



# TDV News & Exploration Update

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January 23, 2018

## TDV Long-Term Defensive Investor Stock Portfolio – 35% of Overall Investment Allocation

Company	Symbol	2018 Open	Last Price	YTD Return	2017 Return
<b>Gold/Silver Majors (40%)</b>				<b>4.60%</b>	<b>20.89%</b>
Franco Nevada Corporation	FNV	80.66	76.39	-5.29%	34.14%
Agnico Eagle Mines	AEM	46.47	46.48	0.02%	10.21%
IAMGOLD Corp	IAG	5.92	6.32	6.76%	51.04%
Yamana Gold	AUY	3.17	3.58	12.93%	9.86%
Goldcorp	GG	12.95	14.78	14.13%	-6.45%
B2Gold	BTG	3.18	3.15	-0.94%	26.53%
<b>Junior Producers (45%)</b>				<b>3.07%</b>	<b>2.13%</b>
Alacer Gold	ALIAF	1.7826	1.87	4.90%	3.45%
Argonaut Gold	ARNGF	1.959	2.25	14.85%	17.82%
Endeavour Mining	EDVMF	20.46	21.11	3.18%	36.58%
McEwen Mining	MUX	2.33	2.33	0.00%	-23.23%
First Majestic Silver	AG	6.84	7.02	2.63%	-12.92%
Fortuna Silver	FSM	5.31	4.93	-7.16%	-8.90%
<b>Explorers / Emerging Producers (15%)</b>				<b>9.50%</b>	<b>18.20%</b>
Sabina Gold & Silver	<b>SBB.TO</b>	2.32	2.09	-9.91%	129.29%
Premier Gold Mines	<b>PG.TO</b>	3.61	3.53	-2.22%	39.00%
Cascadero Copper	CCD.V	0.08	0.14	75.00%	-25.00%
Nautilus Minerals	<b>NUS.TO</b>	0.16	0.16	0.00%	3.33%
Amarillo Gold	AGC.V	0.31	0.3	-3.23%	-3.13%
Eurasian Minerals	EMX.V	1.02	1.16	13.73%	-22.56%
Goldquest Mining	GQC.V	0.365	0.38	4.11%	30.36%
Mexican Gold	MEX.V	0.335	0.33	-1.49%	-5.71%
<b>Total Return</b>				<b>4.65%</b>	<b>12.05%</b>

## Overview

Considering that gold and silver prices barely returned 15% in 2017 and that most of the gold and silver stock averages returned from 5 to 12 percent, our stock portfolio return came in a little above average, again — following 2016's 97% gain. I think it was a good sign that the sector held those gains through 2017 at least.

Last year saw more lucrative returns elsewhere, including in our crypto portfolio.

The portfolio changes are almost ready. The positions highlighted in red above are on alert, which means I am still deciding on them, and whether to keep or replace them. Franco Nevada was our fifth best position (in the stock portfolio), and has been a consistent performer. It is the only precious metals equity related deal that I know is trading above its 2011-12 highs. It bucked the entire bear market trend in US dollar gold.

Of course, as you can see from the following graph, in most currencies, gold has remained in a bull market.

**Table 1: Gold performed very well again in most currencies in 2017**

% change end of year vs end of year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
US dollar	23%	31%	6%	24%	30%	10%	7%	-28%	-1%	-10%	8%	14%
Euro	11%	18%	10%	21%	39%	14%	5%	-31%	12%	0%	12%	-1%
Japanese yen	25%	23%	-14%	27%	13%	4%	21%	-13%	12%	-10%	5%	9%
British pound	8%	29%	44%	12%	34%	11%	2%	-30%	5%	-5%	29%	4%
Canadian dollar	24%	12%	29%	7%	23%	13%	4%	-23%	8%	7%	5%	6%
Swiss franc	14%	22%	0%	20%	17%	11%	4%	-30%	10%	-10%	10%	9%
Swedish krona	6%	24%	28%	14%	22%	13%	1%	-29%	20%	-3%	17%	2%
Norwegian krone	14%	14%	35%	4%	30%	13%	0%	-22%	21%	6%	6%	8%
Danish krone	10%	18%	10%	21%	39%	13%	6%	-31%	12%	0%	11%	0%
Indian rupee	21%	17%	31%	19%	25%	31%	10%	-19%	1%	-6%	11%	7%
Russian rouble	13%	23%	26%	27%	32%	16%	2%	-23%	74%	13%	-9%	6%
Brazilian real	13%	9%	38%	-6%	23%	24%	18%	-17%	11%	34%	-11%	16%
Mexican peso	25%	32%	33%	19%	22%	24%	-1%	-27%	12%	4%	30%	8%
Singapore dollar	14%	23%	5%	22%	18%	11%	1%	-26%	3%	-4%	10%	5%
Chinese yuan	19%	22%	-1%	24%	25%	5%	6%	-30%	1%	-6%	16%	6%
Kongkong dollar	24%	31%	5%	24%	30%	10%	7%	-28%	-1%	-10%	8%	14%
Australian dollar	14%	18%	32%	-3%	14%	10%	5%	-16%	8%	1%	9%	5%
New Zealand dollar	20%	20%	40%	0%	20%	11%	0%	-28%	4%	2%	7%	11%
Turkish lira	29%	8%	39%	22%	33%	35%	1%	-14%	7%	12%	31%	23%
Korean won	13%	32%	42%	15%	25%	14%	-2%	-29%	2%	-4%	11%	0%
South African rand	36%	28%	47%	-3%	16%	34%	12%	-11%	9%	20%	-4%	3%

Source: World Gold Council, Goldmoney Research

Still, I'm starting to worry about its valuation.

On the other hand, one of the biggest drags on our portfolio in recent years has been Goldcorp, as it digests its many years of consolidation from the last bull market cycle. That company grew from a single mine (at Red Lake) in 2002 to one of the largest gold miners in the world, mostly by acquisition. It has suffered a lot of growing pains over those years. However, it is still a relatively clean and unhedged gold producer with a pretty solid portfolio. It is a leader. And its shares have been perking up lately while Franco's have wilted.



