



TDV News & Exploration Update

Ed Bugos & Kashyap Sriram

June 2, 2017

Upcoming Results Schedule (TDV Portfolio)

No upcoming results

Brief Macro Update

Following the sharp sell off in bitcoin from \$2800 down to \$1850 last weekend, the bulls have cautiously moved the price back up this week. The bulls and bears fought a little over the \$2300 level, the last lowest high in the hourly chart on that slide, but ultimately the bulls pushed through, carefully, to \$2400, \$2450, helped in part by the withdrawal of a freeze that was put on two of the big Chinese exchanges by the PBOC.

I am content to have scaled back and taken some profits into the rally. Like any of our positions, if you don't already own at least the recommended 5% allocation it is probably best not to mess around, start buying.

But if your allocation has swelled to make up the biggest portion of your wealth, unless you are a blockchain entrepreneur or something then I would not be afraid to take profits as an investor. The market might go higher. I'm not convinced the steady rise denotes a rising wedge formation because there has been buying behind the move, it hasn't just drifted higher on dwindling volumes. Also, there is more of a bullish saucer shape to it. I don't know what is going to happen next but my guess is that the market continues to build out sideways somewhere between \$2k and \$3k for now. I just don't know if it will be a resting plateau or top, at least until the August 1st implementation of the [user activated soft fork](#) (BIP 148) has passed without grief.

At the moment, the rest of the crypto ecosystem has been growing fast, and another blockchain (Ethereum) has been adopted by one of the Chinese exchanges, so Bitcoin is enjoying some of the network effects.

Wall Street closed moderately in the green on Thursday, as the ADP research institute, a private research firm, said private businesses hired 253 thousand workers in May 2017 compared to a downwardly revised 174 thousand in April and way above market expectations of 185 thousand. Bank stocks led gains and energy equities were little affected by the United States withdrawing from the Paris climate pact. All three major indices booked new all-time highs. The Dow Jones gained 136 points or 0.7 percent to 21144. The S&P 500 closed up 18 points or 0.8 percent to 2430. The Nasdaq jumped 48 points or 0.8 percent to 6247.

Friday's monthly jobs report is published by the government, and includes government jobs. A 2016 study by CNBC found the difference between the number of new jobs reported by ADP every month and the BLS private nonfarm jobs number that comes two days later is greater than 40,000 about half the time. The BLS is expecting a gain of about 182,000 jobs tomorrow morning (Friday) compared to 211k in April. The news by

ADP suggests a 50% probability that the range for the BLS figure will be between 213k to 293k, which is likely a beat. That is, Friday's report will also show better than expected job growth in the month of May.

Nevertheless, the better than expected ADP number falls within a general downtrend that started last July (2016) and basically beats lowered expectations. While I expect the same to occur in the BLS number, we may still see the news inspire bullish confidence and extend the new highs in stocks into the weekend.

Having said that, the bar is high - meaning bullish expectations may be easy to disappoint come morning.

Gold shrugged off its earlier losses after the news, and the US dollar's gains were mixed/muted - rising against Euro, Yen and Aussie while falling against South African Rand, Mexican Peso and Pound.

The only significance of the jobs data is if there is an outlier surprise either way better than expected or an upset, and really only an upset matters because the only reason it matters is for Fed policy, and a strong number is not likely to change that course, while a weak number is. The FOMC meeting is two weeks away.

I will issue a trade update on all that this weekend, either in our main newsletter issue or separately.



TDV Portfolio News Summaries

Franco Nevada (FNV, MCap \$13.30b, 178.48m SO) reported \$172.7 million in revenue on 'production' of 131,578 gold equivalent ounces (GEOs) for Q1 2017. Both revenue and production set a new record, up 30.8% and 23.4% yoy respectively. The company also announced a dividend increase for the 10th consecutive year.

