

MANAGING HIGH-VALUE ASSETS ACROSS THE PRECIOUS METALS SUPPLY CHAIN

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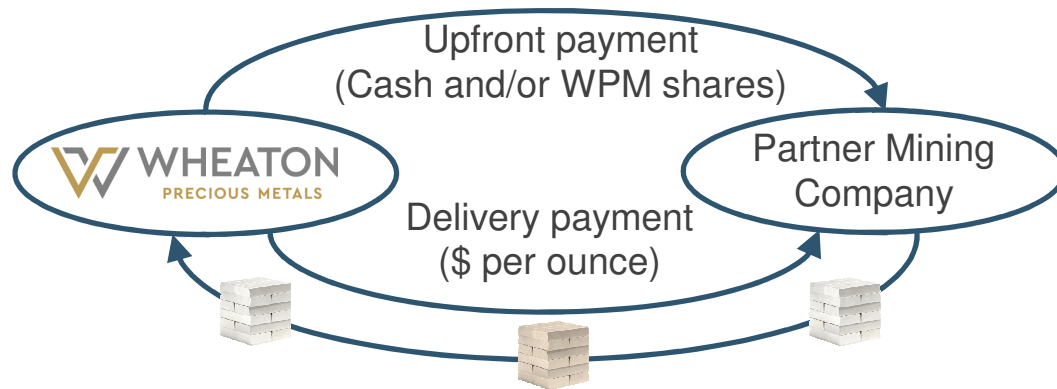
VP, Streaming Operations & Metal Sales

June 11, 2019



PRECIOUS METALS STREAMING

HOW IT WORKS

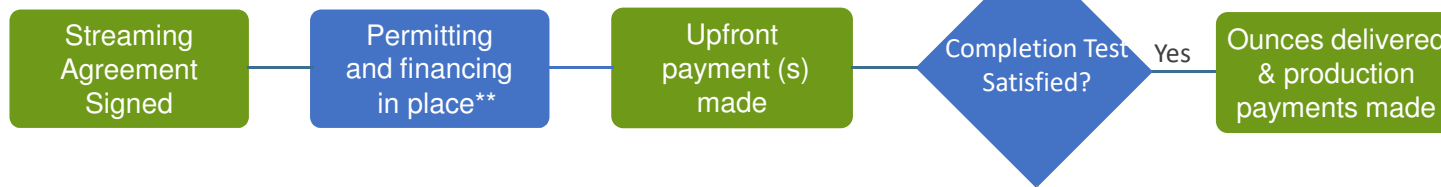


■ How Streaming Works

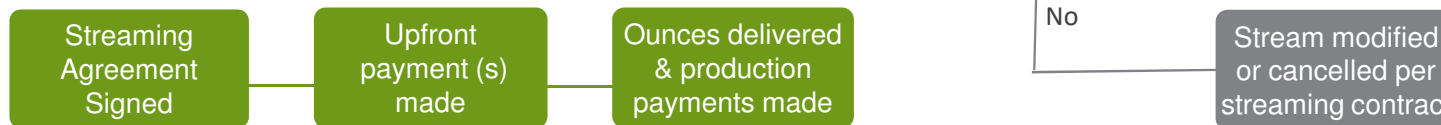
Wheaton makes an upfront payment and in return we purchase a fixed percentage of the future silver and/or gold production from a mine at a predetermined price

