



TDV News & Exploration Update

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

Company	Symbol	2018 Open	Last Price	YTD Return	2017 Return
Gold/Silver Majors (40%)				-9.85%	20.89%
Franco Nevada Corporation	FNV	80.66	71.36	-11.53%	34.14%
Agnico Eagle Mines	AEM	46.47	38.86	-16.38%	10.21%
IAMGOLD Corp	IAG	5.92	5.24	-11.49%	51.04%
Yamana Gold	AUY	3.17	2.83	-10.73%	9.86%
Goldcorp	GG	12.95	12.6	-2.70%	-6.45%
B2Gold	BTG	3.18	2.98	-6.29%	26.53%
Junior Producers (45%)				-11.50%	2.13%
Alacer Gold	ALIAF	1.7826	1.67	-6.32%	3.45%
Argonaut Gold	ARNGF	1.959	1.87	-4.54%	17.82%
Endeavour Mining	EDVMF	20.46	18.76	-8.31%	36.58%
McEwen Mining	MUX	2.33	2.01	-13.73%	-23.23%
First Majestic Silver	AG	6.84	5.39	-21.20%	-12.92%
Fortuna Silver	FSM	5.31	4.52	-14.88%	-8.90%
Explorers / Emerging Producers (15%)				0.60%	18.20%
Sabina Gold & Silver	SBB.TO	2.32	1.76	-24.14%	129.29%
Premier Gold Mines	PG.TO	3.61	3.14	-13.02%	39.00%
Cascadero Copper	CCD.V	0.08	0.11	37.50%	-25.00%
Nautilus Minerals	NUS.TO	0.16	0.24	50.00%	3.33%
Amarillo Gold	AGC.V	0.31	0.28	-9.68%	-3.13%
EMX Royalty	EMX.V	1.02	1.12	9.80%	-22.56%
Goldquest Mining	GQC.V	0.365	0.28	-23.29%	30.36%
Mexican Gold	MEX.V	0.335	0.26	-22.39%	-5.71%
Total Return				-9.02%	12.05%

Overview

This update regards the positions in our recommended stock portfolio only. I will have a trade update in a few days and our newsletter tomorrow will update the cryptocurrency goings on since our dual conferences.



This morning, stock markets continued their rally into month end, although US shares began to falter as I write, and the US dollar continued its bounce off the 88 level, as you can see in the graph on the left where it is converging on the 50-day moving average near 91. Technically speaking, it would not surprise me at all to see the bulls push it back up to test primary and intermediate resistance between 92.5 and 94.5. The 88 level has been a target for a while, and has been more or less achieved. I don't believe the bulls will get very far past 92, but would not rule out at least the rally up to that level here.

The stock market bounce hasn't been much to write home about, at least in the broader averages. Very few indexes around the world have recovered their peak January highs. Maybe about seven Dow stocks made a higher high but most of them aren't bouncing. The correction and bounce in the US dollar have given the bond market a bit of respite, but that story hasn't gone away. It will return as soon as the dollar bounce has run its course. The media and many participants have trumpeted the absence of remarks about inflation in the central bank's latest minutes. But the minutes came out before the news on wage and price data in the February numbers, so it stands to reason they weren't anticipated. I think that factor inflation is coming up faster than the Fed has expected. Today the new Fed chairman will give his account of where he stands on monetary policy and this Friday the central bank will issue a monetary policy report... looking backwards.

That should be good for a tout on the economy, but if they do not address the potential return of inflation, it could undermine the dollar bounce quickly. Their most likely course is to downplay the data as transitory, or ephemeral, but I don't think it is; and if they are not ready to crank short term rates up and end the boom on their own, any sign of the inflation resurgence going forward is probably going to send the value of the dollar and treasury bonds lower. Goldman Sachs has drawn a line in the sand at a 3% yield on the 10 year Treasury, which is where we identified the primary reversal point in the last issue of our newsletter.

The tug of war between stocks and bonds that we haven't seen for a while is in play. Except liquidity growth is still slowing, hence the bulls are weak in either case. To be sure, I'm pretty confident the rally in stocks is over. The best case scenario for bulls now is a new high that will end up being the head of an H&S top.

In 2016 when gold and silver prices bottomed and put in their best advance since 2011, I warned you that while the primary downtrend had probably ended, the emerging bull market trend in gold prices would not sustain itself until investors gave up on the bullish view about the economy that the Fed likes to promote, and that has sustained the stock price trend. As I stated in the last newsletter, I believe the correction we have seen in stock and bond prices, and in bitcoin too, is turbulence resulting directly from falling liquidity.

This is the linchpin of the boom-bust cycle.

As I explained in my presentation at the TDV conference last week, the central bank money printing leads to an artificial boom driven by monetary debasement and the manipulation of interest rates. The extra money displaces actual real savings and drives both overinvestment and overconsumption at the same time, which leads to a savings-investment imbalance, factor inflation, and asset bubbles in the long end of the structure of production, i.e., in the early stages of the structure. If this situation continues such that the rate of money growth accelerates or keeps rising it is likely to bring on the dreaded crack up boom - the Weimar outcome - but in the process also the next bust to the extent that factor price inflation outpaces the rate of increases in final goods prices, which would squeeze profit margins. The final and most common way that booms end in the USSA is where the central bank tries to avert these outcomes by withdrawing the cheap money policy.

