

Gold Miners: Turning Strong Margins Into Long-Term Value



September 2026



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VanEck International Investors Gold Fund

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Colorado Gold Conferences: Business as Usual

The annual Colorado conferences drew strong attendance once again, with a mix of producers, juniors, institutional investors, banks, and corporate development teams. The mood was calm, focused, and notably free of anxiety about the gold price.

We didn't discuss the gold price outlook at any of our meetings. Companies are not pitching bullish gold price scenarios to justify their plans. They don't need to. At current price levels, many of the producers we met with have

strong balance sheets, capital programs funded by internal cash flow, and margins near record levels. The conversations were about operations, execution, and growth, not the gold price. This is a sector that has matured through the cycle, internalized the lessons of past bull markets, and is broadly focused on delivering value. For long-term investors in gold equities, that is precisely the kind of discipline that supports the case for gold miners as a vehicle for gold exposure.

Average Annual Total Returns (%) as of September 30, 2026

	1 MO [†]	1 YR	5 YRS	10 YRS
Class A: NAV (Inception (2/10/56))	-8.97	30.42	28.17	14.46
Class A: Maximum 5.75% load	-14.20	22.92	26.66	13.78
MVGDXTR Index	-10.89	17.70	26.75	14.33

Average Annual Total Returns (%) as of June 30, 2026

	1 MO [†]	1 YR	5 YRS	10 YRS
Class A: NAV (Inception (2/10/56))	-14.38	58.50	21.20	12.63
Class A: Maximum 5.75% load	-19.30	49.39	19.77	11.96
MVGDXTR Index	-15.54	47.33	19.41	12.04

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. Current 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 1.31%; Net 1.31%. Expenses are capped contractually until 05/01/27 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.

Juniors and Developers

The Precious Metals Summit focuses on junior and development-stage companies advancing gold, silver, and other metals projects. This year's conference drew record attendance from both investors searching for ideas and larger companies scouting acquisition targets, a reflection of how much the environment has changed at current gold prices. Capital is no longer the constraint it once was for this part of the market, and most developers we met with have been able to raise sufficient funding to advance their projects meaningfully.

We were encouraged by the progress across our portfolio, with several companies on track to begin production in 2027, others having recently secured key mining permits or approaching approval, and others still expanding their resource base through active drilling programs. The flip side of a well-funded junior sector, however, is a proliferation of lower-quality projects being advanced and marketed that would not have been viable at lower gold prices. With the universe of companies expanding and the range of quality widening, disciplined due diligence is particularly important. Not all ounces are created equal. The central challenge in this part of the market is to separate the truly compelling opportunities from the riskier, more complex, potentially uneconomical projects that may never become meaningful assets.

Producers: Execution Is the Differentiator

We met with over 35 companies at the Mining Forum Americas 2026 conference. If there was a single dominant theme across our producer meetings, it was execution. At current gold prices, the debate has moved well past “can the sector generate cash flow?” – it can, abundantly – to “can management teams deliver against their targets?” The market is paying close attention to that distinction, and the gap between companies that are executing and those that are stumbling is being reflected in share price performance.

Several companies navigated operational incidents during the year, including pit wall instability events, underground seismic activity, and infrastructure failures. Welcome to mining. We wrote about this in our last [blog](#). Sometimes things go wrong, even at the best companies, which is why the quality of management's response matters as much as the incident itself. Companies need to communicate rapidly, quantify the impact clearly, and demonstrate how their broader asset base can help offset the weakness of the troubled unit. We meet with these companies to assess the nature of the operational trouble: Is it a one-off or a longer-term issue? Are the ounces lost or deferred? Do the failures reflect deeper procedural or technical concerns, or are they largely outside of management's control? The answers to these questions guide our investment decisions.

On the growth side, we generally favor organic expansions near existing infrastructure over greenfield development.

At current gold prices, however, established producers have the financial flexibility to consider M&A opportunities, revisit projects, rescope or accelerate capital programs, and invest in exploration. Dividend initiations and share buybacks are becoming more common, even among smaller companies. Hedging programs are being wound down or allowed to expire, though companies with large capital commitments are establishing programs that protect cash flows on the downside while preserving upside exposure to the gold price. Reserve and resource estimates and project economic studies continue to use gold price assumptions at a discount to spot, a conservative approach that suggests a continued commitment to profitable operations and value delivery through the cycle.