Traditional Structure

Development Project



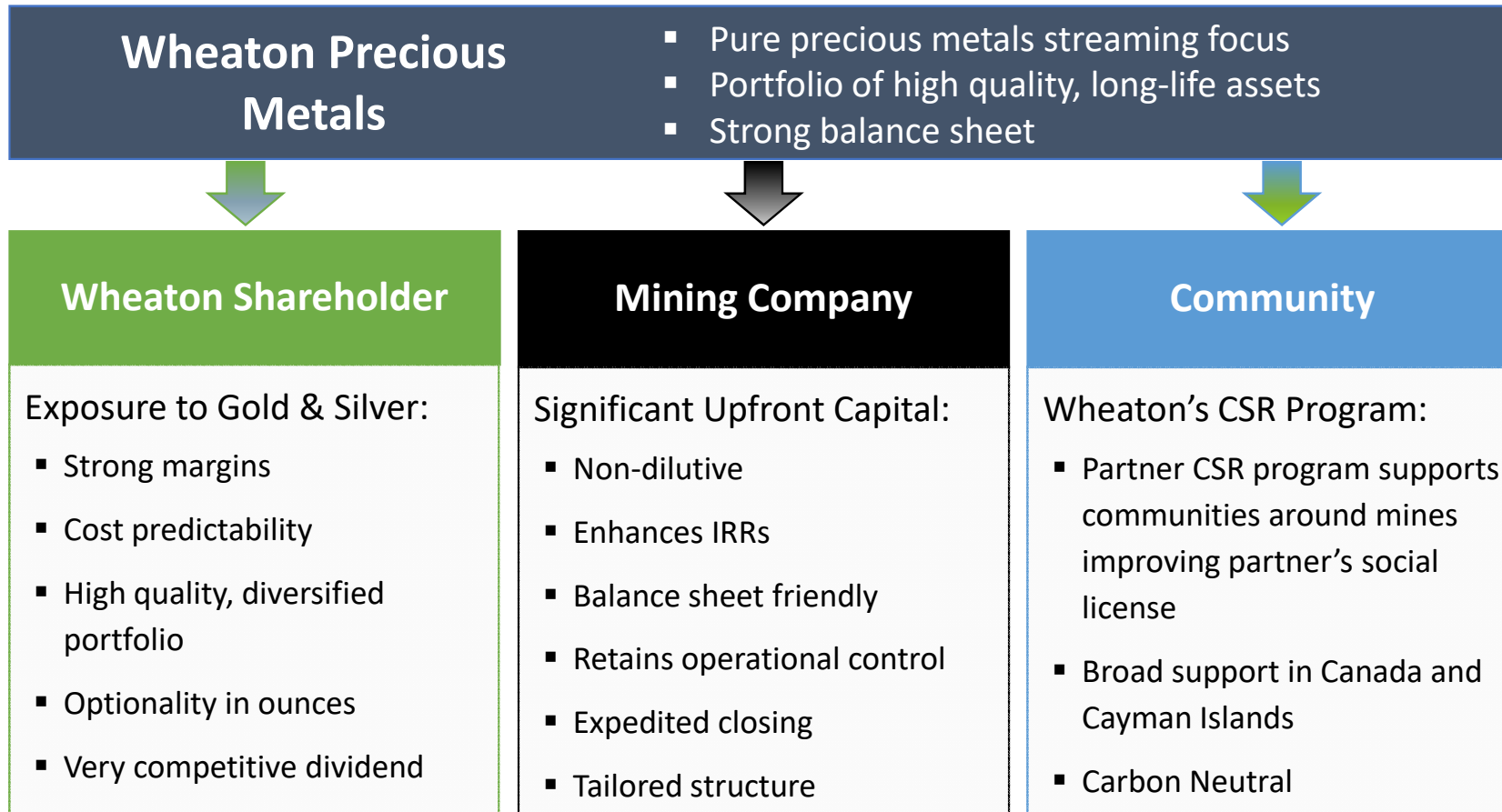
Operating Mine



Wheaton shares value differential with its partners resulting in a win-win model

WHEATON PRECIOUS METALS

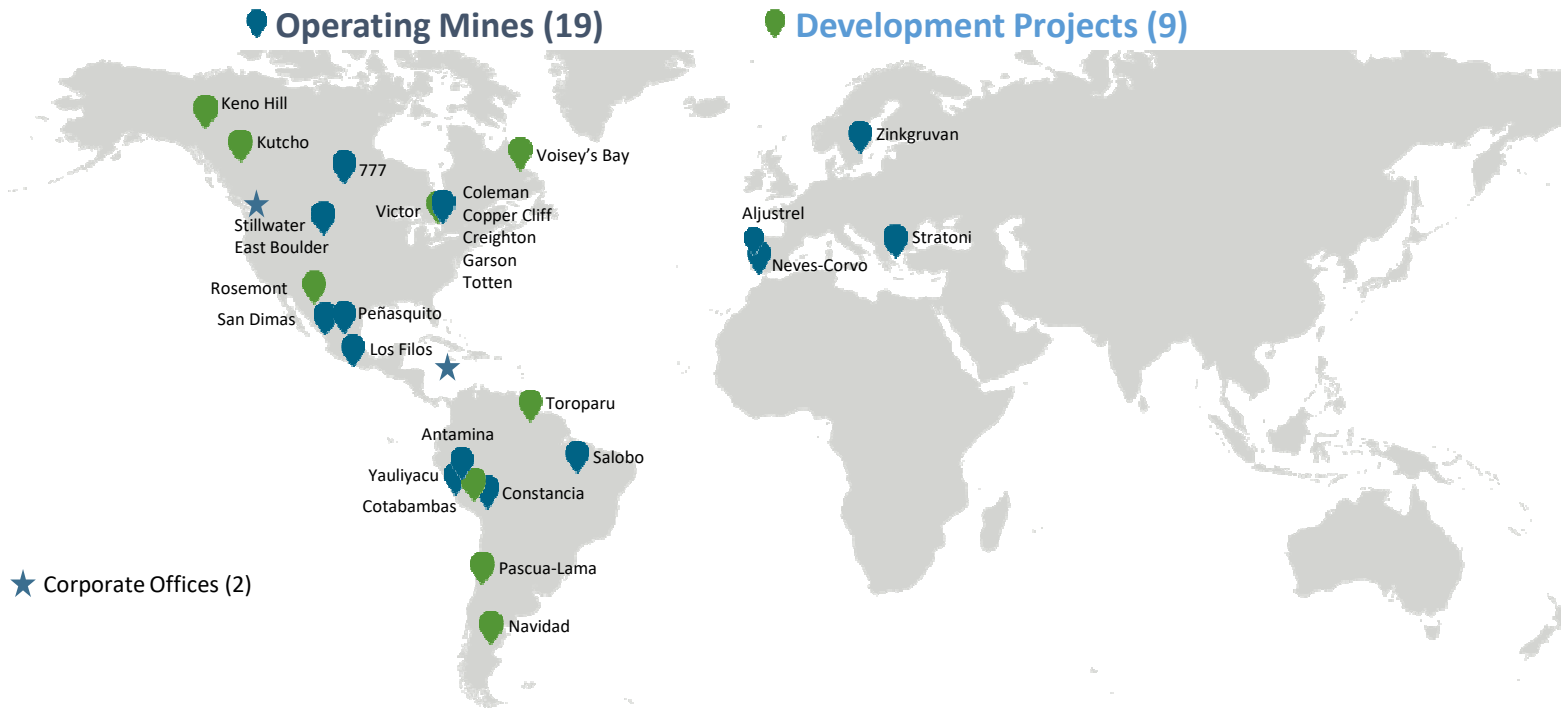
A MODEL DESIGNED TO BENEFIT ALL STAKEHOLDERS



HIGH-QUALITY ASSET BASE

DIVERSIFIED PORTFOLIO

**3rd ASIA PACIFIC
PRECIOUS METALS
CONFERENCE**
9-11 June 2019
PARKROYAL on Beach Road, Singapore



Partners:

- Vale
- Glencore
- Goldcorp
- Barrick
- Lundin
- Hudbay
- Sibanye-Stillwater
- Pan American
- First Majestic
- Eldorado
- Capstone
- Alexco
- Sandspring
- Panoro
- Leagold
- Kutcho Copper

INDUSTRY PAIN POINTS

Paper

Currently, paper and couriers form the only trusted communication medium for legal certainty in confirming and execution commodity transactions, each of which involves many actors handling the paper.

This results in expensive, slow and fraud-sensitive processes in the mid- and back-offices of each actors in each trade, but also across actors.

Research puts cost and impact of paper at 5-10% of value of goods traded (UNECE) – in a \$1.8tn per annum market...

Lack of Transparency

Regulators and shareholders demand more transparency into the behaviour of actors in upstream supply chains and product provenance. The ability to attest and prove compliance with sanctions and human rights regulations becomes a “license to operate” priority.

This is very expensive or even impossible in a paper system.

\$100m's of costs in responding to one sanctions event; inability to hedge metals on LME in absence of robust provenance; price discounts will affect revenues

