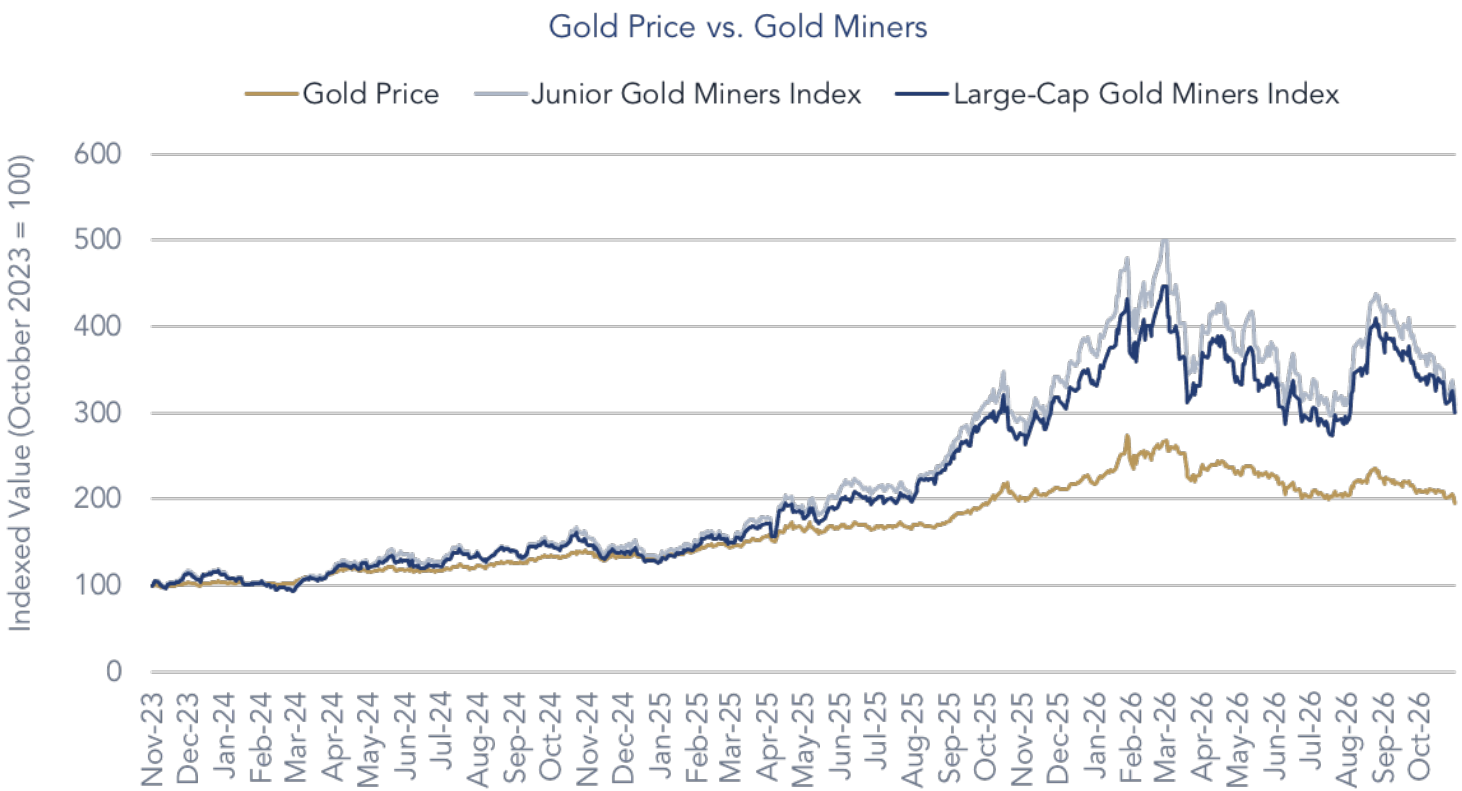
01

Gold Miners Dynamics

The good and bad of gold miners

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Gold miners amplify moves in gold



Miners add "torque"

Gold miners have historically amplified moves in the underlying gold price.

