 

TDV News & Exploration Update

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Upcoming Results Schedule (TDV Portfolio)

Iamgold (IAG) Q1 2017 results - 05/09/2017
Endeavour Mining (EDV) Q1 2017 results - 05/09/2017
Premier Gold (PG.TO) Q1 2017 results - 05/11/2017
Fortuna Silver (FSM) 2016 results — 05/30/2017 (highly likely, subject to SEC approval)
Argonaut Gold (ARNGF) Q1 2017 results - 05/09/2017
Franco Nevada (FNV) Q1 2017 results - 05/09/2017

Macro Interlude, Bullish Fail in Oil Chart Weighs on CRB

With the exception of chemicals prices, which continue to buck the trend, many commodities finished the week accelerating a downturn that began in February, and continued in mid-April after a brief interruption that amounted to a lower high in oil and the CRB. The current downturn could take some of the steam out of the price inflation pick up confessed to by the various manipulated government indexes (CPI, PPI, PCE).

What I don't like about this is the apparent bullish failure in oil. In the right hand chart above some of you may recognize the classic head & shoulders bottom (left shoulder = July '15 low, head = Feb '16 low, right shoulder = July '16 low, neckline = $52 /bbl). The H&S "neckline" sat conveniently at the last lowest high in the previous primary down trend (i.e., the Oct '15 high at $52 in the chart on the right above). This kind of pattern is "technically confirmed" when prices move above that neckline, which they did for a while. But in the end they couldn't hold their gains. Such failures tend to lead to rollovers. The weakness is disconcerting given how far below the 200 day moving average (red line) the oil price remains. I'm not that bearish to be sure. Perhaps we will see a retest of the $30 level. The causes of the failure in my analysis include a pick up in expected supplies, a weakening economy, and the post Trump US dollar f/x gains. Recall that the decline in the US dollar on forex markets during the first half of last year, which got us gold bugs going, forestalled a lot of the bad debts that were weighing on the energy business by helping to shore up oil and gas prices.

Many analysts missed that, so read it again if you did too: the weak USD staved off the collapse of high yield oil debt in the first half of 2016. Likewise, the post Trump USD rally has had a hand in oil's chart failure.

USD Bull Not Broad

But as you know, I'm not convinced in the US dollar's rally. Not just based on cynicism about Trump or the poor monetary and economic fundamentals underlying the unsound financial boom. But also, technically.

The new high in the USD index in December was not confirmed by many foreign currencies making reciprocal new lows other than the Euro, which I was trying to bottom pick last year. The Euro has turned up too, now, however.

In the short term the only foreign currencies that have kept the US dollar index up have been the Canadian and Australian dollars, and the Mexican peso... but none of those declines is in my opinion sustainable. In fact, the Canadian dollar seemed to have stopped sliding on Friday.

Besides, as you can see in the above the US dollar index finished the week poised for a Macron win in France, and a Euro recovery. And the US dollar is in my view still about to *fail* on its December breakout.

Finally, within the commodity complex, technically speaking, many commodities have been bucking the trend by continuing a strong advance. In addition to electricity and chemicals prices, this list includes:

1. Lumber prices, which have continued their steep rally (+28% yoy),
2. Cattle prices (+20% yoy),
3. Palladium (+36% yoy),
4. Natural Gas (+57% yoy), and
5. Bitcoin (+240% yoy)

Those price increases are directly related to Trump policies, even before a weak USD f/x rate. Also, Cocoa and the agricultural commodities, which have been weak this year, have started to build a bottom now.

Looking under the covers, the only commodities with any downside are oil, and the precious metals… and maybe bitcoin, which will be in need of a hefty correction soon. It would be wise to scale back a little now.

US regulators have classified BTC as a commodity and I classify it as a currency asset like gold and silver, except more speculative, but all of which are ultimately commodities before they were currencies or assets.

I will issue a trade update on Monday or Tuesday, when the smoke clears following the final French election outcome, which should be of no real surprise. In fact, chances are it will feel anticlimactic compared to the reaction in the preliminary round. Because of this we could in fact see almost the opposite everywhere occur except the euro, which would probably unwind a lot of its shorts. There are record shorts in the CAD as well.

The Safehaven Blues

Many subscribers have noticed relational declines in gold, yen, treasury and USD values and are confused by this because the yen's decline, for example, is accompanied by USD weakness and gold weakness all at the same time as bond yields are rising. The yen is not really a safehaven currency but it is often caught up in the safehaven trade. It's true, however, that the Bank of Japan is the least abusive of all the central banks.

At any rate, the relationship reflects the popularity of the binary "risk on" vs "risk off" paradigm.

