



TDV News & Exploration Update

Ed Bugos & Kashyap Sriram

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The TDV Long Term Defensive Investor Stock Portfolio

Company	Symbol	2017 Open	Last Price	YTD Return
Gold/Silver Majors (40%)				12.75%
Franco Nevada Corporation	FNV	59.6	82.96	39.19%
Agnico Eagle Mines	AEM	41.9	43.59	4.03%
IAMGOLD Corp	IAG	3.86	5.45	41.19%
Yamana Gold	AUY	2.84	2.66	-6.34%
Goldcorp	GG	13.65	12.65	-7.33%
B2Gold	BTG	2.45	2.59	5.71%
Junior Producers (45%)				-7.06%
Alacer Gold	ALIAF	1.74	1.62	-6.90%
Argonaut Gold	ARNGF	1.62	1.86	14.81%
Endeavour Mining	EDVMF	14.9	18.42	23.62%
McEwen Mining	MUX	2.97	2.01	-32.32%
First Majestic Silver	AG	7.74	6.59	-14.86%
Fortuna Silver	FSM	5.73	4.2	-26.70%
Explorers / Emerging Producers (15%)				14.02%
Sabina Gold & Silver	SBB.TO	0.99	2.25	127.27%
Premier Gold Mines	PG.TO	2.59	3.59	38.61%
Cascadero Copper	CCD.V	0.1	0.06	-40.00%
Nautilus Minerals	NUS.TO	0.15	0.19	26.67%
Amarillo Gold	AGC.V	0.32	0.29	-9.38%
Eurasian Minerals	EMX.V	1.33	1.06	-20.30%
Goldquest Mining	GQC.V	0.28	0.29	3.57%
Mexican Gold	MEX.V	0.35	0.3	-14.29%
Total Return				4.03%

Overview

The red highlights indicate companies on alert to sell, and which I am *considering* replacing. I do not have all of the replacements yet. Only three so far. Maybe four, if time permits. Not including **Mexican Gold (MEX.TSXV)**, which has produced exciting drill results in recent days - update on that in next section.

That means don't buy those, or at least put off buying them until the final decisions are made!

The only thing that has really been working this year is bitcoin and the cryptocurrency space, which inflated to a peak of near \$320 billion earlier Wednesday, with bitcoin absorbing about 60% of it, before a sharp reversal in the hourly chart printed into a classic spike and peak volume reversal on the daily chart, and cryptocurrencies like NEO collapsed briefly to \$3 before recovering to the \$30 level again - all in a matter of five minutes, maybe 130,000 tokens traded below \$15 before the recovery, looking at a minute chart.

Now, that has been a straight up market, with gains of 1700% just this year. It is tough to call a top in this thing. It has a lot of upside, and there is a great herd of people that will want to get in through a small door.

In a recent video, **Jeff suggested rotating** some of your massive crypto profits into our gold stock portfolio (above), and all during the move since summer - i.e., all the way up from about \$3k - we have agreed that shaving some off the top to beef up your gold and silver holdings would be a good idea as well.

I know it is hard to believe right now but crowds can panic sell as well as panic buy, and the crowd that is coming in now I doubt is strong handed. Their resolve has yet to be tested but when it is, the \$2k hit we just saw will probably be nothing, comparatively speaking. Not that it won't recover, I am very bullish on bitcoin and some of the others, but it has been a pretty extreme move this year. Some of you may remember how difficult it was to believe me when I told you to take profits on your gold stocks at their highs in 2016, and how far I said that ETFs like the **Direxion Gold Miners (NUGT)** could fall. Likewise, we're all giddy about the gains in bitcoin now but, dang, nobody remembers that drop from \$1k down to below \$200 from 2013-15, which we were buying all the way down and then up. There were a couple of years of genuine pain in there. Seems short now given the *one* solid year of gains now. Gold and silver don't have the upside that bitcoin does. But they don't have the same risk either. Nor the same volatility. They are established. I can't promise gains of 1000% in gold, at least not in the next three years, although, I wouldn't rule it out either!

But I do think we will see gold move to at least \$5k in this time frame, and silver easily over \$100. That would be equivalent to a move to about \$50k in bitcoin from here. But they would probably be less volatile.

The thing to recognize though is that I like buying things that are out of favor or not widely recognized yet, and while I agree, that still fits the crypto category, it really fits the precious metals sector, and related now.

Stocks like **Cascadero** can be 50 cents easily in a decent metals bull cycle without doing anything different, and if we are right, a \$1-2 ultimate target translates into gains of between 10 and 30 times depending on if you bought in at 10-15 cents or 5-10 cents. If on January 7th, 2015, when bitcoin fell to \$182 after falling 80 percent in value over the previous two years, I told you that it would be up 10-30 times when it had traction, you wouldn't have believed me, I know, because we did, and nobody did. It is typical, I've seen just as many bear markets where nobody wants to buy the bottom as I have seen market tops where nobody wants to sell.

Likewise, our little junior, **Mexican Gold (MEX:TSXV)**, has barely 40 million shares outstanding, is trading at 30 cents (~US\$10 million market cap), and is proving up a solid 1 million ounces in Mexico, with prospects of growing its gold inventory to over 3 million ounces. What would that be worth if gold went to \$5000 and they succeeded in finding 3 million ounces? It would be a ten bagger, as would many of the gold stocks in our portfolio. I am looking for gains of between 500% and 1000% in the gold stocks in the next few years, with gold going to \$5000 and silver over \$100, and the US dollar index dropping into the low 60s.

We design an investment allocation because in investing we don't have the benefit of hindsight. We don't know when the market will reward the entrepreneurs or realize hidden values or rerate higher profits, etc.

I like to move money from those things that are working to those that I think will work next, and at the moment, I really like two trades more than bitcoin: first, even though it has hurt me this year, I still favor shorting the NASDAQ techs, I am convinced they will get slaughtered when the stock bubble bursts. But, second, I like buying the precious metals story because it is so hated, ignored, overlooked, and cheap.



