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Off the Cuff Video
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Hi, it's Ashley Misquitta, senior portfolio manager at Empire Life Investments. I thought I'd record a quick video because I recently attended a conference with The Bank of Montreal (BMO), the BMO Metals Mining and Critical Minerals Conference and I want to report back to you on what I saw there, why we go to these conferences and how we're thinking. So let me jump right in.

First off, the reason we go to these conferences is to meet the companies that we own, who may be presenting there, and potentially have private meetings with them or small group meetings with them. We may want to see companies who are competitors to theirs to help further understand what the landscape looks like, to understand what's happening in the industry. And then finally we go there to try and find interesting new businesses that we may not have come across before. When we're listening to a whole series of presentations, sometimes this is a good way to find new businesses that we hadn't looked at before. In this instance, one of the other reasons we're going there is because of the importance of metals and critical minerals and mining in general in the energy transition. This is a phrase probably lots of people have heard.

The energy transition is the idea of going from an economy that's principally based on fossil fuels to one that is based more on renewable energy, sources of energy that produce and emit less carbon. We're talking about things like renewable energy. We're talking about things like electric vehicles. We're talking about things like hardening the electric grid that we have, so that we're able to move from baseload consistent generation, from some of these coal and natural gas plants, to more intermittent and variable from some of these wind and solar. So, the grid needs a lot of hardening.

What does that mean? What it means is we're going to need a lot of new metals. These are metals that we know exist, but we're going to need a lot more of them. So, things like copper is critical in the production of electric vehicles. Copper is critical in the production and the implementation of a new infrastructure in electric grid of transmission for wind and for solar a variety of other things.

What else do we need? Well, we're going to need things like lithium. Lithium is used to make batteries, and that ranges from the batteries in your cell phone, which is what we do today with

lithium. We have a production amount that is produced and we have a demand that uses it for all of our existing needs.

Batteries for electric vehicles (EVs) and emerging uses for renewable facilities like wind and solar; because they don't generate wind all the time or solar all the time, you need backup generation. And those backup generation is partly going to come from these batteries. So we're going to need a lot of lithium.

By going to this conference, one of our objectives was to understand better the forward supply and demand of lithium, because it's going to be difficult to mine all of this. One of the things we want to find out is, does this represent interesting investment opportunity for us? Same with copper.

We've been using copper for existing purposes for a very long time and we've got production of that. Now we want to see the degree to which future opportunities or future demand for copper will or won't outstrip supply and where the places it's coming on, how difficult will it be to bring on and what sort of costs are associated with that.

I hope you found this interesting. Have a great day and thanks for listening.

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