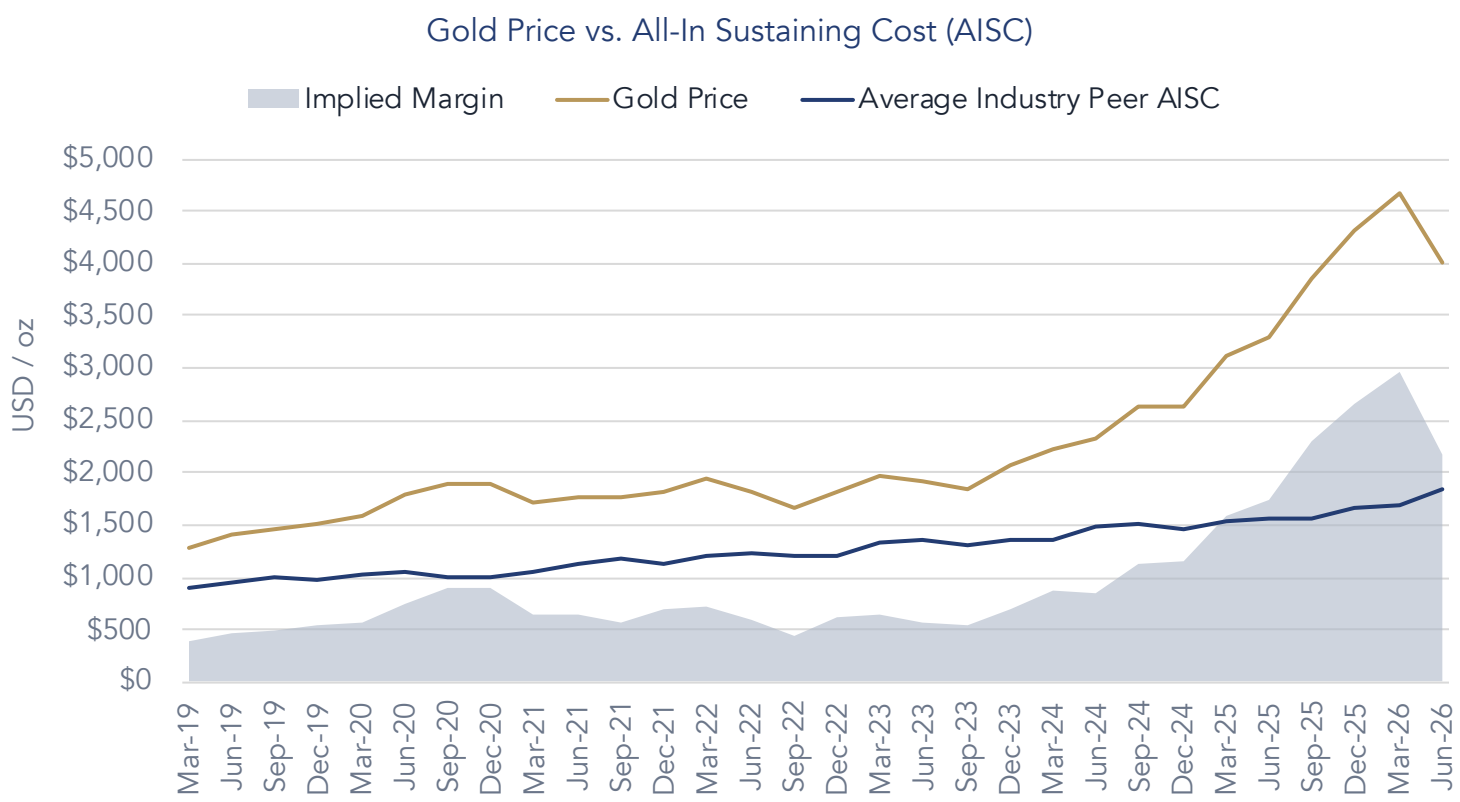
Juniors add more

Junior miners tend to exhibit greater sensitivity than larger producers – in both directions.

MarketVector Global Gold Miners Index (MVGDXTR) is used as a proxy for Large-Cap Gold Miners Index. MVIS Global Junior Gold Miners Index (MVGDXJTR) is used as a proxy for Junior Gold Miners Index. XAUUSD spot exchange rate is used as proxy for Gold Price. Data calculated for period of 10/30/2023 – 10/30/2026.
Source: Bloomberg, Merk

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Gold's rally has sharply expanded producer margins



KEY TAKEAWAYS

- Gold has risen faster than industry costs
- Producer margins have expanded sharply
- The impact can be greater further down the market-cap spectrum

Peer-group AISC reflects quarterly reported all-in sustaining costs for Newmont Corporation (NEM), Barrick Mining Corp (B), Agnico Eagle Mines Ltd (AEM), Kinross Gold Corp (KGC), AngloGold Ashanti Plc (AU) and Gold Fields Ltd (GFI); company count varies by quarter based on data availability. Gold price and AISC shown in USD/oz. Implied margin equals gold price less average peer-group AISC. Data through Q2 2026.

Source: Bloomberg, Merk

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Majors have capital – juniors have pipeline

The producer's problem

- Reserve lives are under pressure after years of underinvestment in exploration
- Large new discoveries are scarce, while development timelines have lengthened
- Stronger balance sheets reduce implicit leverage to the price of gold

The junior's role

- Explorers and developers represent an important part of the industry’s future project pipeline
- Smaller, de-risked projects may become natural strategic and M&A targets
- Successful project advancement may drive substantial re-ratings

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02

The Case For True Juniors

Return asymmetry across gold bull and bear markets

Stronger sector economics may have an outsized impact further down the market-cap spectrum

As margins expand, gains in project value may matter more to junior miners than to established producers.



Margin Expansion

Gold prices rising faster than costs may widen the economic cushion.



Project Economics

Higher margins may improve development returns, financing flexibility and M&A math.