David Harquail, CEO, said,

"Franco-Nevada's diversified portfolio and business model continues to deliver with record GEOs and revenue being realized in the first quarter. Recent acquisitions are performing well and we continue to benefit from increased activity

on many of our properties. It is a testament to both the portfolio and our business model that Franco Nevada has again declared a dividend increase. This marks Franco-Nevada's 10th consecutive year of dividend increases since it went public in late 2007. Franco-Nevada remains debt free with increasing cash balances and we continue to see investment opportunities across various commodities."

This stock has bucked the bear market trend in gold prices and the miners. It just keeps growing and growing and growing. Its royalties have very long lives and much potential for new cash flow streams.

Having said that, it is expensive, and is likely to fall when the stock market dives, so don't be too aggressive buying this one right now, and if you own it consider reducing your weighting -but not by selling it all.

Insuring FNV with an Option Strategy,

One way to insure your position is with an option strategy, for example, through a put purchase, a call short sale, or some type of spread. Keeping it simple, if you wanted to fully insure the downside for the next five months you could buy the October 20th \$75 Puts, currently trading at \$6 ask, or about 8% (or about 20% annualized). In other words, if you wanted to insure this holding all year around 100% right now, at today's prices, the stock would have to gain 20% to break even. Such a strategy doesn't make a lot of sense to me. I would prefer to buy puts only after rallies that make them cheaper relative to the calls, as they are here, but I would forfeit some of the protection to reduce the insurance cost. In other words, I would rather buy the \$55 puts for 50 cents. That way I'm only giving up upside of less than 3%, i.e., I can break even at 1.7% annualized gain. The downside on the October \$55 puts is that the delta is low, which means that the puts will not rise much at first... maybe only 5 cents for the first \$1 decline, and growing from there. The market is paying a \$2-3 premium for the July options at the money, which means that if the stock dropped to \$55 in the next three months, i.e., about \$19, we only protect ourselves against 20% of that decline, maybe 30%, maybe 40% if the decline has speed and boosts the implied volatility of the stock. There are degrees of protection in between, all depending on what trade off you prefer between how cheap the insurance is and how much protection you want. A second way to insure is by shorting or writing a call option. For example, we could write the October \$75 calls for \$4.90 (bid). This way if the stock goes down you are covered for the first \$4.90, or 6.5%. After that your loss grows in proportion with the stock's losses. But you have a nice little buffer. Alternatively, should the stock rally past \$75, you will be called upon to forfeit the stock at that price. But you would keep the \$4.90 premium, so you would have guaranteed yourself an additional 6% gain over today's price. This trade makes sense only if you don't expect the stock to fluctuate more than \$5 in the period of time to expiry. That way you are increasing your return by collecting a premium. It's called a "covered write." But it requires a margin account and I wouldn't recommend it for novices and intermediate traders. The final way that I can suggest maintaining exposure while reducing risk, for novices and intermediate traders, is by selling your stock, and replacing it with an option. Hence, if you own 1000 shares of FNV, if you sold it and bought 10 contracts (covering 1000 shares) at the \$75 strike price and October expiry you would only be risking \$5 per share, and you depending on how fast it rallied you might still capture most of the gains after the cost of the premium. So if it went to \$90 by August and the call option traded where the July \$90 calls trade at today (\$16.30) you'd capture \$11 out of \$15 gain in profit while limiting your risk to \$5 per share. But that is today's volatility. If it went to \$90 pronto, raising implied volatilities, you might get 80-90 percent of it.



Goldcorp (GG, MCap 11.53b, 855.5m SO) announced the completion of its previously announced sale of the fully permitted Cerro Blanco project to Bluestone Resources.

This is in keeping with its strategy of asset rationalization as it divests itself of non-core properties. Goldcorp retains a 9.9% equity interest in Bluestone Resources, a 1% NSR royalty on the property and is eligible for a further payment of \$15 million on declaration of commercial production.