Access to Capital

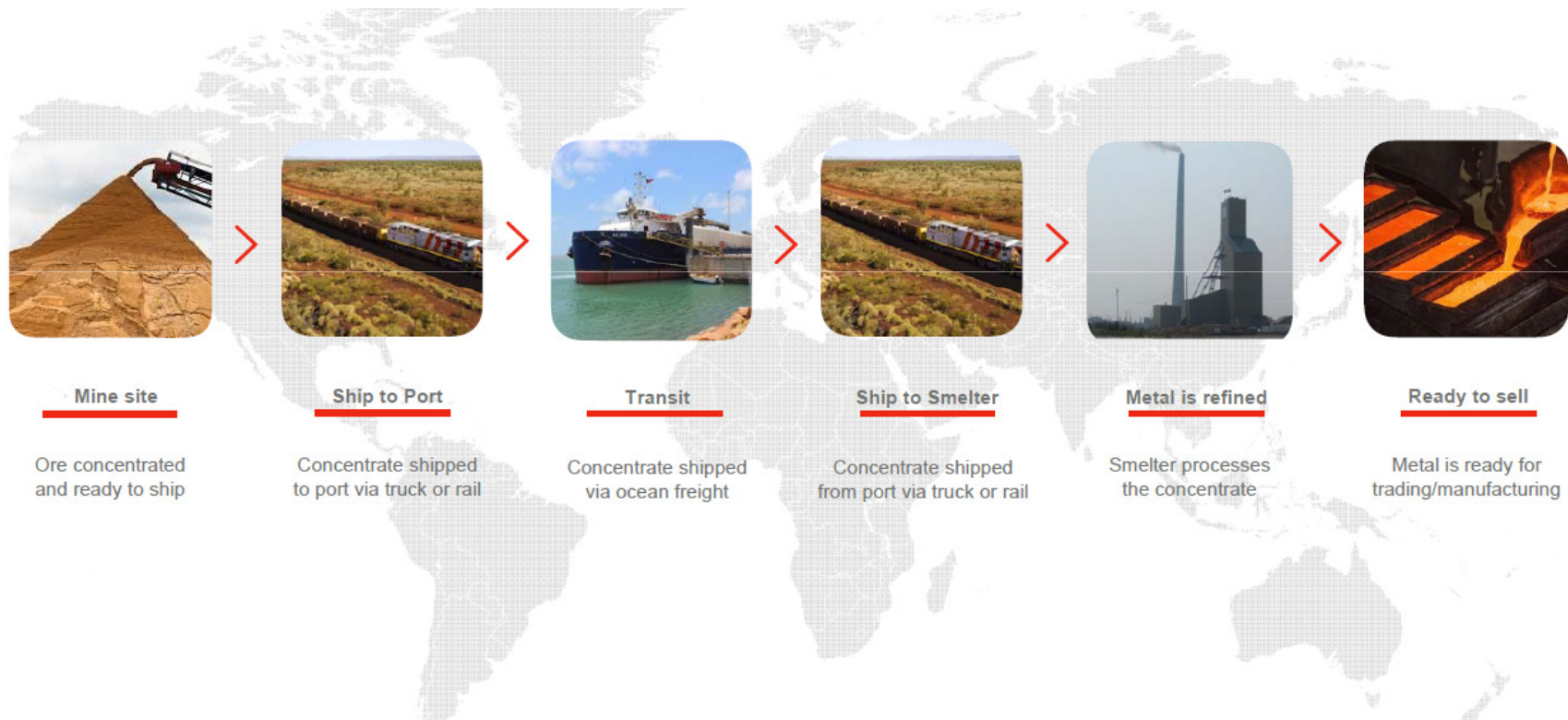
Working capital and project finance are the oxygen of the mining & metals ecosystem, but they are very knowledge- and operations-intensive services to provide. Institutional investors shy away from mining due to environmental concerns.

With the specialist banks retreating, there are few cost-effective alternative sources with sufficient depth of knowledge and capital ready to fill the gap.