The USD is trying to muster a bounce, backed by stronger than expected GDP readings, modest gains in corporate profits in the latest quarter, strong confidence readings, and a technically oversold situation this year. After looking like it wanted to resume its downtrend this month, gold and silver started to sell off a bit again, practically bucking the trend in many other commodities, which has turned up again. Regardless, although I expected the precious metals to do better this year on so much weakness in the dollar, it does not surprise me given the performance of Wall Street.

I said at the outset of 2016, when the rally in the PM stocks began, its continuance would rely on an end in the bull market in the broader share averages. We're still waiting on that roll over. And I expect it to weigh on the US dollar, trip up the Fed tightening, and fuel a run up in price inflation going into a new recession.

So the gold stocks will perform, I don't know when, I believe soon, next year, but what I want to point out is that the right action is not to beleaguer the point that your capital tied up in gold share is opportunity lost in cryptos, and start kicking yourself for all the money you supposedly lost for not buying more of those. The right action is to take advantage of values you see. That's where to put the money. Not chasing returns, but in buying value. Returns will follow if we are right about the value proposition. The markets can be slow.

Just follow our allocation, generally, tweak it to suit your circumstances. Take profits in positions that have gone up a lot more than expected, beef up positions in those investments that still have not gone anywhere.

That is the way to do it. Not saying to buy the dogs. We try to avoid those too. I'm saying buy investments that you believe in but still offer value, rather than throw money at chasing short term returns, if you will.

Special Situations Updates

Mexican Gold (MEX:TSXV, 37.75 million s/o, MCap C\$10.33 million)

BUY - 1 Year Target => \$1 per share

Folks, you have to own these shares, the stock will be a ten bagger if we are right about gold.

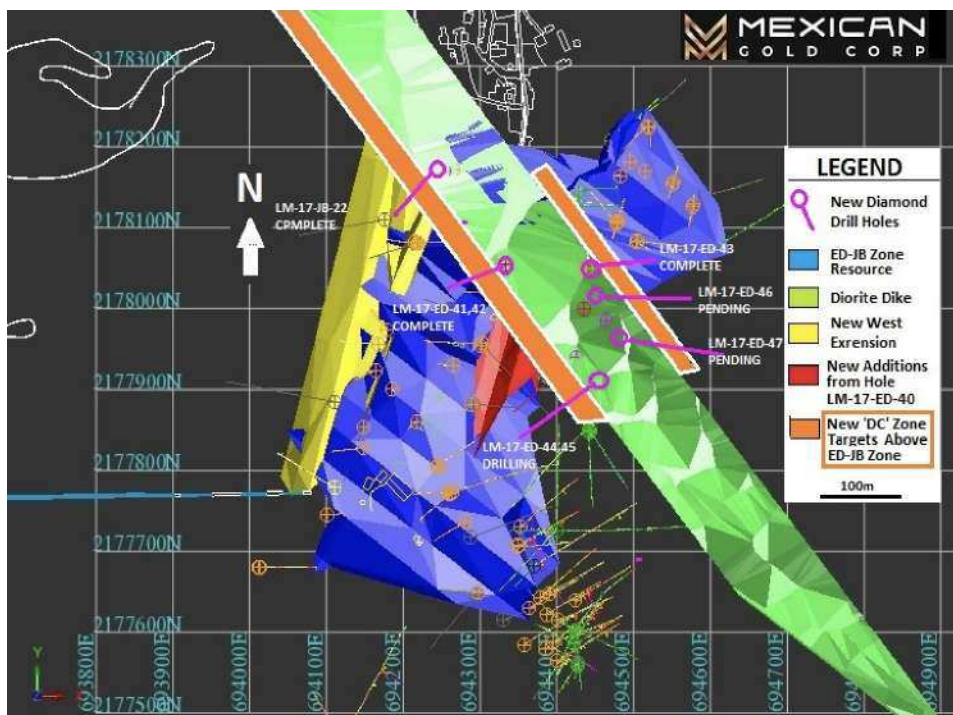
They have been reporting exceptional drill results, and the stock is down a bit pending assay results on additional holes. The market saw big volume come in when they announced the assays for the first intercept on November 17th, just a few days after we put out our buy, but it was countered by warrant sellers exercising on about 3.7 million warrants. This had the effect of capping the stock a bit, but also, injecting nearly \$1 million more into the company's treasury.

Drill hole LM-17-ED-40 was one of four holes reported so far from the current drilling program and represented the results of the core we showed you a picture of in the initiation earlier this month.

The surprise is the thickness. The current resource at Las Minas (304-koz M&I 1.9 gpt + 719-koz Inferred 2.2 gpt, Au-Eq) averages a thickness of between 6 and 28 meters over an area of 650 x 250 m east-west, but on a

small step out, hole LM-17-ED-40 intersected a combined 94 meters of mineralization in three zones - one as part of an extension slightly above the known resource and the other, richer one, down plunge along the contact with a dike that intersects the known resource (perpendicularly from approximately NW to SE).

The main zone, which is the largest of the three zones, returned 54.0 meters thickness grading 6.91 grams/tonne Gold Equivalent (g/t Au Eq), including 38.0 meters at 9.24 g/t Au Eq.



The middle zone returned 3.99 g/t Au Eq over 11.35 metres, and the upper zone returned 5.33 g/t Au Eq over 5 meters. I don't know the true widths, but the grades and thicknesses here are both above average.

The step out on this hole was only 65 meters, or maybe less, but it will likely add 10% to the resource.

More interesting is that these holes are intersecting the higher grade mineralization along the contact zone with the dike system (orange areas in the graph above), and there appears to be more mineralization along the contact zone above and down dip. These thicker parts should beef up the resource.

Moreover, the company's geologists report that on additional step outs, they are getting good visuals and are continuing to expand the deposit in and around the initial resource estimate. Additional drilling is likely to increase the confidence in the 719,000 inferred ounces and add new higher grade ounces to the orebody.

Management thinks it can increase the overall resource by up to 40%, which means up to 1.5 million ounces, potentially, all open pit. And they haven't really tested at depths yet. A feeder zone would be a game changer if they found that. And they have enough money to drill for the year, so they just may find it!