When gold, yen, treasuries, and USD (respectively) rise together it is often because traders are de-risking their macro bets. That is, they are buying insurance. They rose ahead of the French election as insurance against a Le Pen win and they collapsed after the election when the insurance was no longer necessary.

That's also why the miners didn't participate in gold's Mar-Apr rally. The precious metals community, typically consisting of traders that are ahead of the crowd, sees the parabolic gains in stock prices today as tomorrow's falling axe, and probably remembers what happened in 2008 clearer than what happened in 2001. The miners will perform after the bear market in stocks begins, and yes I'm fully aware of all the reasons shorting a parabolic is bad so please spare me the lashings for being too early on the big short.

When the pm's came off the bottom last year I stated my condition for calling it a new bull market - i.e., that stocks and the US dollar would have to turn down first in a confirmed bear market. That has yet to happen, and so I'm not expecting much out of the miners, yet. There is still downside risk depending on whether the stock market comes down first or the US dollar does. I am today very bearish on all US dollar denominated assets - whether fixed income, govt securities, equity, and real estate — and I think when they start coming down the first reaction in the pm's might be down. However, the extent of the downside will in my view be minimal. Not as much as in 2008. More like 2001 because we are still ending a previous bear market; i.e., in 2008 the miners were at 20 year highs, today they are at 20 year lows like in 2000. In our April 13th edition I recommended buying some GDXJ puts as basic insurance on my short term outlook. With no new money coming out of the Fed or the banking system right now investors are sucking liquidity out of every corner they can in order to plow it into what is working. Even our own camp has been talking about reducing the allocation to miners on our facebook page and increasing it to the even more speculative cryptocurrencies.

So don't give up on the miners. If you didn't buy the GDXJ hedge as per my recommendation and you have less than a third of your portfolio in the miners I would view the sell off, which could intensify, ***as an opportunity to increase the weighting***. My recommendation for the stock portfolio is to dollar cost average into (and out of) it. I am not trying to time the stocks in that portfolio, although I do believe that most of them are likely to start to really perform within a year's time, after a general Wall Street wash out.

Special Situations Update

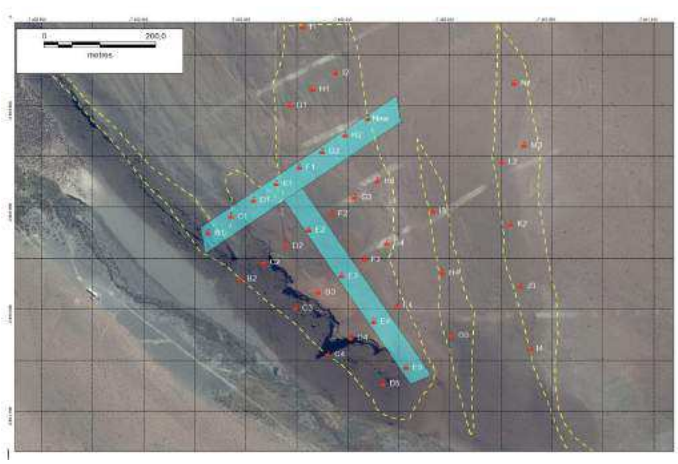
Cascadero Copper (CCD.V) issued 2.15 million shares at a valuation of 11 cents per share to Chairman Bill McWilliam as part of settling his outstanding remuneration. Most of the liability is still outstanding.

Management has not taken a salary for almost two years. The board feels it would be unethical to take payment in shares with share prices so low, because of the dilution. At the same time, this may show what words can't - things are going well enough that they can't resist acquiring some stock while it is still cheap.

If you haven't bought this stock or have sold it too soon, it's time to get back in. There is definitely a chance that you can get in cheaper if the market or the sector plunge, and we expect at least the market to plunge.

On the other hand, I've been premature in timing that downturn so far and may continue to be wrong about it for another six months, maybe more. Probably not. But maybe. So don't throw caution to the wind.

However, a number of things are advancing here, some of which I can tell you about, and some of which I still can't for reasons that are strategic to the company. The first thing to note is that the company has been steadily drilling its Taron Project cesium target, which is interpreted to be a flat lying sedimentary body of mineralization at the top of a hill 4,000 meters in altitude in North Argentina's Salta province. It is on hole 18 of 29 diamond (core) drill holes as per the drill grid in the picture on the right below. The drilling has hit the right lithologies visually and if the cores run high enough in grade we are on target in proving this asset.



It is not supposed to be called a deposit until we get the assays all back and interpreted but if they confirm it then we can tell you how much Cesium there is in there. The company is aiming at a 20 million tonne total resource, which it believes would be able to support the shortfall in Cesium demand for at least a decade.

Before drilling started management told me that if they weren't hitting the right stuff they would know after drilling about seven holes. The continued drilling tells me they must like what they are seeing.