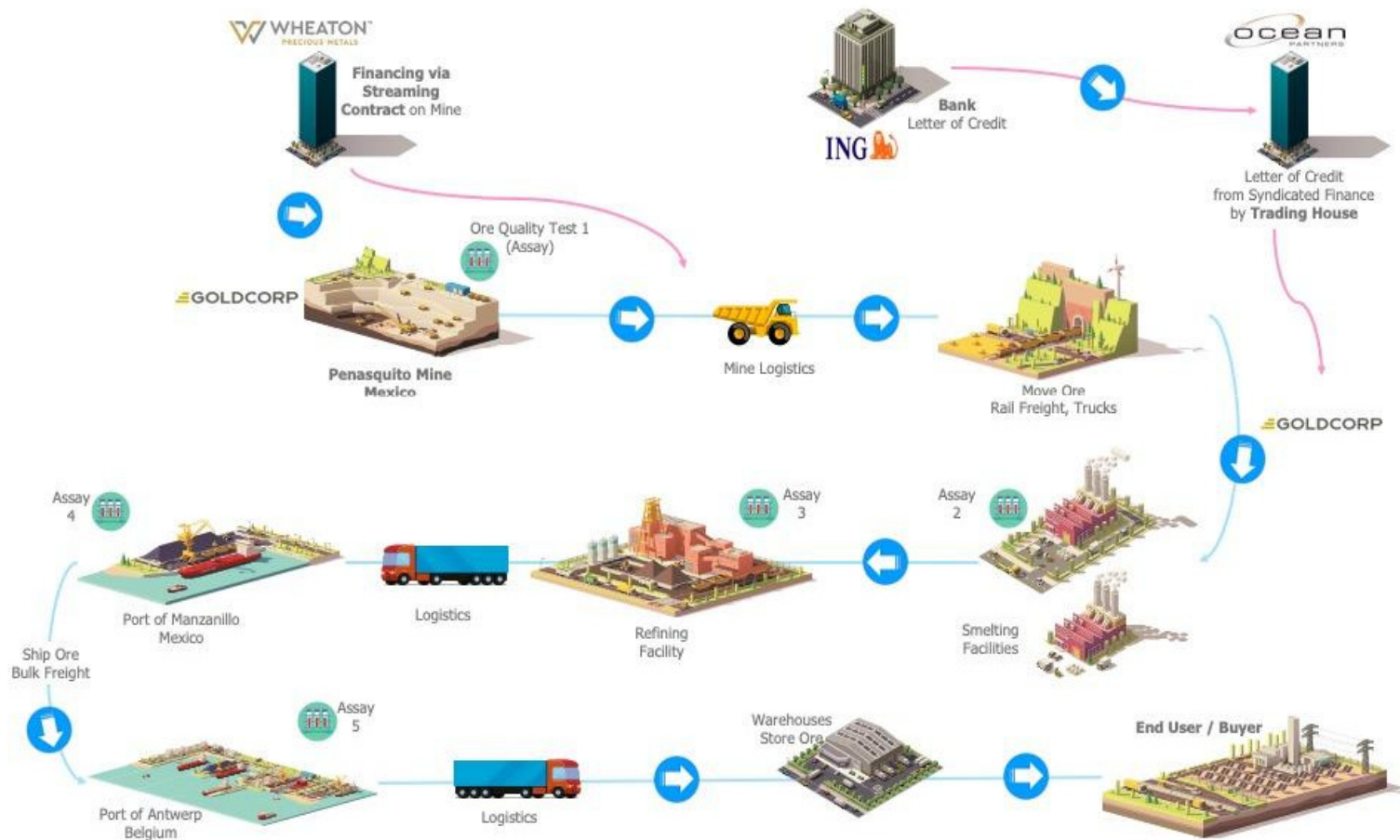
Basel IV will significantly increase capital costs for transaction lending; combined with the increasing cost of compliance traditional capital will become too expensive or not available