The company has drilled a total of 17 holes so far in this phase of the exploration program including seven drill holes at the Cinco Senores target 600 meters to the northwest. It is targeting several areas identified by a recent geophysical program on its claim blocks. There are eight known zones, including the resource.

We are waiting on results from five additional step out holes (LM-17-ED-41, 42 & 43, and LM-17-JB-22 & 22 A). Two of those holes intersected over 40 meters of chalcopyrite mineralization (visually) just as strong as in hole #40 while the other intercepts ranged from 20 to 28 meters. We won't know the grades of these until mid December, management says. The other holes reported at this target (LM-17-JB-19, LM-17-JB-20, and LM-17-JB-21) graded from 3-4 g/t Au Eq over drill hole lengths of 4 to 13 meters. Management says they extend the El Dorado zone beyond its western limit. The drilling increased the strike width of the initial resource by an additional 65 metres, from 300 metres to 365 metres, over a lateral distance of 395 metres.

I am pleasantly surprised at these assays but am not betting on drill holes. I see this as a long term situation where the company can explore an entire district that has not seen sufficient exploration at depth or around the old workings. The discovery of this deposit is one example of an orebody that was discovered within 200 meters of surface, nothing has really been tested below that. So, with a market cap of practically barely \$10 million, potentially a 1.0 to 1.5 million ounce gold equivalent resource, a liquid treasury, an ongoing year round drill program, and assays pending on core that looks every bit as good as the original, MEX is a steal.

Disclaimer: We own shares and some options in the underlying securities

Cascadero Copper (CCD.V, MCap \$13.12m, 187.45m SO)

Cascadero has begun to receive assays back from its large soil sampling program at the Sarita Este claim in Argentina. It's just a trickle. Not sure when they will be released. CEO Bill McWilliam says the soil sampling program will tell them about the behavior of the mineralization in between veins, and that they will need to follow up with trenching in order to determine the orientation of the vein systems (i.e., for drill targeting).

That won't happen until February once the soil samples and other data is mapped and analyzed, and when Argentina gets back to work - not sure I'm kidding, as it seems things happen very slowly in December and January down there. Regardless, the news is potentially exciting. I can't wait until they drill it. **First Quantum's (FM.TO, MCap \$10.8 billion)** management would have a stroke!

They could have bought it for a few million when Cascadero was down and out but if McWilliam is right and there is a mineable gold, copper, or silver system on that property, and First Quantum is going ahead with its Taca Taca mine next door, they will absolutely have to own Sarita and all the connected properties.

Taron could make this a \$1 stock, but a gold strike at Sarita would make it a moon shot.

The company is still advancing its Taron Cesium deposit, but there are steps that have to occur - i.e., that have not been completed - in order to get the resource estimate we are waiting on. These steps will include additional infill drilling and continued metallurgical work. The studies conducted by the local University (of British Columbia) proved successful in recovering high quantities of the targeted Cesium using a short and simple process. They also reported success at reducing costs. But they think they can reduce them further.

Hence, additional steps will include another phase of metallurgical work, which will allow the company to lower its cut off grades, and together with the infill drilling, ultimately get a more robust resource for Taron.

The drilling will include step outs by the way. When we started promoting Cascadero I mentioned that they were planning to drill out only a fraction of the prospective target system, and that the actual system was so large that it didn't make sense to fund a system wide exploration program at the current share price. As a result, the plan was to drill out a small section, and they chose to concentrate on the area where they had previously trenched and drilled. However, the property has several indicators that have never been tested.

The drill program will test a few of them, perhaps also finding a higher grade area.

The company announced that the exchange finally released the shares and cash (two tranches) from the proceeds of the sale of a non Argentine gold property to the Dickinson group up here in British Columbia.

They seem to have enough cash to get them through the trenching at Sarita and additional drilling required to get to the Taron resource. I exercised some options in the batch that expired last week, adding to it a bit.

The market is down on this company because it has taken longer than we thought to get to a resource estimate and because Dave Trueman's surprise resignation in June caused the glass to turn half empty.

But there has not been any negative news, not fundamentally speaking. The news has been positive. Just not as positive and timely as originally expected. The current lull is an opportunity to load up on this deal.

There is not a stock on the board that I feel has the same or a more favorable reward-risk ratio.

I mean it when I say it is a steal below 10 cents. And it is a buy up to 20 cents. You'll see.

TDV Portfolio News Summaries

Franco Nevada (FNV, MCap \$15.79b, 185.46m SO) reported Q3 net earnings of \$60 million (up 10.3%) on production of 123,787 gold equivalent ounces (GEOs). Revenue was sourced 88.8% from precious metals (66.7% gold, 15.6% silver and 6.5% PGM) and 81.5% from the Americas (13.3% U.S., 18.2% Canada and 50% Latin America). Oil & gas revenue increased 50.6% year-over-year, reflecting higher prices, increased payments from Weyburn as well as the addition of the STACK, Midland and Orion royalties.



Franco Nevada is one of the most stable companies in this space and has handed us a 42% return so far this year. It has also become expensive, trading at a TTM PS ratio of 23.36, PE of 105.8 and EV/EBITDA of 32.2.



Goldcorp (GG, MCap \$10.96b, 867.14m SO) reported Q3 net earnings of \$111 million (Q3 2016: \$59 million) and operating cash flow of \$315 million (Q3 2016: \$267 million) on production of 633,000 gold ounces at an AISC of \$827/oz.

The company reaffirmed its 2017 guidance of 2.5 million gold ounces at a lowered AISC of \$825/oz based on its progress in achieving cost efficiencies.

Goldcorp also sold its interest in the Camino Rojo oxide project, located in Mexico to **Orla Mining (OLA.V, MCap \$177.22m)** in exchange for a 19.88% stake in Orla. These are strong results from a company with a terrible 2016 due to problems at its Peñasquito mine, and struggles with costs as it

brought two new mines online - Éléonore and Cerro Negro. Goldcorp is still a turnaround story but efforts taken by management on its cost cutting initiatives and divestiture of non-core assets while building a stronger balance sheet look promising and calls for cautious optimism on its eventual turnaround, at which point it can be valued based on its cash flow and earnings, just like any other producer.