IAMGOLD (IAG, MCap \$2.00b, 464.7m SO) reported a net loss of \$18 million (Q1 2016: \$53.1 million net earnings) and operating cash flow of \$68.3 million (Q1 2016: \$51.4 million) on production of 214,000 ounces (up 12%) at an AISC of \$992/oz for Q1 2017. The company reaffirmed its 2017 guidance of 845,000-885,000 oz production at an AISC of \$1,000-\$1,080/oz.

Steve Letwin, President and CEO of IAMGOLD commented, *"We executed on several growth initiatives in the quarter, including the continuing ramp-up of Westwood production, buoyed by regulatory approval of the reopening of the mining block affected by the fall of ground two years ago; continuing high grade drilling results at Saramacca; the acquisition of the remaining interest in the Siribaya project; a power purchase agreement at Essakane for the development of a 15MW solar power project; and the advancement of the pre-feasibility study for Côté Gold."* The

company also reported drill results from its Monster Lake project in Quebec, Canada, its Saramacca project in Suriname, and Boto in Senegal. Monster Lake drilling highlights included 4.4 metres grading 5.21 g/t gold, 3.1 metres grading 121.67 g/t gold and 1.8 metres grading 85.27 g/t gold.



Saramacca drilling highlights: 43.5 metres grading 12.26 g/t gold, 76.6 metres grading 7.74 g/t gold and 46.5 metres grading 3.07 g/t gold. Boto drilling highlights: 37 metres grading 1.83 g/t gold, 42 metres grading 1.26 g/t gold and 77 metres grading 4.35 g/t gold at the Malikoundi deposit and 14 metres grading 1.64 g/t gold and 22 metres grading 1.79 g/t gold at the Malikoundi North extension zone.

Yamana Gold (AUY, MCap \$2.60b, 947.85m SO) announced the sale of 26,667,000 common shares of Brio Gold at a price of C\$3 per share to a syndicate of underwriters, with a 10% over-allotment option.

The deal will raise C\$80-88 million and is consistent with Yamana's plan to divest its interest in Brio Gold. Yamana will continue to hold over 50% interest in Brio Gold.



Endeavour Mining (EDVMF, MCap \$1.43b, 92.7m

SO) incurred a net loss of \$2 million on production of 158,640 gold ounces at an AISC of \$905/oz for Q1 2017. The loss was mainly due to \$9 million unrealised loss on financial instruments, while adjusted net earnings amounted to \$9 million, up 50% yoy, and free cash flow amounted to \$32 million.

The company has acquired an additional 25% stake at Ity from the government of Ivory Coast, taking its total ownership stake to 80%. The deal consists of a \$52 million upfront payment plus \$5/oz of additional reserves added post 2016. Sebastien de Montessus, President & CEO of Endeavour, stated:

"We are delighted to have concluded this agreement with our long-standing partners at Ity, which demonstrates the willingness of all parties to progress with the development of the Ity CIL project for the benefit of all stakeholders. This is an important step in continuing to develop our internal growth

strategy as Ity has the potential to become one of our flagship assets, in addition to Hounde which is on schedule for a first gold pour in the fourth quarter.

We now look forward to moving to a formal investment decision in the coming weeks which would allow our experienced in-house construction team to smoothly transition from Hounde to building the Ity CIL project in the second half of 2017. We are currently optimizing last year's published feasibility study, which will most likely result in upsizing the previously announced 3mtpa plant design to better capture the value generated from recent exploration discoveries and to take into account the area's significant additional exploration potential."

The company is on track to meet its 2017 guidance of 600-640,000 gold ounces at an AISC of \$860-905/oz.

