



TDV News & Exploration Update

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Upcoming Results Schedule (TDV Portfolio)

Fortuna Silver (FSM) 2016 results — 05/05/2017 (tentative, subject to SEC approval)

Agnico Eagle (AEM) Q1 2017 results - 04/27/2017

Goldcorp (GG) Q1 2017 results — 04/26/2017

Yamana Gold (AUY) Q1 2017 results - 05/03/2017

TDV Portfolio News Summaries (~March 2017)

Agnico Eagle (NYSE: AEM, \$43.55, 225.88m SO) announced the private placement of a US\$220 million block of common shares to institutional investor Capital Research and Management Company in the United States (5 million shares at US\$43.97 per Common Share). The company also filed its Annual Report with the SEC. Capital Research and Management Company, a wholly-owned subsidiary of The Capital Group Companies, Inc. is the investment adviser to the American Funds family of mutual funds, one of the oldest fund groups in North America, driven by value conscious fund managers. Agnico calls them a “new strategic institutional investor”. The proceeds are earmarked for general working capital.



Goldcorp (NYSE: GG, \$14.82, 853.81m SO) is acquiring **Exeter Resource Corporation (XRC.TO)** in an all-share deal valued at US\$185 million (C\$247 million), for a premium of 67% to Exeter's closing share price on March 27, 2017.

The deal is part of another one in which it is acquiring Kinross' 25% interest in the Cerro Casale copper gold project as well as 25% from Barrick. For about \$85 million from Barrick, it will contribute 50% of Capiche to the joint venture so that Goldcorp and Barrick can develop the two monster gold-copper projects together. Both of the projects

are in Chile within 20 kilometers of each other on the Maricunga Gold Belt south of the old Refugio gold mine discovered by Bema (B2Gold) and operated by Kinross during the last decade. Both - Capiche and Cerro Casale - represent large low grade gold-copper porphyry systems containing roughly 50 million ounces of gold and over 10 billion pounds of copper combined. The deal cost Goldcorp about \$400 million.

The JV will jointly advance the Cerro Casale and Caspiche gold deposits in a similar arrangement to Goldcorp's NuevaUnión project in Chile with Teck Resources.

The acquisition seems like it is a bit out of left field given the size of initial capex, the attitudes toward miners in Chile right now, and Goldcorp's need to rationalize its assets rather than multiply them.

Certainly no junior, neither Exeter nor B2gold, could likely raise the capital for projects this size. They are no doubt even too big for one or other of these two companies (Goldcorp or Barrick). But maybe there are economies from a joint venture and from the fact that the deposits are so close. Or maybe they will just sit there on the balance sheet and continue to get zero from the market until gold gets past \$3000 or so.

It will look different then. Maybe they know something we don't. I mean, we're speculating about the same result. But maybe they know. Maybe this deal says just that. I don't know. But I am intrigued by the deal.



Endeavour Mining (EDVMF, \$18.84, 92.7m SO) has received an in-principle agreement from the Government of Cote d'Ivoire to increase its stake in the Ity mine from 55% to 80%. Following the transaction, the Ity mine would be 80%-owned by Endeavour, 10% by the Drogba Group and 10% by the government of Cote d'Ivoire. The Ity mine is an open pit heap leach operation that contributed 13% of 2016 production. We added Endeavour to our portfolio in January 2014 at about \$7, saw it rally to \$10 briefly, and then collapse to \$4 before the stock gained traction and delivered on the story in West Africa. Endeavour was formerly a Giustra investment banking arm, which turned into a gold miner following its acquisition of Etruscan in 2010.