Agnico Eagle Mines (AEM, MCap \$10.13b, 232.21m SO) has acquired the Santa Gertrudis gold project for \$80 million from GoGold Resources (GGD.TO). Santa Gertrudis is a past-producing gold mine located in Sonora, Mexico with a 2014 PEA indicating an after-tax NPV of \$150 million on life of mine gold production of 672,000 ounces of gold.

Yamana Gold (AUY, MCap \$2.51b, 948.43m SO) intends to issue \$300 million in 10-year senior unsecured notes. The net proceeds from the offering will be used to repay outstanding indebtedness as it comes due and, pending such use, to repay the outstanding amount on its credit facility.



Iamgold (IAG, MCap \$2.54b, 464.79m SO) reported Q3 net earnings of \$30.8 million (Q3 2016: \$17 million) and operating cash flow of \$77 million (Q3 2016: \$125.8 million) on production of 217,000 gold ounces at an AISC of \$969/oz.

The company reaffirmed its 2017 production guidance of 845,000 to 885,000 ounces but lowered the AISC guidance to \$1,000 - \$1,040/oz.

At Westwood, production of 33,000 ounces of gold in Q3 was 106% higher than the same prior year period, primarily due to the continued ramp-up resulting in increased tonnes mined and higher throughput. During the quarter, underground development continued to open up access to new

mining areas with lateral and vertical development of approximately 3,400 and 500 metres, respectively, averaging 42 metres per day. Westwood is expected to achieve 18 kilometres of development during 2017.

Drilling Highlights

Saramacca, Suriname

The company has received assays from 37 drill holes totaling 9,553 metres of its Phase II drilling program. The program targets 1) convert inferred resources to indicated; 2) target expansions to the existing resource along known mineralized trends and at depth, and 3) begin drill testing identified exploration targets. Highlights: 39.0 metres grading 3.47 g/t Au and 57.0 metres grading 2.56 g/t Au from infill drilling, 39.0 metres grading 3.06 g/t Au and 34.5 metres grading 4.50 g/t Au from step out drilling.

A mineral reserve estimate is expected in H1 2018 and production is set to begin in 2019. Given the higher grade and abundance of soft saprolitic ore, Iamgold expects Saramacca to have a significant positive impact on Rosebel's cost profile once integrated into the mine plan.

Monster Lake, Canada

Iamgold reported assay results from three drill holes, totaling 1,836 metres, completed at the end of July at its Monster Lake deposit. The drill program was designed to test the gold bearing structures from areas accessible in the summer season. Highlights: 4.7 m grading 2.14 g/t Au, including 2 m grading 3.03 g/t Au and 2.4 m grading 7.42 g/t Au, including 1 m grading 16.51 g/t Au.

Eastern Borosi, Nicaragua

Drilling on the Eastern Borosi project is targeting expansion of two high-grade epithermal gold-silver discoveries made over the last two years. Two diamond drills are active, with an expected total of 8 - 10 holes to be completed in the remainder of 2017.

B2Gold (BTG, MCap \$2.56b, 979.12m SO) reported Q3 net income of \$12.4 million (Q3 2016: \$35.7 million) and operating cash flow of \$41.8 million (Q3 2016: \$90.3 million) on production of 135,628 gold ounces at an AISC of \$921/oz.

The decrease in cash flow is attributable to the delivery of 12,908 ounces of gold into the company's prepaid sales contracts which were used to fund Fekola mine construction, while net income was lower due to higher operating costs and lower production. The company reaffirmed its 2017 guidance of 530-570 koz Au at an AISC of \$940-970/oz. The company also provided an update on its Fekola exploration activities. Drilling is ongoing to further test the Fekola North Extension zone, infill the Fekola resource, and further test the new bedrock mineralization beneath the Anaconda, Adder and Mamba saprolite resource.

Step out drilling at the Fekola North zone has shown potential to increase the current pit boundary, with mineralization open both along strike and at depth up to 600m north of the current resource pit boundary.

Upper zone: 24m of 1.04 g/t Au, 22m of 1.07 g/t Au and 9.35m of 2.06 g/t Au
At depth: 63.6m of 3.37 g/t Au and 37m of 2.82 g/t Au

Drill results from the infill-drilling program, within the Fekola resource pit boundary, continue to convert inferred resources to indicated, confirming the potential addition of 900,000 ounces of gold.

Highlights: 82m of 3.09 g/t Au and 55m of 2.28 g/t Au

At the Anaconda zone, recent drilling has confirmed and extended the shallow saprolite inferred mineral resource and has discovered three well-mineralized bedrock (sulphide) zones (the saprolite zone) beneath the Anaconda, Adder and Mamba zones, which indicate potential for large Fekola-style mineralized zones.

Highlights: 46.6m of 1.62 g/t Au, 20.2m of 6.05 g/t Au and 25m of 1.64 g/t Au

The Company is planning additional, aggressive exploration drilling programs on all targets in 2018.

First Majestic Silver (AG, MCap \$1.10b, 165.7m SO) reported a surprise Q3 net loss of \$1.3 million (Q2 2016: \$8.1 million net earnings) and operating cash flow of \$17.7 million (Q3 2016: \$35.4 million) on production of 2.4 million ounces of silver and 15,414 ounces of gold, or 4 million silver equivalent ounces.

AISC came in at \$15.73/oz, as the company continues to struggle on the cost front.

McEwen Mining (MUX, MCap \$669.28m, 332.98m SO) reported a surprise Q3 net loss of \$8.1 million as a result of an unexpected drop in production at the El Gallo mine due to equipment failure and lower



production from the San José mine. The company has had a strong start to Q4, with production of 17,500 gold equivalent ounces in October and has received the final permits for advancing the Gold Bar project. Construction at Gold Bar has commenced and is expected to contribute an average of 65,000 ounces to McEwen's annual gold production beginning in 2019.