I am very happy with the other majors: **Agnico Eagle (AEM)**, **B2Gold (BTO)**, **Yamana (AUY)**, and **IAMGOLD (IAG)**. They returned an average 21% last year, and I expect much better in 2018. My gold price target is around \$1900 this year, which translates into the potential for these stocks to double.

As the new bull market cycle emerges you can expect the HUI/Gold ratio to revisit the 0.45 mark (presently at 0.15) by the time gold gets to my 3 year target at \$5k +. That means you can expect gains of up to 900% in this group of stocks alone if we are right... obviously much more from the junior miners and explorers.

For example, I recommended stocks like **First Silver (AG)** and Kirkland when they were \$2 back in 2009, they were 10 baggers by 2011-12. I remember Jeff recommended a stock called Copper Fox back in the same year at around 5 cents. It went to \$2.70 in 2011. We're looking for similar gains from our penny stock holdings (premium subscribers only), which at the moment only get a 15% weighting in the stock portfolio.

**Cascadero Copper (CCD:TSXV)** and **Mexican Gold (MEX:TSXV)** are my favorites for those kinds of gains in the next few years. As the cycle gains traction we will have others for you as well. Our strategy is to continue to dollar cost average into this portfolio. Avoid those that are highlighted above. That leaves just 13 stocks, at the moment. My new picks and final decisions bringing it up to nearly 20 names are almost out.

For premium subscribers, if you want to keep it to less than ten make sure to include Agnico Eagle, B2Gold, Yamana, Goldcorp, IAMGOLD, Fortuna Silver, Cascadero, Sabina, Mexican Gold, and Eurasian Minerals.

Make sure to keep more wealth in gold or silver before the arrival of a bear market on Wall Street; but after, we will be ramping up our weighting on equity versus the metal, at least for the early part of the bull cycle.

And at some point, we will be increasing the weighting of the exploration sector.

But that would be risky ahead of the expected bear market environment.

## Upcoming Results Schedule

**Alacer Gold (ALIAF)** Q4 2017 results - 02/06/2018

**Goldcorp (GG)** Q4 2017 results - 02/14/2018

**Agnico Eagle Mines (AEM)** Q4 2017 results - 02/14/2018

**Iamgold (IAG)** Q4 2017 results - 02/21/2018

**Argonaut Gold (ARNGF)** Q4 2017 results - 02/22/2018

**B2Gold (BTG)** Q4 2017 results - 03/15/2018

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## TDV Portfolio News Summaries

**Franco Nevada (FNV, MCap \$14.54B, 185.46M SO)** has acquired an additional indirect precious metals stream on Korea Resources' 10% interest in the Cobre Panama project for \$178 million.

The terms were similar to the 10% it bought in connection with a separate acquisition involving First Quantum back in September. It now has a stream covering 100% of the project.

But unlike the initial streaming agreement covering First Quantum's 80% interest, which called for a pro-rata contribution to the project capex, the last 20% interest required an upfront cash payment of \$356 million. The ongoing payment for deliveries will be 20% of the spot price of gold and silver until the first 604,000 oz of the gold and 9,618,000 oz of the silver have been delivered. Thereafter, the ongoing payment will increase to 50% of the spot price of gold and silver. The market didn't like the news.

While it seems like a good deal for Franco Nevada, it highlights the recovery happening in the commodity space. In a bear market, the royalty and streaming companies have greater bargaining power since producers are cash strapped and financing options disappear. That First Quantum and Korea Resources were able to get the deal terms more in their favour tell us that the cycle is turning, that producers feel more secure about their financing options and are able to get better deals for their shareholders.

**Goldcorp (GG, MCap 12.43B, 867.16M SO)** reported 2017 production of 2,569,000 gold ounces at an expected AISC of \$825/oz. The company forecasts 2018 production of 2.5 million ounces at an AISC of \$800/oz. It will release full financial results mid February while we're at the conference in Acapulco, but these numbers imply operating cash flows of around \$1.1 billion (excluding the silver cash flow), implying a price to cash flow ratio of about 12x. If our 1900 gold price target for next year is right, and they get an average of \$1700 for their gold production that implies an operating cash flow of roughly \$900 per ounce, or \$2.3 billion in cash flow next year, valuing the shares at a forward multiple of about 6x 2018 CFPS.

David Garofalo, President and CEO stated,

*"Since we restructured our business during the first half of 2016 to drive a culture of accountability and sound operating principles, we have delivered consistent, predictable and low-cost gold production. We are well underway to deliver on our 5-year plan of growing gold production and gold reserves by 20% and reducing AISC by 20% by 2021. With the most robust growth pipeline among global senior gold companies, we are making an initial investment of \$100 million in our*



long-term portfolio 'Beyond 20/20'. Together with an enhanced exploration budget of \$125 million, the objective of Beyond 20/20 is to maximize the net asset value of our existing mines and projects by continuing to grow low-cost gold production from our growing gold reserves."



**Yamana Gold (AUU, MCap \$3.17B, 948.43M SO)** reported production of 977,000 gold ounces, 5 million silver ounces and 127 million pounds of copper for 2017. The company also entered in a forward sales agreement on 16% of its copper production over 2018 and 2019, for cash proceeds of \$125 million, a good cash flow management move on their part (it would be a different story if they had entered into a forward sales agreement on gold production!). Cerro Moro construction continues to advance on schedule and on budget.

Mill commissioning is scheduled for Q1 with ramp up of operations expected in Q2.

Underground development in 2017 progressed according to plan and produced a high grade stockpile of approximately 16,265 tonnes grading 27 g/t gold and 1,725 g/t silver.