The company has several producing mines spread out in West Africa (Mali, Burkina, Ghana, Ivory Coast) as well as development properties over there. The company has improved its balance sheet significantly over the years, as I expected it would, and has executed on its growth plan. Next to B2gold this has been one of the fastest growing miners in the industry with production growing from 97,000 ounces of gold per year in 2011 up to almost 600,000 ounces last year, growing to about 640,000 (forecast) in 2017. The company also recently pulled out of merger discussions with Barrick's subsidiary Acacia Mining. This may have some negative repercussions because the price of the stock may reflect expectations about the merger that won't come to fruition now. Apparently they could not come to a satisfactory deal. Barrick's Acacia has no growth potential and the deal would just help Barrick reduce some of its interest in it. Nevertheless, Endeavour has probably always been groomed for an ultimate takeover in the way that Wheaton River was built and sold.

I know who I would like to see it merge with (IAMGOLD) but not holding my breath.

IAMGOLD (NYSE: IAG, \$4.16, 464.62m SO) has been reporting fabulous high grade gold intersections from a delineation drilling program on the Saramacca project near its Rosebel mine in Suriname (South America) where drilling has returned “numerous intersections with high grades of gold over wide intervals, from both shallow oxide and deeper sulphide intervals.” Highlights from the 29 diamond drill holes (6,008 metres) include 60.5 metres grading 40.91 g/t Au (including 19.5 metres grading 75.91 g/t Au), 52.6 metres grading 5.33 g/t Au, and 23.5 metres grading 7.41 g/t Au. The Saramacca project is located approximately 25 kilometres southwest of Iamgold’s Rosebel Gold Mine milling facility.

The property has been explored since the 1990's principally by Golden Star Resources and later as a joint venture between Golden Star and Newmont Mining. However, management has been indicating its excitement that the mineralization extends below 100 meters depth into the hard rock:

“Initially we were attracted to Saramacca by the prospect of finding soft gold-bearing rock and are pleased to see soft rock extending to depths of up to 100 metres”, the CEO stated.



The mineralization is concentrated in vein systems, complex breccia in zones and shear structures within a corridor that shows a 2km strike, 100m dip, and 600m wide.

The current phase of drilling calls for another 10,000 or so meters, tightly spaced (50m x 50m), targeting a resource estimate by the third quarter of 2017. Based on previous work the company anticipates a resource of between 500,000 and 1.4 million ounces of gold in one of the anomalies being delineated but the grade and widths we’re seeing in this drill program are exceptional and I would not be surprised to see it turn into a 3 million plus ounce gold resource. If we are right this will just buffet the mine life of the Rosebel mine, which is a substantial

asset in IAMGOLD’s chest. The stock has acted better than its peers on this news and other developments, including in my opinion, its *exploitive* acquisition of our favorite west african gold *explorer*, Merrex Gold.



Fortuna Silver (NYSE: FSM, \$5.22, 158.85m SO) provided an update on its Lindero project in Argentina. The company is working on optimising the feasibility study done by Goldrock. They are confident they can improve gold extraction and reduce recovery time. They plan to have the project ready for a construction decision in the third quarter of 2017.

First Majestic Silver (NYSE: AG, \$8.41, 164.46m SO) has updated its Reserves and Resources across its Mexican assets. Proven and Probable Reserves totaled 116.7 million silver equivalent ounces, representing a 14% decrease, Measured and Indicated Resources totaled 139.6 million silver equivalent

ounces, representing an 11% decrease, and Inferred Resources totaled 233.2 million silver equivalent ounces, representing a 15% decrease. The company is planning to invest \$27.0 million towards exploration (as against \$9.9 million budgeted for 2016) to drill approximately 183,000 metres including approximately 40,000 metres at its Plomosas Silver Project.

Sabina Gold & Silver (SBB.TO, C\$1.55, 223.56m SO) reported 2016 results. The company lost \$6.1 million and closed the year with \$40 million in cash, which combined with a \$6.1 million capital raise in February puts the company in firm financial footing, as it awaits the latest NIRB decision at Back River.

Premier Gold (PG.TO, C\$3.32, 201.53m SO) reported 2016 results. In the company's first full year of production, it reported consolidated production of 111,739 ounces of gold and 98,401 ounces of silver and clocked in revenue of \$113.6 million. The company is currently targeting between an aggregate of 125,000 and 135,000 ounces of gold production for 2017 from its operations at South Arturo and the recently acquired Mercedes Mine in Sonora, Mexico.