Endeavour Mining (EDVMF, MCap \$1.87b, 99.75m SO) reported Q3 net loss of \$65 million (Q3 2016: \$24 million net income) and operating cash flow of \$59 million (Q3 2016: \$12 million) on gold production of 148,000 ounces at an AISC of \$906/oz. The company has a year-to-date net loss of \$43 million and has increased net debt to \$221 million due to Houndé construction spend. However, the company increased its 2017 production guidance to 630,000-675,000 gold ounces at a decreased AISC of lower than \$900/oz.

Sébastien de Montessus, President & CEO, stated:

"While the year is not yet over, clearly 2017 will be underpinned by the successful construction and

commissioning of our flagship Houndé mine which reached commercial production under-budget and two months ahead of schedule. Houndé will now have an immediate positive impact on our operational and financial performance for the remainder of 2017 and beyond, enabling us to increase group production, lower group AISC and ultimately increase group free cash flow generation. During the third quarter we also set in motion our next growth phase by launching the construction of the Ity CIL project which will become our second flagship mine as shown with the recently published optimization study. In addition, we have launched the Kalana Project optimization study to maintain a growth pipeline beyond Houndé and Ity CIL. On the operational front we have successfully completed the mill optimization program at Karma, executed a turn-around at Nzema which enabled us to successfully sell the asset, and advanced restructuring and cost-cutting initiatives at Tabakoto which should start to yield positive results in the upcoming quarters. Recently, we also upsized our revolving credit facility from \$350 to 500 million, which provides us with additional financial flexibility to advance our growth projects. We are confident the important strategic milestones already achieved this year, combined with our exploration success, have us well positioned to meet our 2019 objective of achieving an annual production of more than 800koz with AISC of below \$800/oz and mine lives of more than 10 years."

Endeavour and **Randgold (NASDAQ: GOLD)** have established a JV covering their adjacent Sissedougou and Mankono exploration properties located in the northern region of Côte d'Ivoire. Under the terms of the agreement, Randgold and Endeavour will hold respectively a 70% and 30% interest in the newly formed JV with Randgold as operator. A \$3.8 million exploration campaign has been approved through 2018.

Exploration Update (Endeavour EDVMF)

At the Houndé mine, exploration confirmed the presence of significant potential with a high-grade discovery in the eastern part of the 6km-long Kari geochemical anomaly, while high grade mineralization was also intercepted on several other targets. *The Kari target is a very large gold-in-soil geochemical anomaly that covers a 6km-long by 2.5km-wide area, located only 9km west of the processing plant and in proximity to an existing haul road that will be used to transport Bouéré ore to the mine.* Given the size of the Kari target, efforts were mainly focused in its eastern part, in an area named Kari Pump which only covers 25% of this large gold-in-soil anomaly. *Preliminary drill results confirmed high-grade mineralization with notable intercepts including 43.39 g/t Au over 6.2 meters, 8.75 g/t Au over 12.2 meters and 4.81 g/t Au over 9.0 meters, and mineralization remains open along strike and at depth.* A follow-up drilling campaign has been planned on both the Kari Pump area (infill and extension drilling) and on the remaining 75% unexplored area, with a maiden resource expected in H2-2018.

At the Karma mine, exploration efforts were mainly focused on the Yabonsgo target and on the west extension of the North Kao deposit. Drilling confirmed a 600m-long mineralized area at Yabonsgo, with selected best intercepts including 8.1m at 15.8 g/t Au, 6.3m at 11.0 g/t Au and 9.9m at 6.67 g/t Au, related to a system of stacked flat dipping quartz veins centered on a porphyritic granodiorite intrusive. At North Kao, a new parallel mineralized structure has been discovered to the east of the known zones within the quartz monzodioritic intrusion, with best intercepts including 33.2m at 4.13 g/t Au and 22.8m at 4.18 g/t.

Fortuna Silver Mines (FSM, MCap \$689.63m, 159.64m SO) reported Q3 net income of \$10.3 million (Q3 2016: \$10.2 million) and operating cash flow of \$20.4 million (Q3 2016: \$29 million) on production of 2 million silver ounces and 13,412 gold ounces at an AISC of \$6.1/oz of silver.

On a year to date basis, net income is up 185% and AISC down 23% even as the company has ramped up capital spending on replacing ounces at its two operating mines and advancing the Lindero gold project.

The company ended the quarter with a strong cash position of \$195.8 million, which, along with its free cash flow in subsequent quarters, will be used to fully fund Lindero construction. In other words, the company is set to bring on a new gold mine without diluting existing shareholders.

Argonaut Gold (ARNGF, MCap \$348.42m, 177.22m SO) earned Q3 net income of \$0.4 million (Q3 2016: \$0.2 million) on production of 24,280 gold equivalent ounces (Q3 2016: 26,332 ounces) at an AISC of \$1063/oz (Q3 2016: \$1054/oz). Production was down 45% at the El Castillo mine as the west crusher was relocated to San Agustin, part of the El Castillo mining complex. The crusher is now fully operational at San Agustin, which achieved commercial production on October 1. Pete Dougherty, President and CEO stated:

"With our production year-to-date, we are on track to deliver full year production of between 122,000 and 130,000 GEOs. I'm very pleased to see San Agustin delivered on schedule, substantially under budget and, more importantly, with no major safety or environmental issues. As we look to the future, with approximately 60% production growth from our existing Mexico operations by 2019 and the pending announcement of the Magino feasibility study results, we provide not only short-term upside but also longer-term growth potential."

The company has also purchased the Cerro del Gallo (CDG) development project located in the state of Guanajuato in central Mexico from Primero Mining (NYSE: PPP) for US\$ 15 million. The CDG deposit sits within the San Antón property, which covers an area of 25,269 hectares and consists of 12 granted, contiguous mining concessions all now owned by Argonaut. The concessions include areas of historical mines formerly worked for high grade vein-hosted gold and silver. Argonaut also published its Feasibility Study on the Magino project, located in Ontario. The company has evaluated two options, a 10,000 tonne per day (tpd) operation that it can undertake as a standalone project, and a 30,000 tpd operation with a higher capex that it would undertake if it finds the right JV partner. The 30,000 tpd option incorporates measured and indicated resources in the mine plan while the base case 10,000 tpd operation does not.