Drill results will come out in batches. The first batch is already in Vancouver being assayed after sample preparation in BV's lab in Mendoza, Argentina. Turn around time is about two weeks we are told.

In a related announcement, the company said that its consultants at the University of British Columbia were able to achieve 40% reduction in acid consumption and related metallurgical costs. The process yields a 95% recovery rate for the Cesium itself.

Oh, and don't forget, this process is new. This deposit is a new type of deposit. Not the element. Cesium has been known and has a market. But its particular type of formation and lithological associations is unique.

As a result, the company also said, "*The recent work has also confirmed the repeatability of the leaching process developed at UBC which CCD has subsequently taken to patent.*"

But there are other things happening that will strengthen Cascadero's balance sheet and could result in one or two potential gold and/or copper discoveries in Argentina at different projects.

First, Cascadero is a signature or two away from closing a deal that will bring another $1 to $2 million into the treasury. We should know within days if it will happen. If it does it will strengthen the company's cash position and allow it to do a few more things, which may include drilling one or two of its other properties.

Second, while waiting to drill Taron in March, the company's geologists went to two of its gold properties in Argentina to map and sample the outcrops. The company is awaiting over 300 assays from two of its gold properties - from a rock and chip sampling program. One of these properties (Sarita Este) is part of a package of properties in Argentina (further south and separate from the Taron Cesium target) that McWilliam is negotiating to sell to First Quantum, which is building the Taca Taca mine next door.

Cascadero has always been bullish on the Sarita properties. There are two angles to their value. The first is that in order to build the Taca Taca deposit into a mine First Quantum is going to have to get permitted, which means they will have to show the government how they will deal with the 30 years of waste the mine will likely generate. Cascadero's management is convinced that there is no room on First Quantum's claims to deal with this problem and will eventually have to buy out Cascadero's interest in the Sarita claims.

However, the other aspect of this story is that McWilliam has always believed that the Sarita Este property hosts the higher gold and copper grades that the Taca Taca Copper-Gold-Moly deposit does not. I ignored this latter aspect of the story until Bill showed me a 2012 independent geological report that resulted from a 2012 geological survey done on the property. The report by Mark Fedikow (October 17, 2012) found that,

> "*...the geochemical patterns depicted in this survey indicate there is a multi-element anomaly developed over an approximate 3 km x 2 km area in the southern portion of the TTM property and*

that this anomaly is best explained by a buried base metal mineralized zone. The anomalous responses would represent the alteration signatures of hanging wall rocks to a porphyry system. The irregular outcrop sampling pattern makes interpretation of these uncertain but not impossible. Based on copper responses the possibility exists that there are two base metal mineralized zones on the property, one in each of the northern and southern survey areas."

The report concluded:

"*There is overwhelming evidence in terms of patterns of variation for most elements analyzed in this survey to support the scenario of a buried zone of base metal mineralization in the southern survey area.*"

So this could be an important project and involves claims that are being negotiated with First Quantum, which has the adjoining Taca Taca copper-gold-moly mine (28 billion lb copper, 7 million ounces of gold, and some Moly). What is important about this is that now Cascadero is awaiting additional assays from the property and may have the money to drill it, which may force First Quantum to the negotiating table again.

There's way more to this that I can't tell you about but news is coming. Cascadero's main aim is to complete a PEA at Taron this year, and is about to start releasing important news on that and other projects.

At the end of 2016 I capped our buy price at 15 cents. I am prepared to raise that limit to 20 cents because of (1) the initial feedback we are getting on the Taron drill program, as well as (2) the exploration recently completed at two strategic gold properties (where results are expected to be announced soon also), and (3) the likelihood of a small non-core property deal that will generate some additional cash for it.

I will wait until Taron has been transformed into a *deposit* before raising my buy price to 25 cents, but I am comfortable recommending this stock up to 20 cents based on what I see and know now. The extra cash generated from the property sale (i.e., not the large one that is still in negotiations with First Quantum) will give the company the ability to drill one or both of the gold projects discussed above after finishing with Taron.

Disclaimer: *I am also the company's vice president of corporate development, I own or have control over more than a million shares of the stock, including options, and warrants from the private placement we completed at 10 cents. I have acquired most of my own position between 3 and 10 cents starting in 2014 when it began a process of restructuring. I first recommended the stock to TDV subscribers at 5 cents in April of 2016, shortly after the stock relisted on the TSXV. As an insider my trades in CCD are public.*

TDV Portfolio News Summaries,

Agnico Eagle (AEM, $46.67, MCap $11.1b, 230.99m SO) reported Q1 2017 results, with net earnings of $76 million (Q1 2016: $64.1 million), and operating cash flows of $222.6 million (Q1 2016: $145.7 million) on production of 418,216 gold ounces at an AISC of $741 (Q1 2016: $797).