Nautilus Minerals (NUS.TO, C\$0.23, 660.35m SO), announced that its seafloor production tools have arrived in Papua New Guinea, and will shortly commence submerged trials. The trials will happen in an existing facility on Motukea Island, near Port Moresby in Papua New Guinea. In other news, the company has delivered notice of a planned \$2 million capital raise in April, which is part of its \$20 million planned capital raise. The company still remains on track to achieve production in Q1 2019, subject to financing.



Goldquest Mining (GQC.V, C\$0.485, 215.73m SO) confirms two new gold systems within its 100-per-cent-owned Tireo concessions in the Dominican Republic - Vaca Valley and Mineros Ridge.

Best results from drilling at Mineros Ridge include 15 metres grading 0.4 gram per tonne gold and 25.4 g/t silver, and at Vaca Valley include 56.8 metres grading 0.3 g/t gold. The drill program is testing new targets and all holes have encountered sulphide mineralization consistent with hydrothermal activity in the belt.

Three of the holes intersected gold-bearing sulphide mineralization. Based on these findings, the company will plan a follow-up drilling program and is optimistic about the presence of VMS type mineralization.

Cascadero Copper Corp (CCD.V, C\$0.115, 180.92m SO) confirmed that after weather related delays put them back by 5 weeks, the drills are now spinning at the more than 4km elevation at the Taron project in North Salta, Argentina. The stock price has weakened a bit in the news vacuum and uncertainty over the CEO's health but has for the most part held above the 10 cent level. This is not all that bad considering the behavior of the sector over the past two months. Nevertheless, the market doesn't like uncertainty, which is probably why it weakened. But if you have not bought any shares in this company now is the time to do it.

I'm both nervous and excited about this drill program because we're about to find out if there's a mine there or not. And despite the indications - the previous drill holes, trenching, and the scope of the hydrothermal alteration - in the end all the potential in the world can't stand up to the truth of the drill. It's a dream killer.



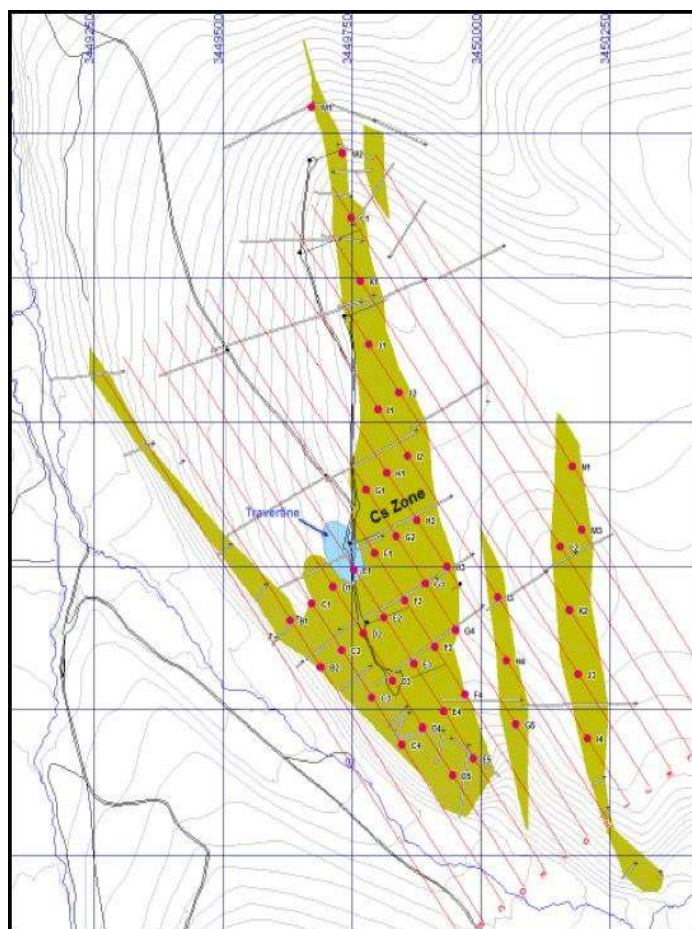
I see Cascadero as a steal below a dime, even without Taron. They have many irons in the fire.