Magino Feasibility Study Highlights

Parameters	10,000 tpd base case	30,000 tpd case
Initial capex (US\$ mil)	321	610
Sustaining capex (US\$ mil)	84	167
Total capex (US\$ mil)	405	776
Yearly production (oz)	115,700	269,100
LOM production (oz)	1,964,000	2,960,000
Unit cost per tonne (US\$/tonne)	22.27	17.63
Mine life (years)	17	11
AISC/oz	669	721
After-tax NPV (5%)(US\$ mil)	288	399
After-tax IRR	19.5%	18.9%
Payback period (years)	3.9	4.4
Construction period	24 months	-

Dougherty added:

“We believe this FS demonstrates that Magino is a strategic, long-life asset in an attractive mining jurisdiction, Ontario. We have been able to appropriately scale the Project to a manageable capital number while providing the optionality of expanding the scale of the project in the future either through operational cash flow during Magino’s life or through a potential joint-venture partnership. The 10,000 tonne per day project reports an average grade of 1.4 g/t Au during the first five years and 1.2 g/t Au during the 14 years of active mining. With a strong cash position, zero debt and the expectation of solid cash flow from our Mexican operations as we execute on our 60% production growth plan between 2017 and 2019, we feel that the \$321 million initial capital estimate is a manageable investment for the Company, at the right time, given our ability to add debt capacity at either the corporate or project level and the cash flow anticipated from our Mexican operations. We

have also been mindful when developing mine plans and designing the process facility not to sterilize the ore body and ensure proper space is available should economics warrant an investment to expand the Project to 30,000 tonnes per day in the future. Given our internal growth profile, we are focused in the near term on that growth. Decisions on Magino will be made when and if it is appropriate. The size, location, economics and expandability of Magino give Argonaut significant flexibility to explore options around the Project on its own or with partners.”

Alacer Gold (ALIAF, MCap \$483.60m, 293.09m SO) reported Q3 net income of \$29 million and operating cash flow of \$32.7 million on production of 31,450 gold ounces at an AISC of \$790/oz. The company is on track to meet the lower end of its 2017 production guidance of 160,000 to 180,000 ounces.

Alacer is currently working on transitioning from mining oxide ore to sulphide ore, which requires a different processing setup. The project is now 62% complete and is on schedule and \$25 million under budget. As a result of this transition, operational results will be variable for a number of years.

However, the company is mitigating the impact with in-pit exploration and operating the Sulfidization, Acidification, Recycling and Thickening (“SART”) plant, which removes copper from the process, full-time.



The sulphide project will bring Çöpler’s remaining life-of-mine gold production to 4 million oz at an AISC averaging \$645. In terms of exploration, the DFS work on the Gediktepe Project is progressing with completion targeted for June 2018.

Premier Gold (PG.TO, MCap \$725.75m, 202.16m SO) reported Q3 net income of \$3.9 million and free cash flow of \$17.1 million on production of 26,677 ounces of gold and 82,856 ounces of silver at an AISC of \$782/oz gold. Premier is an emerging producer, having started operations at its two mines just over a year ago.

The company is on track to meet 2017 full-year gold production guidance of 130,000-140,000 gold

ounces and 340,000 to 365,000 silver ounces as production from South Arturo continues to surpass plan and budget and targeted mining initiatives at Mercedes bring on new mine workings, including the Diluvio deposit, which will be fully operational in Q4, and the Rey De Oro deposit where access was gained late in the third quarter. At Mercedes, the exploration program is targeting the conversion of resources to reserves and drilling near-mine resource opportunities.

The focus remains on new mineralization close to existing workings to supplement production, extensions to mineralization along strike of the main mine trend and testing new geological targets.

At South Arturo, drilling from the Phase 2 pit into the underlying El Nino deposit identified additional mineralization proximal to the existing pit. Work continues to advance the proposed El Nino underground and Phase 1 open pit scenarios. If approved, development could begin in 2018.



Sabina Gold & Silver (SBB.TO, MCap \$509.97m, 226.65m SO) reported final drill results from its 2017 summer drill program.

Sabina completed 9,869 meters of drilling in 17 drill holes during the summer program with significant success demonstrated at the Umwelt Vault and Llama extension targets. Drilling intercepts have highlighted the importance of a mineralized Deep Iron Formation (DIF) horizon approximately 40 to 100m stratigraphically below the main lower iron formation at the Llama and Umwelt deposits. The DIF horizon is a new stratigraphic target over a distance of greater than 3km at Back River within the Llama and Umwelt deposit trends and is believed to be relatively continuous and favorably folded within the Goose project area. This new

horizon is analogous to the DIF and lower sediments at the Goose Main deposit, which hosts approximately 20% of the existing Goose Main resource. At the Umwelt Vault zone, visible gold occurs along sulphide grains, sulphide-bearing quartz veins and within altered iron formation.

At Llama, drilling continued to intersect a tightly folded syncline within the Back River lower iron formation stratigraphy. This unit is identified as hosting the majority of the current resources at the Back River Project and is widely distributed across the Goose Property. Highlights: 98.31g/t Au over 1.13m, 23.20g/t Au over 2.05m, 9.00 g/t Au over 28.70 m including 77.23 g/t Au over 0.6 m, and 6.46 g/t Au over 6.35 m. Sabina is cashed up, ending the 3rd quarter with \$38.5 million in cash, cash equivalents and short term investments.

GoldQuest Mining (GQC.V, MCap \$73.68m, 254.06m SO) has received 2 new exploration permits for the Tocon de Pino and Hoyo Prieto properties. Tocon de Pino is located 4 km east of the Cachimbo discovery. Previous geophysics, mapping and sampling returned rock samples up to 42 g/t of gold and the license area includes the northern extension of a strong IP target. Drilling continues at the 2017 Cachimbo gold discovery with assays pending from 4 holes. GQC is well funded with a cash position of \$25 million.