At the top of its priority list, Endeavour wants to expand its short mine life at the 2Moz Tabakoto mine in Mali and the 80% owned Ity heap leach operation in Côte d'Ivoire with a planned budget of \$9 million and \$10 million respectively. Construction at the emerging 90% owned 3 million ounce open cast Hounde mine is 85% complete with first gold pour expected in the fourth quarter. Long-lead items are already on-site and the procurement process is complete, minimizing risk of cost overruns. Pre-strip mining is ongoing, with the aim of stockpiling 600,000 tonnes of ore before plant commissioning. The mine is expected to add gold production of 190,000 ounces per year at an average AISC of \$709 per oz over about 10 years, and was valued in a recent feasibility study at an after tax NPV5% of US\$342 million. Exploration drilling is ongoing after a two year hiatus, focussing on delineating high-grade targets. Endeavour has also discovered several high-grade mineralized trends at the Le Plaque area situated 5 kilometres south of the Ity mining complex.

The Le Plaque area has been covered by 3,450 meters of Auger drilling totaling 228 holes, by 1,756 meters of RC drilling totaling 22 holes, and by 6,559 meters of diamond drilling totaling 53 holes. Best intercepts include: 13.09 metres grading 22.36 g/t gold, 8.09 metres grading 28.96 g/t gold and 2.94 metres grading 61.23 g/t gold. A maiden inferred resource estimate is expected in Q4-2017. In addition to Le Plaque, exploration activities are ongoing at several other targets in proximity to the current Ity mining complex.

Fortuna Silver (FSM, MCap \$749.94m, 158.85m SO) reported 2016 net income of \$17.8 million (2015: \$10.6 million net loss) and operating cash flow of \$52.7 million (2015: \$54.8 million) on production of 7,380,217 Ag ounces and 46,551 Au ounces at an All-in sustaining cash cost (AISC) of \$8.38/oz Ag.

Silver and gold production at the San Jose mine increased 24% and 19% respectively over 2015 due to the ramp up in milling capacity to 3000 tonnes per day. Fortuna also reported Q1 2017 net income of \$13 million (Q1 2016: \$2.6 million) and operating cash flow of \$19.4 million (Q1 2016: \$6.1 million) on production of 1,792,967 Ag ounces and 13,116 Au ounces at an All-in sustaining cash cost (AISC) of \$6.08/oz Ag. The company ended the quarter with \$191.2 million in cash and cash equivalents.

The company expects to make a construction decision on the Lindero project by Q3 2017. Exploration drilling continues at its Caylloma mine in southern Peru, which has a mine life of around 6 years. Step out drilling confirmed the continuation of high grade silver, lead and zinc mineralization at depth at the Animas NE vein, with best results including 566 g/t Ag, 2.1% Pb and 2.7% Zn over 3.6 meters, 116 g/t Ag, 7.8% Pb and 9.4% Zn over 7.8 meters, 220 g/t Ag, 16.8% Pb and 7.2% Zn over 5.2 meters, 304 g/t Ag, 13.7% Pb and 10.1% Zn over 4.0 meters. The mineralization remains open both along strike and down dip. The company also acquired 5,357,142 common shares, representing a 14.91% stake, in Prospero Silver (PSL.V). The deal comes with full

warrants enabling Fortuna to up its stake to 25.95% and is valued at C\$1.5 million. Prospero Silver is a Mexico focused explorer with assets in Durango state (Cordero, Santa Maria del Oro), Hidalgo state (El Petate, Pachuca) and Chihuahua State (Bermudez). Prospero's share price fell on the news.



First Majestic Silver (AG, MCap \$1.44b, 164.46m SO) announced on 24-May that a rogue group of union workers had halted activities and blocked the accesses at the La Encantada Silver Mine as they did not agree with the bonus offered by the company, which was in accordance with the Union. There has not been any further update.

Argonaut Gold (ARNGF, MCap \$264.35m, 176.94m SO) reported net income of \$12 million (Q1 2016: \$4.3 million) on production of 37,707 oz (up 17%) at an AISC of \$870/oz. The company reiterated its 2017 forecast of 115,000-130,000 oz at an AISC of \$910-\$960/oz.

Construction at San Agustin is 50% complete, with first pour expected in Q3 2017. San Agustin, located 10 km from the El Castillo mine, is a low capex project expected to extend the life of the El Castillo mining complex and fuel the next leg of Argonaut Gold's growth. On the management front, Tom Burkhart, Vice President of Exploration retired on March 31, 2017 after a 35-year career as a professional geologist.

He will stay on with the company as a consultant.

Premier Gold (PG.TO, MCap \$564.34m, 201.53m SO) earned a net income of C\$46.7 million (Q1 2016: C\$5.1 million) and operating cash of C\$28.6 million (Q1 2016: negative C\$3.0 million) on production of 50,979 oz Au and 88,572 oz Ag at an AISC of \$432/oz. The newly commissioned Mercedes mine is firing on all cylinders, contributing C\$22.2 million to operating cash flow and consistently maintaining mill throughput over 2,000 tonnes per day. Management is looking to further optimise costs and have reduced mining dilution and increased operating efficiencies by changing the primary mining method from longhole stoping to modified overhead cut and fill and replacing part of the mining fleet with compact mining equipment designed specifically for narrow mine workings. The Company reiterated its 2017 production guidance of between 125,000 and 135,000 ounces of gold and between 325,000 to 350,000 ounces of silver.



Sabina Gold & Silver (SBB.TO, MCap \$443.52m, 223.58m SO) ended Q1 2017 with a cash position of C\$43.1 million, giving it sufficient liquidity to support its \$8.5 million drilling program and other discretionary activities without having to raise capital for the next 12 months. The NIRB final hearing is scheduled for the end of May. The company reported that it has strong support from the First Nations in favour of advancing Back River.

The company also reported drill results from its 2017 spring drilling program, with step out drill holes from its high grade underground zone assaying 13.5m of 16.86 g/t Au and 7.95m of 27.11 g/t Au. The drilling indicates the presence of additional mineralization which has the potential to improve project economics.

Eurasian Minerals (EMX, MCap \$70.68m, \$74.16m) has proposed to issue 30,000 bonus shares at \$0.90 per share as well as 18,634 shares in exchange for services at \$1.289 per share.

Nautilus Minerals (NUS.TO, MCap \$167.03m, 670.06m SO) reported that its launch and recovery system (LARS) equipment has arrived at the Mawei shipyard in China. The LARS will be used to launch and stabilize the Seafloor Production Tools during deployment from the vessel down to the seafloor and during retrieval from the seafloor back up to the vessel. The company ended Q1 2017 with a cash position of \$19.5 million, post which it completed a \$2 million private placement. The company also provided notice of its US\$2 million June financing.



Mike Johnston, Nautilus' CEO, commented,

"It was very pleasing to see the SPTs [Seafloor Production Tools] arrive in PNG [Papua New Guinea] where they will undergo submerged trials in the coming months. We now remain focused on the build of the Production Support Vessel and the integration of the rest of the equipment on it. Subject to further financing, we remain on schedule to develop the world's first commercial high grade seafloor copper-gold mine at the Solwara 1 project site in Q1 2019."

The shares have held up reasonably well amidst the smackdown in gold and silver prices, with a 3-mo gain of 21.9%, perhaps signaling that the worst is over. It's still a ways from producing, and looking for gains to accelerate in second half 2018, provided they stay on schedule and experience no more unexpected dilution.

Cascadero Copper (CCD.V, MCap \$23.50m, 181.05m SO)

Cascadero has finished drilling its 70% owned Taron Cesium target in Salta, NW Argentina.

This company may be on the cusp of announcing a Cesium resource there, having completed 35 core holes in total in roughly 2,600 meters. The last two holes (156m) were drilled chasing a silver zone.

I previously said that Cascadero would release the assay results in batches. However, many of the holes began to spike above the Cesium cut-off grade of the 2000 ppm ICP assay over limit setting (parts per million, 1 ppm = 1 g/t). Dave Trueman, PhD., P.Geo, a Company director, said in an email to me that too many of the "...assay grades are too high, and we have to change assay standards, or methods, to make assay amounts report correctly."



