

PDAC 2016 Report – Day 2

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A warmer day brought out a larger crowd, as is usual for a PDAC Monday, as the Bay St. professionals arrive.

As at virtually every PDAC, the mood has turned upbeat, but this seems restricted to those either not needing to raise money, or involved in the financing industry. However, scratch below the surface and all is not so well.

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To my delight when I left my apartment this morning I was greeted with an above zero temperature for possibly the first time at any PDAC I have attended!

It wasn't much above zero, but anything is a bonus in a city where I have experienced the bone chilling -33 degrees with windchill two years ago. Today is predicted to rise to ten degrees, so almost sub tropical, and maybe the first time ever that I will not require my heavy coat and gloves.

The first weekday of the conference was better attended than Sunday, as is usual as the Bay Street professionals swell the ranks, and there were still some retail investors walking around, though not as many as on Sunday.

I have found a good way to judge numbers is by the length of

the food queues at lunchtime, and I have been able to walk straight up and be served at my favourite pizza bar on both days, with only one till open, whereas in previous years there were three. The food hall downstairs does have queues, but again not nearly as long as previously, and less vendors this year too.

Turning to the mood on the floor, all is not so well. Having had time to talk to more CEO's, it is clear there is a huge divide between those companies in production, or not but well funded, and those sitting in the doldrums struggling or unable to raise finance. Clearly the former are optimistic, particularly gold producers, but the latter group are more realistic, and freely admit raising finance is still a huge issue, and risk is not off yet.

One CEO I know informed me that they have received many solicitations from people looking to raise them money, but when you enquire a bit deeper, most involve an upfront payment prior to the raising being started. Interestingly, when I suggested they pay a commission on the amount raised, rather than an upfront fee, as these guys are so confident of being able to raise the money, I am informed that offer is always declined!

I wonder why?

One feature of the PDAC is the legendary hospitality available in the evening, and over the years I have been to such diverse venues as the CN Tower, The Hockey Hall of Fame, the e Ritz Carlton and so on. Last night the venue was the Toronto Aquarium, and what a wonderful setting that was!

The whole venue had been hired for the event and that has to be the best post show function I have ever attended. We had a tour followed by the reception at the end. I was stunned however when the waitress arrived with the food, fish and chips! Absolutely true! they served fish and chips in an aquarium! It seemed in poor taste, and I tried to eat mine out of view of the residents!

I will write a further update tomorrow