The 2017 forecast has been revised up a little with production now expected to exceed 1.57 million ounces at an AISC of between $850 and $900 per ounce.

The company finished the quarter with cash and cash equivalents of $804.3 million, boosted by the issuance of common shares in a private placement last month that has generated a buzz about what the company intends to do with it. The stock price has been stronger than the sector as you can see in the comparison here or any other chart in the next several pages. One of the rumors is that it wants to take a run at Sabina, one of our other holdings. That makes total sense to me because Agnico has two mines in the arctic and has become somewhat of an expert in mining up there now.

One of those mines is the Canadian Malartic where an extension project has just received Government approval. Likewise, the Meliadine project is on schedule and budget, with underground development 5% above plan and engineering work 67% complete at the end of March 2017. Construction activities are progressing well with the concrete batch plant being commissioned and pile installation restarted in March.

The company also announced that Goldex Deep 1 construction is 75% complete, while mine infrastructure development 100% complete. Deep 1 is now expected to start ramping up in the third quarter of 2017, approximately one quarter ahead of schedule. Agnico is one of my top picks for 2017 and the long term.

Goldcorp (GG, $13.61, MCap $11.83b, 853.81m SO) reported Q1 2017 results, with net earnings of $170 million (Q1 2016: $80 million), operating cash flows of $227 million and adjusted operating cash flows of $269 million. Available liquidity stood at $3.1 billion, of which the credit facility accounted for $2.9 billion. The company also reported that it is on track to achieve $250 million in cost efficiencies by 2018.

For the quarter, Gold production was 655,000 ounces at an AISC of $800/oz, compared to 784,000 ounces at AISC of $836/oz for Q1 2016. The company reconfirmed 2017 guidance of 2.5 million ounces at AISC of $850 per ounce. The company also provided an exploration update on their mines and development assets.

Drilling has commenced at the Coffee project in the Yukon, acquired via the acquisition of Kaminak Gold.

Work is advancing towards preparing a pre-feasibility study on the Century project in the prolific Timmins gold camp, situated in close proximity to the Porcupine mine. In other news, Goldcorp completed the previously announced sale of its Los Filos Mine to Leagold, the deal valued at approximately $438 million.

Goldcorp will own a 25.3% stake in Leagold at closing.

Yamana Gold (AUY, $2.48, MCap $2.39b, 947.85m SO) reported a net loss of $5.9 million (Q1 2016: 36.1 million net earnings) and operating cash flow of $51.3 million in the first quarter (Q1 2016: $116.2 million) on revenues of $403.5 million and production of 257,533 gold ounces, 1.08 million silver ounces and 26.5 million pounds of copper at an AISC of $936 (Q1 2016: $787) per ounce.

The loss resulted from rising costs and falling production in the year over year comparison. However, the company still increased its production guidance for the full year (2017) to 940,000 ounces of gold from the previously lowered guidance of 920,000 ounces (continued operations), and expects to be (free) cash flow positive this year. Gold production is expected to increase again in 2018 and 2019 mostly as a result of increases in production at Chapada (with the addition of production from Suruca in 2019), at Canadian Malartic, as well as with new production from Cerro Moro, which will reach production in early 2018.

At the 3 million ounce plus Monument Bay gold project in Canada, exploration efforts in the first quarter included 5,206 metres of drilling (16 holes) testing district targets immediately outside of the currently defined mineral resource area. The company wants to test new splays of the Stull Wunnumin deformation zone with up to 5,000 metres of scout drilling and maintain technical studies through their logical conclusion around mid-year while the camp is on summer care and maintenance. The company also announced the addition of Steve Parsons to its management team, in the role of Senior Vice President, Investor Relations and Corporate Communications. Mr. Parsons will be responsible for the Company's investor relations efforts, including managing relationships with investors and other capital markets participants, and Yamana's internal and external communications strategies, including social media and media relations. Mr. Parsons comes to Yamana most recently from National Bank Financial where he was a senior gold mining analyst and had coverage of Yamana in addition to a large number of its peers. Mr. Parsons spent 13 years in the investment industry with the majority of that time as a senior mining analyst covering gold and base metal companies for National Bank Financial and Wellington West Capital Markets.

Endeavour Mining (EDVMF, $15.6, MCap $1.36b, 92.7m SO) completed a private placement with its largest shareholder, La Mancha Holding S.A.R.L. La Mancha exercised its anti-dilution right to re-increase its stake from its current 28.1% interest to its initial 29.9% ownership position, by means of a C$63.4 million (approximately US$47.5 million) private placement. Sébastien de Montessus, President & CEO, stated: "*This additional investment by La Mancha, which has to-date injected approximately US$190 million in Endeavour, further demonstrates its long-term support and its strong conviction in our ability to continue to create shareholder value. With this increased financial flexibility, we are well-positioned to progress our upcoming organic growth opportunities, which* *include both the Ity CIL project and our ambitious five-year exploration program.*" Be careful with Endeavour. I really like the company. It has been one of our best performers since we started recommending it three years ago at under $7. However, the market has been expecting a takeover. The deal with a Barrick subsidiary collapsed. And it may be too expensive.