As soon as it does, the shortage of real savings is revealed, and the investment in projects that previously appeared economic under the lower artificial interest rate become demonstrably uneconomic. This is due to the impact on incentives resulting from changes in the central bank's policy. The return to natural economic conditions also returns the function of discipline to the market, ending the speculation and revealing the malinvestment. The post 2008 QE-infinitus and permanently growing deficits has driven these things to absurd points, and normal economic conditions are likely to obliterate any perception about growth today.

Neither the central bank nor government can afford the reality and the dollar is likely to continue to suffer the brunt of it. But we are at a dangerous point for government bond values, a point of return for the bond vigilantes. In our next trade update I am going to review the idea of shorting government treasuries.



Meanwhile, the bounce in the US dollar and stock market has kept a lid on enthusiasm in gold and silver prices where bullish sentiment is still historically at a low point. But that is going to change soon. Look at the upturn in my accumulation indicators above. They reveal a strong bullish divergence. We saw the same thing happen in bitcoin before it began its two year bull market, and also during. The shaded area in the graph above is essentially no man's land, meaning a neutral area in terms of trend significance. A breakout through \$1380 looks like the most likely scenario at the moment but until it happens we have to remain on guard for an upset. I am fine with gold prices hovering as long as they stay above the \$1185 - \$1245 level.

What's more, I have a feeling, intuitively, that gold is going to give us a tell before the dollar bounce ends, as to whether there is going to be something to the dollar bounce, or whether it will end sooner than later.

But not this week. This week the Fed speaks, and will fill investors' ears full of bs. This week we buy more QID and QID calls (premium subscribers). Take advantage of the bulls' optimism to get good prices.

Upcoming Results Schedule

Franco Nevada (FNV) Q4 2017 results -03/07/2018

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

Premier Gold (PG.TO) Q4 2017 results - 03/27/2018

TDV Portfolio News Summaries



Goldcorp (GG, MCap 11.16B, 867.35M SO)

reported 2017 production of 2.57 million gold ounces at an AISC of \$824/oz, as compared to production of 2.87 million ounces at an AISC of \$856/oz in 2016. While this seems unimpressive, the company has actually made tangible progress in improving its financial performance. 2017 net earnings is up 306% y-o-y (\$658 million vs \$162 million in 2016) and operating cash flow is up 51.5% y-o-y (\$1211 million vs \$799 million in 2016). The company has achieved \$200 million in cost efficiencies in 2017 and is working on further cost

cutting initiatives while rationalizing its portfolio. Goldcorp is a turnaround story where progress has been slow, but management has been making the right moves that the market will appreciate in an upturn.

Yamana Gold (AUY, MCap \$2.8B, 948.56M SO) reported 2017 production of 977,316 gold ounces, 5 million silver ounces and 127.3 million pounds of copper at an AISC of \$916/oz gold and \$13.48/oz silver, and posted a net loss of \$194.4 million and operating cash flow of \$484 million. The company ended the year with \$148.9 million in cash and \$1.75 billion in long-term debt. The company hasn't made a net profit for 5 years now and rather than paying down its debt, has added a further \$174 million in long-term debt in 2017.

Yamana forecasts production of 1,013,000 gold ounces in 2018, growing to 1,084,000 ounces in 2019 and 1,149,000 ounces in 2020, excluding the attributable production from Brio Gold, which has acquired by Leagold Mining (see below). The company is also looking to sell its Gualcamayo mine in Argentina.

Yamana spin-off **Brio Gold (BRIO.TO, MCap \$312.75M)**, which holds its Brazilian mines, will be acquired by **Leagold Mining (LMC.TO, MCap \$440.4M)** in a business combination deal that will see Yamana holding 22% of the combined entity. Leagold owns the Los Filos mine in Mexico, which it purchased from Goldcorp. The combined entity will produce between 420,000 and 475,000 oz of gold in 2018 driven by Leagold's Bermejil underground project and Brio's Santa Luz mine restart. The deal vaults Leagold into a significant mid-tier producer and comes with the support of two mining giants - Goldcorp and Yamana - which both have an interest in seeing it succeed.



Agnico Eagle Mines (AEM, MCap \$9.45B, 233.15M SO) reported 2017 net income of \$243.9 million and operating cash flow of \$767.6 million on gold production of 1.71 million ounces at an AISC of \$804/oz, beating guidance on both production and cost. The company revised its forecast to 1.53 million ounces in 2018 and 1.7 million ounces in 2019, taking into account the start-up of Meliadine and extension of Meadowbank's mine life into 2019.