Thus instead of reporting the data in batches we'll have to wait for the whole shebang, which management anticipates could take four weeks. The good news is that visibly the core looks similar to the mineralization in the 7 core holes drilled in 2009. For example, check out the first 8 meters in drill hole 33 below,



The greenish mineralization in the second box may be a portion of the aforementioned silver zone.

However, we just cannot tell the grade, and we cannot visually see Cesium. All we can tell you is that the drill core looks much like it did in the original holes drilled nearly a decade ago by Cascadero. The numbers from the lab will tell us whether the grades are high enough to count. The resource estimate will be followed up by a preliminary economic study - i.e., with the goal of determining the monetary potential of this mineral asset. But the assays in about a month will give us an initial glimpse into the potential of the asset.

Expected news items:

1. Assays and maiden mineral resource estimate for the Taron Cesium target is being calculated now, final tallies to be released -approx 4 weeks
2. Awaiting gold assays for up to 390 samples from rock chip sampling program conducted Feb-Apr from two separate gold/silver properties in Argentina (Sarita Este and Santa Rosa)
3. Possibility of joint venture with a major on a different 4th (gold) property -subject to due diligence

The company is contemplating a drill program at its Sarita and Santa Rosa properties subject to receipt of their rock chip assays and closing of #4 above. In one case the delay is due to the fact that Cascadero wants to consolidate the surrounding claims with the discovery potential of a buried base metal zone.

Management is convinced that a base metal and/or gold deposit exists on its claims adjoining and possibly relating to First Quantum's Taca Taca copper-gold-moly porphyry, and is planning additional work and maybe drilling if warranted. Success here may force First Quantum's hand in dealing with Cascadero.

At a minimum, Bill McWilliam notes, *"It is believed First Quantum does not have the area at Taca Taca to place waste rock and tailings on their small property and they may need to acquire some or all our properties."* Cascadero controls all the land to the west and there is nothing but Arizaro Salar to the east, which is a water reserve and only available to brine extraction for Lithium. Lumina had planned to put the estimated 3 billion tonnes of waste rock at Taca Taca into the Salar but it is doubtful the government will permit it. The two companies have been far apart in their negotiations so far, and for its part, First Quantum has decided to play the Argentine and Peruvian governments off against each other to help it decide which project it will develop. Who knows what it will accept but it may involve pressure on Cascadero, the little guy in this deal, from the Argentine government to deal the property. More likely, it will result in one of three outcomes: (1) First Quantum will go ahead and develop the property with favorable concessions from the Argentine government, (2) First Quantum will sell the mine and develop Haquiri in Peru, or (3) shelve it.

The third option is unlikely because it may result in a \$600 million impairment charge on their balance sheet, but it is the only option that would imperil a potential deal with First Quantum in the short run at least, or at least until CCD makes a gold discovery there to draw everyone's attention to it, and to the related problem. In the first two instances, a deal of some kind that is favorable for everyone, management thinks, is unavoidable. In my opinion, First Quantum's Haquiri is smaller and Peru is a tougher place to make and keep your money as a miner. As well, Peru has many small communities, which can be unpredictable.

I think the Taca Taca has a natural edge to win out as the one to develop.

I recently raised my limit on the entry price for this stock from 15 up to 20 Canadian cents, and continue to recommend buying the stock. [Full disclosure, I own a fully diluted position of close to 1.5 million shares.]

TSXV Most Actives and Other News (May 1-5)

Anfield Gold (ANF.V, MCap\$56.02m) declined 38.9% for the week as the market was unhappy with its updated mineral resource estimate on its Coringa Project, Brazil. The global resource base declined from 913,000 oz Au to 376,000 oz Au.

Jaxon Minerals (JAX.V, MCap\$8.19m) up 28.6% for the week on news that it will commence drilling on its Hazelton property in British Columbia. The property is expected to hold a Volcanogenic Massive Sulphide (VMS) style deposit.