McEwen Mining (MUX, $2.68, MCap $838.95m, 311.87m SO) announced Q1 2017 results, with a net loss of $3 million (Q1 2016: $13 million net income) and negative operating cash flow of $8.6 million (Q1 2016: $14.7 million positive operating cash flow) on production of 20,096 gold ounces and 722,767 silver ounces, or 29,733 gold equivalent ounces. The key contributor to the loss was a decrease in El Gallo mine gold sales of $6.4 million and increased investment in the Los Azules copper project of $6.7 million.

The company reaffirmed its 2017 guidance of 144,000 gold equivalent ounces. The Gold Bar project in Nevada is advancing towards construction and remains on schedule to receive a Record of Decision in the third quarter of 2017. The company completed the quarter debt-free with liquid assets of $52 million comprised of $28 million of cash, $8 million of precious metals, and $16 million of marketable securities.

The company also completed its previously announced acquisition of Lexam VG Gold, which will provide it with access to past producing mining properties in the Timmins gold district (historical production of over 55 million oz). McEwen has budgeted $3 million for exploration and development activities in Timmins.

In other news, the company also appointed Sylvain Guerard as Senior Vice President, Exploration. Sylvain has over 25 years' experience in mineral exploration across four continents. Prior to joining McEwen Mining he spent seven years at Kinross, most recently serving as its Senior Vice President, Exploration; with responsibility for worldwide development and implementation of exploration strategy. Before Kinross, Sylvain worked in exploration at Barrick for eight years, Inmet for six years, and at two other firms.

As with Endeavour, McEwen has been a top performer and is on the expensive side. It ranks highly in the sector for management and liquidity but low on valuation. The new government in Argentina put it at the top of the list of prospects at an opportune time and the stock continues to be an institutional favorite when they pile into the sector. I wish it wasn't so expensive but you get what you pay for. Is McEwen worth it?

So far we think the answer is yes but much of that is based on his success in building Goldcorp. In his own reincarnation developments have been rather disappointingly slow over the past decade. But we watch.

B2Gold (BTG, $2.25, MCap $2.2b, 973.45m SO) announced Q1 2017 results, with adjusted net earnings of $19.4 million (Q1 2016: $18.9 million) and operating cash flow of $39.6 million (Q1 2016: $171.6 million). The company produced 132,736 Au ounces in Q1, 6% above budget and 4% higher than the same period in 2016, at an AISC of $889/oz.

B2Gold is also on track to meet its 2017 annual guidance of between 545,000 to 595,000 ounces of gold. For 2018 it projects production to increase significantly to between 900,000 and 950,000 oz of gold, including the Fekola mine's first full year of commercial production. Consolidated cash operating costs are expected to come in between $610 and $650 per ounce while AISC is expected to fall between $940 and $970 per ounce. The Company's forecast consolidated cash operating costs per ounce and AISC per ounce are expected to decrease in 2018 and be comparable to the Company's 2016 revised cost guidance ranges of $500 to $535 per ounce for cash operating costs and $780 to $810 per ounce for AISC.

Also of note, the company provided commentary stating that the Masbate mine in the Philippines will not be affected by the Philippine Department of Environment and Natural Resources (DENR) audit. Philippines has become openly hostile to mining, with Environment Secretary Gina Lopez recently cancelling 75 mining contracts and the DENR shutting down 23 mining firms. The effects have already been felt in the nickel market, with Philippines being a key producer. While B2Gold believes its operations will not be affected, the Masbate mine accounts for over 30% of its production and hence the situation bears close watching.

Fekola Project Update

Based on Fekola's current mine construction progress, the Fekola Project remains 3 months ahead of schedule and is planning for an October 1, 2017 production start. At the end of the first quarter, the project was approximately 75% complete with civil earthworks construction and process plant construction approximately 91% and 54% complete, respectively. Through the quarter, average daily mining rates have increased from 25,000 tonnes to 42,000 tonnes. Installation of the ball and SAG mills at the process plant commenced in February 2017, following arrival and preparation of the components in January 2017. Concrete progress and structural steel erection at the mill is approximately 99% and 94% complete, respectively. Concrete work and platework at the primary crusher and stockpile feed conveyor has been completed while approximately 80% of the structural steel at the primary crusher has been erected. Erection of the various buildings around site also commenced, with a completion rate of approximately 35% at the end of the quarter. Earthworks construction of the phase 1 tailings storage facility ("TSF") embankment has been completed and HDPE lining of the facility is 100% complete. The network of under-drains in the basin of the TSF, which aids in consolidation of the tailings and extending the life of the facility, has also been completed. The first of the three decant structures, designed to return water back to the process plant, has been finished along with the decant access road above the HDPE liner. The TSF and the site water management structures are approximately 98% and 93% complete, respectively. Construction of the run of mine (ROM) pad continued through the quarter with over 1,700,000 m^3 of material placed to date and 750,000 m^3 of material placed in the quarter. The manpower on site saw an increase through the first quarter with an average of 1,050 employees and contractors.