CEO Sean Boyd stated:

"In 2017, we had another strong year of operating performance exceeding our production forecast and beating our cost guidance for the sixth consecutive year. We set a new annual production record while recording the fewest number of lost time accidents, and we also increased our gold reserves. Furthermore, we continue to make excellent progress on our Nunavut development projects which has allowed us to advance the expected start-up of Meliadine and increase our production guidance for 2018 and 2019. With projected production on track to reach approximately 2.0 million ounces with lower unit costs in 2020, the Company will be focusing on increasing its reserve base and advancing its development pipeline to enhance the production profile and grow free cash flow."

Agnico has invested an additional \$3 million in **Orla Mining (OLA.V, MCap \$251.77M)** in order to maintain its 9.86% ownership stake in the company. In a recent filing, Blackrock now owns a 12.9% stake in Agnico Eagle through its various funds. AEM is cheap on a valuation basis, trading at 12.3 times 2017 cash flow at a \$40.57 share price. It is down 30% from its August 2016 peak, even though gold prices are only down modestly since then and the company has made steady progress in growing earnings and production.

Iamgold (IAG, MCap \$2.54B, 466.43M SO) reported 2017 production of 882,000 gold ounces at an AISC of \$1003/oz, with production up 8% over 2016, helped by record production at Essakane and the



ramp-up of Westwood. Net earnings came in at \$501.6 million, primarily due to impairment reversals at its Côté gold project and Rosebel mine, with adjusted net earnings amounting to \$29.3 million and operating cash flow of \$294 million. The company has forecast 2018 production of 850-900,000 ounces at an AISC of \$990-1070/oz.

Steve Letwin, President and CEO, stated,

"It was a year of outstanding accomplishments. Robust operating performance, including record production at Essakane, and continued cost

improvements drove gross profit up 50% and we ended the year with \$1 billion in liquidity. Exploration results were, and continue to be, exceptional. Gold reserves rose 86% to 14.5 million ounces, as significant increases at Rosebel and Côté Gold were followed by a 1.4 million ounce reserve estimate at our Boto Gold Project. Boto's recent pre-feasibility results indicate the potential for a long-life, low-cost mine. As we deliver on our strategy to increase net asset value per share, our core assets are proving to be significant catalysts for growth. Last month we secured the exploration rights for Brokolonko near Saramacca, another milestone in our consolidation strategy at Rosebel. In 2019, we expect production from Saramacca and potentially heap leaching at Essakane soon after. A ramp-up to full production at Westwood is anticipated in 2020, followed by a potential production start at Côté Gold in 2021."

Iamgold has acquired exploration rights to the Brokolonko property from the Government of Suriname.

The property is located 30 km from Rosebel and just northwest of the previously acquired Saramacca and Sarafina properties. The Brokolonko property, comprising approximately 105 km², has a history of episodic small scale mining activity dating back to the 1960's. Regionally, the area has been explored since the 1990's, principally by **Golden Star Resources (GSS, MCap \$385.89M)** and later as a joint venture between Golden Star and **Newmont Mining (NEM, MCap \$20.63B)**. Reconnaissance work and geochemical auger sampling programs undertaken by predecessors in the general northwest extension identified a series of gold anomalies on both the Sarafina and Brokolonko properties. To date the Brokolonko property has been tested by limited drilling. Iamgold also reported drill results from its 2017 drill program at the Diakha deposit, part of its Siribaya project in Mali. The program focused on infill drilling to increase confidence in the current resource as well as target expansion of the deposit. The step out drilling has doubled the strike length of the mineralization and the company is on track to delineating a 2 million ounce resource at the Siribaya project, with a 2018 program incorporating 15,000m of drilling.

Infill drilling highlights:

26 metres grading 6.79 g/t Au, including 8 metres grading 20.52 g/t Au; 18 metres grading 11.06 g/t Au, including 6 metres grading 32.45 g/t Au; and 26 metres grading 2.62 g/t Au

Step-out drilling highlights:

16 metres grading 7.65 g/t Au, including 4 metres grading 28.94 g/t Au; and 50 metres grading 2.01 g/t Au

Iamgold has vested a 51% interest in the Eastern Borosi project in Nicaragua, on JV with **Calibre Mining (CXB.V, MCap \$29.7M)**. The company can earn a further 19% interest in the project by paying \$450,000 and further exploration expenditures of \$5 million, to earn a total 70% interest at a cost of \$10.9 million. It has published a PFS on its Boto gold project in Senegal.

The study demonstrates an after-tax NPV of \$104 million and after-tax IRR of 13.3% for an initial capex of \$249 million and payback period of 6 years (gold price assumption of \$1275/oz and a 6% discount rate).

The mine will produce an annual average of 95,000 ounces at an AISC of \$829/oz over a 13.5 year mine life.

Steve Letwin, President and CEO, stated:

"Boto lies on a mineralized trend that is host to several significant producing gold mines. The team has worked exceptionally hard to advance this project from the initial discovery to a potential development project with a long life and attractive all-in sustaining costs. It is important to understand that this is a work in progress, and although still short of our investment criteria typical for West Africa, the project provides excellent optionality at higher gold prices. We are continuing to aggressively optimize the project design to improve the overall economics. Importantly, the feasibility study currently underway and due for completion in the second half of 2018 uses a 25% higher mill throughput as the base case, which will accordingly increase annual gold production and has the potential for improved project returns. We continue to aggressively explore priority targets to enhance the total resource inventory, which would generate a positive impact on project economics and mine life."