TSXV Most Actives and Other News (May 8-12)

Continental Gold (CNL.TO, MCap\$644.35m) soared over 30% on 5/11/2017 on news that Newmont had acquired a 19.9% stake, injecting US\$109 million into the company. The company's project financier, Red Kite, also participated in the private placement, taking a 4.6% stake for US\$25 million. The company is now fully cashed up to develop its Buritica mine, which has a capex of \$389 million and a base case NPV of \$860 million. Even at current share price of C\$3.64, the company is selling at a 56% discount to NPV.

Northern Dynasty Minerals (NAK, MCap \$530.92m) reported on 5/12/2017 that it had reached a settlement with the EPA and will now be proceed into normal course permitting under the Clean Water Act and National Environmental Policy Act. The stock had been quietly ticking up all week and soared to \$2.59 pre-market as the news hit the wires. However, the stock came under heavy selling pressure during the day and hit a low of \$1.65 before closing at \$1.86, a 35% move overall. According to Interactive Brokers, NAK was among the hardest to borrow stocks for the week, not surprising considering short interest as a percentage of float is 9.53%, with short percentage increasing 11% on Friday alone. Based on average trading volume, it will take the short sellers 7.6 days to cover their short positions. To contrast, one of the most shorted stocks, Tesla, has a short interest of 26.35% and 6.8 days to cover their short positions.

Arizona Silver Exploration (AZS.V, MCap \$43.37m) was up 37.9% for the week on providing a drilling update from its RC drilling program at the Ramsey Silver project in Arizona.

Hole R1702 intersected massive silica with locally banded quartz-chalcedony veins over a down-hole distance of 145 feet (44.2 metres) between depths of 355 feet (108 metres) and 500 feet (152.4 metres).

Hole R1701 intersected stockwork black and green silica veins and veinlets, some banded, from a depth of 650 feet (198 metres) to the end of the hole at 880 feet (268 metres).

Eldorado Gold (EGO, MCap \$2.34b) has made an offer to acquire **Integra Gold (ICG.V)**, in a deal valued at C\$590 million (US\$432.4 million). This comes on the heels of Goldcorp's acquisition of **Exeter Resource (XRC.TO)** in a deal valued at US\$247 million. Barrick Gold recently upped its stake in **ATAC Resources** from 9.2% to 19.9%, Kinross Gold acquired 8.07% of **Renaissance Gold (REN.V)** and Newmont Mining acquired a 19.9% stake in **Continental Gold (CNL.TO)**.

A couple of months ago, Agnico Eagle took a 15% stake in **GoldQuest Mining**. There are **rumours** floating around that Agnico Eagle is also interested in **Sabina Gold & Silver (SBB.TO)**. It appears as though the majors are confident enough about their balance sheet that they are using the current dip in gold prices to go bargain hunting for the most prospective juniors while they are still on sale. Not just the majors, but even the royalty and streaming companies are on a buying spree. **Sandstorm Gold (SAND)** announced a merger with **Mariana Resources (MARL.V)** in a deal valuing Mariana Resources at US\$150.7 million, an 84% premium. The deal gives Sandstorm access to Mariana's 30% interest in the Hot Maden project in Turkey. While Turkey has been in the news for all the wrong reasons, the country has permitted more new substantial hard-rock gold mines over the last 10 years than even Canada. **Osisko Gold Royalties (OR.TO)** has transformed from a gold royalty holding company to acquiring silver streaming interests as well as significant ownership stakes in exploration companies as part of its 'accelerator model'.

TSXV Most Actives and Other News (May 15-19)

Arizona Silver Exploration (AZS.V, MCap \$43.37m) was up 35% on the week, on the heels of a 37.9% jump over the previous week on news that its RC drilling program intersected massive silica with locally banded quartz-chalcedony veins and disseminated sulfides at its Ramsey silver project in Arizona.