DIGITAL TRANSFORMATION OF THE GLOBAL MINING & METALS SUPPLY CHAIN

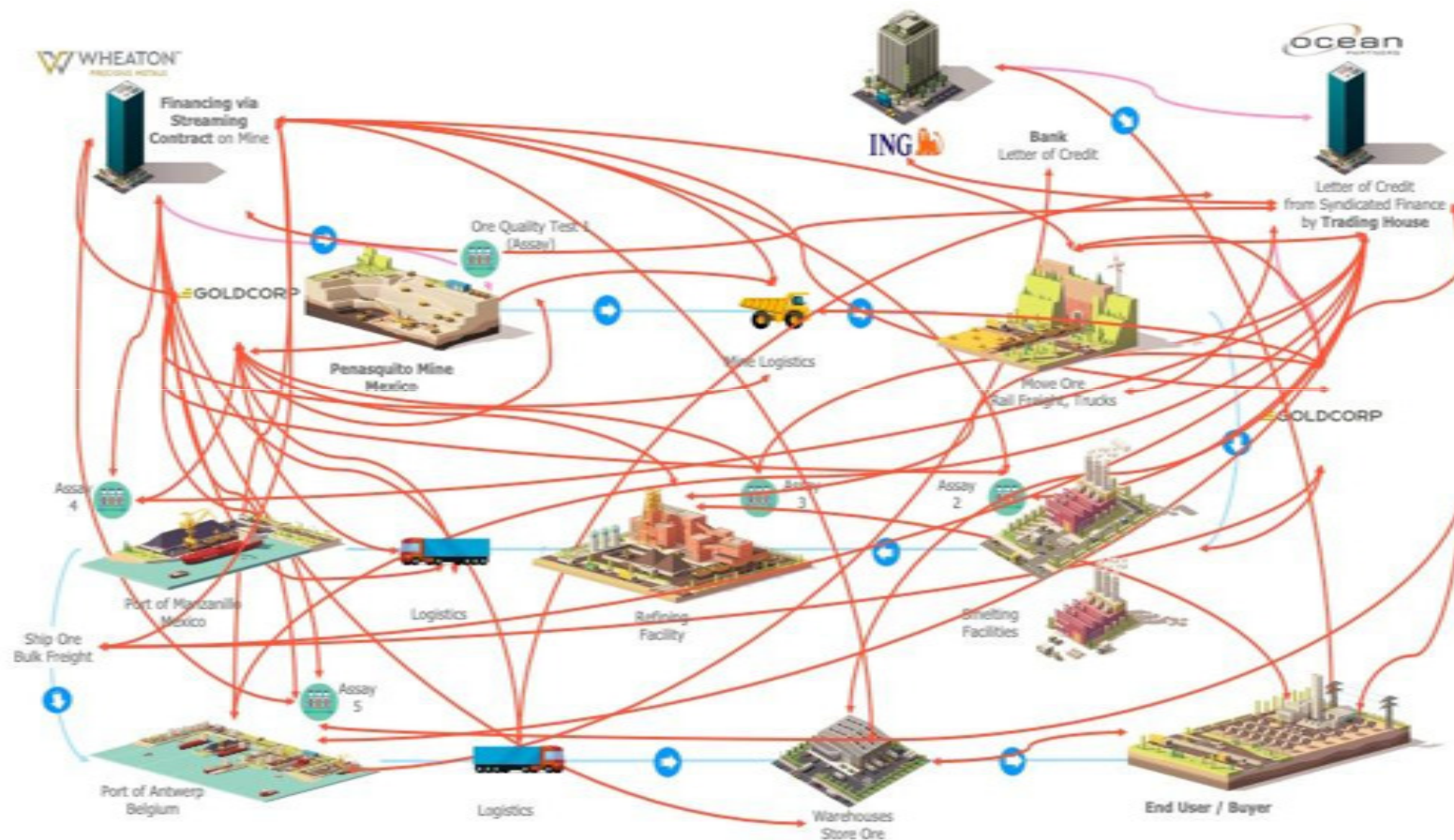
Using blockchain to create a paperless, transparent and accessible network of trust



A TYPICAL SUPPLY CHAIN



A TYPICAL TRANSACTION – INFORMATION FLOWS



MINEHUB CONSORTIUM - DESIGNING FOR INDUSTRY BY INDUSTRY

MineHub has established a world class consortium – with diversity in types and size of firms – critical to the success of large technology projects in market infrastructure and distributed ledger platforms.

Direction from consortium members is driving the development of the MineHub platform by providing:

- Subject Matter Expertise
- Validation
- Pilot(s) implementation
- MineHub's first customers

NEWMONT
GOLDCORP.