Open pit operations have commenced with mobilization beginning in December and development activities are now underway at the high grade Escondida Central pit, where the ore zone starts at surface.

The company sold certain of its exploration interests in the Canadian Malartic JV to its joint venture partner **Agnico Eagle Mines (AEM, MCap \$10.75B, 232.41M SO)** for cash consideration of \$162.5 million. The sale includes the Kirkland Lake and Hammond Reef properties as well as additional mining claims and assets located in Ontario and Quebec. Yamana will continue to retain its 50% interest in the Canadian Malartic mine and related assets including Odyssey, East Malartic, Midway, and East Amphi.

The transaction is consistent with the Company's stated objective to improve its financial position. The company is also considering the sale of other non-cash flow generating properties and expects production from Cerro Moro to contribute significantly towards this objective. It is a win-win deal for both parties.

Agnico Eagle gets to add to its project pipeline in its own backyard, while Yamana gets cash to pay down its heavy debt load, which stood at \$1.6 billion at the end of Q3. Who can deny a rounding bottom in the sp!

**Agnico Eagle Mines (AEM, MCap \$10.75B, 232.41M SO)** has sold its McKenzie Break and Swanson properties in Quebec to Monarques Gold (MQR.V) for \$1.6 million in cash and \$3 million in shares.

**Iamgold (IAG, MCap \$2.86B, 465.88M SO)** reported 2017 production of 882,000 gold ounces at an expected AISC of \$1000-\$1040/oz. The company expects to produce 850,000 and 900,000 ounces at an AISC of between \$990 and \$1,070/oz in 2018.

President and CEO, Steve Letwin commented,

"As indicated by the preliminary numbers, we had another year of solid operating performance. Annual production of 882,000 ounces was at the top end of our target range, all-in sustaining costs are expected at the low end of guidance, and we ended the year with \$1 billion in liquidity. In 2017 we achieved milestones that have ignited our major growth projects, and now as we head into 2018 it's all about execution. Our capital spending plan this year includes the development of Saramacca, the heap leaching project at Essakane, and the Côte Gold feasibility study. Our continued success in building our growth pipeline is expected to drive production to 1.2 to 1.3 million ounces by 2022, with all-in sustaining costs below \$850 an ounce."



**B2Gold (BTG, MCap \$2.99B, 980.09M SO)** reported record 2017 gold production of 630,565 ounces, helped by total production from its newly commissioned Fekola mine: 111,450 ounces. Full results won't be known until March. This marks the 9<sup>th</sup> consecutive year of production growth for B2Gold, and the outlook for 2018 is even better as production is expected to grow to between 910,000 and 950,000 ounces while costs should continue to decrease. The company declared commercial production at its Fekola mine on November 30<sup>th</sup>, with gold production well above budget in each of

the ramp-up months, beating original recovery, grade and plant availability estimates in the Optimised Feasibility study's design. Exploration in 2018 will focus on West Africa and Nicaragua, with a budget of \$25 million for exploration in Mali, Burkina Faso and Ghana and \$7 million in Nicaragua. Exploration in Mali will focus on the Fekola North Extension zone and sulphide targets below the Anaconda saprolite.

**Endeavour Mining (EDVMF, MCap \$1.97B, 99.75M SO)** completed the previously announced sale of its Nzema mine in Ghana to BCM International. Endeavour received a payment of \$38.5 million upon closing, corresponding to the first two payments less adjustments.

Additional deferred payments of up to \$25 million are expected to be received over the course of 2018 and 2019, based upon reaching certain agreed upon milestones related to mine free cash flow generation.

**McEwen Mining (MUX, MCap \$745.87M, 332.98M SO)** reported 2017 production of 109,947 gold ounces and 3,178,742 silver ounces, or 152,329 gold equivalent ounces (GEOs). The company's newly added Black Fox mine, which it acquired from **Primero Mining (P.TO, MCap \$52.80M, 192.27M SO)**, contributed 14,279 GEOs.

Construction continues to advance at its Gold Bar project with commercial production expected to be declared in 2019.



The company raised \$10 million via selling 4 million flow-through common shares, priced at \$2.5 per share, to fund exploration at Black Fox. The capital will be used for a property-wide exploration program that will include 100,000 metres of drilling. The main objectives are to test for extensions of existing resources, follow up on significant drill results, and to investigate new exploration targets. Although there is a history of exploration and production at Black Fox, the land packages are underexplored to depth and along trends.



**Fortuna Silver (FSM, MCap \$779.03M, 159.64M SO)** reported 2017 production of 8.5 million ounces of silver (up 15%) and 56,400 ounces of gold (up 21%) or 11.9 million silver equivalent ounces. The San Jose processing plant treated an average of 3,035 tpd, slightly above nameplate capacity of 3,000 tpd. The company provided 2018 guidance of 8.3 million silver ounces and 48,300 gold ounces at an AISC of \$6.8/oz. It has budgeted \$5.7 million for tailings dam expansion at its Caylloma mine to add storage capacity until 2021, a sign that mine life will continue to be extended.

Fortuna also provided an update on Lindero construction. Fortuna plans to fund construction (\$239 million capex) from a combination of existing cash reserves, projected cash flow, and an upsized \$120 million credit facility. As of November, initial contracts were awarded for approximately \$14 million. The construction of the leach pad, is in the bidding process. Mine fleet and other heavy equipment are in the process of being awarded. The principal components of the initial mine fleet include six 100 ton trucks, two 17 cubic yard wheel loaders, two bulldozers and two drill rigs. The company is evaluating a non-recourse vendor financing of \$15 million for the purchase of mining equipment. On site activities commenced in November and the temporary facilities will be ready to host the inflow of construction personnel in January 2018. The construction workforce who will build the permanent facilities is estimated to gradually increase and peak at 600 people. The permanent camp facilities will accommodate 320 people.