In essence, management acknowledges that the economics of Boto are unappealing but will undertake further work to see if they can improve on it.

The company also published its 2017 mineral resource report. Proven and probable reserves increased by 86% to 14.5 million ounces, from 7.8 million ounces at the end of 2016. The increase was driven by conversion of resources to reserves at the Côte project and the Boto project, coupled with a reserve increase at Rosebel. Measured and indicated resources increased by 6% and inferred resources increased by 44%.

Steve Letwin, President and CEO, stated:

"We are very excited about 2018 as it is setting up to be another year for significant growth in our reserve and resource base. Drilling to expand Saramacca continues and we are working to incorporate the existing and new resources into a consolidated Life-of-Mine plan for Rosebel and Saramacca which will allow us to declare an initial reserve estimate for Saramacca in the second half of this year. Drilling being carried out as part of the Côte Gold Feasibility Study will not only improve our confidence in the existing reserves, but is also expected to permit the upgrade of inferred material to a higher resource category and ultimately support conversion into reserves. The completion of the Heap Leach Prefeasibility Study for Essakane in the second quarter is expected to catalyze the declaration of new Heap Leach reserves as well as increases in our CIL reserves and

resources through the justification of a further pit pushback. Essakane is also working on declaring a maiden resource estimate for the Gossey satellite deposit later this year. We will be drilling another 110 kilometres at Westwood with the ongoing objective to expand our planning reserves through conversion of inferred resources. An updated resource estimate is planned for Diakha-Siribaya in Mali, West Africa, and maiden resource estimates are being initiated in 2018 for Monster Lake and Nelligan in Quebec, Canada, and Eastern Borosi in Nicaragua."

B2Gold (BTG, MCap \$2.85B, 980.93M SO)

announced an initial resource estimate at its Toega project in Burkina Faso. The project hosts an inferred resources estimate of 1.1 million gold ounces (17.5 mt at 2.01 g/t). The resource estimate incorporates 37,776 metres of RC and diamond drilling over 165 drill holes, with assays ranging over 5g/t gold. B2gold also announced an initial resource estimate at its newly discovered El Limon Central zone, located 150m from the El Limon mill in Nicaragua. The zone hosts an inferred resource estimate of 812,000 gold ounces (5.13 mt at 4.92 g/t). A total of 248 drill holes (35,871 metres of drilling)

were used in the gold grade estimate with more than 75% of the drill meterage coming from recently completed diamond drilling and the rest from historical drilling. The El Limon central vein structure has been drill tested along a 2.2km strike length so far, and remains open to depth and along strike. Further north, the structure extends along strike and this area is being drill tested at present.



B2Gold is currently conducting additional metallurgical testing on the El Limon Central ore and a study to evaluate the potential to expand the El Limon throughput to significantly increase annual gold production and reduce cash operating costs.

Alacer Gold (ALIAF, MCap \$505.29M, 293.78M SO) reported attributable 2017 production of 134,530 gold ounces at an AISC of \$686/oz, for a net profit of \$82 million and operating cash flow of \$109 million. The company ended the year with \$203 million in cash, \$250 million in debt, and \$100 million undrawn on the credit facility.

The Sulfide project is 75% complete and dry commissioning is underway in some areas. The capital cost estimate has been lowered from \$744 million to \$705 million and the project is on schedule for first gold pour in Q3. The Gediktepe Project DFS is progressing with completion targeted for mid-year 2018.

Endeavour Mining (EDVMF, MCap \$1.83B, 99.75M SO) produced 663,000 gold ounces at an AISC of \$869/oz in 2017. 2018 production is expected to increase to 670-720,000 ounces at an AISC of \$840-890/oz, driven by the ramp-up of the Houndé mine. The company has budgeted \$40-\$45 million for exploration, with a focus on advancing the Kalana project through an updated feasibility study and significant spending on greenfield exploration. The updated FS on Kalana will focus on increasing the current plant design capacity to lift the average annual production and shorten the mine life based on current reserves, integrating the exploration results from the upcoming drilling campaign, and leveraging Endeavour's construction expertise and realized operating synergies.

The Houndé mine was constructed ahead of schedule and under budget, with first gold pour on October 18 and commercial production declared on November 1. The team has moved on to work on the Ity CIL project. At Ity CIL, construction is progressing on schedule with first gold pour expected mid-2019. Concrete works are tracking well, with all eight ring beams and the SAG mill foundation pour complete and ball mill foundation pour commencing, and the tailings storage facility earthworks are progressing on schedule with 15% completed. EPCM design is progressing on-schedule with 50% completed, design work for the 90KV transmission line is complete and bush clearing is 70% completed.