ING 

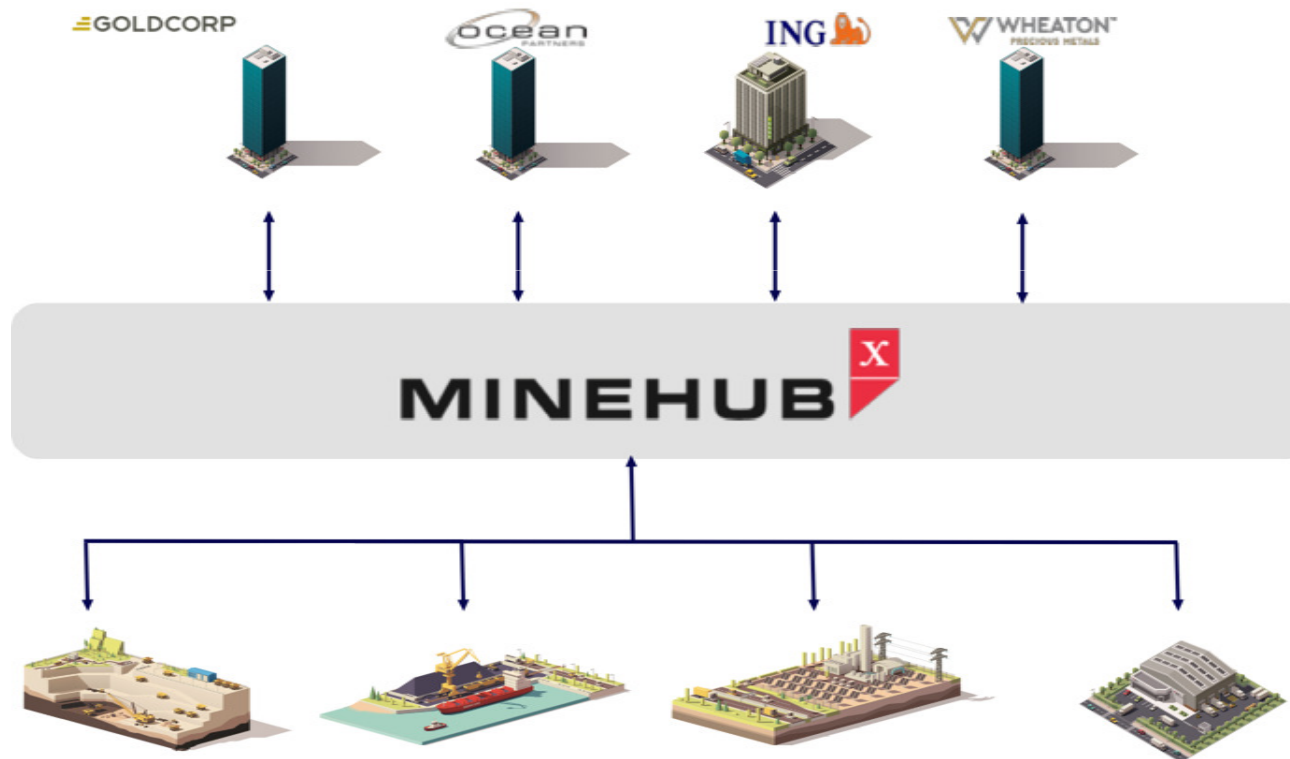
ocean
PARTNERS

WHEATON[™]
PRECIOUS METALS

KC kutcho
COPPER CORP

capstone
MINING CORP

A MINEHUB TRANSACTION



PHYSICAL GOLD MARKET

PRIMARY CHALLENGES

Physical gold markets are heavily **intermediated**. No direct link exists between primary supply and end demand.

Pricing and **liquidity** for physical gold can be limited and inconsistent.

Physical gold ownership is **complicated**. \$1.6T in investment products vary dramatically in price, security and other important characteristics.

Ownership is **expensive**. Capital consumption and opportunity cost make holding physical gold unattractive.

Records of title are **inconsistent**. Vaults use distinct and unconnected inventory systems.

New assets like **cryptocurrencies** are challenging gold as a mechanism for generating and maintaining wealth outside of the mainstream financial system.

Demographics are unfavourable and getting worse - the next generation of investors is not buying gold



TRADEWIND AT A GLANCE



- ❖ Tradewind Markets a digital platform for precious metals and alternative assets; Tradewind facilitates trading, settlement, custody of those assets.
- ❖ Founded in 2016 as a partnership between management, **IEX Group** and **Sprott Inc.**
- ❖ Employees with domain expertise in banking, exchange technology, blockchain development, commodities trading
- ❖ Funded by the Industry: **Goldcorp (Newmont), Agnico Eagle, Wheaton Precious Metals, IAMGOLD** and **Sprott**
- ❖ Tradewind Platform commercially launched in **March 2018**

TRADEWIND VISION

BUILDING THE ROADMAP

Deliver a **best-in-class** institutional gold market

- Prices set by executable quotes and physically settled trades
- Easy connectivity
- Flexible, designed to scale

Make investing directly in physical gold **simple**, **secure** and **low cost**

- Cut out complexity and excessive premiums
- Embrace technology solutions
- Attract new investors to physical gold

Provide producers **direct access** to end demand and full **transparency** into pricing