Alacer Gold (ALIAF, $1.47, MCap $421.41m, 2.92.85m SO) reported attributable Q1 production of 26,334 gold ounces from its 80%-owned Copler mine in Turkey at cash cost of $711 and AISC of $898, providing a net income of $8.7 million. The company also reaffirmed its 2017 production guidance of 160,000 to 180,000 ounces. The Copler Sulfide Project is advancing to schedule, is on budget, and is fully funded. After a detailed technical review of the Sulfide Project by the lending syndicate's independent engineers, the lenders determined that a cost overrun reserve is not required for the financing facility, further demonstrating the robustness of the Sulfide Project. The Cakmaktepe 2017 drilling program has recommenced and will be focused on defining development plans for Cakmaktepe Central and step out drilling for the entire Cakmaktepe mineralized area. The company also commenced a DFS on the Gediktepe project, with completion targeted for June 2018. Alacer is a great company fundamentally. It has great management and a strong balance sheet. And it is trading cheaper than most. But I have had it on alert because it is a one mine deal in a geopolitical hotspot: Turkey; but given its valuation I may have to reconsider.

First Majestic Silver (AG, $7.48, MCap $1.23b, 164.46m SO) reported Q1 2017 results with net earnings of $2.7 million (Q1 2016: $7.4 million net loss) and pre-tax operating cash flow of $26.6 million (Q1 2016:$25 million) on production of 4.3 million silver equivalent ounces at an AISC of $12.21 (Q1 2016: $8.97). The silver equivalent ounces include 2.7 million ounces of silver, 15,095 ounces of gold, 7.5 million pounds of lead and 0.9 million pounds of zinc. The company is on track to meet its 2017 silver production guidance of 11.1 - 12.4 million ounces, or 16.6 -18.5 million silver equivalent ounces.

Fortuna Silver (FSM, $4.25, MCap $624.66m, 158.85m SO) reported Q1 2017 production of 2 million ounces of silver (up 26% over Q1 2016) and 13,200 ounces of gold (up 42% over Q1 2016). The company is on track to produce 8.1 million ounces of silver and 52.4 thousand ounces of gold (or 11.2 million Ag Eq ounces) in 2017. The company also continues to advance basic engineering reviews and optimization work on its Lindero Gold project, with the aim of supporting a construction decision in Q3.

Sabina Gold & Silver (SBB.TO, $1.6, MCap $344.72m, 223.58m SO) started drilling at the Goose camp on its 100%-owned 7 million ounce plus Back River gold project in Nunavut, Canada. Approximately 7,000 metres of drilling is planned for 2017 in two phases, with the first 3,000 metres to be completed this spring, and the balance in a summer drill campaign to commence in August. Bruce McLeod, President and CEO, stated:

"*We believe that there are new discoveries to be made at Back River and this will be a multi-generational project. At this time however, we are focused on adding near term value by potentially extending life at our proposed Goose Mine.*"

The company has budgeted C$8.5 million as its base budget for 2017. However, depending on the timing and success of the permitting process and several discretionary activities planned, such as the ongoing drill program, total expenditures could range up to approximately C$31 million in 2017. The Company had approximately C$39.9 million at December 31, 2016 and well positioned to add ounces to the project, which is precisely what they need to do, especially to entice an offer. Everyone knows that development projects awaiting a permit are boring. And in this case the self appointed community representatives (NGO) have hinted that they'd prefer a deeper pocketed company developing Back River. Rumor has it that Agnico Eagle is going to make an offer. And what better way to motivate them to do it sooner than by announcing that you want to go out and find some more gold. If there is a time to buy Sabina out cheaply it would be now.

Argonaut Gold (ARNGF, $1.48, MCap $251.25m, 176.94m SO) completed 11,540 metres of RC drilling at its recently acquired San Juan property adjacent to the El Castillo mine. Highlights include: 141.7m of 0.49 g/t Au, 153.9m of 0.53 g/t Au, 138.7m of 0.58 g/t Au and 141.7m of 0.68 g/t Au. The drill results indicate the presence of strongly oxidized gold bearing rocks with the same chemical and structural characteristics as the El Castillo open pit mine.

