

# Widespread Portfolios Autumn 2008 Update

# Main Messages

- Setting the stage
- Review of Major Investments
- Possible 12 month growth scenario

# Part A - Setting the stage

- History
- Financial summary
- Operating philosophy
- Management
- Historical return on investment

# History

- WID was established in 1989 and listed on the NZSX in December 2003
- \$202,000 was raised in 1989 from 40 shareholders who subscribed for 202 \$1,000 shares
- Investors were advised that the company would invest aggressively in small, often speculative ventures and only to invest money they could afford to lose (this advice still applies)
- Shareholders now hold assets worth over \$17.5 million
- Fully diluted issued capital is now 1.97 billion shares

# Operating Philosophy

- WID is a venture capital investor in the mining sector
- We invest in exploration companies (mostly overseas) that need seed capital
- We assist them to advance operationally, then to list on a recognised stock exchange (examples ASN, KSO, WEN, GPR)
- Our objective is to hold assets that grow in value and thereby increase our own value
- The objective is not to make trading profits on a regular annual basis by selling successful investments before they have matured
- WID does not borrow and has a nil dividend policy

# Management

- Management has effectively been contracted to company founder (and largest shareholder) Chris Castle since 1989
- The company has no staff or office overhead structure
- Operations are overseen by a 5 person board including two independent directors
- Monthly board meetings held – often by phone
- The board is collectively the largest shareholder with 18.4% of fully diluted capital

# Financial Summary

- Unaudited net assets, as at 31 March 2008, \$17.6m
- Issued capital 1.029b shares, 8.5m listed 100-share warrants, 900,000 unlisted 100-share warrants (fully diluted 1.97b shares)
- WID corporate policy is to leverage asset growth by means of ongoing share splits
- Present market capitalisation (including listed warrants) is \$15.9m

# Historical return on investment

(measured as average growth in net assets per share per annum)

	<b>Average annual increase in net assets to 31 March 2008</b>	<b>Average annual increase in net assets to 31 March 2007</b>
<b>Year to 31 March</b>	<b>(18.1%)</b>	<b>91.2% gain</b>
<b>5 years to 31 March</b>	<b>22.8%</b>	<b>28.0%</b>
<b>10 years to 31 March</b>	<b>26.1%</b>	<b>30.0%</b>
<b>19 Years to 31 March</b>	<b>18.0%</b>	<b>21.2%</b>

