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With Gold at New Highs, Miners Consider More than Price

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VanEck International Investors Gold Fund

INIVX | IIGCX | INIIX | INIYX

Gold Reaches New All-Time Highs

After several failed attempts over the last three years, gold finally managed to break through its August 2020 high of $2,075 per ounce. This time, the breakout was decisive, with gold closing new all-times high every week in March. The strong rally took gold to a close of $2,229.87 per ounce on March 28, a whopping 9.08% ($185.56 per ounce) monthly gain. Gold continued to set fresh highs in the first few days of April. While COMEX gold open interest and net long positioning did increase in March, gold bullion exchange traded fund holdings continued to decline, after a few days of net inflows.

We have been highlighting the widening valuation gap between gold and gold equities. In March, gold equities finally displayed their leverage to the gold price. This may mark the beginning of a long-anticipated trend reversal for gold mining equities. After years of underperformance against the metal, the NYSE Arca Gold Miners Index (GDMNTR)[1] and the MVIS Global Juniors Gold Miners Index (MVGDXJTR)[2] significantly outperformed gold in the month of March, up 19.61% and 21.50%, respectively. Year to date, as of the end of March, gold is up 8.09%, and gold equities are finally posting a gain, with GDMNTR up 1.27% and MVGDXJTR up 1.14%.

Where from Here?

We believe gold has the potential to trade in a higher range – above the $2,000 per ounce level – in 2024. In recent years, strong rallies, such as the one gold has been enjoying this past month, have often been followed by periods of consolidation around an established, higher level with the metal trading in a sideways pattern until a new catalyst emerges driving prices even higher. The return of investment demand, as evidenced by inflows into global gold bullion ETFs, could be that catalyst, with a potential to drive gold above $2,500 per ounce, in our view.

Average Annual Total Returns (%) as of March 31, 2024

	1 Mo†	1 Yr	5 Yr	10 Yr
Class A: NAV (Inception (2/10/56)	18.61	0.82	8.72	3.74
Class A: Maximum 5.75% load	11.79	-4.98	7.44	3.13
GDMNTR Index	19.61	-1.15	8.69	4.22

Average Annual Total Returns (%) as of December 31, 2023

	1 Mo†	1 Yr	5 Yr	10 Yr
Class A: NAV (Inception (2/10/56)	0.31	9.68	9.60	4.99
Class A: Maximum 5.75% load	-5.46	3.37	8.31	4.37
GDMNTR Index	1.17	10.60	9.80	5.25

Source: VanEck

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Please call 800.826.2333 or visit vaneck.com for performance current to the most recent month ended.

The "Net Asset Value" (NAV) of a Fund is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. Investors should not expect to buy or sell shares at NAV.

† Monthly returns are not annualized. Please note that precious metals prices may swing sharply in response to cyclical economic conditions, political events or the monetary policies of various countries.

Expenses: Class A: Gross 1.42%; Net 1.42%. Expenses are capped contractually until 05/01/24 at 1.45% for Class A. Caps exclude acquired fund fees and expenses, interest, trading, dividends, and interest payments of securities sold short, taxes and extraordinary expenses.

For Miners, It's About More Than Just the Gold Price...

A rising gold price environment has historically been accompanied by strong performance by gold equities. The sector outperformers must also demonstrate that they are fundamentally positioned and have a sound strategy that will translate higher gold prices into improved cash flow and higher returns, which will deliver growth. Organic growth does not come easy in the gold sector. Finding new gold deposits, or defining/expanding existing ones, is a difficult, lengthy, and capital-intensive process. Most senior and mid-tier companies struggle to simply replace their annual production. To significantly expand their depleting reserve and resource base, companies generally must acquire other companies or assets. All things equal, the more advanced a project is, the higher its valuation and the faster the company can deliver growth.

Alamos + Argonaut: A Blueprint for Deal Making

Last month, Alamos Gold (5.78% of Fund net assets), one of the Fund's top holdings, announced that it had entered into a definitive agreement to acquire all of the issued and outstanding shares of Argonaut Gold (not held by Fund). There are several aspects of this transaction worth highlighting:

- Alamos has a good acquisition track record. Today, the consensus net present value of its acquired asset base far exceeds its acquisition costs, demonstrating value creation. The market rewarded that successful execution history with the stock trading up 7% on the day the deal was announced (March 27), despite it being an all-share deal resulting in the issuance of shares representing about 5% of the company's market cap.

- Alamos expects to realize immediate synergies from the use of shared infrastructure, which combined with operating, procurement and tax savings should lead to more than $515M in synergies.

Alamos: demonstrating sound value creation via thoughtful acquisition

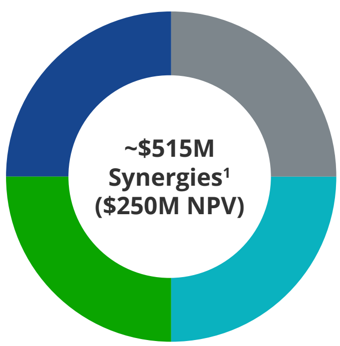
Acquisition Savings & Synergies

Capital Savings: ~$140M

- **Through use of one central mill & tailings facility at Magino**
- **Island Gold mill & ongoing tailings expansions no longer required**

Operating Savings: ~$375M

- **$25M annual operating savings over life of mine**
- **Lower processing costs through central Magino mill**
- **Lower consolidated mine-site G&A**



Procurement Savings

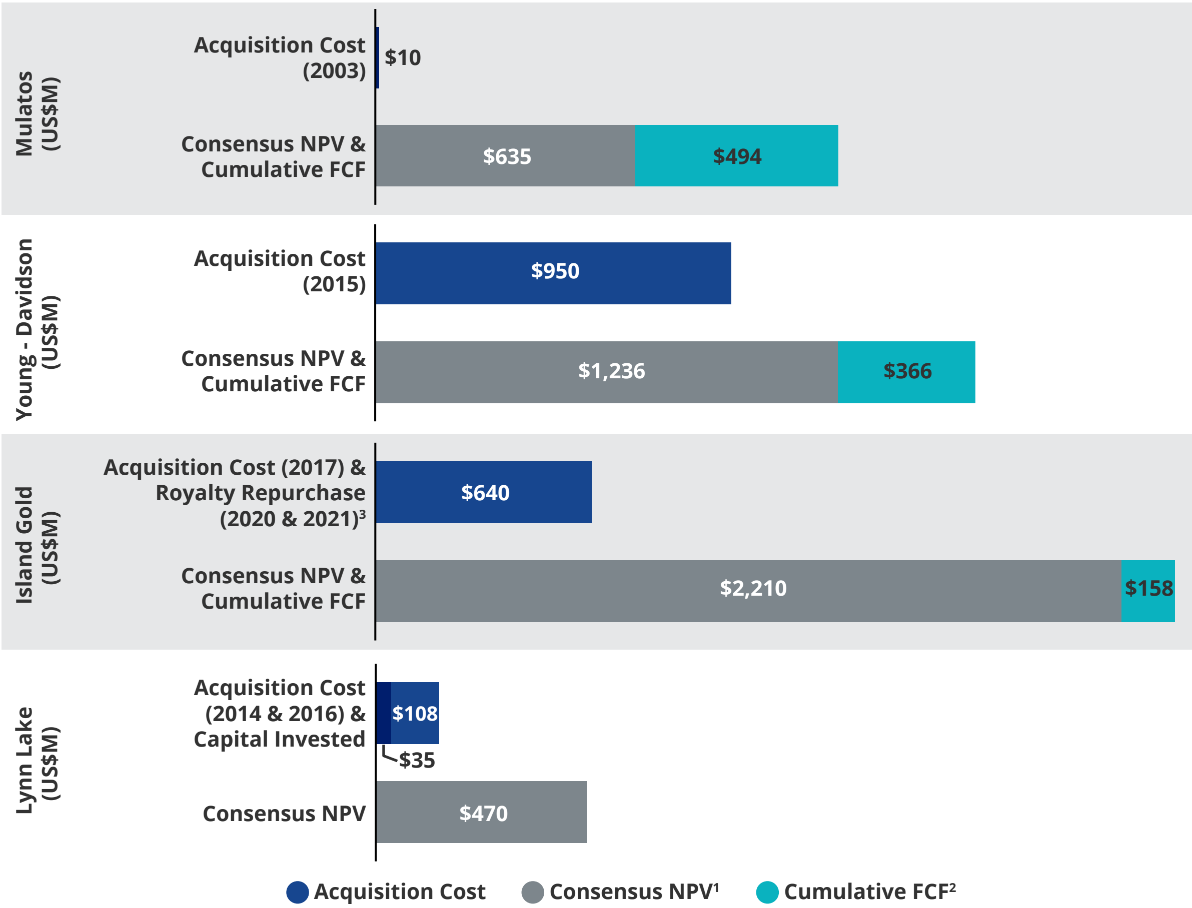
- **Increased purchasing power with three Canadian operations in proximity**

Tax Synergies

- **Deferral of cash taxes in Canada with larger tax pools**

[1] Synergies pre-tax and undiscounted over life of mine; after-tax discounted value of synergies is $250m

Estimated NPV and FCF by Project



Source: Alamos Gold. Data as of March 2024.

[1] Based on consensus analyst net present value (NPV) estimates

[2] Cumulative free cash flow (FCF) generated since acquisition as of Q4 2023. Please refer to Cautionary Notes on non-GAAP Measures and Additional GAAP Measures

[3] Acquisition cost based on the value of Richmont Mines on closing ($627 million), net of $58 million in cash on its balance sheet. Royalty & NPI repurchases totaled $71 million

- The proposed transaction includes the spin out of Argonaut's non-core assets to its existing shareholders as a newly created junior gold producer. Alamos existing shareholders don't have to worry about the integration of these assets into Alamo's portfolio.
- Under the proposed transaction, Alamos will acquire Argonaut's Magino mine, which is located adjacent to its Island Gold mine in Ontario, Canada, making this combination very logical. The integration of these two operations is significantly de-risked as a result, and will create one of the largest and lowest cost gold mines in Canada.
- With the addition of Magino, Alamos' assets in Canada will represent more than 85% of the company's consensus net asset value, potentially leading to higher valuation multiples for the company to reflect an improved geopolitical risk profile.
- The Magino mine reached commercial production in November 2023, so the acquired asset delivers immediate production (and cash flow) growth to Alamos, with an estimated mine life of 19 years and the potential for mine life extensions from a large mineral resource base.

Disciplined and Consistent Approach

Alamos management carefully executed the process to achieve this growth. It has long been in a position to make acquisitions given its strong balance sheet and cash flow generation. However, it was patient, choosing instead to deploy capital to extend and expand its existing mines, until the right opportunity came about. This acquisition is a slam dunk. Plain and simple. It makes sense, as highlighted by the points above. Alamos needs to demonstrate to the markets once again that it can unlock the promised value from this combination. This disciplined and consistent approach has earned the company a premium valuation relative to its peers and should lead to continued outperformance.

Alamos Gold Cautionary non-GAAP Measures and Additional GAAP Measures

Note that for purposes of this section, GAAP refers to International Financial Reporting Standards (IFRS). The Company believes that investors use certain non-GAAP and additional GAAP measures as indicators to assess gold mining companies. They are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared with GAAP. "Cash flow from operating activities before changes in non-cash working capital" is a non-GAAP performance measure that could provide an indication of the Company's ability to generate cash flows from operations and is calculated by adding back the change in non-cash working capital to "cash provided by (used in) operating activities" as presented on the Company's consolidated statements of cash flows. "Cash flow per share" is calculated by dividing "cash flow from operations before changes in working capital" by the weighted average number of shares outstanding for the period. "Free cash flow" is a non-GAAP performance measure that is calculated as cash flows from operations net of cash flows invested in mineral property, plant and equipment and exploration and evaluation assets as presented on the Company's consolidated statements of cash flows and that would provide an indication of the Company's ability to generate cash flows from its mineral projects. "Mine site free cash flow" is a non-GAAP measure which includes cash flow from operating activities at, less capital expenditures at each mine site. "Return on equity" is defined as earnings from continuing operations divided by the average total equity for the current and previous year. "Mining cost per tonne of ore" and "cost per tonne of ore" are non-GAAP performance measures that could provide an indication of the mining and processing efficiency and effectiveness of the mine. These measures are calculated by dividing the relevant mining and processing costs and total costs by the tonnes of ore processed in the period. "Cost per tonne of ore" is usually affected by operating efficiencies and waste-to-ore ratios in the period. "Total capital expenditures per ounce produced" is a non-GAAP term used to assess the level of capital intensity of a project and is calculated by taking the total growth and sustaining capital of a project divided by ounces produced life of mine. "Growth capital" are expenditures primarily incurred at development projects and costs related to major projects at existing operations, where the projects will materially benefit the mine site. "Sustaining capital" are expenditures that do not increase annual gold ounce production at a mine site and excludes all expenditures at the Company's development projects. "Total cash costs per ounce", "all-in sustaining costs per ounce", "mine-site all-in sustaining costs", and "all-in costs per ounce" as used in this analysis are non-GAAP terms typically used by gold mining companies to assess the level of gross margin available to the Company by subtracting these costs from the unit price realized during the period. These non-GAAP terms are also used to assess the ability of a mining company to generate cash flow from operations. There may be some variation in the method of computation of these metrics as determined by the Company compared with other mining companies. In this context, "total cash costs" reflects mining and processing costs allocated from in-process and doré inventory and associated royalties with ounces of gold sold in the period. Total cash costs per ounce are exclusive of exploration costs. "All-in sustaining costs per ounce" include total cash costs, exploration, corporate and administrative, share based compensation and sustaining capital costs. "Mine-site all-in sustaining costs" include total cash costs, exploration, and sustaining capital costs for the mine-site, but exclude an allocation of corporate and administrative and share based compensation. "Capitalized exploration" are expenditures that meet the IFRS definition for capitalization and are incurred to further expand the known Mineral Reserve and Resource at existing operations or development projects. "Adjusted net earnings" and "adjusted earnings per share" are non-GAAP financial measures with no standard meaning under IFRS. "Adjusted net earnings" excludes the following from net earnings: foreign exchange gain (loss), items included in other loss, certain non-reoccurring items, and foreign exchange gain (loss) recorded in deferred tax expense. "Adjusted earnings per share" is calculated by dividing "adjusted net earnings" by the weighted average number of shares outstanding for the period.