Gold Fields' offer to acquire Northern Star Resources was the big news at the conference this year. The deal, if completed, would create the second-largest gold mining company in the world by production. Northern Star Resources has rejected the proposal, though Gold Fields could return with a revised offer. The strategic rationale includes operational synergies from overlapping Australian assets, meaningful tax benefits, and enhanced scale. The complexities are equally significant – integrating large, geographically dispersed operations across different corporate domiciles and shareholder registries and navigating the required regulatory approvals. We believe there are many opportunities for consolidation across the sector, but it is critically important that companies evaluate any transaction squarely on the merits of value creation, grounded in tangible, quantifiable synergies and benefits, while assessing the increased risks that come with operating at greater scale.

Labor remains one of the most consistently cited challenges across the sector. Skilled trades are the most constrained category, and the pressure intensifies for new construction projects, where Tier 1 project engineers, consultants, and construction managers are in particularly short supply in some regions. Companies are responding with a range of approaches: sign-on and retention bonuses, incentive programs, expanded training, and moving experienced personnel across operations. They are also focused on managing project pipelines effectively, so that construction and project teams can move swiftly from one site to the next, optimizing the use of in-house and contracted talent. Open-pit operations appear better positioned on labor availability than underground mines. Companies operating in Canada, the United States, and Australia consistently report more pressure than those in other parts of the world.

Jurisdictions: Where You Mine Matters

The geographic risk profile of a portfolio, and management teams' ability to navigate the regulatory, environmental, political, and community landscape in which they operate, is a recurring theme across all our meetings.

In the United States, the FAST-41 permitting framework is beginning to demonstrate its value as an effective accelerator. Development-stage projects that have embraced the process are reporting streamlined permitting timelines and more structured federal agency engagement. The designation of mining projects as matters of national importance is translating into real procedural momentum, a welcome shift for a sector that has long viewed U.S. permitting as one of its most difficult risks.

In Africa, companies operating in Morocco and Côte d'Ivoire offered constructive commentary on their respective jurisdictions. Ghana, in contrast, generated considerably more questions. Regulatory changes around contractor mining, combined with upcoming lease renewals at major operations, are creating meaningful uncertainty for companies with significant exposure there. The situation is being actively managed through government engagement and dialogue, but it highlights how quickly a jurisdiction's risk profile can shift, and how consequential that shift can be for large capital decisions.

Elsewhere, Colombia emerged as a surprise positive. Potential policy changes from the newly elected government seem to be reviving interest in development projects that had been shelved. Mexico continues to be flagged with caution.

The share price performance of Australian-listed gold producers as a group has lagged that of their North American peers. In our meetings, we continued to explore the reasons for this underperformance, with companies offering a variety of explanations. It appears to be a combination of factors: gold price hedging programs, elevated near-term capital expenditures, market perception that Australian producers are more exposed to fuel cost pressures, speculation about changes to capital gains tax laws, and the structural shift of superannuation funds toward international allocations. Separating company-specific fundamental developments from temporary market dynamics affecting capital flows and broader sector sentiment is an important step in identifying attractive investment opportunities.

The overall picture from Colorado 2026 is of a sector in good health, operating with discipline, and increasingly being evaluated on the quality of its execution rather than its leverage to the gold price. We believe that provides a sound foundation, and the opportunity set for gold equities remains compelling.

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¹London Bullion Market Association (LBMA) Gold Price PM Index is the afternoon global benchmark reference price for one fine troy ounce of unallocated gold delivered in London.

²Bloomberg 10-Year U.S. Treasury Index is a rules-based, market-capitalization-weighted benchmark administered by Bloomberg Index Services Limited that tracks the total return and yield performance of USD-denominated, fixed-rate, nominal U.S. Treasury notes targeted to a 10-year maturity cycle.

³MarketVector Global Gold Miners Index (MVGDXTR) tracks the overall performance of companies involved in the gold mining industry.

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