TSXV Most Actives & Other News (October 23-27)

Eldorado Gold (EGO, MCap \$907.41m) was down 39.6% for the week. The stock is now down 94.4% from its September 2011 high and down 63.7% year-to-date, mainly due to the Skouries project in Greece, which should have been the next growth driver, getting mothballed as they are unable to proceed through the permitting process. This week, the company reported operating trouble at its Kisladag mine in Turkey and has revised its 2017 guidance lower.

This week also saw lithium plays continue to maintain their momentum, with the below stocks posting significant gains:

- **Advantage Lithium (AAL.V, MCap \$130.8m)** up 36.7%
- **Argentina Lithium and Energy (LIT.V, MCap \$22.03m)** up 52.6%
- **Liberty One Lithium (LBY.V, MCap \$99.61m)** was up 52.8%
- **Lithium Energi Exploration (LEXI.V, MCap \$54.10m)** was up 68.2%

Emerita Resources (EMO.V, MCap \$11.16m) was up 50% for the week on news that it had been awarded exploration concessions comprising 3,600 hectares in the Santillana Syncline in Spain, which hosts its Plaza Norte Project. The project is located in the Reocin Basin which hosts the famous Reocin mine, formerly one of the premiere zinc producers in Europe, having produced approximately 62 million tonnes grading 11% zinc and 1.4% lead.

Eskay Mining (ESK.V, MCap \$34.86m) was up 31.2% for the week. The stock leaped 95% higher on the 25th for no apparent reason and managed to hold onto most of those gains. Golden Triangle/Eskay Creek plays are hot this year.

Grande Portage Resources (GPG.V, MCap \$8.23m) was down 52.4% for the week on announcing drill results of 27.93 g/t Au over 2.64m and 7.31 g/t Au over 6.3m.

Metallis Resources (MTS.V, MCap \$54.42m) was up 42.5% for the week on completing an equity for debt swap, paying \$177,815 in shares for diamond drilling services.

Sama Resources (SME.V, MCap \$44.26m) was up 25% for the week on announcing that it has entered into an earn-in agreement with a private exploration company where Robert Friedland is a significant stakeholder, in order to develop its Côte d'Ivoire Nickel-Copper and Cobalt project in Côte d'Ivoire. The project is located approximately 600 kilometers northwest of Abidjan and is adjacent to the world-class nickel-cobalt laterite deposits of Sipilou and Fougouesso, forming a 125-kilometer-long new base metal camp in West Africa.

TSXV Most Actives & Other News (October 30-November 03)

Finlay Minerals (FYL.V, MCap \$9.37m) was up 30% for the week. The company's Silver Hope project is located 15 km from New Nadina's Silver Queen property, which has seen interesting drill results (see news below). Both properties have broadly similar geological and structural settings, which sparked investor interest in Finlay.

Lithium Energi Exploration (LEXI.V, MCap \$54.10m) was up 124.3% for the week on no news. The company has benefited highly from the electric vehicle craze, having soared a stunning 567% over the past three months.

New Nadina Explorations (NNA.V, MCap \$50.12m) was up 330.5% for the week on reporting the completion of drilling the first target at its 100% owned Silver Queen property in British Columbia. Drilling successfully intersected a conductive geophysical anomaly to the northwest of the Itsit Cu-Mo-Au porphyry. The single drill hole has shown that the target consists of sulfides visually identified as bornite, sphalerite, galena, pyrrargyrite. 108 samples are expected to be completed and shipped for assaying within a week.

Puma Exploration (PUM.V, MCap \$17.68m) was up 25% for the week on reporting drill results from its Murray Brook Deposit in New Brunswick. Drilling intersected 405 meters of continuous massive sulphide mineralization grading 3.3% Zn, 1.1% Pb, 0.95g/t Au, 42g/t Ag, and 0.30% Cu, including a high grade gold zone of 2.0 g/t Au over 160 meters.

Wolfden Resources (WLF.V, MCap \$34.32m) was up 41.2% for the week on no news.

Portofino Resources (POR.V, MCap \$7.02m) was up 110% for the week on no news.

TSXV Most Actives & Other News (November 6-10)

Aurico Metals (AMI.TO, MCap \$289.27m) was up 40.9% for the week on news that it is being acquired by Centerra Gold (CG.TO, MCap \$2.19b) for \$310 million for a 37% premium to its 20-day volume weighted average price. AuRico Metals is developing the Kemess property in British Columbia, Canada; a low-cost brownfield development asset that is host to the feasibility-stage Kemess Underground and preliminary economic assessment level Kemess East projects.

This week saw uranium plays move mostly higher as Cameco **reported** that it will move its McArthur River/Key Lake uranium mine to care and maintenance beginning January 2018. Cameco contributes one-sixth of annual global supply and the move was perceived by investors as signalling the end of the uranium bear market which began in 2011 with the Fukushima incident. Significant movers:

- **Laramide Resources (LAM.TO, MCap \$32.88m)** up 32%
- **Mega Uranium (MGA.TO, MCap \$52.97m)** up 42.85%
- **Senator Minerals (SNR.V, MCap \$24.07m)** down 39.1%

Lithium plays also continued their march higher, but the moves have been muted with only a few companies posting significant gains.

- **Lithium Americas (LAC.TO, MCap \$942.89m)** up 28%
- **Argentina Lithium and Energy (LIT.V, MCap \$22.03m)** up 41%
- **LiCo Energy Metals (LIC.V, MCap \$12.58m)** up 18.8%

UEX (UEX.TO, MCap \$67.04m) was up 41.2% for the week on news that it is looking to sell its West Bear Cobalt-Nickel prospect and focus on its core uranium assets. Cobalt plays have got a lot of market attention thanks to the Electric Vehicle craze so the sale is well-timed.

Silver Bull Resources (SVB.TO, MCap \$26.9m) was up 23.8% for the week in anticipation of drill results from its Sierra Mojada Project in Mexico.

Wallbridge Mining (WM.TO, MCap \$29.69m) was up 50% for the week on announcing initial assay results from its third round of exploration drilling on the 100% owned Fenelon Gold property in Quebec. Highlights: 237.81 g/t gold over 7.02 metres; 122.25 g/t gold over 4.73 metres, including 362.83 g/t gold over 1.54 metres; and 7.83 g/t gold over 4.58 metres.