Junior Sensitivity

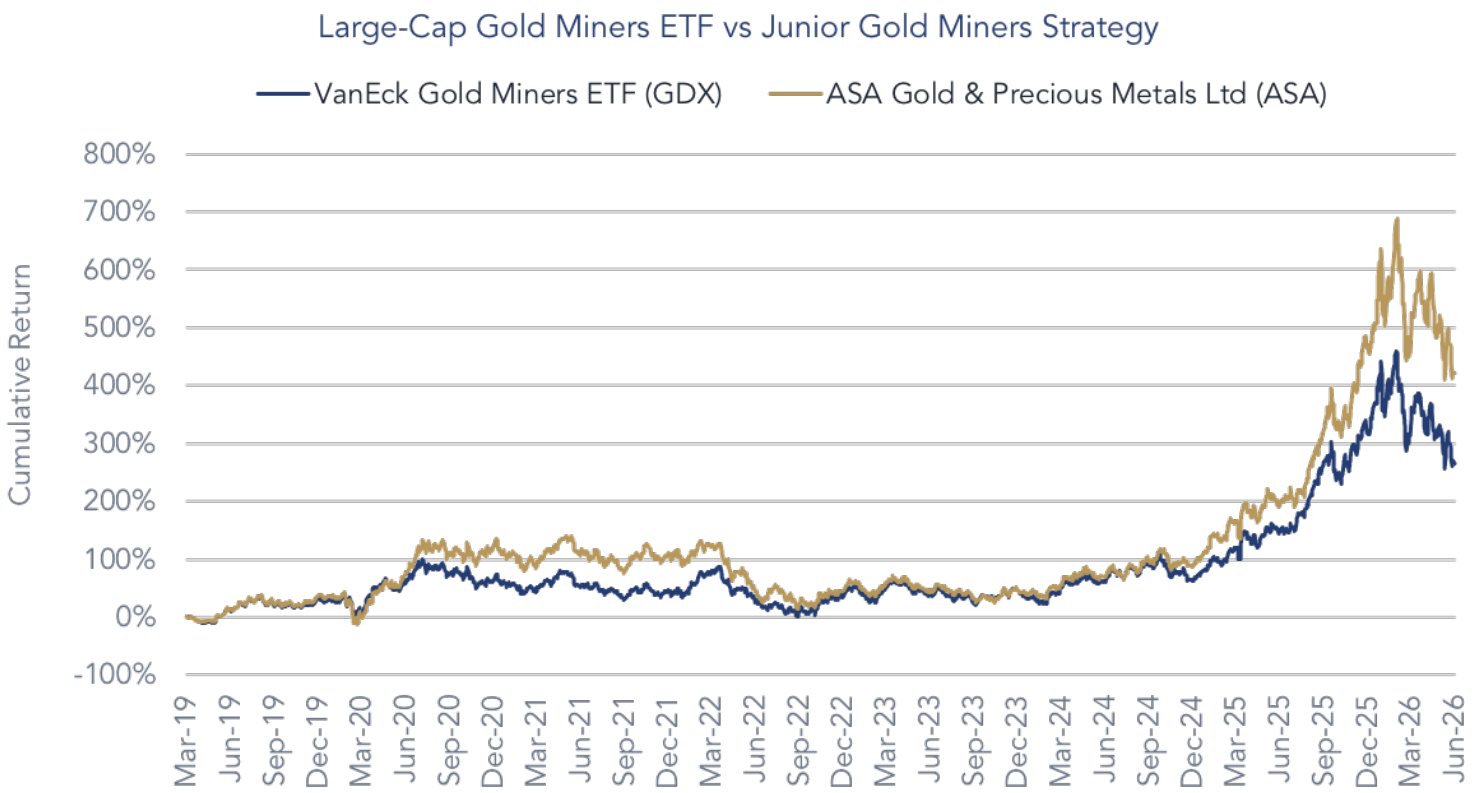
Smaller asset bases may translate better economics into larger valuation moves.

WHY IT MATTERS

If improving economics increase the appeal of smaller miners, the definition of "junior" exposure becomes critical.

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Junior exposure has offered greater upside participation



+421% vs. 265%

Cumulative total return
ASA vs. GDX since 3/29/2019

+156%

Cumulative outperformance
ASA over GDX

"JUNIOR" FOCUS DELIVERS

A junior focus may offer greater upside - and volatility.

VanEck Gold Miners ETF (GDX) performance is shown using market-price total return. ASA Gold & Precious Metals Ltd. performance is shown using net asset value (NAV) total return; ASA is an actively managed closed-end fund and is shown as an illustrative example of a junior-focused precious-metals strategy; it is not an ETF or a benchmark. Past performance does not guarantee future results.
Data calculated for period of 3/29/2019 – 6/30/2026. Total returns assume reinvestment of distributions.
Source: Bloomberg, Merk

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The opportunities and trade-offs of junior gold miners

The Opportunity

- **Greater upside sensitivity**
  Smaller miners may respond more sharply to improving sector conditions.
- **Project re-rating potential**
  Advancing discoveries and development milestones may drive meaningful valuation changes.
- **Strategic acquisition appeal**
  Juniors may become attractive targets as larger producers seek to replenish pipelines.

The Trade-Offs

- **Higher volatility**
  Junior miners may decline more sharply when sentiment or gold prices weaken.
- **Financing dependence**
  Smaller companies are often more reliant on capital markets to fund exploration and development.
- **Execution Risk**
  Project timelines, permitting, technical challenges and country-specific issues may materially affect outcomes.

Juniors offer potential upside torque → we believe capturing that upside requires careful selectivity and risk discipline.