Pete Dougherty, President & CEO commented:

"*With the acquisition of Fresnillo's San Juan concession and the drill results so far, we expected to increase the life of the El Castillo mine. Drilling results to date are positive and indicate strong potential to expand the current pit limits initially into the North Target area. This previously announced acquisition also allows us to extract a large, known wedge of economic mineralization that lies on our side of the original concession boundary, as we move the pit wall back onto the newly acquired ground.*"

Amarillo Gold (AGC.V, $0.355, MCap $26.56m, 80.25m SO) has filed an updated prefeasibility study for the Posse gold deposit within its 100-per-cent-owned Mara Rosa project in Brazil. The PFS projects an NPV5 of US$178 million and an after-tax IRR of 35.2% and payback period of 2.2 years at a $1200 gold price with a life of mine (LOM) average cash operating cost of US$545/oz Au, and AISC of US$627/oz Au (all in sustaining costs). Average annual gold production is estimated to be 140,000 ounces over the first 4 years, with average LOM production at 112,000 ounces per year over 8 years, and total production of 892,000 oz.

Those are all slight improvements over the 2011 PFS, which also spat out a $178 million NPV at 5% but with a longer payback, lower IRR, less total output, and a year shorter mine life. So we have a bit more leverage, and are at a better stage of the metal cycle perhaps. The stock is trading at 1/7 of its estimated NPV.

Premier Gold (PG.TO, $2.62, MCap $506.26m, 201.53m SO) recently posted drill results from its 100%-owned McCoy-Cove Property, located 32 miles south of Battle Mountain in Lander County, Nevada.

The ongoing drill program continues to expand and delineate the primary Helen and CSD Gap Zones as well as test targets near and along the Cove trend where it has delineated a 1.5Moz (12 gpt) gold deposit so far. This drill program is part of the Company's 2017 US$13.4M exploration and development budget at McCoy-Cove as part of a PEA that is expected to be completed in H2-2017.

Highlights of the drill program included 9.31 g/t Au across 5.5 m; 10.34 g/t Au across 7.2 m; 29.52 g/t Au across 5.9 m; 19.37 g/t Au across 2.4 m and 16.75 g/t Au across 3.4 m. The positive results from this program are expected to warrant the initiation of an underground drill program that may begin in 2018 once access has been established. The deposit hosts a resource of 228,000 Au ounces Indicated (614,000 t @ 11.57 g/t Au) and 1,322,000 Au ounces Inferred (3,378,000 t @ 12.17 g/t Au). In other news, the company announced production results for Q1 2017, with total gold production of 50,979 ounces (South Arturo - 28,815 oz and Mercedes - 22,164 oz) and total silver production of 88,572 ounces, all from its Mercedes mine. The company also reconfirmed its 2017 production guidance of 125,000 to 135,000 ounces of gold and 325,000 to 350,000 ounces of silver.

Nautilus Minerals (NUS.TO, $0.245, MCap $164.43, 670.06m SO) announced the closing of its previously announced $2 million private placement. The company has raised $6 million of its planned $20 million capital raise so far and announced the next $2 million private placement scheduled for May 2017.

Eurasian Minerals (EMX.V, $1.15, MCap $85.29m, 74.16m SO) announced the completion of its previously announced C$7 million private placement and changed its name to EMX Royalty Corporation in order to better reflect how its business has emerged since inception as a prospect generator and evolution into a royalty generation and investment company. EMX issued 5,000,000 units at a price of C$1.40 per Unit, with each unit comprised of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share for C$2.00 until April 12, 2019. The company also appointed Mr. Thomas G. Mair as the General Manager of Corporate Development. Mr. Mair brings a wealth of executive level financial and management expertise to EMX from over 35 years with Newmont, Golden Star Resources, and more recently, his consulting services practice. Mr. Mair is actively working on a number of initiatives to achieve the Company's goal of growing additional royalty income. The company also intends to issue 18,634 shares (valued at US $18,000) to Mr. Mair in respect of work performed for in the first three months of 2017.

IG Copper, of which the company owns 39%, announced that the 2017 exploration program at its Malmyzh copper-gold porphyry project is underway, with priority follow-up drilling planned for the Freedom and Valley deposits. The Malmyzh joint venture's exploration and mining licenses are held by IGC (51%) and Freeport-McMoRan Exploration Corporation (49%), with IGC operating and managing the project.

Goldquest Mining (GQC.V, $0.38, MCap $91.64m, 253.86m SO) announced the appointment of two members to the management team to assist with the permitting and development of its assets in the Dominican Republic. Georges Boissé has been appointed as Special Advisor to the company and Robert Crowley has been engaged as the full time Corporate and Social Responsibility (CSR) Manager. Mr. Boissé previously served as Canadian Ambassador to the Dominican Republic from 2012 to 2014.

