

Observations from the PDAC, first two days

The PDAC, (or Prospectors and Developers Association of Canada, to give it its full name), is the world's largest mining conference, and is currently taking place in Toronto, Canada.

Having attended the conference for the last eight years, I approached this conference with pessimism and little enthusiasm. Here are my observations from the first two days.

Sunday started slowly, no queues for early registration, which did not bode well, and the floor was clearly quieter than in previous years, retail investors seemed to be in short supply. Canada, being a laid back country, makes it easier to distinguish between professionals selling services and investors simply by their attire.

There were quite a few empty booth spaces where companies had not attended, quite a sad site. The organisers had been proactive in placing chairs and water coolers in some empty spaces to make them look like rest areas, but many remained a sad empty void.

For 2015 the organisers had made the inexplicable decision to expand the conference into the Conference North Building, a 10 – 15 minute journey on foot from the south side! Footfall there was very low according to some booth holders, which is hardly surprising as anyone taking the Skywalk covered walkway from Union Station actually avoids the north side completely! Given the sub-zero freezing temperatures and bitter wind-

chill, the Skywalk is very busy!

In an effort to drive people to the north side the organisers arranged a free drink (singular!) and canapé session in the afternoons. The drink was to be obtained by using a voucher in your goody bag given when you register, but many found no voucher inside their bag, me included, so arguments ensued as they tried to charge \$11 for a bottle of beer!

Everyone simply wandered off to one of the many receptions taking place with far superior food and free drinks in abundance. Time for a rethink on that one PDAC committee!

Returning to the show, Monday was very busy, and late afternoon the aisles were congested due to the number of attendees.

The clear message walking around is that there are simply too many junior companies with moose pasture projects in the middle of nowhere chasing financing money. That model, from an investor's perspective, is broken now.

How many people want to invest in a company that will keep coming back time and time again for future financings, with no exit strategy except to keep on drilling on an ongoing basis? Not many it would seem, judging by the many conversations that I had!

So the majority of booths are occupied by hopeful juniors desperately seeking finance, and actual producers are few and far between, limiting the choices for an investor looking for opportunity considerably.

To be continued.