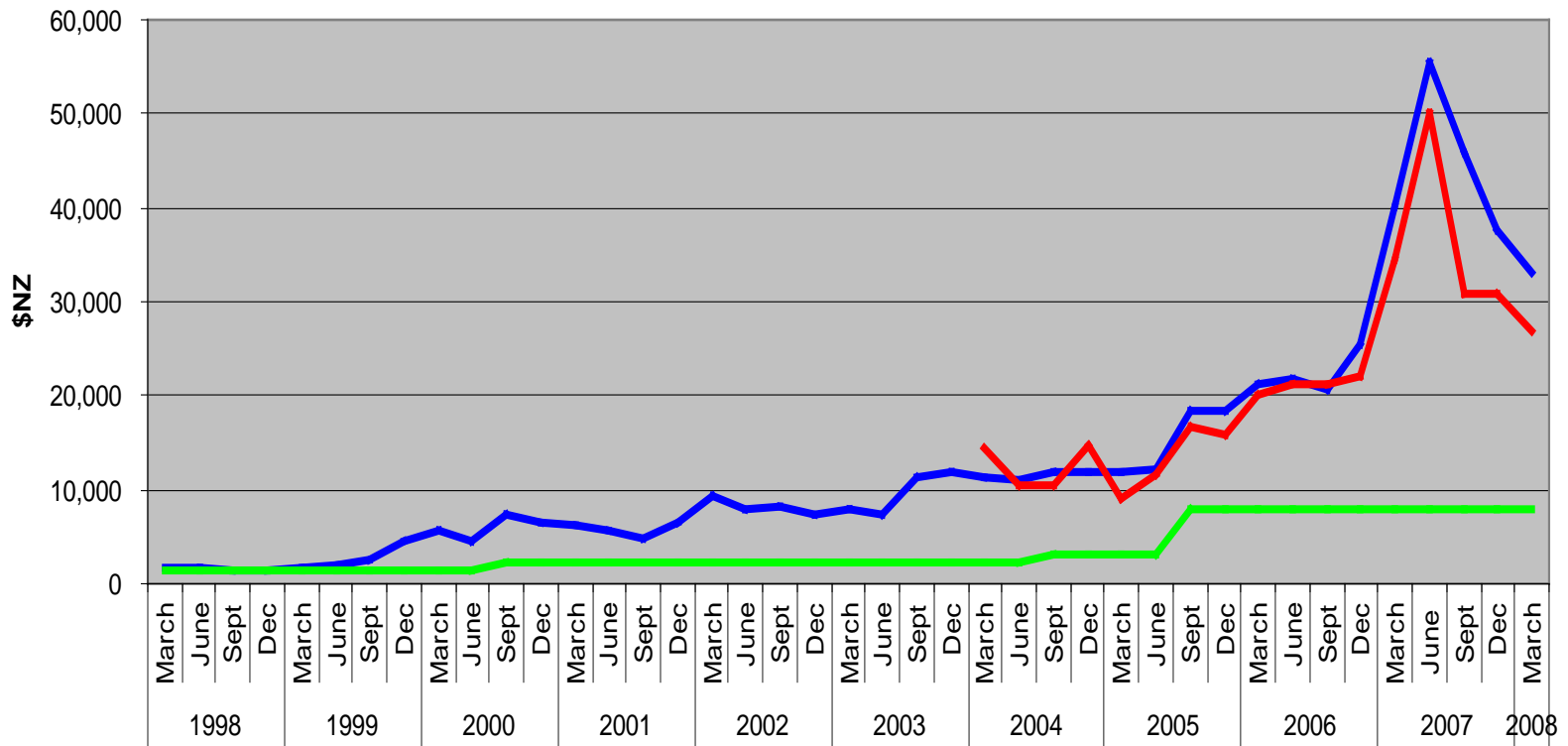


# Historical 10 year return compared with market value)

Widespread Portfolios - 10 year growth to March 31, 2008

(NZX listing January 2004)

NTA blue, market value red, cost green



# Part B- Major Investments

- Asian Mineral Resources (69.4% of portfolio)
- King Solomon Mines (9.5%)
- Widespread Energy (4.8%)
- New projects (11.6%)

# Asian Mineral Resources

- Mining license granted December 2007
- Mine, processing plant and mining camp construction is well advanced (visit [www.asianminres.com](http://www.asianminres.com) for visual evidence)
- Mining equipment and processing plant have been acquired
- Cdn\$52m raised in last 12 months, Cdn\$14.3m this week at \$2.10 a share (50% premium to market price)
- New exploration licenses applied for
- Fly-through

# Asian Mineral Resources – a bargain?

- AMR shares are presently trading at Cdn \$1.40, valuing the company at Cdn\$142.5m.
- This equates to Cdn\$642 per tonne of contained nickel.
- AMR's peer group of nickel producers presently trade at a market value of Cdn\$7,323 per tonne
- Zinifex recently acquired Tasmanian nickel miner Allegiance at the equivalent of Cdn\$6,873/t (see next slide)
- Jubilee nickel miner was taken over in February 2008 for Cdn\$5,688/t
- If AMR shares traded at only 50% of the peer group average they would be Cdn\$6 a share
- During 2007, prior to the grant of the ML, AMR shares traded at Cdn\$3.00

# Nickel Producer Peer Group Valuations

Company Name	Symbol	Date	Share price CAD	FD MkCap MCAD	Resources or Reserves Ni/t	FD MkCap per tonne Ni	FD MkCap lb/Ni (CAD)
Jubilee Mines	JBM-ASX	April 30, 08	22.016	2,984.3	526,531	5,668	2.57
Western Areas	WSA-ASX	April 30, 08	9.320	1,612.5	274,830	5,867	2.66
FNX Mining	FNX-T	April 30, 08	32.390	2,739.0	210,340	13,022	5.91
Mincor Resources	MCR-ASX	April 30, 08	3.376	680.8	162,358	4,193	1.90
Liberty Minerals	LBE-V	April 30, 08	1.540	135.3	11,808	11,456	5.20
Sallay Malay Mining	SMY-ASX	April 30, 08	5.012	992.8	201,814	4,920	2.23
Canadian Royalties	CZZ-T	April 30, 08	2.370	254.8	153,741	1,657	0.75
Independence Group	IGO-ASX	April 30, 08	7.760	954.1	123,356	7,735	3.51
<b>Asian Mineral Res.</b>	<b>ASN-V</b>	April 30, 08	1.600	<b>142.5</b>	<b>221,860</b>	<b>642</b>	<b>0.29</b>
Crowflight Minerals	CML - V	April 30, 08	0.660	192.8	123,356	1,563	0.71
Mirabela	MBN - ASX	April 30, 08	6.448	868.8	658,000	1,320	0.60
Allegiance	AGM - ASX	April 30, 08	1.046	805.5	114,000	7,066	3.20
Albidon	ALB - ASX	April 30, 08	3.614	601.9	100,610	5,983	2.71
<b>Overall Average</b>						<b>5,469</b>	<b>2.48</b>
<b>Asian Mineral Resources as percentage of overall average</b>						<b>11.7%</b>	<b>11.7%</b>
<b>Producer average</b>						<b>7,323</b>	<b>3.32</b>
<b>Asian Mineral Resources as percentage of producer average</b>						<b>8.8%</b>	<b>8.8%</b>
<b>Implied market capitalisation of AMR at overall average (CAD)</b>						<b>1,213,269,597</b>	
<b>Implied fully diluted value per share (CAD)</b>						<b>11.92</b>	