In addition, the company has continued to expand the resource at Ity with recent successful drilling at the higher-grade Le Plaque target, located 5 km south of the future CIL plant. 75% of the holes drilled in this area encountered intersects thicker than 2m with grades higher than 2 g/t. Mineralization occurs from surface and remains open at depth and in several directions. Highlights: 24m grading 2.03 g/t Au, 4m grading 59.41 g/t Au, and 8.5m grading 11.94 g/t Au.

The company also completed a \$330 million convertible debenture private placement. The notes will be convertible into common shares at a price of \$23.9 (C\$29.47) per share, a 30% premium. The notes will bear interest semi-annually at a rate of 3% per annum and will be used as the company's primary source of long-term funding due to its associated lower coupon rate in comparison to the cost of the company's revolving credit facility (RCF). The company intends to repay the \$300 million drawn portion of the RCF and reduce the RCF available commitment from \$500 million to \$350 million, and thereby minimize commitment fees on undrawn amounts.



At first glance, it seemed as though Endeavour was going back on its statement that it will not raise new funds by announcing this offering, leading to a 12% drop in share price on 1/30/2018. However, the company since clarified that it is merely extending its debt maturity profile and reducing its cost of financing since the proceeds from this offering will be used to close out its previous indebtedness under the RCF.

McEwen Mining (MUX, MCap \$695.92M, 337.05M SO) reported 2017 net loss of \$10.6 million and operating cash outflow of \$15.4 million

on production of 152,329 gold equivalent ounces (GEOs). 2018 production is forecast to be modestly higher, at 171,000 GEOs, driven by increased contribution from the newly acquired Black Fox mine.

The company also provided an update on its Gold Bar project in Nevada. Mine construction has commenced, with a planned completion date in late 2018, and commercial production beginning in 2019.

Robert McEwen, Chairman and CEO, stated:

“We are excited that construction of the Gold Bar Mine is now underway. We have already invested over 10% of the total capital required to complete the project, and the balance will be financed with cash on hand, supplemented by a combination of debt, equipment leasing, and equity. Exploration is

advancing since the mine permits were received, and is already delivering encouraging results, which supports our belief that sustained exploration can extend the mine life.”

The newly updated 2018 Feasibility Study calls for an initial capex of \$81 million, an after-tax NPV of \$87 million and after-tax IRR of 32% at a \$1350/oz gold price. Production is expected to average 62,800 ounces per year over 7 years, at a cash operating cost of \$770/oz.

Exploration work is also ongoing around the proposed pit shell and has returned encouraging results, including 38.1m grading 2.1 g/t Au, 25.9m grading 1 g/t Au, and 16.8m grading 1.4 g/t Au.

Argonaut Gold (ARNGF, MCap \$320.78M, 177.23M SO) announced 2017 production of 126,704 gold equivalent ounces at an AISC of \$922/oz, bringing in net earnings of \$23.9 million and operating cash flow of \$45.9 million. The company has forecast 2018 production of 165-180,000 gold equivalent ounces at an AISC of \$850-950/oz.

Fortuna Silver (FSM, MCap \$734.33M, 159.64M SO) provided a mineral resource update. At its Caylloma mine, infill drilling was successful in replacing reserves mined while brownfield exploration increased inferred resources by 92%. At San Jose, global resources decreased but infill drilling successfully converted inferred resources from Trinidad North and Stockwork zones. At the Lindero gold project, inferred resources decreased 89% as the company has optimized the ultimate pit shell to include only material defined as mineral reserves, resulting in the exclusion of 470,000 ounces of inferred resources located at the periphery of the updated pit design. While this seems alarming, Fortuna is known to be conservative with its estimates.

Premier Gold (PG.TO, MCap \$653.64M, 202.37M SO) has budgeted US\$38.8 million for exploration and development in 2018, with contribution from JV partners upping the total spend on Premier's properties to US\$83 million. The bulk of this (\$37.9 million) will go towards permitting the Greenstone Gold (previously Hardrock) project in Ontario, with JV partner **Centerra Gold (CG.TO, MCap \$1.96B)** picking up the tab. Premier will also publish an updated resource estimate for its South Arturo (including the Phase 1 open pit and El Nino underground deposit) and Mercedes mines in Q1, while advancing a PEA at its Cove deposit in Nevada.

Sabina Gold & Silver (SBB.TO, MCap \$430.61M, 251.82M SO) has budgeted \$83 million out of its current cash reserves of \$94.5 million for project development and exploration activities in 2018. The budget covers:

- completion of the permitting process and receipt of both Type A and B water licenses
- completion of detailed engineering required for 2019 and development of the project execution plan
- commencement of pre-development infrastructure activities and procurement of equipment including permanent camps
- completion of a targeted exploration program
- advancement of the project debt finance process

Bruce McLeod, President & CEO, stated: *“2018 will be a significant year for the company as our work programs continue to advance Back River towards production as well as continue to focus on high value exploration targets at the Goose property. In addition, we have developed discretionary activities that are*

based on certain milestones achieved during the process. These expenditures will be assessed with a view to maintaining first gold in 2021 and are contingent on advancement of project funding initiatives.”

The company appointed Mr. Leo Zhao to the Board of Directors. Mr. Zhao will represent the interests of Zhaojin International Mining, which owns a 9.9% stake in Sabina. Mr. Zhao has more than 17 years of experience in global mining investment and EPC project management in China, Canada, Australia, Kazakhstan, Vietnam, Indonesia and the Middle East.

Goldquest Mining (GQC.V, MCap \$71.22M, 254.57M SO) reported disappointing drill results from its Cachimbo prospect. Of the 7 reported drill holes, only two hit noteworthy mineralization of 228.6 metres grading 0.4 g/t Au and 148 metres grading 0.8 g/t Au.

CEO Bill Fisher commented: *"These results support our belief that our Cachimbo discovery has considerable potential for a large gold bearing system, which we continue to intersect. An expanded 2018 drill program will be announced shortly, which will include testing further expansion of Cachimbo, new targets along the 50 km belt and a dedicated program around the Romero development area."*

EMX Royalty (EMX.V, MCap \$90.09M, 79.75M SO) has sold its Guldgruvan cobalt project in Sweden to **Boreal Metals (BMX.V, MCap \$12.18M)** and increased its ownership stake in Boreal from 17.8% to 19.9%. In a prior transaction, EMX sold its Modum cobalt project, also in Sweden, to Boreal. The company is taking advantage of the electric vehicle boom.

EMX has optioned its Buckhorn Creek copper porphyry project in Arizona to Kennecott Exploration, part of the Rio Tinto Group. The project is located in north-central Arizona, approximately 70 km north of Phoenix, and lies in the greater Castle Creek mining district. EMX acquired the project by staking prospective open ground, and advanced it with a previous partner who funded land acquisition and exploration work. The Option Agreement provides for work commitments as well as cash payments to EMX during Kennecott's earn-in period, and upon earn-in, a 2% NSR royalty interest in addition to pre-production and milestone payments to EMX's benefit. The milestone payments consist of:

- \$500,000 upon completion of an OMS or PEA,
- \$1,000,000 upon completion of a PFS, and
- \$2,000,000 upon completion of a Feasibility Study. The Feasibility Study payment will be credited against future royalty payments

The above deal is a great example of the kind of optionality a prospect generator provides, and EMX is one of the best at it. The company staked open ground, spent Other People's Money on it, and has now optioned it for a significant sum. If Kennecott fails to keep up with the work commitments, EMX gets the project back along with all the work that has been done on it and can then turn around and market it to a new partner.

TSXV Most Actives & Other News (January 15-19)

Electric Vehicle plays:

- **Katanga Mining (KAT.TO, MCap \$3.76B)** up 1.8%
- **Lithium Americas (LAC.TO, MCap \$800.86M)** down 14.3%
- **Nemaska Lithium (NMX.TO, MCap \$676.6M)** down 15.3%
- **Royal Nickel (RNX.TO, MCap \$88.36M)** up 91.2%
- **Advantage Lithium (AAL.V, MCap \$168.92M)** up 10.2%
- **Azincourt Energy (AAZ.V, MCap \$11.47M)** down 26.6%
- **Cobalt Power Group (CPO.V, MCap \$28.86M)** down 6.9%
- **Cruz Cobalt (CUZ.V, MCap \$27.51M)** down 13.8%
- **Iconic Minerals (ICM.V, MCap \$9.27M)** up 81%
- **LiCo Energy Metals (LIC.V, MCap \$17.88M)** down 6.2%
- **Neo Lithium (NLC.V, MCap \$214.4M)** down 17.8%
- **Power Americas Minerals (PAM.V, MCap \$8.95M)** down 10.9%
- **Power Metals (PWM.V, MCap \$61.54M)** up 5.2%
- **Standard Lithium (SLL.V, MCap \$149M)** down 5.1%
- **92 Resources (NTY.V, MCap \$5.9M)** down 12.2%
- **Spearmint Resources (SRJ.V, MCap \$11.1M)** up 57.1%
- **Voltaic Minerals (VLT.V, MCap \$1.48M)** up 44.4%

Aurion Resources (AU.V, MCap \$69.87M) was down 46% for the week on releasing disappointing drill results from its maiden drill program at the Aamurusko gold prospect in Finland. The stock was hot in 2017, rising 470% on reporting eye-popping assays from grab samples. One such sample graded 1563.5 g/t Au, with an average grade of 74.3 g/t Au across 133 samples. The company raised funds and drilled, with the best result from the 4 reported drill holes coming in at 10.1 g/t Au over 1 metre. Is it any wonder that the diamond drill bit is referred to as the truth machine in the industry?

Fireweed Zinc (FWZ.V, MCap \$31.08M) was up 34.6% for the week. After declaring an updated resource estimate on its Macmillan Pass Project in the Yukon (1.63b pounds of zinc, 0.61b pounds of lead and 7.69 Moz silver in the indicated category and 5.08b pounds of zinc, 2.73b pounds of lead and 48.41 Moz silver in the inferred category), the company has now started working on a PEA, expected to be completed in Q2.

Klondike Silver (KS.V, MCap \$11.24M) was up 41.7% for the week on no news. The company has been active in investor relations and marketing.