- Remove unnecessary intermediation and cost
- Embrace better market models

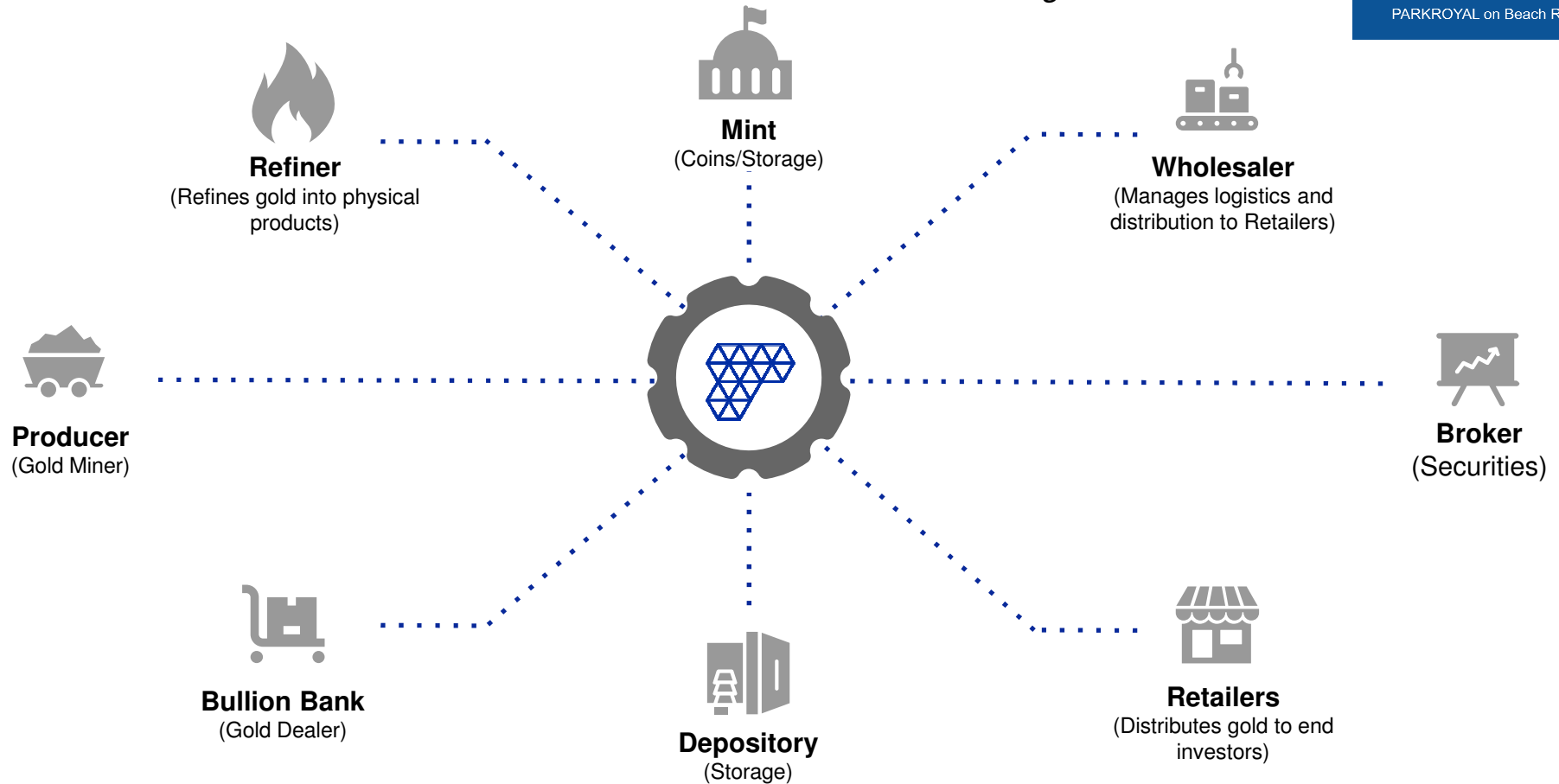
Upgrade the quality of information in the supply chain

- Deliver reliable and transparent records of provenance



TRADEWIND ECOSYSTEM AND VISION

Connects the Entire Precious Metals Market on One Digital Platform



TRADEWIND SOLUTIONS



Vaultchain™ Gold

Direct ownership solution for investors. Gold is stored at Royal Canadian Mint and distributed by a large network of dealers. Vaultchain provides investors with a direct link to the Royal Canadian Mint's storage, leveraging the immutability and security of Tradewind's blockchain.



Vaultchain™ Silver

Vaultchain Silver provides a simple, secure and low-cost alternative to traditional silver investment options with the added benefit of being able to transact on reliable supply chain information. Backed by the Royal Canadian Mint, Vaultchain Silver is fully deliverable and free of management fees.

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VAULTCHAIN™ GOLD AND SILVER IS AVAILABLE THROUGH THE FOLLOWING AUTHORIZED DEALERS



DIGITAL PLATFORMS DESIGNED FOR THE INDUSTRY

SUPPLY CHAIN | ENVIRONMENTAL | SOCIAL | GOVERNANCE



Developing a platform that will allow supply chain participants to transact and collaborate securely

Consortium:



TRADE | SETTLEMENT | CUSTODY



A Digital platform for precious metals & alternative assets; facilitates trading, settlement, custody of those assets

Funded By:

