



PPI CAPITAL INSIGHTS

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The Infrastructure Behind AI

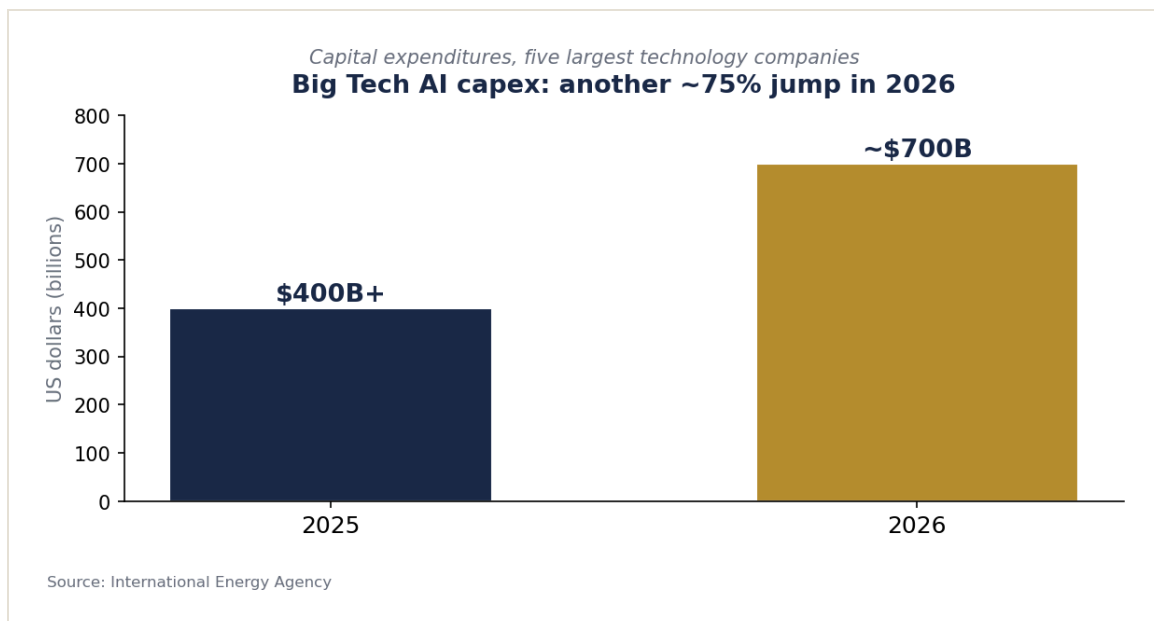
Why the Next Technology Cycle Is a Minerals Cycle

Artificial intelligence is often described as a software revolution. But behind every model, data center and semiconductor is something much more tangible: electricity, transmission infrastructure and the raw materials required to build them.

The next phase of the AI buildout may therefore depend as much on the mining industry as it does on the technology industry.

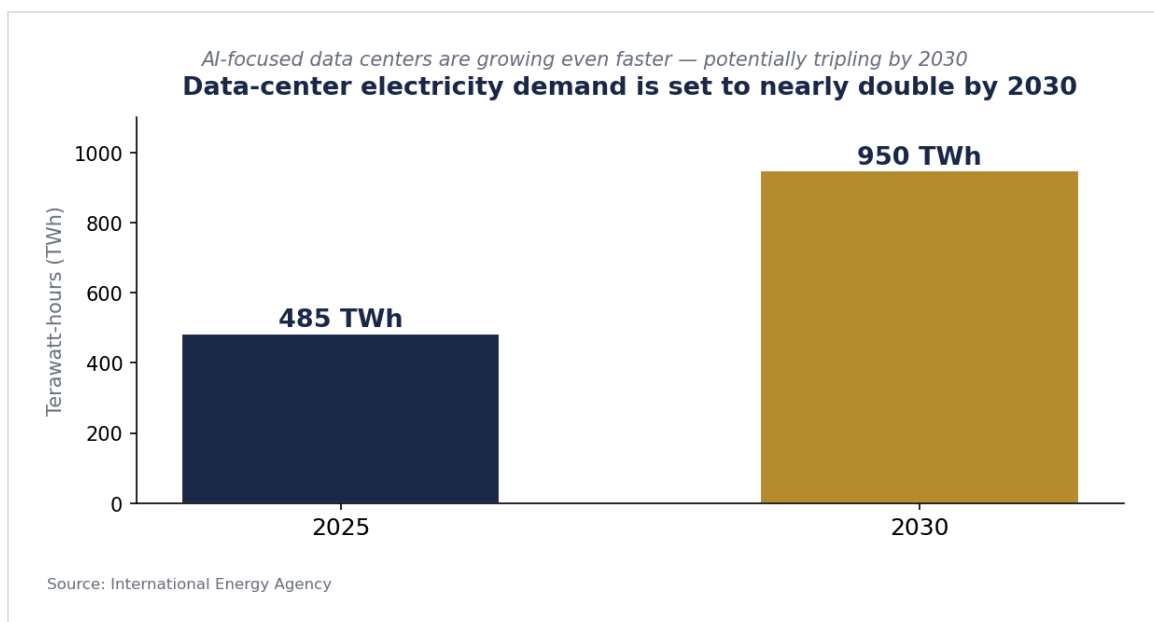
AI MEETS THE PHYSICAL ECONOMY

Investment in artificial intelligence infrastructure continues to accelerate. The International Energy Agency estimates that capital expenditures by five of the world's largest technology companies exceeded **\$400 billion in 2025** and could increase another **75% in 2026**.



Capital expenditures of the five largest technology companies. Source: IEA.

That investment is creating extraordinary demand for computing infrastructure — and electricity. The IEA reports that global data-center electricity consumption reached approximately **485 terawatt-hours in 2025** and projects it could approach **950 TWh by 2030**. Electricity consumption from AI-focused data centers is expected to grow considerably faster, potentially tripling over the same period.



Global data-center electricity consumption. Source: IEA.

This is where the digital economy encounters a physical constraint. Data centers cannot operate on algorithms alone. They require power generation, transformers, transmission lines, substations, cooling systems, backup power and increasingly sophisticated energy-storage infrastructure. Each layer requires physical materials.

THE GRID BECOMES THE BOTTLENECK

The U.S. Department of Energy's **draft** 2026 National Transmission Needs Study identifies a pressing need for additional transmission infrastructure as electricity demand accelerates — driven by data centers, expanding domestic manufacturing, large industrial loads and broader economic growth.

AI infrastructure is being developed on a technology timetable, while electrical infrastructure operates on an industrial timetable. Data centers can be conceived and financed relatively quickly. Transmission projects, mines and processing facilities frequently require years — or considerably longer — to develop. That mismatch matters.

COPPER SITS AT THE CENTER

Few materials illustrate this challenge better than copper — fundamental to electrical transmission and distribution, motors, transformers, electronics, renewable generation and many of the technologies supporting modern data centers.

~7M tonnes

Additional copper demand by 2040 — the largest absolute increase of any critical mineral (IEA)

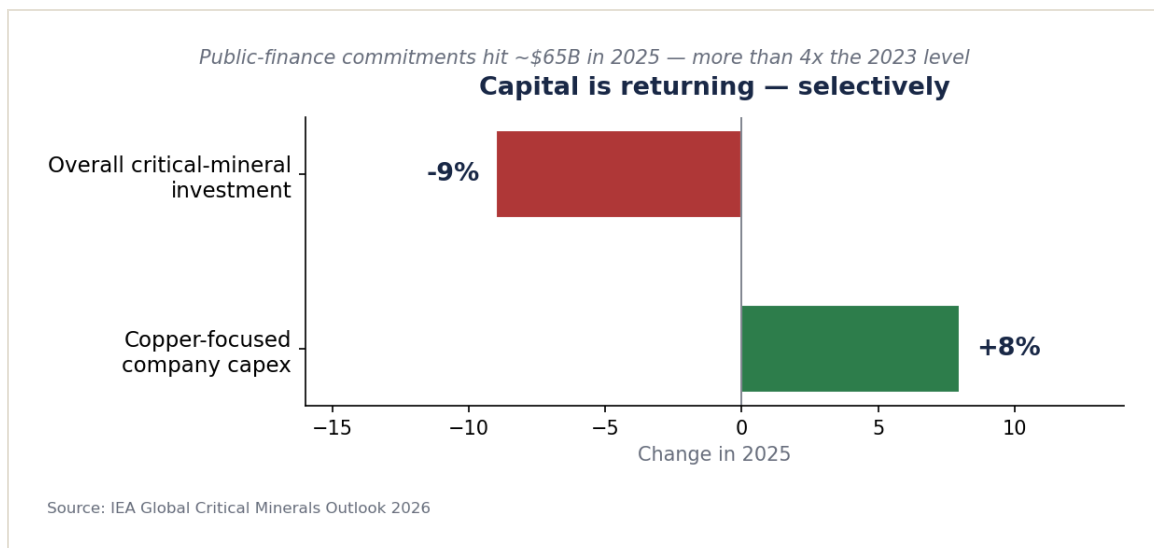
25%

Potential copper supply deficit by 2035, based on currently announced projects (IEA)

This does not guarantee higher copper prices. Commodity markets remain cyclical, technological substitution is possible, recycling can expand and new projects can enter production. But it demonstrates the scale of the challenge.

CAPITAL IS RESPONDING

While overall critical-mineral investment declined in 2025, the IEA reports that capital spending by copper-focused companies increased approximately **8%**. Government participation is also increasing: public-finance commitments for critical minerals in advanced economies reached approximately **\$65 billion in 2025**, more than four times the level recorded in 2023.



Change in 2025. Source: IEA Global Critical Minerals Outlook 2026.

This represents more than a commodity story. It is an infrastructure story.

THE JUNIOR-MINING CONNECTION

The world's largest technology companies are deploying hundreds of billions of dollars into AI infrastructure, while many companies responsible for finding tomorrow's mineral supply remain comparatively small and capital constrained.

The opportunity is therefore unlikely to exist simply in owning "minerals." Asset quality, jurisdiction, metallurgy, financing structure, management capability and entry valuation remain critical. A strong commodity environment cannot transform a poor mineral asset into a good investment. **Disciplined selection matters.**

THE PPI CAPITAL VIEW

AI is increasing the value of computing. Computing is increasing the value of electricity. Electricity infrastructure increases the requirement for physical materials. And those materials must ultimately come from somewhere.

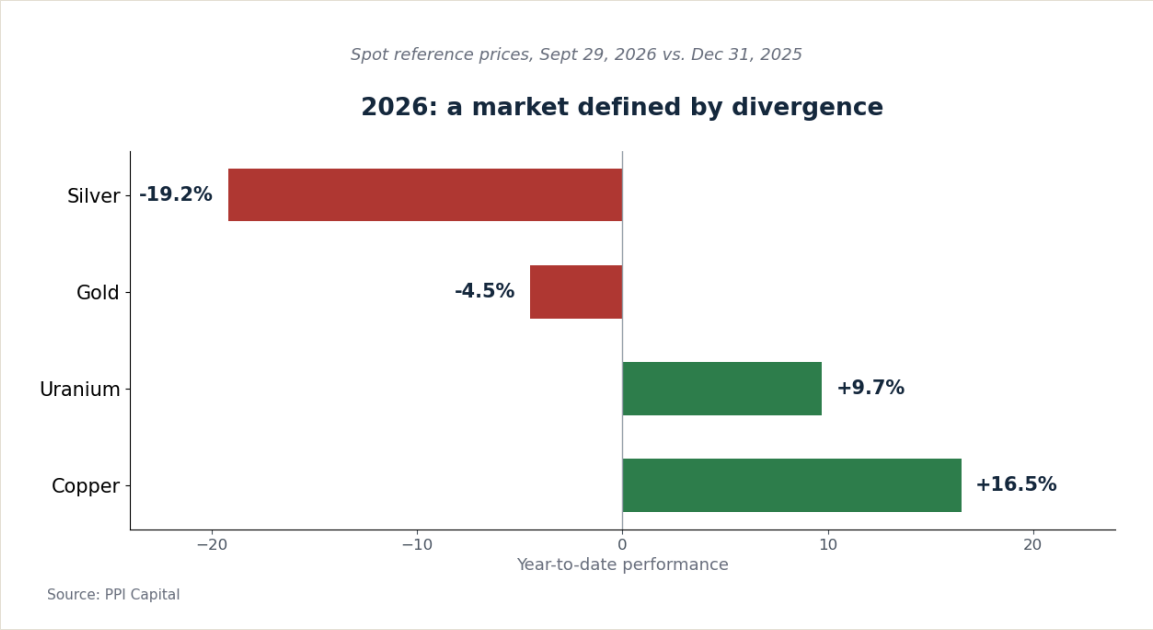
Some of the most important assets supporting the next technology cycle may still be underground.

MARKETS

Mineral Performance

A Market Defined by Divergence

Mineral markets have entered a more selective phase in 2026. After extraordinary gains across several metals in 2025, performance this year has diverged. Copper and uranium remain above their year-end levels, while gold and silver have pulled back after exceptionally strong prior-year advances.



Spot reference prices, Sept 29, 2026 (evening ET) vs. Dec 31, 2025.

Mineral	Reference Price*	2026 YTD	Market Signal
Gold	~\$4,125/oz	-4.5%	Consolidating after historic 2025 gains
Silver	~\$60.80/oz	-19.2%	Volatile following exceptional 2025 appreciation
Copper	~\$6.58/lb	+16.5%	Continued strength amid infrastructure demand
Uranium	~\$89.50/lb	+9.7%	Firm market; long-term pricing also strengthening
Graphite	Grade/region dependent	—	Batteries & supply security
Silica	Grade/region dependent	—	Specialty applications

*Spot reference prices as of September 28, 2026 (evening ET). YTD vs. December 31, 2025 reference prices (gold ~\$4,320; silver ~\$75.24; copper ~\$5.67).

GOLD — CONSOLIDATION AFTER AN EXTRAORDINARY RUN

At approximately **\$4,125 per ounce**, gold is modestly below its December 31, 2025 reference price of roughly \$4,320 — but that follows one of its strongest years in decades. Gold fell sharply on September 28 as higher oil prices stoked inflation concerns and rate expectations, pushing it to a seven-week low. For September as a whole, gold declined roughly 7% after touching approximately \$4,510 early in the month. A structural thesis does not require prices to rise every quarter.

COPPER — THE INFRASTRUCTURE METAL

At approximately **\$6.58 per pound** — about **16.5% above** its year-end 2025 level — copper sits at the intersection of grid expansion, AI and data-center buildout, electrification, domestic manufacturing, defense and power development. The critical issue is not simply demand growth; it is the speed at which new supply can respond.

SILVER — VOLATILITY AFTER EXCEPTIONAL PERFORMANCE

At approximately **\$60.80 per ounce** (about 19% below its year-end 2025 level of roughly \$75.24), silver follows a 2025 in which it appreciated well over 100% by some benchmarks. Its dual identity — precious metal and industrial material — can produce substantial volatility.

URANIUM — ENERGY SECURITY RETURNS

Spot uranium was approximately **\$89.50/lb** in late September, while Cameco's long-term indicator rose from \$86.50 (Dec 2025) to **\$96.50 (Aug 2026)**. As electricity demand grows, nuclear energy is again part of the energy-security conversation — exposure to the same theme driving our interest in copper: **the world needs significantly more dependable electricity.**

GRAPHITE & SILICA — BEYOND THE HEADLINE PRICE

Neither market has a single global spot benchmark; pricing varies by grade, purity, geography and end use. The investment question is not “what is the price?” but **what grade, what purity, what jurisdiction, what processing capability — and who is the end customer?**

A strong macroeconomic thesis is only the beginning of the investment process. The opportunity is to identify high-quality assets, capable management teams and attractive entry valuations within the mineral supply chains the world increasingly depends upon.

CEO'S INSIGHT

CEO's Insight

The Next Mineral Cycle: Supply, Capital and Execution



A Conversation with Kamar R. Jones

Founder & CEO, PPI Capital Limited

For the inaugural edition of PPI Capital Insights, Kamar R. Jones discusses why the next technology cycle is a minerals cycle, where capital is going, and how junior mining assets actually create value.

You've said the next technology cycle is a minerals cycle. What convinced you of that, and when did the thesis click for you?

The macroeconomics for mining couldn't be in a better position. You have multiple areas demanding minerals at record levels at the same time. We need to rebuild infrastructure, particularly the electric grid, which in many places dates back to the 1960s and 1970s. Defense stockpiles are low, and we need minerals to rebuild them. AI is demanding new data centers and the additional energy to power them. Electric vehicles will only become more prevalent, and the minerals for batteries and charging infrastructure have to come from somewhere. And central banks are buying precious metals at record levels and record prices to hedge their currency reserves. Add it up, and this is a prime reason to diversify into mining and minerals — the fundamentals here are among the strongest of any sector I look at.

Everyone talks about rising mineral demand. Where is the supply response most constrained — and why can't capital fix it quickly?

The supply response is most constrained at the very beginning of the pipeline: exploration. Without exploration projects, there are no new producing mines — exploration is the prelude to everything. Several factors are stretching lead times: poor marketing of the sector, lack of capital, over-regulation, and a legacy skills gap. This is not an easy or quick fix. Training mining professionals is a long process, and without a pipeline of young people entering the industry, that gap keeps widening. Projects are capital intensive, so delays often come down to a shortage of capital or the time spent raising more of it. And because investors have been burned by mining companies in the past, that capital is even harder to raise today.

Capital is starting to return to the sector, but selectively. What separates the projects attracting capital from the ones still starved of it?

To me, this is simple. Three things: good management and a strong reputation, a promising asset, and a track record of meeting deadlines and delivering what you said you would deliver. If a project does those three things, I believe the capital will swing its way.

PPI describes itself as a deep-value investor in junior mining assets. What does “deep value” actually mean in this sector?

Deep value is simple. Value investing is buying assets below standard market multiples. Deep value intensifies that — buying below the company’s book value. We have seen cases where we bought into assets holding more cash on hand than their entire market capitalization, which is frankly ridiculous. Deep value reduces risk because you are not overpaying or chasing companies at inflated prices, which is what leaves you exposed when a bubble forms. It also means the investment may be out of favor — but the fundamentals are still in place.

Your model involves direct operational involvement with portfolio companies, not just writing checks. Why take that approach?

Because the investment becomes a partnership when you’re not just writing checks. You have a vested interest in helping the company grow and meet its goals, since your capital is invested alongside them. PPI Capital has a real interest in management consulting, so where we can, we recommend and help these firms connect with people across our network. It’s good business to be involved — and when you’re involved, you know what’s actually happening inside the company.

Walk us through how a junior mining asset actually creates value — what are the milestones where execution gets rewarded?

The process is complicated, but at a high level it works like this. First, you discover and prove that minerals exist — you need to understand how much is there. So you run drill programs on the asset and validate the results in a lab. Those samples come together into an MRE, a Mineral Resource Estimate, which validates how much the asset holds underground. That study is signed off by a qualified person — a very experienced geologist — and new discoveries are made public, so the standard is high. Then you must show the project is economically viable. Those studies are capital intensive and require many professionals: a PEA (preliminary economic assessment), then a PFS (prefeasibility study), then an FS (feasibility study), and finally a bankable feasibility study — each one stronger and more credible than the last. Once those are done, you can shop for the capital to build the mine and move toward extraction. Every milestone you clear de-risks the asset — and that’s where execution gets rewarded.

What’s the single biggest mistake you see investors make when they come into the minerals space?

Not being able to conduct proper due diligence. Part of the reason is they don’t know how — this is a unique sector, very different from most. There is limited Wall Street analyst coverage because these firms are too small to cover. If you don’t know what you’re doing, you can lose a lot of capital.

FIRM UPDATE

PPI Capital Update

From Fund Formation to Deployment

PPI Capital has spent much of 2026 building the institutional infrastructure required for its next stage of growth. As the year progresses, the focus is increasingly shifting from **formation to capital deployment**.