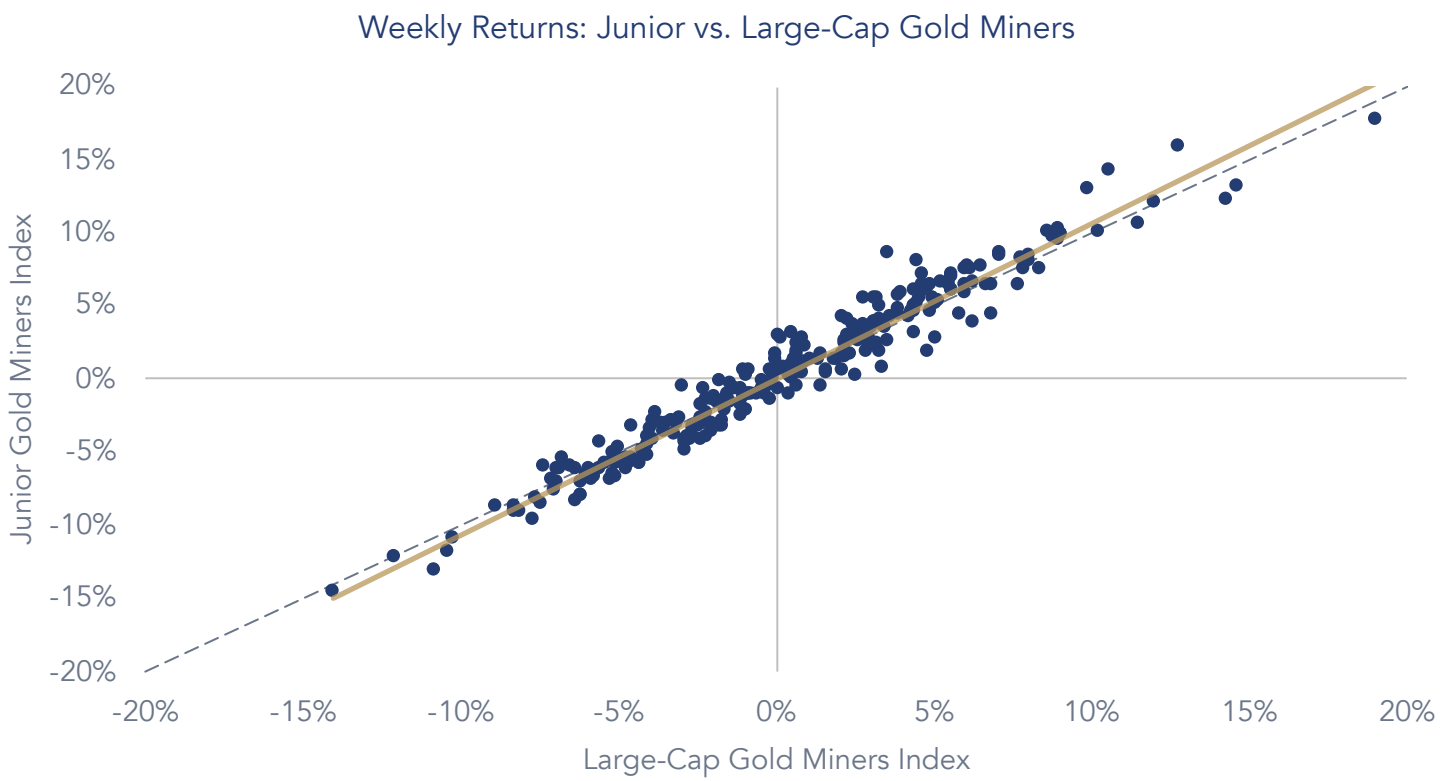
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03

When “Junior” Isn’t Really Junior

Why True Juniors are difficult to find in ETFs

Junior miners may still offer more torque – is the distinction fading?