### **Project Construction Milestones: Lindero (FSM)**

The Company is providing the following selected milestones from the project construction schedule:

#### 2018

February: Start mass earthworks

April: First concrete for permanent installations

August: Start of equipment installation, including HPGR tertiary crusher

November: Construction of roads and platforms in preparation for initiation of mining activities

#### 2019

January: Commissioning of power plant

March: Placing of first ore on the leach pad

May: First doré poured as part of commissioning

**Alacer Gold (ALIAF, MCap \$539.29M, 293.09M SO)** reported 2017 production of 134,530 gold ounces at a cash cost of \$530/oz and AISC of \$685/oz.

## Çöpler sulfide project update

The project is under budget and remains on schedule at 75% complete. At year end 2017, approximately 97% of the concrete work was complete; 90% of structural steel was erected; all field fabricated tanks were complete; all major mechanical equipment was installed; and cable pulling and electrical installation was in progress. The Çöpler sulfide stockpiles have grown to 960,000 gold ounces.



The company forecasts 2018 production from both sulfide and oxide ore to be between 120,000-190,000 gold ounces, and expects an AISC of \$750-800/oz for the oxide ore. The full sulfide plant will start in Q3. The staged startup will begin with the crushing, grinding, CIP circuits first, and then the remainder of the plant, including the pressure oxidation circuits.

Recall that the Çöpler deposit contains both oxide and sulfide ore, with the oxide ore almost depleted. Alacer is now close to completing the Çöpler sulfide project in order to harness the sulfide ore, which

will bring Çöpler's remaining life-of-mine gold production to 4 million oz at an AISC averaging \$645.

Alacer also reported exploration results at Çakmaktepe, leading to an updated resource estimate. Çakmaktepe is adjacent to the Çöpler Mine which has approximately 4 million tonnes of spare capacity in the heap leach facility, which can be used to treat oxide ore from Çakmaktepe. Çakmaktepe has a mineral reserve of 111,000 recoverable gold ounces within a Measured & Indicated resource of 239,000 gold ounces.

The resource is expected to feed into the Çöpler mill by 2019 and contribute 50,000 ounces to gold production.

***Drilling highlights: 84.9m grading 1.79 g/t Au, including 24.7m grading 4.53 g/t Au, and 39.8m grading 1.3 g/t Au.***

Unfortunately, the company has fully hedged its 2018 production by entering into forward sales agreements to sell 52,800 ounces at \$1280/oz and the remaining at \$1300/oz. This gives investors zero upside to rising gold prices, just as the dollar index has broken down and the commodity bull seems to be resuming.

**Argonaut Gold (ARNGF, MCap \$386.18M, 177.23M SO)** reported 2017 production of 126,704 gold equivalent ounces (GEOs) and expects to produce 165-180,000 GEOs in 2018 at an AISC of \$850-950/oz.

By 2019, the company expects to produce over 200,000 GEOs annually from its existing operations primarily driven by the ramp up of the El Castillo Complex with the addition of San Agustin and the extension of mine life at El Castillo, as well as higher anticipated grades at La Colorada as mining transitions to the El Creston pit. Pete Dougherty, President & CEO stated,



*“Production of 126,704 GEOs falls within our stated 2017 guidance of between 122,000 and 130,000 GEOs. At La Colorada we exceeded our expectation of between 47,000 and 50,000 GEOs with production of 53,286 GEOs. At San Agustin, we experienced a slower than expected ramp up in the mine and slower than anticipated flow rate to the leach pad. These issues have since been resolved and mining and flow rates are now meeting plan. We had several major accomplishments during 2017: San Agustin construction was completed on time and 25% under budget, we produced a positive Feasibility Study for our Magino project detailing a project with significantly lower initial capital requirements, a higher grade profile, an attractive rate of return and we remain on track to achieve our 60% growth target from 2016’s approximate 122,000 GEO production to 2019’s projected production of over 200,000 GEOs. 2017 was a capital intensive year for the Company due to San Agustin’s construction, the purchase of the San Juan mineral concession from Fresnillo Plc and the acquisition of the Cerro del Gallo project. Our main focus as a Company during 2018 will be adding cash to the balance sheet through the free cash flow generated by our operations.”*

Argonaut hired Brian Arkell as Vice President, Exploration. Mr. Arkell has over 30 years of worldwide experience in exploration, resource development and mine operations. Mr. Arkell previously served as Chief Executive Officer, President and Director of Caza Gold from 2014 to 2017.

Prior to his role leading Caza Gold, he served as Senior Vice President of Exploration and Corporate Development for Rio Novo Gold from 2011 through 2013.



**Premier Gold (PG.TO, MCap \$691.59M, 202.22M SO)** reported 2017 production of 139,658 gold ounces and 357,901 silver ounces. Production is expected to decrease in 2018 due to the closure of the Phase 2 open pit at South Arturo, but will pick up once construction of the El Nino underground and Phase 1 open pit mines are completed. Premier also provided an exploration update.

Ewan Downie, President & CEO, stated: *"During 2018 Premier will advance several development projects financed entirely from company's treasury and cash*

*flow. In addition to the current mining operations, we continue to advance two near-term development opportunities at South Arturo and also plan to initiate an underground program at McCoy-Cove."*

**Hasaga project, Ontario**

Premier is evaluating Hasaga for both lower grade, open-pit potential as well as higher grade mineralization that may occur at depth. The 2017 program was focused on testing the potential for deeper, higher-grade mineralization in the Hasaga porphyry. Drill results show high grade intercepts with attractive geometries and common visible gold. Premier will confirm its 2018 exploration plan and budget for Hasaga early 2018.

**Highlights: 28.8m grading 10.94 g/t Au including 4.3m grading 23.32 g/t Au, 12.3m grading 11.23 g/t Au, 2.7m grading 25.56 g/t Au, 0.6m grading 125 g/t Au and 12.3m grading 12.03 g/t Au.**

### Mercedes Mine, Mexico

The 2017 exploration program focused on the expansion of potential high-grade, near-infrastructure targets that may be upgraded to resources. A total of 349 core holes (45,000 metres) were drilled during the year and the results will be included in an updated estimate of the resources and reserves, expected in February.