# Why is AMR so discounted?

- Risk of not getting the ML – now gone
- Perceived country risk (Vietnam) – this still remains
- Risk of delays or technical difficulties in commissioning the plant and mine – still remains
- No off-take agreement signed – not really a risk but about to change
- Investor perception that AMR will struggle to finance the plant – almost gone
- Listing on TSX Venture exchange – risk dissipates next week
- Almost non-existent investor relations programme – changes next week

# King Solomon Mines (KSO)

- WID holds 11% of ASX listed KSO and is the largest shareholder
- KSO is a Inner Mongolia (China) based mineral exploration company looking for large base metals (nickel/copper/zinc/lead/molybdenum) prospects
- The KSO principals have been actively involved in China for 8 years and one director (Inner Mongolian national La Fu) is the second largest shareholder
- Although no economic orebodies have yet been identified KSO has an active exploration programme in a number of prospects (see [www.kingsolomonmines.com](http://www.kingsolomonmines.com))

# Widespread Energy - Strategy

- Direct investment in oil and gas exploration opportunities (both overseas and in New Zealand)
- Investment in listed oil and gas stocks overseas
- Direct investment in electricity sector niche opportunities in electricity generation, transmission, storage and utilisation
- Investment in listed electricity sector stocks, both overseas and in New Zealand.



# Widespread Energy – existing projects

- An 11.7% interest in Green Gate Limited, the holder of four petroleum exploration permits (PEPs) in three South Island areas (Canterbury, Murchison and Great South Basin)
- PEP 38526 over the prolific oil seeps at Kotuku on the West Coast
- PEP 50439 for an area of over 3,286 km<sup>2</sup>, off the West Coast of the South Island between Hokitika and Punakaiki.
- WEN now has six oil/gas opportunities in NZ

# Chatham Rise Phosphorites (1)

- WEN has also (in conjunction with Widespread Portfolios) applied for an exploration license over part of the Chatham Rise.
- The area under application contains large quantities of phosphorite nodules (rock phosphate), presently imported from Morocco by the NZ fertiliser industry
- The energy-related logic driving this project is the projected rapid increase in biofuels that is likely to result in substantially increased demand for fertilisers and ongoing increases in fertiliser prices.

# Chatham Rise Phosphorites (2)

- The nodules also contain fluorine, rare earth minerals and other valuable by-products.
- Early 80s exploration by Fletcher Challenge Corporation, and other companies indicated the potential for economic concentrations of phosphorite on the Chatham Rise.
- Rapidly increasing superphosphate prices and advances in underwater mining technology (e.g., Neptune Minerals and Nautilus Minerals) mean exploration for submarine mineral deposits is now significantly more feasible.
- The phosphorite resource may exceed 100m/t (with a current market value of NZ\$46b) and could prove to be an economically viable source of fertiliser depending on extraction costs.
- ASX-listed Mine Makers (MAK) has a measured resource of 71m/t in the NT. Since announcing this in Feb 08 the market value of MAK has risen from Aud\$20m to Aud\$267m

# Chatham Rise (3)

- The WID/WEN consortium plans a 2 year work programme that, if successful, will be followed by more detailed exploration and evaluation.
- This project may take a number of years to come to fruition and could require significant sums of capital to be invested.
- However, if it can be established that the resource can be mined successfully without adversely affecting the surrounding environment the potential market value of the rock phosphate and other contained substances is large and the project could be quite profitable.

# New Projects

- Glass Earth Gold – exploring for major gold deposits in central Otago and the volcanic plateau
- Fischer-Watt Gold (US based gold explorer)
- Golden Phoenix (China based private company looking for gold and base metals)
- See [www.widespread.co.nz](http://www.widespread.co.nz) for more detail