ML Gold (MLG.V, MCap \$22.02M) was up 76.5% for the week in anticipation of drill results from its Stars copper project in British Columbia.

TSXV Most Actives & Other News (January 22-26)

Brio Gold (BRIO.TO, MCap \$312.75M) was up 44.7% for the week. The company is the recipient of an all-share takeover offer from **Leagold Mining (LMC.TO, MCap \$440.4M)**, the deal valuing Brio at US\$264 million. Brio Gold is a **Yamana Gold (AUY)** spin-off operating 3 gold mines in Brazil. Brio is evaluating all alternatives, which means management intends to seek other suitors before deciding on taking up the offer.

Pretivm Resources (PVG.TO, MCap \$1.45B) was down 31.2% for the week. Shares have been hit hard since Q4 gold production numbers fell 15% short of Q3 numbers (70,281 ounces vs 82,203 ounces). The company increased mill throughput but head grade and recovery rates were lower than Q3. Pretivm's resource model has always had its fair share of skeptics, and the drop in production has added to the skepticism. However, as per the [news release](#):

"With the continued extension of the mining levels to the east and west within the two mining horizons, supported by continued infill drilling, mining level access to stopes with a greater range of grade is expected to be available through 2018."

In other words, in 2018 they will have access to varying grades of ore which they can blend to optimise mill feed, and production numbers should pick up. The sell-off looks overdone.

Alexandria Minerals (AZX.V, MCap \$45.46M) was up 33.3% for the week in anticipation of an updated resource estimate at its flagship Cadillac Break gold property in Val d'Or, where recent drilling intersected 4.55m grading 52.83 g/t gold.

Minaurum Gold (MGG.V, MCap \$133.69M) was up 32.4% for the week in anticipation of further drill results from its Alamos property in Mexico. The maiden drill hole intersected 8.25 metres grading 1,760 g/t Ag, 1.6% Cu, 1.5% lead, and 2.6% zinc, including 2.2 metres grading 5,098 g/t Ag, 2.76% Cu, 0.5% lead, and 1.18% zinc.

ML Gold (MLG.V, MCap \$22.02M) was down 28.3% for the week. The company reported that drilling at its Stars Project intersected three long intervals with visible copper sulphide, with one drill hole intersecting a 300 metre interval, from 25.2 to 325.2 metres depth, with visible chalcopyrite as veins and disseminations including massive chalcopyrite mineralization. The company has also initiated an airborne geophysics program to collect further data on the 300 metre interval.

Electric Vehicle plays:

- **Katanga Mining (KAT.TO, MCap \$3.76B)** down 10.1%
- **Royal Nickel (RNX.TO, MCap \$88.36M)** down 6.2%
- **Alba Minerals (AA.V, MCap \$12.32M)** up 66.7%
- **Azincourt Energy (AAZ.V, MCap \$11.47M)** up 2.1%
- **Cruz Cobalt (CUZ.V, MCap \$27.51M)** up 2.7%
- **First Cobalt (FCC.V, MCap \$214.56M)** down 13.8%
- **LiCo Energy Metals (LIC.V, MCap \$17.88M)** up 13.3%
- **Argentina Lithium and Energy (LIT.V, MCap \$26.52M)** up 7.5%
- **NRG Metals (NGZ.V, MCap \$27.21M)** up 11%
- **Neo Lithium (NLC.V, MCap \$214.4M)** down 3%
- **92 Resources (NTY.V, MCap \$5.9M)** down 38.9%
- **Redzone Resources (REZ.V, MCap \$12.2M)** up 52.5%
- **Spearmint Resources (SRJ.V, MCap \$11.1M)** down 9.1%
- **Voltaic Minerals (VLT.V, MCap \$1.48M)** down 30.8%
- **US Cobalt (USCO.V, MCap \$44.13M)** up 10.1%

TSXV Most Actives & Other News (January 29-February 2)

Northern Dynasty Minerals (NDM.TO, MCap \$420.45M) was down 44.7% for the week. The company has been the target of a lot of **short-selling** ever since Kerrisdale Capital put out a report a year ago calling for the stock to go to zero as it deemed the company's flagship Pebble deposit in Alaska to be worth nothing. The company has been a political football, with influential Alaskan natives and the EPA under Obama stalling the project citing environmental concerns. Under the Trump administration, the company got a lease of life as it has been allowed to proceed through normal course permitting under the Clean Water Act and National Environmental Policy Act (NEPA), but every news release put out by the company has been met with a bout of selling and the recent news that the EPA has "suspended withdrawal of a pre-emptive regulatory action under CWA 404(c) initiated at Pebble in July 2014" was all it took to trigger the current down move, even though this fundamentally changed nothing.

Chakana Copper (PERU.V, MCap \$48.49M) (formerly Remo Resources) was up 35.5% for the week on news that it had intersected 69m grading 3.15 g/t Au, 0.39% Cu and 11.3 g/t Ag at its Soledad Project in Peru. The project is located 35 km south of the Pierina mine in the prolific Miocene metallogenic belt.