**Highlights: 12.2m grading 69.50 g/t Au and 111.78 g/t Ag, 15.25m grading 22.86 g/t Au and 73.11 g/t Ag, 6m grading 70.75 g/t Au and 45.16 g/t Ag, and 2.3m grading 84.85 g/t Au and 81.50 g/t Ag.**

### Nevada Properties

Premier and **Barrick Gold (ABX, MCap \$16.8B, 1.17B SO)** have entered into an earn-in agreement on Premier's McCoy-Cove property, exclusive of the Cove deposit. Under the terms of the agreement, Barrick can earn a 60% interest in a JV project through spending commitments totaling \$22.5 million.

In addition, Barrick will provide toll milling and processing facilities for all ore from the property. Exploration on the JV property is expected to begin early in 2018 and will include detailed surface mapping and sampling followed by drilling to test several prospective targets.

Premier also acquired the right to earn a 100% interest in Barrick's Rye Vein property, subject to spending commitments and a claw-back provision. Rye is a gold-bearing, low-sulfidation epithermal vein system with the potential to host "bonanza-grade" gold mineralization. Numerous low-sulfidation epithermal veins are present in the area, including on the adjoining Goldbanks Property where Premier currently holds an option to acquire a 50% interest from **Kinross Gold (KGC, MCap \$5.24B, 1.25B SO)**.

The Rye vein is the largest known vein of this type in the district having been traced on surface over a strike length of more than 2.5 kilometres with mapped widths of up to 30 metres (100 feet). Previous shallow drilling having returned numerous significant intercepts with gold grades of up to 139.2 g/t.



These acquisitions complete the consolidation of the core part of a district that hosts one of the most extensive epithermal vein systems in North America.

**Sabina Gold & Silver (SBB.TO, MCap \$471.44M, 226.65M SO)** has received the Project Certificate from the NIRB. The project is now in the final regulatory and licensing phase, pending the water licenses. The Type B water license will enable Sabina to commence initial activities to further de-risk the project, and is expected in Q1 2018. The Type A water license will enable full construction and operation and is expected by Q4 2018.

With the project de-risked from a regulatory standpoint, the company has been able to move forward with construction financing, which may continue to weigh on the stock a little.

Sabina completed a private placement for \$66.1 million with Zhaojin Mining (24,930,000 common shares at \$2.65 per share), with Zhaojin now holding a 9.9% stake but with the option to increase its stake to 19.9% by participating in future financings. Zhaojin Mining is a leading Chinese gold producer and one of China's largest gold smelting companies. They operate across the full production chain, integrating exploration, mining, mineral processing, smelting and marketing. Since its listing on the Hong Kong Stock Exchange in 2006, Zhaojin has grown into one of China's largest gold miners with annual gold production of 655k oz of gold per year and reserves of 13.6 million ounces of gold. Bruce McLeod, SBB's President and CEO stated,

*"We are very excited to welcome Zhaojin, a leading Chinese gold producer, as a strategic investor. Zhaojin's investment represents a significant milestone for Sabina and is a strong endorsement of the work completed to date at our world class Back River project. This financing with Zhaojin provides Sabina with a cornerstone investor that has financial and technical resources to assist us in advancing the project to production. With this capital in hand, we are currently working on finalizing plans and budgets for 2018 which will focus on de-risking the project with initial pre-construction activities as well as furthering exploration activities."*

Development activities for 2018 will focus on continuing to de-risk the project by:

- completing pre-construction earthworks
- early procurement commitments
- logistical improvements, including air and sea mobilization
- building the project execution team

**GoldQuest Mining (GQC.V, MCap \$111.92M, 254.37M SO)** has received the exploitation (mining) permit from the Minister of Energy and Mines. Goldquest still needs to carry out an Environmental Impact Study, and subsequently obtain an Environmental License post which it will have cleared all the regulatory hurdles to commence operations. The state participation for any economic benefits will be 40%, taking into account the royalty, income tax and municipal contributions, and a voluntary contribution that the company has committed to pay to the State, if warranted, under a formula.



Bill Fisher, CEO stated,

*"We would like to thank Minister Isa Conde for giving his full support to the outstanding Romero gold/copper project. We have reached agreement with the Ministry as to the details of sharing the project's benefits in a Win- Win formula under the existing law, where the Project's Net Present Value and Internal Rate of Return remain aligned with previous guidance. The Company is well funded*

*with over \$20 million in treasury and, once we receive the formal Exploitation License, we will rapidly advance towards a production decision at Romero, with the first items being the Full Feasibility Study, outlining project financing, and the Environmental Impact Study, coupled with an accelerated exploration program."*



**EMX Royalty (EMX.V, MCap \$89.29M, 79.73M SO)** executed several agreements.

David Cole's EMX has optioned its Slättberg Nickel-Copper-Cobalt project in Sweden to **Sienna Resources (SIE.V, MCap \$13.37M, 39.9M SO)** for an upfront payment of 3 million Sienna shares, with further payments to be made by Sienna based on achieving project milestones. The Slättberg Project contains a two kilometer belt of historic nickel-copper mines hosted in massive sulfide lenses that are also enriched in cobalt.

Historic drilling has delineated massive sulfide mineralization that extend to ~100 meters in depth, and remains open for expansion at depth, as well as along strike. The project also contains multiple untested cobalt and nickel geochemical anomalies identified by historic stream sediment sampling programs.