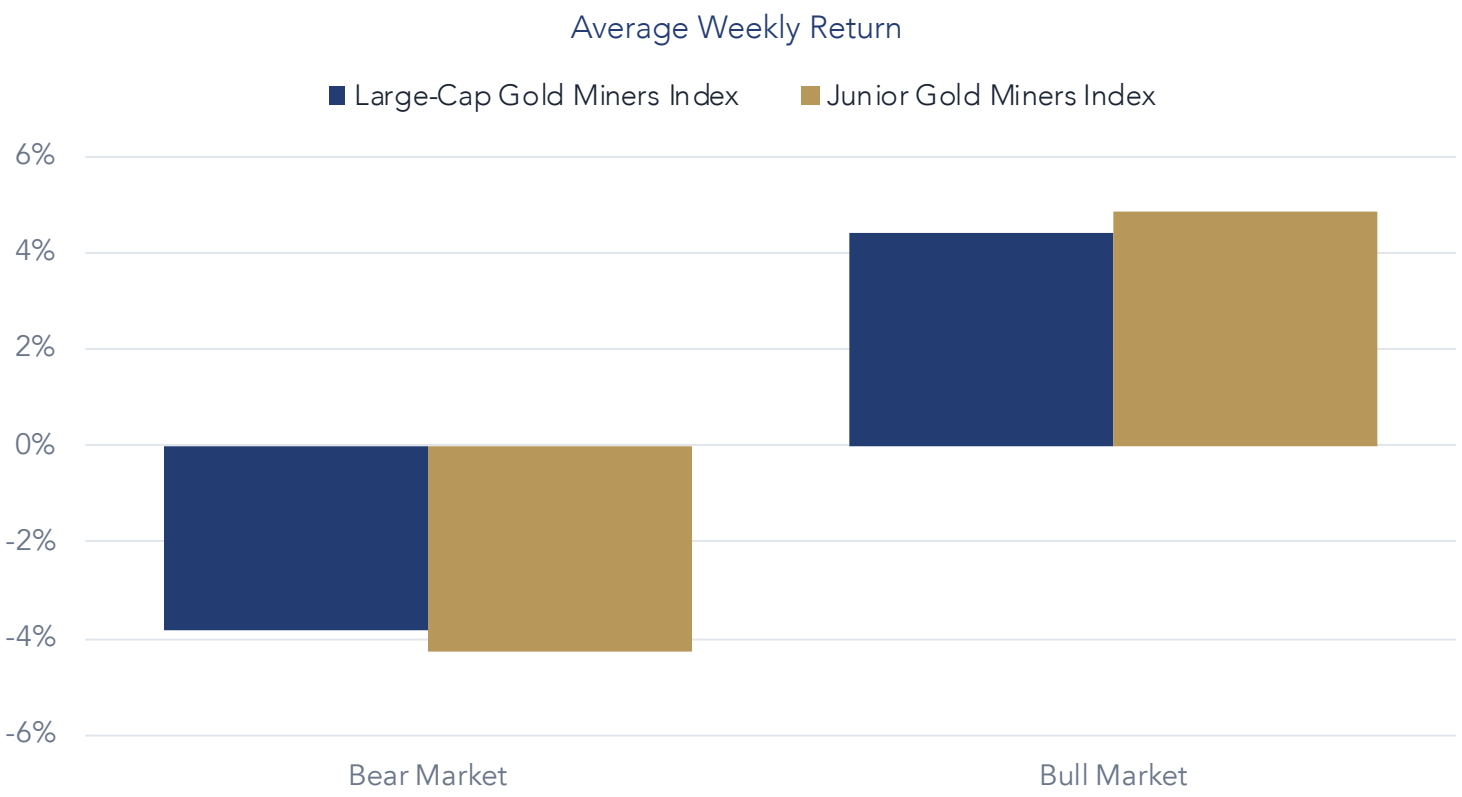
KEY TAKEAWAYS

- Historically, weekly junior-miner returns have been highly correlated with large-cap miners
- Juniors still show modestly higher sensitivity, with a 5-year weekly beta of ~1.06x
- The return distinction is becoming less pronounced as the two segments increasingly move together

MarketVector Global Gold Miners Index (MVGDXTR) is used as a proxy for Large-Cap Gold Miners Index. MVIS Global Junior Gold Miners Index (MVGDXJTR) is used as a proxy for Junior Gold Miners Index. Data calculated for period of 10/1/2021 – 9/30/2026.
Source: Bloomberg, Merk

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Juniors have amplified mining-sector moves in both directions



KEY TAKEAWAYS

- Juniors have historically delivered more strongly in rising mining markets
- They have also historically shown greater downside participation
- The result has been a more reactive return profile across the mining cycle

MarketVector Global Gold Miners Index (MVGDXTR) is used as a proxy for Large-Cap Gold Miners Index. MVIS Global Junior Gold Miners Index (MVGDXJTR) is used as a proxy for Junior Gold Miners Index. Data calculated for period of 10/1/2021 – 9/30/2026. Bear Market is defined as a weekly return that is negative; Bull Market is defined as a weekly return that is positive.
Source: Bloomberg, Merk

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Much "junior" exposure today isn't very junior

84%

WEIGHT ABOVE $2.5BN

Share of a typical junior-labeled benchmark* in companies above the $2.5bn True Junior ceiling