They have several projects worth joint venturing in Argentina and BC, and prospects for monetizing at least two of them in the near to medium term future. First Quantum appears to want to advance its Taca Taca mine in Argentina, and at some point in the medium term it is going to have to contend with Cascadero and its shared adjoining properties.

Including Taron, and its potential, I rated the stock as a buy up to 15 cents before drilling. And, if drilling produces a Cesium resource, up to 25 cents.

The rest depends on what the PEA says.

I've suggested a successful PEA could bring valuations of 50 cents up to \$1 per share, and a buy out of even more, if all works out. If Taron is a fail the stock could easily fall back to a nickel even though it would still be worth more based on its other assets. This is because there are some 30 million options and warrants outstanding, exercisable between 5 and 15 cents. If Taron proves a hit then their exercise could bring in over \$3 million in capital that would go a long way towards advancing the project even further. So the risk reward ratio from the current 11 cent (CAD) level is about a 6-7 cent loss if Taron is a dud or the general market collapses or something unforeseen happens on the negative side compared to a 14 - 39 cent gain in the short term, or at least 2:1 up to a 6:1 ratio, depending on what is drilled into and its ultimate scope. That may be too bullish or may not be bullish enough, way too hard to tell! If they get silver in those assays, which they have in previous assays, then the market will be all over it - if they are surprisingly rich or thick. Whether Silver or Cesium, if they hit, the shares would deserve to be re-rated. Cascadero *“plans to drill 29 vertical HQ3 core holes (see map inset) to a depth of 75 metres for a total of 2,175 metres in completing a grid-style pattern to test an area of about 1.6 square kilometres.”*



TSXV Most Actives and Other News (March 18-26)

Goldgroup Mining (GGA.TO) spiked 38.1% on 21-March and is up 13.6% over last week on no news.

Emerita Resources (EMO.V) lost 29.5% on 22-March and is down 27.3% over the week on news that it signed a letter of intent to acquire the Masa Valverde Zinc project located in the highly prolific Iberian Pyrite Belt in Spain for an outlay of Eur 4.5 million.

TSXV Most Actives and Other News (March 27-31)

Barkerville Gold Mines (BGM.V) was up 40% on announcing drill results at its 130,000 metre Phase II Island Mountain exploration drilling program at the Company's flagship Cariboo Gold Project. Highlights are 24.70 g/t Au over 6.60 metres, 21.23 g/t Au over 5.05 metres and 28.28 g/t Au over 3.30 metres. The company also sold an additional 0.75% NSR on the project to Osisko Gold Royalties, bringing the total up to 2.25%. The company also announced the resignation of Director Greg Gibson.

Beaufield Resources (BFD.V) was up 35.5% on no news.

Durango Resources (DGO.V) was down 44.1% on news that it will issue 100,961 common shares at a deemed price of \$0.13 to Agora Internet Relations Corp for services rendered in the amount of \$13,125.

Horizons Medical Marijuana Life Sciences ETF (HMMJ.V), the world's first marijuana ETF, launched on April 5th. The ETF opened at \$10.19, traded up to \$10.50, and settled at \$10.25. HMMJ mirrors an index of North American MJ related companies with a 10% upper limit on any single holding.

About five companies make up half of its weight: SMG:NYSE, GWPH:NQ, WEED:TSX, ACB.V, and INSY:NQ. I love the story behind this emerging industry. It will come into its own when the drug war is behind us (like prohibition!). Right now some of these companies are far ahead of their fundamentals, making them vulnerable to the general market downturn that we foresee for the near future.