Electric vehicle plays:

- **Katanga Mining (KAT.TO, MCap \$3.76B)** down 20.5%
- **Lithium Americas (LAC.TO, MCap \$800.86M)** down 14.1%
- **Nemaska Lithium (NMX.TO, MCap \$676.6M)** down 18.9%
- **Azincourt Energy (AAZ.V, MCap \$11.47M)** down 22.9%
- **Advantage Lithium (AAL.V, MCap \$168.92M)** down 11.1%
- **Alba Minerals (AA.V, MCap \$12.32M)** down 40%
- **Cruz Cobalt (CUZ.V, MCap \$27.51M)** down 18.4%
- **Cobalt Power Group (CPO.V, MCap \$28.86M)** down 7.5%
- **LiCo Energy Metals (LIC.V, MCap \$17.88M)** down 20.6%
- **92 Resources (NTY.V, MCap \$5.9M)** down 9.1%
- **NRG Metals (NGZ.V, MCap \$27.21M)** down 16%
- **Spearmint Resources (SRJ.V, MCap \$11.1M)** down 10%
- **Iconic Minerals (ICM.V, MCap \$9.27M)** down 3%
- **Royal Nickel (RNX.TO, MCap \$88.36M)** down 14.8%

TSXV Most Actives & Other News (February 5-9)

Northern Dynasty Minerals (NDM.TO, MCap \$420.45M) was up 26.9% for the week on announcing that it was advancing through the NEPA permitting process. (see comments above)

Electric vehicle plays:

- **Lithium Americas (LAC.TO, MCap \$800.86M)** up 9.5%
- **Nemaska Lithium (NMX.TO, MCap \$676.6M)** up 6.7%
- **Cruz Cobalt (CUZ.V, MCap \$27.51M)** up 6.5%
- **Cobalt Power Group (CPO.V, MCap \$28.86M)** down 6.1%
- **NRG Metals (NGZ.V, MCap \$27.21M)** down 19.1%

- **Millennial Lithium (ML.V, MCap \$266.23M)** down 3.6%
- **Power Metals (PWM.V, MCap \$61.54M)** up 3.3%
- **Spearmint Resources (SRJ.V, MCap \$11.1M)** up 5.5%

TSXV Most Actives & Other News (February 12-16)

Adamera Minerals (ADZ.V, MCap \$22.48M) was up 59.1% for the week on news that its first drill hole at the VTEM target on its Cooke Mountain project in Washington state intersected a thick zone with both semi-massive and disseminated sulfides over a 120 metre core length. Mineralization consisted of variable amounts of sulfides, magnetite and silica alteration from 60 to 180 metres depth downhole. Assays are pending.

Electric vehicle plays:

- **Katanga Mining (KAT.TO, MCap \$3.76B)** up 8.5%
- **Azincourt Energy (AAZ.V, MCap \$11.47M)** down 10.5%
- **Crystal Lake Mining (CLM.V, MCap \$52.92M)** up 28.4%
- **Cameo Resources (CRU.V, MCap \$12.47M)** up 47.9%
- **Lithium X Energy (LIX.V, MCap \$243.65M)** down 8.3%
- **NRG Metals (NGZ.V, MCap \$27.21M)** down 1.8%
- **Spearmint Resources (SRJ.V, MCap \$11.1M)** up 5.3%

Junior resource companies selling for less than working capital

Company	Ticker	MCap (mil)	Working Capital (mil)	WC as % of MCap
Energold Drilling	EGD.V	\$20.77	\$55.11	235%
Minco Gold	MMM.V	\$7.87	\$16.89	208%
Berkwood Resources	BKR.V	\$6.58	\$2.96	203%
Continental Precious Minerals	CZQ.H	\$4.33	\$5.68	151%
Sprott Resource Holdings	SRHI.TO	\$95.44	\$132.01	138%
Southern Arc Minerals	SA.V	\$6.18	\$8.56	136%
Anglo Pacific Group	APY.TO	\$365.42	\$21.71	126%
Running Fox Resource	RUN.V	\$1.37	\$1.67	122%
Monument Mining	MMY.V	\$22.68	\$25.09	120%
Minco Silver	MSV.TO	\$42.49	\$47.69	117%
Chalice Gold	CXN.TO	\$47.02	\$51.38	116%
Orsu Metals	OSU.V	\$5.89	\$6.39	108%
Century Global Commodities	CNT.TO	\$24.70	\$26.24	107%

MillenMin Ventures	MVM.V	\$2.11	\$2.19	104%
Radius Gold	RDU.V	\$8.23	\$9.04	104%
Batero Gold	BAT.V	\$9.79	\$10.12	103%
Endurance Gold	EDG.V	\$5.56	\$6.10	101%
Coral Gold	CLH.V	\$19.55	\$19.05	97%
Ethos Gold	ECC.V	\$7.58	\$7.34	94%
Arena Minerals	AN.V	\$5.20	\$4.76	92%

Note: The working capital data is as of the most recent filing and is defined as current assets less current liabilities.

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