Narrow thin colloform banded white to pink chalcedonic to fine quartz veinlets were visible throughout the interval, as were occasion zones of bladed calcite and some open space textures. The company is following up with core drilling, scheduled to start next week.

Engold Mines (EGM.V, MCap \$66.29m) was down 34.8% over the week as the drill results from its Lac La Hache property in the Cariboo region of British Columbia disappointed investors. “It’s evident that the mineralization in this location *appears to be narrowing* to the south, east and west, as indicated by the local magnetic and gravity geophysical anomalies in this discovery area. The anomalies define a trend extending to the north of the discovery hole, where we will continue to test potential extension of the zone” said EnGold VP of Exploration Rob Shives, P.Geol.

Northern Shield Resources (NRN.V, MCap \$14.42m) was up 30.8% over the week on no news.

TSXV Most Actives and Other News (May 23-26)

Arizona Silver Exploration (AZS.V, MCap \$43.37m) was up 23.5% on no news.

Darnley Bay Resources (DBL.V, MCap \$49.03m) was up 33.3% on no news.

Galane Gold (GG.V, MCap \$13.14m) was up 35.7%. The company acquired Vantage Goldfields, a gold mining company with operations in the Mpumalanga Province of South Africa. The company also reported Q1 2017 results, generating operating cash flow of \$821,253 on sale of 5,531 oz Au.

Jaxon Minerals (JAX.V, MCap \$8.19m) was up 37.93% on news that it had purchased and received data from the 2012 Geotech VTEM resistivity/conductivity and magnetics airborne survey (464 line kilometre) flown at the company’s Hazelton VMS target, 50 kms northwest of Smithers, British Columbia. The objective of the survey analysis was to establish connection between the bonanza grades of precious and base metals exposed in semi-massive to massive sulphides at surface (assayed up to 3kg/t silver and 20% zinc over a 1-square km mineralized zone), and evidence of sulphides at depth and along strike. The company has received first phase preliminary plots and expects final modelling results (Maxwell plate) over the course of the next several weeks.

Noront Resources (NOT.V, MCap \$148.76m) was up 32.1% on no news.

Noteworthy Drill Results (May 3-25)

We will catch up on this section in the next issue...

Ed Bugos & Kashyap Sriram

Legal Disclaimer: This information is for information purposes only and is not intended to be an offer or solicitation for the sale of any financial product or service or a recommendation or determination by TDV that any investment strategy is suitable for a specific investor. Investors should seek financial advice regarding the suitability of any investment strategy based on the objectives of the investor, financial situation, investment horizon, and their particular needs. This information is not intended to provide financial, tax, legal, accounting or other professional advice since such advice always requires consideration of individual circumstances. The products discussed herein are not insured by any governmental agency, are subject to risks, including a possible loss of the principal amount invested. Generally, the investments in this blog may be more volatile on a daily basis and have higher headline risk than other sectors as they tend to be more sensitive to political and regulatory events. Because of significant volatility, large spreads and very limited market liquidity, typically you will not be able to sell a low priced security immediately at the same price you purchased the stock. In some cases, the stock may fall quickly in value. Investing in foreign markets may entail greater risks than those normally associated with domestic markets, such as political, currency, economic and market risks. You should carefully consider whether trading in low priced and international securities is suitable for you in light of your circumstances and financial resources. This blog does not constitute an offer to sell or solicitation of an offer to sell any securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. Past performance is no guarantee of future returns. TDV, entities that it controls, family, friends, employees, associates, and others may hold positions in the securities it recommends to clients, and may sell the same at any time. This document was prepared by Jeff Berwick and Ed Bugos exclusively for TDV Premium subscribers. The information contained in this document was taken directly from the company's presentation or from reliable sources; however we cannot ensure the accuracy of the information contained in this report. The author may be compensated for any introductions of accredited investors as it relates to this offering. Investing does come with some risk, however we will not be liable for any financial losses which might occur as a result of your participation in this financing. Please contact the company directly to verify any of the facts and figure