$8.2B

WEIGHTED AVG. MARKET CAP

Weighted average market capitalization of a typical junior-labeled benchmark*

9 of 10

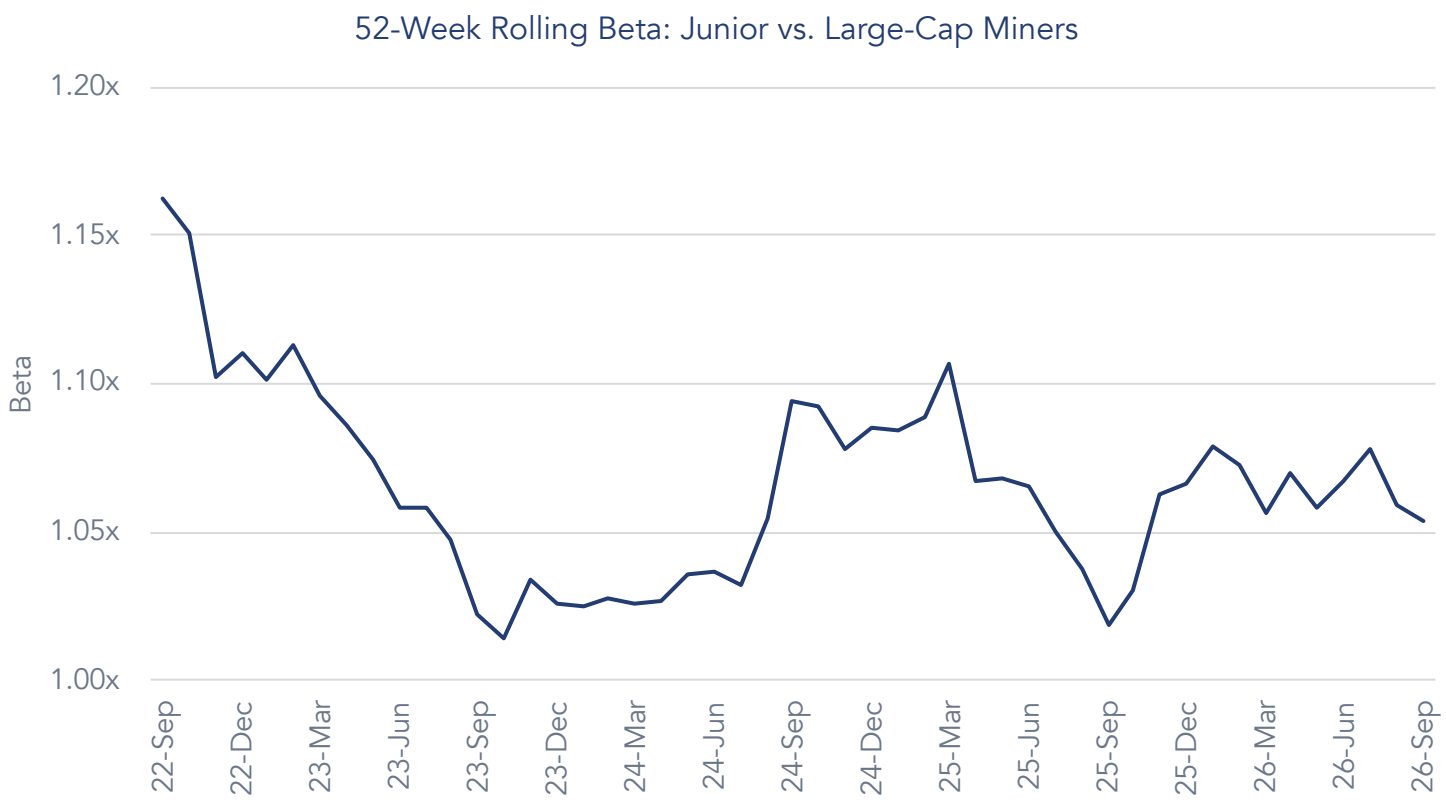
TOP HOLDINGS ARE PRODUCERS

Largest positions of a typical junior-label benchmark* are often established mid-tier producers

**MVIS Global Junior Gold Miners Index (MVGDXJTR) is used as a proxy for a typical junior-labeled benchmark. Data as of 10/5/2026.*
Source: Bloomberg, Merk

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Junior and large-cap miner returns are increasingly converging



1.17x → 1.06x

52-week rolling beta
moving closer to 1.0x

0.95 → 0.99

52-week rolling correlation
moving closer to 1.0x

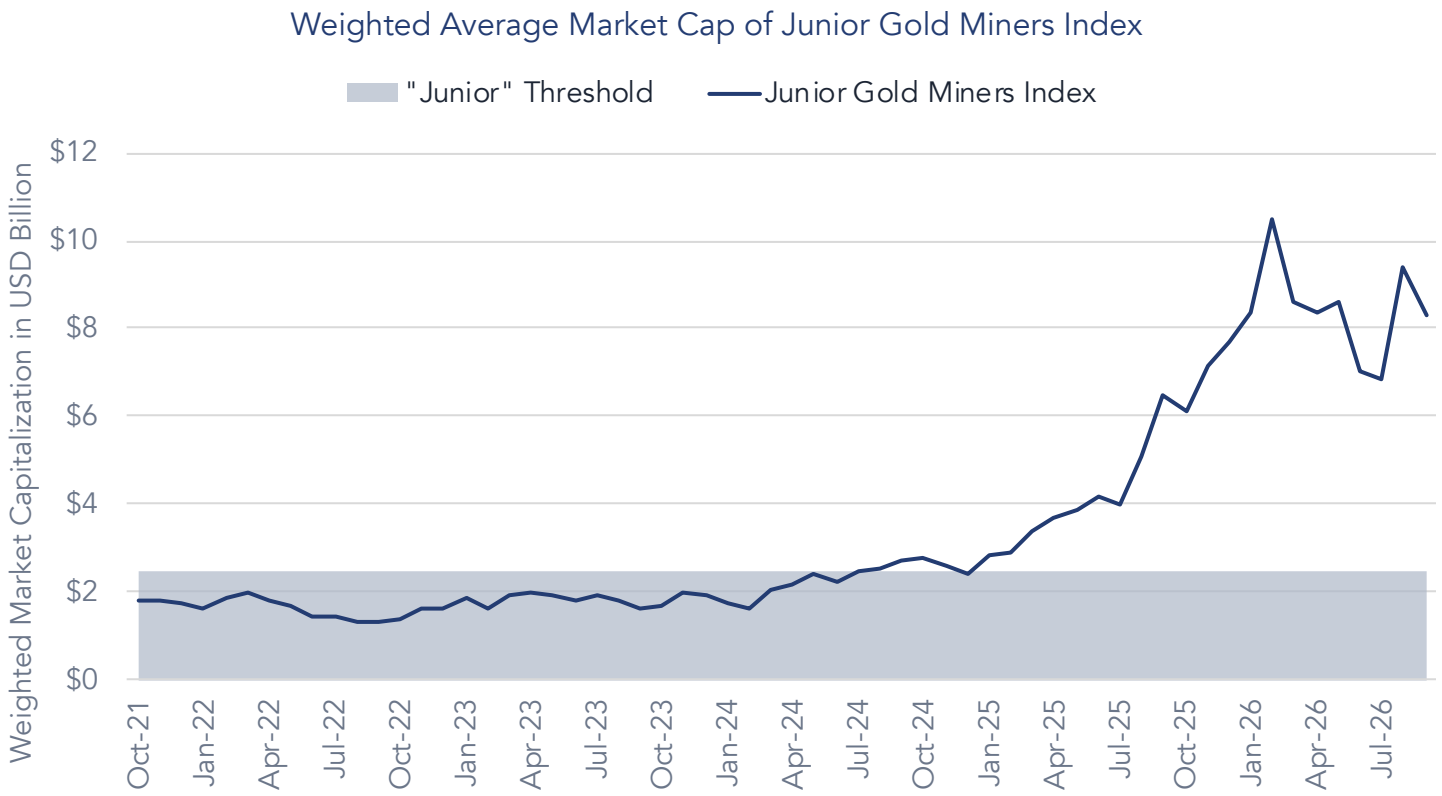
"JUNIOR" PREMIUM IS FADING

Less junior exposure.
More large-cap.