EMX also optioned its Greenwood Peak porphyry project in Arizona to **Antofagasta (LON: ANTO, MCap GBP 9.9B, 985.97M SO)**. The agreement provides for work commitments as well as cash payments to EMX during Antofagasta's earn-in period, and upon earn-in, a 2% NSR royalty interest in addition to milestone and pre-production payments to EMX's benefit. The project, located approximately 175 kilometers northwest of Phoenix, Arizona, contains a copper porphyry target. EMX and Antofagasta are targeting supergene and hypogene copper mineralization related to a porphyry system interpreted to be concealed beneath unconsolidated sediments and shallow cover rocks. The initial Greenwood Peak drill program will test supergene and hypogene copper porphyry targets to the north and east of historic drill hole GP3. The project is drill ready and fully permitted. Antofagasta approved a three hole reconnaissance program that recently commenced. EMX sold its Modum cobalt project in Norway to **Boreal Metals (BMX.V, MCap \$13.08M, 38.46M SO)**, which successfully managed a TSX-V listing after raising \$5 million in financing. EMX holds a 19.9% equity stake and NSR royalties on Boreal's assets, which consist of the Gumsberg and Adak Projects in Sweden, and the Tynset, Burfjord and Modum projects in Norway.

Boreal has been advancing the projects with geologic mapping, geochemical sampling, and geophysical surveys, and recently announced the commencement of a 2,500 meter drill program at Gumsberg.

The Gumsberg, Adak, and Tynset Projects host Volcanogenic Massive Sulfide styles of polymetallic mineralization, whereas Burfjord is characterized by Iron-Oxide-Copper-Gold mineralization.

The Modum project covers a prospective north-south trend of historic cobalt mines, prospects and occurrences of the historic Modum mining district. The Modum district's cobalt deposits are hosted in steeply dipping, north-south trending Mesoproterozoic sedimentary rock known locally as "fahlbands."



Mineralization in the fahlbands occurs as sulfide replacement zones, sulfide-rich veins developed within shear zones, and as structurally controlled lenses that occupy fold hinges.

The district's cobalt mineralization was discovered in 1772. This is all par for the course for this prolific prospect generator turned royalty company, which will soon be cash flow positive as well.

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#### **TSXV Most Actives & Other News (November 27-December 1, 2017)**

**Fortune Minerals (FT.TO, MCap \$96.13M)** was up 33.3% for the week. The company announced a \$5 million private placement, the proceeds to be used for general working capital purposes.

This was yet another good week for Electric Vehicle plays, with significant moves from:

- **Alba Minerals (AA.V, MCap \$11.28M)** up 50%
  - **Infinite Lithium (ILL.V, MCap \$17.84M)** (formerly Alix Resources) up 30%
  - **American Manganese (AMY.V, MCap \$37.87M)** up 31.7%
  - **Castle Silver Resources (CSR.V, MCap \$29.32M)** up 76.5%
  - **Cobalt Power Group (CPO.V, MCap \$31.33M)** up 32.1%
  - **Cobaltech Mining (CSK.V, MCap \$29.55M)** up 16.4% (now merged with First Cobalt FCC.V, MCap \$238.16M)
  - **Elcora Advanced Materials (ERA.V, MCap \$33.89M)** up 62.1%
  - **Liberty One Lithium (LBY.V, MCap \$55.07M)** up 33%
  - **Kings Bay Resources (KBG.V, MCap \$3.25M)** up 38.9%
  - **LiCo Energy Metals (LIC.V, MCap \$19.86M)** up 83.3%
  - **NRG Metals (NGZ.V, MCap \$39.66M)** up 16%
  - **Power Metals (PWM.V, MCap \$71.56M)** down 19.5%
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#### **TSXV Most Actives & Other News (December 4-8, 2017)**

**Belo Sun Mining (BSX.TO, MCap \$169.94M)** was down 23.6% over the week on news that the Brazil Federal Court of Appeals upheld the decision to suspend its Construction License pending the completion of an indigenous study in accordance with Funai's (Indigenous Affairs Agency of Brazil) guidelines.

**Laramide Resources (LAM.TO, MCap \$43.26M)** was up for the week 36.1% on no news.

**ALX Uranium (AL.V, MCap \$7.1M)** was up 26.7% for the week on no news.

**Avidian Gold (AVG.V, MCap \$15.63M)** was up 116.7% for the week after completing an amalgamation transaction with Marching Moose Capital and achieving a TSX-V listing.

**Canada One Mining (CONE.V, MCap \$4.47M)** was up 191.7% for the week on no news.

**Canamex Gold (CSQ.V, MCap \$12.89M)** was up 108.3% for the week on **news that it had secured ticker symbols** for an Initial Coin Offering (ICO) on the Ethereum blockchain as a way of raising equity.

**Copper One (CUO.V, MCap \$7.18M)** was up 47.4% for the week on no news.

**Zinc One Resources (Z.V, MCap \$23.68M)** was up 22.2% for the week on no news.

**Garibaldi Resources (GGI.V, MCap \$305.82M)** was up 45.1% for the week on posting drill results from its Nickel Mountain project. Highlights: 40.4m grading 3.9% nickel and 2.3% copper including 16.75m grading 8.3% nickel and 4.2% copper; 9.9m grading 7.3% nickel and 3.3% copper.

This was a mixed week for Electric Vehicle (EV) plays, perhaps a sign that investor confidence is ebbing or the bubble has played itself out. There was movement on both sides of the spectrum:

- **Azincourt Energy (AAZ.V, MCap \$10.64M)** up 70.6%
- **Cobalt Power Group (CPO.V, MCap \$31.33M)** up 18.9%
- **Iconic Minerals (ICM.V, MCap \$13.42M)** up 75%
- **Power Americas Minerals (PAM.V, MCap \$)** up 18.9%
- **LiCo Energy Metals (LIC.V, MCap \$19.86M)** down 18.2%
- **Cobalt 27 Capital (KBLT.V, MCap \$456.82M)** down 15.9%
- **Millennial Lithium (ML.V, MCap \$311.52M)** down 4.4%
- **NRG Metals (NGZ.V, MCap \$39.66M)** down 18.1%
- **Southern Lithium (SNL.V, MCap \$2.08M)** down 7.1%

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## TSXV Most Actives & Other News (December 11-15, 2017)



**Abacus Mining and Exploration (AME.V, MCap \$9.8M)** was down 75% for the week on news that its Environmental Assessment certificate for the Ajax copper-gold project in British Columbia had been declined. The environmental review process lasted for over 6 years but was finally declined on the grounds the project is likely to cause significant adverse environmental effects and cumulative effects to Indigenous heritage and the current use of lands and resources for traditional purposes by Indigenous peoples.