# Part C – Outlook

The “possible” 12 month growth  
scenario – no promises

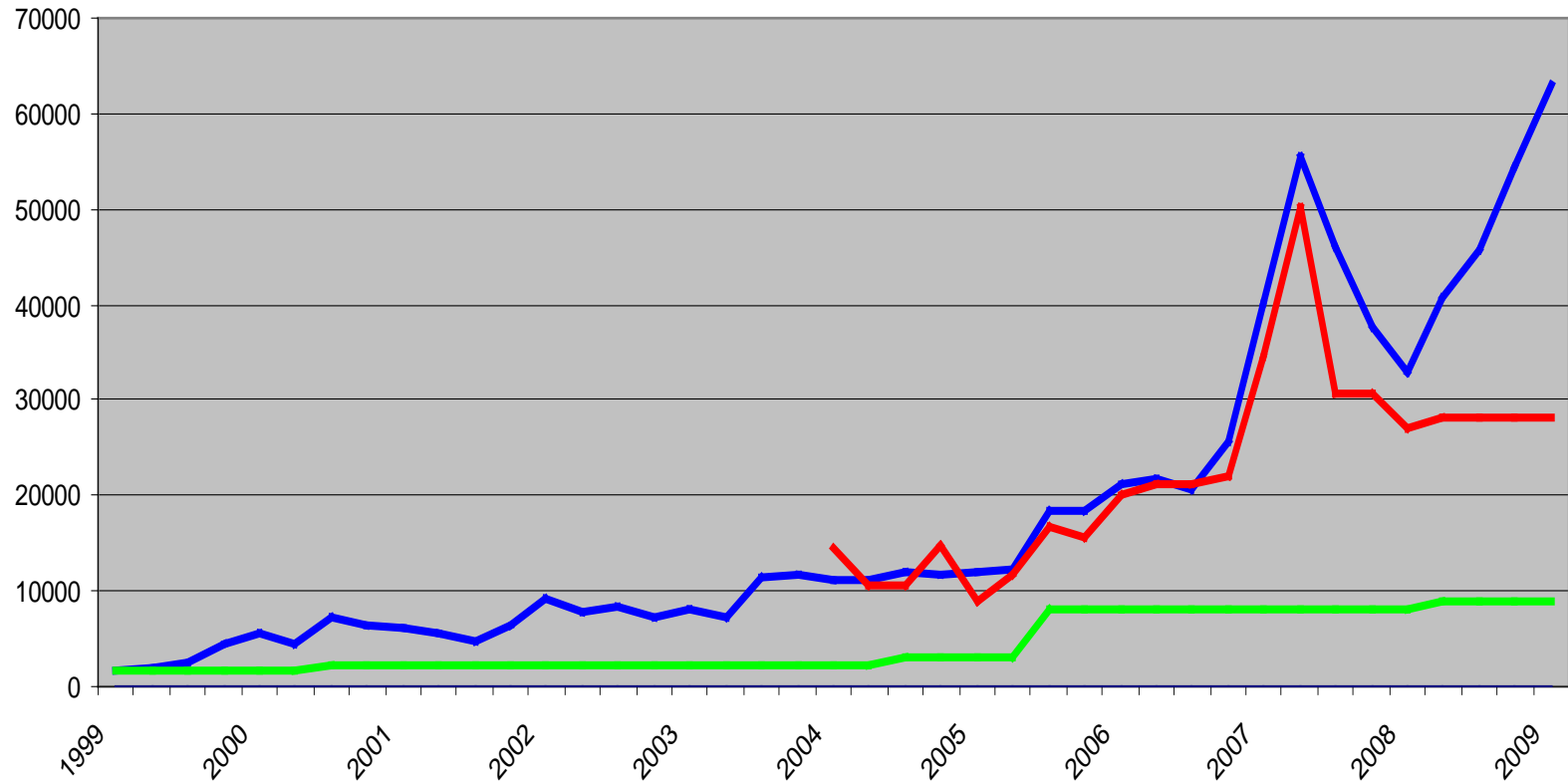
## Widespread Portfolios - possible 12 month asset growth scenario

	ASN	KSO	WEN	WID NTA	WID
Date	price	price	price	cents/share	Net Assets (\$m)
March 31, 2008	1.50	12.0	15.0	1.74	17.65
<b>April 30, 2008</b>	<b>1.40</b>	<b>14.0</b>	<b>15.5</b>	<b>1.70</b>	<b>17.50</b>
June 30, 2008	1.75	20.0	20.0	2.03	22.28
September 30, 2008	2.00	25.0	20.0	2.28	24.95
December 31, 2008	2.50	30.0	20.0	2.71	29.69
March 31, 2009	3.00	35.0	20.0	3.14	34.40

# Looking at it another way....

Widespread Portfolios - 12 month growth scenario

NTA blue, market red, cost green





# WID Outlook

- The key value drivers for WID are our investments in AMR, KSO and Widespread Energy
- AMR price growth relies on Canadian investors accepting that the perceived risks are largely gone
- KSO needs to find an economic orebody
- WEN is reliant on oil or gas being found in one of its 6 prospects (or a market re-rating based on a better understanding of the portfolio)
- Better investor relations will help

# Investor Relations

- Our discount to NTA (around 23%) is too high
- A discount of 15% is presently regarded as normal for investment companies
- But WID is not an investment company – it's a venture capital investor in the mining sector
- Pine Tree Capital (Canadian peer) trades at 2X NTA due to high asset growth
- WID track record is better than Pine Tree Capital
- Solution – get out and spread the story
- How? - Meetings like this, upgraded website, broker visits, better media interaction

# Conclusion