MarketVector Global Gold Miners Index (MVGDXTR) is used as a proxy for Large-Cap Gold Miners Index. MVIS Global Junior Gold Miners Index (MVGDXJTR) is used as a proxy for Junior Gold Miners Index. Data calculated for period of 10/1/2021 – 9/30/2026.
Source: Bloomberg, Merk

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The "junior" benchmark has moved dramatically up the market-cap spectrum



$1.6bn → 8.2bn

Weighted average market cap

~5.0x

Increase since 2021

$10.5bn

Peak weighted average market cap in 2026

NO LONGER "JUNIOR"

The label stayed junior.
The benchmark did not.

MVIS Global Junior Gold Miners Index (MVGDXJTR) is used as a proxy for Junior Gold Miners Index. Data calculated for period of 10/1/2021 – 9/30/2026.
Source: Bloomberg, Merk

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04

Identifying True Juniors

Constructing a True Juniors investment selection framework

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Constructing a True Juniors investment selection framework

01

Filtered universe

Precious and base metal miners, streamers and royalty companies; $25mm to $2.5bn; liquidity floor

02

Selection review

Eligibility, governance and investability reviews, then the 120 most liquid names advance

03

Ranking engine

Composite score: 60% persistent momentum, 40% stability

04

Portfolio

Target of 60 constituents with retention, junior-discipline and weighting guardrails

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Filtered universe

≤ $2.5bn

MARKET CAP CEILING

3-month average market capitalization of $25mm to $2.5bn at selection

3 stages

EXPLORERS TO PRODUCERS

Explorers, developers and emerging producers with precious-metals exposure

US/CA/AU

PRIMARY LISTINGS

Listed in the United States, Canada and Australia, with at least $250k average daily value traded

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Selection review

ELIGIBILITY

- **Mandate fit**
  Meaningful precious-metals exposure
- **Structure**
  Corporate actions and inclusion requirements

OBJECTIVE

Keep the universe focused on the exposure investors expect.

GOVERNANCE

- **Risk review**
  Financial, environmental, community and governance matters
- **Committee review**
  Escalation where additional review is warranted

OBJECTIVE

Remove avoidable risks that may overwhelm the investment thesis.

INVESTABILITY

- **Trading capacity**
  Enough trading depth to support real-world execution
- **Effective spread**
  Current trading costs and deterioration in tradability

OBJECTIVE

Favor securities that may be bought and sold efficiently when needed.

THREE LENSES.
ONE OBJECTIVE.

Advance only companies that fit the mandate, clear material risk concerns and can be traded efficiently.
In our view, the result is a cleaner, more implementable opportunity set before the ranking process begins.

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Ranking engine

60% Persistent momentum

- Blend of 25% 6-month and 75% 12-month total return
- Rewards sustained market leadership, not short-term spikes

40% Stability

- 12-month realized volatility
- Lower volatility earns a higher score, favoring more consistent price trends

Composite score: each factor converted to a cross-sectional percentile, combined 60/40, then ranked highest to lowest.

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Portfolio: letting winners graduate instead of forcing a sale

The problem with hard size cutoffs

- A successful junior that crosses the size limit gets sold right after it works
- Forced selling adds turnover and trading costs
- Investors lose exposure as the company re-rates

Our Graduate scheme

- Existing holdings that grow above $2.5bn may stay as “Graduates”
- Graduates must still rank in the top 100 and remain eligible
- Capped: at least 45 of 60 names are True Juniors, and Graduates are limited to 30% of weight

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Portfolio: built-in discipline at rebalance

60

CONSTITUENTS

Target portfolio size, reconstituted every March and September

45/60

TRUE JUNIOR MINIMUM

At least 45 names below the $2.5bn threshold at each rebalance

7.5%

POSITION CAP

Single-name cap; positions above 5% may not exceed 25% in aggregate

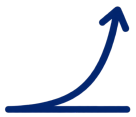
30%

GRADUATE LIMIT

Maximum aggregate weight in Graduates; excess goes to True Juniors

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True junior exposure requires more than a junior label



Why juniors

Smaller miners can have the potential to offer greater sensitivity to improving gold-sector economics.



The gap

Traditional junior benchmarks have migrated toward larger, more established producers.