BUILDING FOR INSTITUTIONAL SCALE

PPI Capital's evolution into a private-fund structure — a Cayman master fund, investor feeder vehicles, a dedicated investment manager and defined governance responsibilities — is intended to create a stronger operating framework around investment selection, governance, risk management, investor participation and long-term growth.

The objective is straightforward: build the infrastructure today that allows PPI Capital to manage substantially more capital tomorrow without sacrificing investment discipline.

FROM STRUCTURE TO OPPORTUNITY

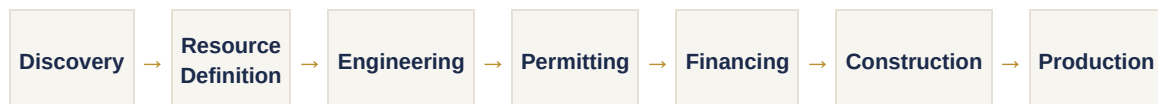
Recent sourcing and due-diligence activity has introduced PPI Capital to opportunities across gold, silver, copper, polymetallic deposits, critical minerals, royalties and pre-IPO transactions.

Three themes emerged from recent management discussions. **First**, quality projects continue to face capital constraints. **Second**, jurisdiction matters increasingly — permitting, infrastructure, political stability, government support and access to capital can materially affect an asset's value. **Third**, entry price matters: a compelling deposit does not automatically represent a compelling investment.

MULTIPLE PATHS TO VALUE CREATION

Public junior-mining equities, private investments, pre-IPO transactions, royalty interests and strategic investments each offer distinct paths. The common denominator is value creation — situations where specific milestones have the potential to materially change an asset's value.

Each milestone can reprice the asset:



DISCIPLINE BEFORE DEPLOYMENT

A larger opportunity set does not mean capital should be deployed indiscriminately. The goal is not simply to participate in a favorable mineral cycle — it is to identify opportunities where asset quality, valuation, management, structure and identifiable catalysts align.

Buy value. Understand the asset. Structure the investment carefully. Allow execution to unlock the opportunity.

CLOSING

Editor's Closing Commentary

Capital Is Beginning to Follow the Geology

For decades, the mining industry occupied an unusual position within global capital markets. Nearly every major economic system depended upon minerals, yet the companies responsible for discovering and developing those resources frequently operated far from the center of investor attention. That relationship may be changing.

THE DIGITAL ECONOMY HAS A PHYSICAL FOUNDATION

Data centers require electricity. Electricity requires generation and transmission. Transmission requires copper, steel and other materials. The further we move into the digital economy, the clearer its dependence upon the physical economy becomes.

Technology can scale rapidly. Geology cannot.

CAPITAL CAN MOVE FASTER THAN SUPPLY

Financial capital can be deployed almost instantaneously. A mine cannot. When governments, technology companies, utilities, manufacturers and investors begin pursuing the same limited set of strategic resources simultaneously, the value of existing deposits — and the companies capable of responsibly developing them — deserves greater attention.

THE OPPORTUNITY IS NOT SIMPLY HIGHER COMMODITY PRICES

Commodity prices will fluctuate and new supply will eventually enter markets. The investment opportunity lies deeper: a mineral asset can move through stages of value creation — discovery, resource definition, engineering, permitting, financing, construction, production — and each successful milestone can change what the market will pay for it.

The thesis is not *own junior mining*. It is: **understand which assets have the potential to become materially more valuable — and what must occur for that value to be realized.**

THE NEXT DECADE WILL STILL NEED TO BE MINED

Copper must still be mined. Gold must still be discovered. Uranium must still be produced. Critical minerals must still be processed. Electrical infrastructure must still be constructed.

For PPI Capital, the question is not whether minerals will remain important to the global economy. They already are. The question is where the market has not yet fully recognized that importance. **That is where we intend to keep looking.**

Kamar R. Jones

Founder & CEO, PPI Capital Limited

Disclosure: This newsletter is for informational purposes only and does not constitute investment advice, an offer to sell, or a solicitation of an offer to buy any security. Past performance does not predict future results. Commodity and mining investments involve significant risk, including the possible loss of principal. Views expressed in interviews are those of the interviewee and do not necessarily reflect the views of PPI Capital Limited.

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