Mr. Crowley is based in Santo Domingo, Dominican Republic and has 30 years of international leadership and management experience across 15 Latin American, Caribbean and Central Asian nations. The company granted 6,158,666 incentive stock options to directors, officers and employees at an exercise price of C$0.50 per share, exercisable for a 5-yr period.

TSXV Most Actives and Other News (April 3-7)

Katanga Mining (KAT.TO, MCap C$660.87m), a copper and cobalt company with a project in the DRC, was up 44.64% on anticipation of Q1 results. Katanga is formerly a Bob Buchan deal (Kinross founder) currently controlled by Glencore Int'l PLC.

Arena Minerals (AN.V, MCap C$16.02m), a Chile-focused prospect generator, was up 26.32% on news that it had received $975,000 from the exercise of warrants.

Beaufield Resources (BFD.V, MCap C$39.93m), a Canada focused precious metals explorer with multiple properties, was up 42.86% in the first week of April as a dissident shareholder tried to take control.

TSXV Most Actives and Other News (April 10-13)

Northern Dynasty Minerals (NAK, NDM.TO, MCap C$638.08m) was up 26.9% on news that it had received a Miscellaneous Land Use Permit from the Alaska Department of Natural Resources for its ongoing activities at the Pebble Project in southwest Alaska. The news was not material to warrant the spike, since they still need to go through the mine permitting process and find a big pocketed JV partner to take on the development process.

ATAC Resources (ATC.V, MCap C$56.02m) was up 52.38% on news that it had entered into a property earn-in agreement with Barrick Gold for its Orion project on the Rackla Gold Property. The transaction consists of a potential total investment by Barrick of approximately $63.3 million, which includes a private placement of $8.3 million and a two staged, $55 million exploration earn-in option to acquire up to 70% of the Orion Project. I'm warming up to ATAC again after a long hiatus.

Fission Uranium (FCUUF, MCap $222.92m) has been announcing interesting results from its recently concluded 2017 winter drilling program. The company discovered a new zone R1515W with step out drilling from its R840W zone. Of particular note is a drill hole which encountered 47.0m total composite mineralization, including 5.29m of total composite >10,000 cps. The current mineralized trend is now Athabasca Basin's largest mineralized trend, at 3.17 km. The company is keen on growing its resource base at the shallow end of the deposit, with more in-fill and step-out drilling planned.

TSXV Most Actives and Other News (April 17-21)

Camino Minerals (COR.V, MCap $41.26m) was up 402.86% on news that it had intersected 106 Meters averaging 1.30% copper at its Los Chapitos Project in Peru. The Company is focused on the acquisition and development of high grade copper and precious metal projects.

Otis Gold (OOO.V, MCap $46.95m) was up 21.88% on no news.

TSXV Most Actives and Other News (April 24-28)

ABE Resources (ABE.V, MCap $1.95m) was up 160% on news that it was being acquired by Pioneer Resources, a privately-held Quebec-based exploration company.

Camino Minerals (COR.V, MCap $43.82m) was down 35.8% on reporting limited drill results from 3 RC drill holes at its Los Chapitos project located in southern Peru. The company plans to follow up with a diamond drilling program, for which it intends to raise $5 million.

MX Gold (MXL.V, MCap $28.29m) was up 26.67% on no news.

Noteworthy Drill Results (March 31- May 2),

Normally I will produce a wider summary of assays with a focus on new discoveries with world class economic size potential implied in the discovery drill holes. But we are behind on this developing segment, so I will briefly only comment on the most noteworthy drilling programs and results in the month of April.

Camino Minerals (COR.V) announced an interesting discovery at its 100% Los Chapitos IOCG Copper-Gold-Silver target in Peru. Drill hole CHR-002 intercepted 1.30 per cent copper over 106 metres (with the hole ending in mineralization), including 2.12 per cent copper over 38 m, and hole CHR-001 intersected 0.47 per cent copper over 76 m, including 0.67 per cent copper over 22 m. The drill holes were testing a coincident mag and IP anomaly downdip from a known copper zone (Adriana) from about 188m.

Cornerstone Capital (CGP.V, Mcap $128 million) has been reporting monster drill holes at its gold-copper porphyry deposit in Ecuador. Recent holes assayed from 0.7 to 1% copper and about half a gram of gold over drill hole lengths of up to 844 meters starting from depths of about 700 meters (up to a kilometer). That's roughly 15-20 pounds of copper, or about $40-50 rock plus another $20 for the gold, which may not cut it at that depth. Operations that have to go so deep underground can cost well over $100 per tonne.

Ed Bugos & Kashyap Sriram