**Garibaldi Resources (GGI.V, MCap \$305.82M)** was down 26.7% for the week as investors were dissatisfied with the latest batch of drill results from its Nickel Mountain project. Highlights: 40.4m grading 3.9% nickel and 2.3% copper including 16.75m grading 8.3% nickel and 4.2% copper.

**Goldcliff Resource (GCN.V, MCap \$3.57M)** was down 51.2% for the week. The company is a gold explorer whose flagship property is the Pine Grove project in Nevada. On December 7, Goldcliff announced that it proposes to develop a gold based cryptocurrency and immediately saw its share price shoot up 121%.

The press release was heavy on hype and light on details.



**GoldQuest Mining (GQC.V, MCap \$111.92M)** was up 25% for the week on no news.

**White Metal Resources (WHM.V, MCap \$5.01M)** was up 208.3% for the week in anticipation of EM survey results at its Gunners Cove property in Newfoundland. The property is a new precious metals discovery that has seen limited past activity except prospecting.

This week saw some movement in the Electric Vehicle (EV)

plays but the action was muted:

- **Katanga Mining (KAT.TO, MCap \$4.2B)** up 54.9%
- **Azincourt Energy (AAZ.V, MCap \$10.64M)** down 27.6%
- **TNR Gold (TNR.V, MCap \$10.21M)** up 27.3%. As per the company's website, TNR Gold is working to become a green energy metals royalty company and is holding a strategic stake in International Lithium (ILC.V).

### TSXV Most Actives & Other News (December 18-22, 2017)



**Anaconda Mining (ANX.TO, MCap \$58.1M)** was up 41.67% for the week on no news.

**Asanko Gold (AKG.TO, MCap \$243.49M)** was up 24.6% for the week on no news.

**Belo Sun Mining (BSX.TO, MCap \$169.94M)** was up 30% for the week on no news.

**Abacus Mining and Exploration (AME.V, MCap \$9.8M)** was up 80% for the week, recovering from the blow it suffered last week as it failed to obtain its Environmental Assessment certificate at its Ajax mine.

**Canoe Mining Ventures (CLV.V, MCap \$11.13M)** was up 100% for the week on news that it will be "evaluating possible investment and business opportunities in various sectors, including but not limited to: mining, *cannabis and blockchain technology*."

Much like adding "electronics" to the company name during the semiconductor industry bubble and "dotcom" during the tech bubble, the magic words cannabis and blockchain technology are all that's needed to send a stock soaring today - and this company managed to add both, raising the odds even more!



**Novo Resources (NVO.V, MCap \$474.45M)** was down 39.5% for the week for the week. The stock has been soaring all year as the market chafed after a potential elephant gold discovery in Australia. All it took was for the company reporting disappointing trenching results from one program to bring the stock crashing. Two bulk samples returned 15.7 gpt Au from a 304 kg sample and 17.7 gpt Au from a 371 kg sample of basal conglomerate.

**NxGold (NXN.V, MCap \$10.68M)** was up 40% for the week on news that it intends to acquire an 80% interest in the Mt. Roe gold project in Western Australia, situated immediately adjacent to **Novo Resources' (NVO.V)** project.

**Thor Explorations (THX.V, MCap \$39.17M)** was down 35.1% for the week on no news.

This week saw muted activity in the Electric Vehicle (EV) plays

- **Abe Resources (ABE.V, MCap \$43.03M)** up 35.8%
- **Advantage Lithium (AAL.V, MCap \$180.01M)** up 16%
- **Iconic Minerals (ICM.V, MCap \$13.42M)** up 72.7%
- **Liberty One Lithium (LBY.V, MCap \$55.07M)** down 44.9%
- **92 Resources (NTY.V, MCap \$12.12M)** up 45%

**TSXV Most Actives & Other News (December 25-29, 2017)**



**Altamira Gold (ALTA.V, MCap \$10.58M)**, a Brazil focused gold explorer, was up 31% on no news.

**Giga Metals (GIGA.V, MCap \$24.98M)** was up 29.8% for the week. The company engaged Palisade Global Investments, which owns a 6% stake in the company, for investor relations and strategic advisory services (the same one used by **Mexican Gold (MEX.V)** which is in the TDV portfolio) and announced a \$2.4 million private placement.

**Senator Minerals (SNR.V, MCap \$11M)** was up 45.8% on no news.

EV plays picked up steam again this week



- **Katanga Mining (KAT.TO, MCap \$4.2B)** up 13.5%
- **Azincourt Energy (AAZ.V, MCap \$10.64M)** up 66.7%
- **Crystal Lake Mining (CLM.V, MCap \$43.67M)** up 48.4%
- **Global Energy Metals (GEMC.V, MCap \$6.15M)** up 55.2%
- **Infinite Lithium (ILL.V, MCap \$17.38M)** (formerly Alix Resources) up 41.8%
- **Liberty One Lithium (LBY.V, MCap \$55.07M)** up 50%
- **New Age Metals (NAM.V, MCap \$8.91M)** up 35.3%

## TSXV Most Actives & Other News (January 1-5, 2018)

Electric Vehicle plays:

- **Katanga Mining (KAT.TO, MCap \$4.2B)** up 36.2%
- **92 Resources (NTY.V, MCap \$12.12M)** up 44.8%
- **Advantage Lithium (AAL.V, MCap \$180.01M)** up 8.3%
- **Cobalt Power Group (CPO.V, MCap \$31.33M)** up 66.7%
- **Cruz Cobalt (CUZ.V, MCap \$28.09M)** up 21.4%
- **First Cobalt (FCC.V, MCap \$240.09M)** up 16.1%
- **Global Energy Metals (GEMC.V, MCap \$6.15M)** up 11.1%
- **Iconic Minerals (ICM.V, MCap \$13.42M)** up 17.6%
- **Liberty One Lithium (LBY.V, MCap \$55.07M)** down 6.7%
- **LiCo Energy Metals (LIC.V, MCap \$19.86M)** up 43.5%
- **New Age Metals (NAM.V, MCap \$8.91M)** up 21.7%



**Silver Bull Resources (SVB.TO, MCap \$43.84M)** was up 61.3% for the week on no news.

Silver Bull has been chasing a high grade vein target where recent drilling has returned 10 to 30 meter intervals of high grade silver and copper.

**Maya Gold & Silver (MYA.V, MCap \$156.46M)** was up 47.6% for the week on reporting November 2017 silver production of 42,264 ounces at its Zgounder mine in Morocco, representing an increase of 17.48% over the prior year. The stock had a stellar 2017, delivering a triple. The company recently announced an updated mineral resource estimate for its silver project in Morocco (less than 40Moz global).

**Tanzanian Royalty Exploration (TNX.TO, MCap \$56.23M)** was up 32.8% for the week on no news.

**Altiplano Minerals (APN.V, MCap \$24.03M)** was up 40% for the week on reporting results from a 100 tonne bulk sample of low grade Cu-Au-Fe material, i.e., between 1.23%-1.86% Cu. The company has commenced collection of a 1250 tonne bulk sample to be delivered for toll milling during early January.

**Evrin Resources (EVM.V, MCap \$26.26M)** was up 26% for the week on no news... the company is drilling a gold target in Jalisco State Mexico where it has gotten sniffs of up to 11 gpt over 10m.

**Meadow Bay Gold (MAY.V, MCap \$14.87M)** was up 72.5% for the week. The company CEO Christopher Crupi resigned and has been replaced by Robert Dinning, Chairman and CEO.

**Newstrike Resources (HIP.V, MCap \$854.02M)** was up 169.6% for the week, the company is in the midst of negotiations to acquire a cannabis deal.

**Kutcho Copper (KC.V, MCap \$37.79M)** was up 28.1% for the week on no news.

**MX Gold (MXL.V, MCap \$28.19M)** was up 29.4% for the week on closing a private placement for \$2,189,500, the proceeds to be used for general working capital and its Magistral del Oro project in Mexico.

**Fancamp Exploration (FNC.V, MCap \$18.98M)** was up 60% for the week on no news.

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## TSXV Most Actives & Other News (January 8-12, 2018)

Electric Vehicle plays:

- **Katanga Mining (KAT.TO, MCap \$4.2B)** down 11.1%
- **Nemaska Lithium (NMX.TO, MCap \$676.8M)** down 9.9%
- **Lithium Americas (LAC.TO, MCap \$822.81M)** down 6.5%
- **92 Resources (NTY.V, MCap \$12.12M)** down 2.4%
- **Advantage Lithium (AAL.V, MCap \$180.01M)** down 9.2%
- **Alba Minerals (AA.V, MCap \$11.3M)** up 72.4%
- **Azincourt Energy (AAZ.V, MCap \$10.64M)** up 60%
- **Cobalt Power Group (CPO.V, MCap \$31.33M)** down 10.8%
- **Cruz Cobalt (CUZ.V, MCap \$28.09M)** down 4.4%
- **First Cobalt (FCC.V, MCap \$240.09M)** down 12.5%
- **Iconic Minerals (ICM.V, MCap \$13.42M)** up 92.5%
- **Infinite Lithium (ILI.V, MCap \$17.38M)** down 6.5%
- **LiCo Energy Metals (LIC.V, MCap \$19.86M)** down 3%
- **Standard Lithium (SLL.V, MCap \$144.8M)** up 13.3%
- **US Cobalt (USCO.V, MCap \$42.81M)** up 17.5%

**Platinum Group Metals (PTM.TO, MCap \$100.04M)** was up 28.6% for the week on reporting quarterly results for the quarter ended Nov. 30<sup>th</sup>. The company incurred a net loss of \$12.44 million (November 30, 2016 – net loss of \$2.45 million). The company's key business objectives are to advance the Waterberg project and repay its secured lenders. The company plans to increase its profile by focusing on the competitive nature

of the large-scale Waterberg palladium reserves at a time when palladium is attracting market attention and palladium supply is estimated to be in deficit.

**Primero Mining (P.TO, MCap \$53.18M)** was up 200% for the week. The company is going to be acquired by **First Majestic Silver (AG, MCap \$1.14B)** for its San Dimas silver mine in Mexico.

**Fancamp Exploration (FNC.V, MCap \$18.98M)** was up 20.8% for the week on no news.

**Altiplano Minerals (APN.V, MCap \$24.03M)** was up 49.2% for the week on reporting channel sampling results from its Farellon Cu-Fe-Au project in Chile. Highlights: 1.95m grading 0.25 g/t Au, 3.08% Cu and 49.23% Fe, and 1.65m grading 0.3 g/t Au, 5.58% Cu and 50.23% Fe.

**ML Gold (MLG, MCap \$23.51M)** was up 36% for the week on announcing that the first drill hole on its Stars Project intersected 311 metres of veined and variably disseminated copper sulphide mineralization (with visible copper) from surface to a significant depth. Downhole, copper sulphide mineralization occurs in veins ranging in size from 0.5 to 20 cm and as disseminations and blebs of chalcopyrite. Visible mineralization occurs throughout the interval to a depth of 332.6 metres.

*Ed Bugos & Kashyap Sriram*

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