Aben Resources (ABN.V, MCap \$7.11m) was down 31.4% for the week. The company posted drill results from its final 5 drill holes at the Forrest Kerr Gold Project located within the Golden Triangle region of British Columbia. Three holes encountered continuous mineralisation. Highlights: 1.2 g/t Au, 1.8 g/t Ag and 0.21% Cu over 122 metres, including 10.9 g/t Au, 14.6 g/t Ag and 1.5% Cu over 12 metres with a high grade core of 21.5 g/t Au, 28.5 g/t Ag and 3.1% Cu over 6 metres.

Crystal Lake Mining (CLM.V, MCap \$26.69m) was up 211.6% for the week. The company closed a private placement for \$420,000, the proceeds of which will be used to advance its Emo project in Ontario. The Emo Nickel, Copper, Cobalt, PGM Sulphide project is hosted by the sediments located in the greenstone belt that forms part of the 900 kilometre long east-west Wabigoon Sub province, dated as Precambrian (2.7 billion years). The iron formation has a strike of 10 miles.

Finlay Minerals (FYL.V, MCap \$9.37m) was up 92.3% for the week on the back of New Nadina's Silver Queen discovery.

New Nadina Explorations (NNA.V, MCap \$50.12m) was up 175.6% for the week. The company has received a Land Use Permit extension on its Monument diamond JV project in NWT. The stock continues higher on momentum from its Silver Queen discovery.

Redstar Gold (RGC.V, MCap \$28.38m) was up 25% for the week on no news.

TSXV Most Actives & Other News (November 13-17)

Finlay Minerals (FYL.V, MCap \$7.93m) was up a further 28% for the week. The company used this opportunity to issue stock options to its directors.

Metallis Resources (MTS.V, MCap \$31.7m) was up 26.5% for the week on no news.

Mkango Resources (MKA.V, MCap \$14.29m) was up 146.2% for the week on news that it had entered into an agreement Talaxis Limited, a related party. Talaxis has agreed to fully fund a bankable feasibility study for Mkango's Songwe Hill Rare Earths Project in return for a 49% interest.

Pacton Gold (PAC.V, MCap \$20.19m) was up 323.5% for the week on news that it had appointed Mr. Alec Pismiris as Interim President and CEO. Mr. Alec Pismiris brings over 30 years' experience in the securities, finance and mining industries and is currently a director of several ASX listed companies, and notably was a founding shareholder and director of Papillon Resources.

Portofino Resources (POR.V, MCap \$7.02m) was up 33.32% for the week. The company completed a \$715,000 private placement, the proceeds to be used in acquiring the Rio Grande Sur Lithium Brine Project in Catamarca, Argentina.

Power Metals (PWM.V, MCap \$58.11m) was up 31.8% for the week on news that it had discovered large spodumene megacrysts, evidence of the presence of high grade lithium, at its Case Lake property.

QMC Quantum Minerals (QMC.V, MCap \$46.28m) was up 74.4% for the week. The company announced a \$1.6 million private placement, the proceeds of which will be used to advance its Irgon Lithium Mine project.

Senator Minerals (SNR.V, MCap \$20.17m) was up 26.8% for the week on no news.

TSXV Most Actives & Other News (November 20-24)

Silver Bull Resources (SVB.TO, MCap \$31.88m) was up 33.3% for the week on news that it had intersected 9m of sulphide mineralization grading 20.7% zinc, 1% lead and 98 g/t silver at its Sierra Mojada Project in Coahuila, Northern Mexico.

Laramide Resources (LAM.TO, MCap \$44.41m) was up 20.9% for the week. The company filed a mineral resource estimate on its Church Rock uranium project, with an inferred resource of 50.8 million pounds (33.9 million tons at an average grade of 0.075% eU₃O₈).

UEX Corp (UEX.TO, MCap \$97.37m) was up 23.4% for the week on no news. Subsequently, the company announced a \$2 million flow through private placement to fund its upcoming winter exploration program at the West Bear Cobalt Prospect.

Garibaldi Resources (GGI.V, MCap \$237.31m) was down 30.4% for the week. The company reported that its latest drill hole at its E&L Project near Eskay Creek intersected an important new discovery zone featuring massive nickel-copper-rich sulphides and that the intercept is within the host country rocks.

Juggernaut Exploration (JUGL.V, MCap \$15.97m) was down 24.1% for the week on no news.

Metallis Resources (MTS.V, MCap \$31.7m) was down 48.4% for the week on no news.

Plateau Uranium (PLU.V, MCap \$33.67m) was up 40.4% for the week. The company reported assays of 61.2m grading 0.79% Li₂O and 56m grading 511 ppm U₃O₈, with high-grade lithium mineralization remaining open at depth.

Meadow Bay Gold (MAY.V, MCap \$8.92m) was up 26.7% for the week on no news.

Skeena Resources (SKE.V, MCap \$47.15m) was up 25% for the week. Skeena was picked up by the Casey Research newsletter Casey Investment Alert as a speculation on upcoming drill results. The other top movers this week were mostly electric vehicle plays (cobalt and lithium) with significant moves from:

- **Katanga Mining (KAT.TO, MCap \$2.29b)** down 13.5%
- **Cobaltech Mining (CSK.V, MCap \$31.69m)** up 66.7%
- **Cruz Cobalt (CUZ.V, MCap \$19.07m)** up 21.9%
- **Crystal Lake Mining (CLM.V, MCap \$26.69m)** up 16.3%
- **First Cobalt (FCC.V, MCap \$86.36m)** up 73.6%
- **Liberty One Lithium (LBY.V, MCap \$99.61m)** down 36.1%
- **Neo Lithium (NLC.V, MCap \$185.29m)** up 18.7%

- **NRG Metals (NGZ.V, MCap \$49.9m)** up 35.1%
- **Power Metals (PWM.V, MCap \$58.11m)** up 46.4%
- **QMC Quantum Minerals (QMC.V, MCap \$46.28m)** up 81.3%

Ed Bugos & Kashyap Sriram

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