Our approach

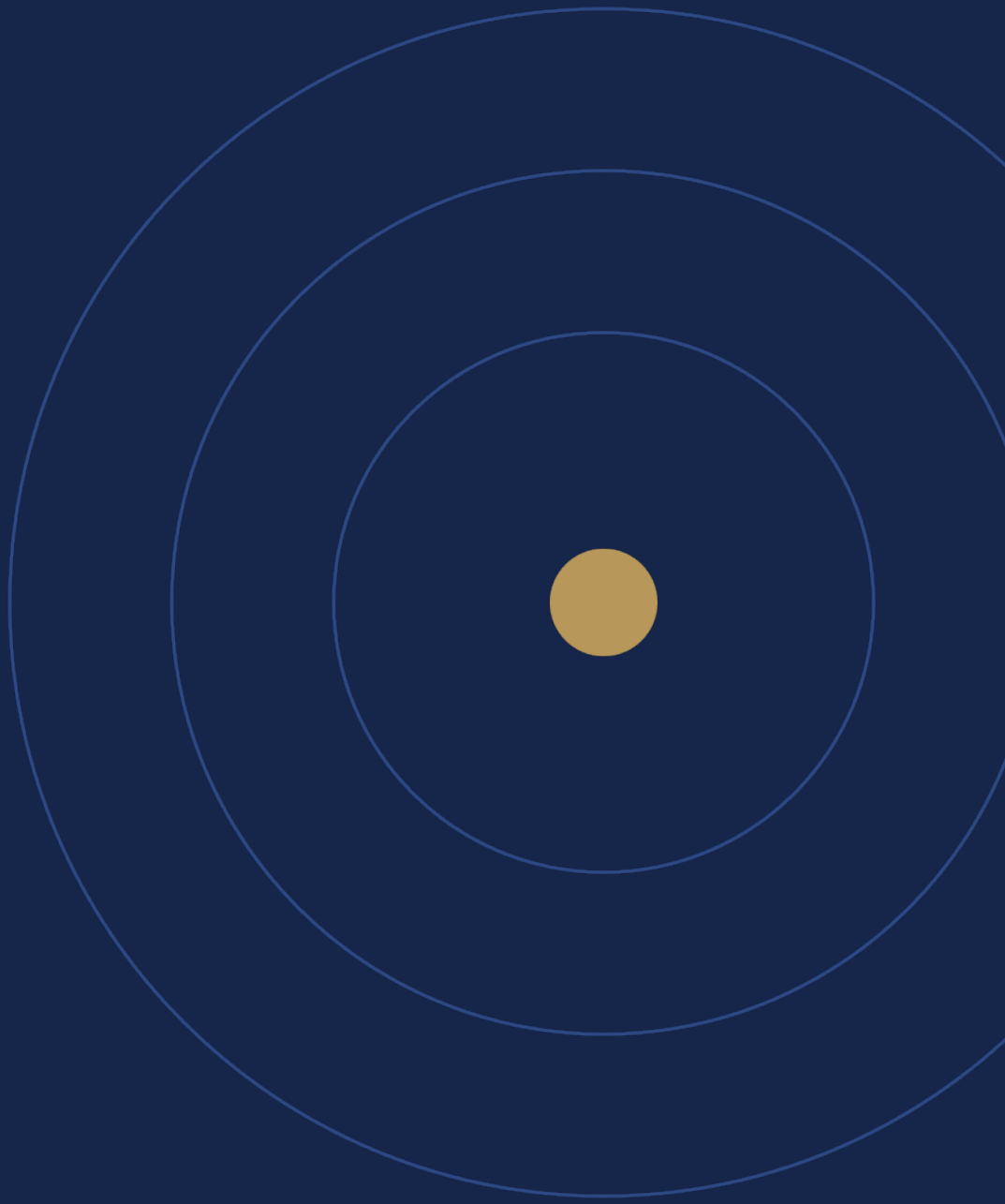
Define True Juniors explicitly – and build the portfolio to preserve that exposure.

KEEP "JUNIOR" EXPOSURE TRULY JUNIOR.

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Questions & discussion

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Investments in gold and precious-metals mining companies are subject to significant risks, including fluctuations in commodity prices, operational and geological risks, financing risk, political and regulatory developments, environmental and permitting risks, and changes in investor sentiment. Smaller-capitalization and junior mining companies may be more volatile, less liquid, less established and more dependent on access to capital than larger companies. Investments in foreign securities may also involve additional risks, including currency fluctuations, political and economic instability, differing accounting and regulatory standards and reduced market liquidity. Investment results will vary, and comparisons among funds, indices and strategies may be affected by differences in investment objectives, portfolio composition, expenses and investment structure. Past performance is no guarantee of future results.

Certain performance comparisons in this presentation include ASA Gold & Precious Metals Ltd. ("ASA") and the VanEck Gold Miners ETF ("GDX"). ASA is an actively managed closed-end fund, while GDX is an exchange-traded fund. These vehicles have different investment objectives, strategies, portfolio construction, expenses and structural characteristics, as their performance is not directly comparable. Where shown, ASA performance reflects net asset value ("NAV") total return and GDX performance reflects market-price total return, in each case assuming reinvestment of distributions. Past performance is no guarantee of future results.

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Definitions

ASA Gold & Precious Metals Ltd. ASA Gold & Precious Metals Ltd (ASA) is an actively managed closed-end investment company incorporated in Bermuda and registered with the SEC. Merk Investments served as the fund's investment adviser for the period of 4/1/2019 – 6/30/2026, and during that time-period the fund's objective was to provide investors a vehicle to invest in a portfolio consisting primarily of stocks in companies engaged in the exploration, development and production of precious metals and minerals. Where fund performance is shown in this presentation, it reflects net asset value ("NAV") total return unless otherwise indicated.

MarketVector Global Gold Miners Index. The MarketVector Global Gold Miners Index (MVGDXTR) is used in this presentation as a proxy for large-cap gold-mining equities and reflects the performance of companies involved primarily in gold and silver mining.

MVIS Global Junior Gold Miners Index. The MVIS Global Junior Gold Miners Index (MVDGXTJR) is used as a proxy for junior gold-mining equities. The index covers liquid companies active in the gold and silver mining sector and is reviewed semi-annually and float-market-capitalization weighted.

VanEck Gold Miners ETF. The VanEck Gold Miners ETF (GDX) is an exchange-traded fund incorporated in the USA that seeks to replicate as closely as possible, before fees and expenses, the performance of the MarketVector Global Gold Miners Index. Where performance of the ETF is shown in this presentation, it reflects market-price total return unless otherwise indicated.

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