Additional GAAP measures that are presented on the face of the Company's consolidated statements of comprehensive income and are not meant to be a substitute for other subtotals or totals presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures. This includes "Earnings from operations", which is intended to provide an indication of the Company's operating performance and represents the amount of earnings before net finance income/expense, foreign exchange gain/loss, other income/loss, and income tax expense. Non-GAAP and additional GAAP measures do not have a standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other companies. A reconciliation of historical non-GAAP and additional GAAP measures are detailed in the Company's Management's Discussion and Analysis available at www.alamosgold.com.

All company, sector, and sub-industry weightings as of March 31, 2024 unless otherwise noted.

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[1]NYSE Arca Gold Miners Index (GDMNTR) is a modified market capitalization-weighted index comprised of publicly traded companies involved primarily in the mining for gold.[2] MVIS Global Junior Gold Miners Index (MVGDXJTR) is a rules-based, modified market capitalization-weighted, float-adjusted index comprised of a global universe of publicly traded small- and medium-capitalization companies that generate at least 50% of their revenues from gold and/or silver mining, hold real property that has the potential to produce at least 50% of the company's revenue from gold or silver mining when developed, or primarily invest in gold or silver.

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About VanEck International Investors Gold Fund: You can lose money by investing in the Fund. Any investment in the Fund should be part of an overall investment program, not a complete program. The Fund is subject to risks which may include, but are not limited to, risks associated with active management, commodities and commodity-linked derivatives, derivatives, direct investments, emerging market issuers, ESG investing strategy, foreign currency, foreign securities, gold and silver mining companies, market, non-diversified, operational, regulatory, investing in other funds, small- and medium-capitalization companies, special risk considerations of investing in Australian and Canadian issuers, and subsidiary investment risk, all of which may adversely affect the Fund. Emerging market issuers and foreign securities may be subject to securities markets, political and economic, investment and repatriation restrictions, different rules and regulations, less publicly available financial information, foreign currency and exchange rates, operational and settlement, and corporate and securities laws risks. Small- and medium-capitalization companies may be subject to elevated risks. Derivatives may involve certain costs and risks such as liquidity, interest rate, and the risk that a position could not be closed when most advantageous. Investments in the gold industry can be significantly affected by international economic, monetary and political developments. The Fund's overall portfolio may decline in value due to developments specific to the gold industry.

Diversification does not assure a profit or protect against loss.

Investing involves substantial risk and high volatility, including possible loss of principal. An investor should consider the investment objective, risks, charges and expenses of a fund carefully before investing. To obtain a prospectus and summary prospectus, which contain this and other information, call 800.826.2333 or visit vaneck.com. Please read the prospectus and summary prospectus carefully before investing.

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