Noteworthy Drill Results (March 18-30)

Date	Company	Location	Hole #	Length	Au g/t	Ag g/t	Cu %	\$ /tonne
3/20/2017	Argonaut Gold	Mexico	17-LCRC-481	41.10	1.15	6.00		\$49
			17-LCRC-483	59.40	1.24	6.00		\$53
			17-LCRC-490	132.60	1.29	24.00		\$65
3/21/2017	Broadway Gold	Montana	C17-07	43.00	1.22		1.18%	\$119
3/21/2017	Bonterra Res	Canada	BA-17-05	6.00	41.00			\$1,625
3/23/2017	Mariana Res	Turkey	HTD-106	116.50	6.70	1.70		\$267
3/28/2017	Osisko Mining	Quebec	OSK-W-17-792	5.40	71.40			\$2,830

			OSK-W-17-779	7.90	21.60			\$856
3/29/2017	Iamgold	Suriname	SMDD17-077	30.00	40.91			\$1,622
3/30/2017	West African	Burkina Faso	TAN17-DD089	10.00	1.18			\$47
			TAN17-DD097A	15.00	5.03			\$199
			TAN17-DD102	27.00	12.26			\$486
3/30/2017	Midas Gold	Idaho	MGI-17-423	193.60	2.46	6.30		\$101
			MGI-17-424	179.50	2.45	5.70		\$100
3/30/2017	Richmont Mines	Ontario	740-465-16	5.08	114.93			\$4,556
			GD-640-05	11.30	26.55			\$1,052
			MH4-4B	5.95	103.86			\$4,117

Note: The assays that make up the table above rank highest quantitatively (in terms of length and grade of drill hole) amid all those reported in the period, but I only comment (below) on those that are either new discoveries, extensions on previous resources (stepouts), or otherwise better than expected or of interest.

Argonaut Gold (AR:TSX, 177 million s/o) is one of our picks. I'm covering it down here because its drill holes have made our top nine list for the last half of March. I added the stock to the TDV portfolio too early in August of 2013 along with three others: Fortuna, Yamana, and Alacer. Fortuna has done well since then and Alacer has held its own but Argonaut and Yamana are still well below our original entry cost.

But while I have issued warnings about Yamana and Alacer, and not for their past performance, I have continued to support Argonaut, whose motto is: "production today, development tomorrow".

That just means they try to focus on the bottom line. It was good enough for the market in 2011 when it pushed its shares up to \$11, and it was good enough for Goldcorp when it bought their previous company (Meridian Gold) in 2004. It seems tomorrow may have arrived, for development (drilling) has added ounces to the company's resource. The current (RC) drilling is part of a campaign to extend its Mexican La Colorada mine down dip, confirming its belief that the vein systems feeding the previous mine contain gold.



A larger drill program last year grew the small resource by 23%. Most of the mineralization in this drill program was intersected at between 150 and 300 meters downhole. The drill hole lengths are sweet.

The company says:

"The results of the drill campaigns over the past 11 months have further delineated and derisked the El Creston deposit and give us further confidence in the potential to expand the El Creston open pit

beyond its current design. These results substantiate the company's decision to accelerate stripping at El Creston.”

Mariana Resources (MARL:CA, 126 million s/o) has continued to return exceptional assays from its Hot Maden gold-copper vein in Turkey. Most of the drilling is infill, which means drilling into a known but historical resource to confirm and update the previous values sometimes with tighter spacings, etc. The drill hole (HTD-106) that made it into our table here is noteworthy, but not a step out or discovery hole, so it's not new. It's in the share price. They have been stepping out also, hitting new zones, and want to test the full strike extent of the deposit further over about 5km. The company just filed a PEA and an updated resource estimate (previous one was around 3.5 million ounces of gold equivalent, global resource). The drill results are sweet but my interest level on the stock is low due to valuation, and because of my views on Turkey politically. We still have Alacer Gold in our portfolio and if I decided to keep some exposure to Turkey I would prefer the value offered by Alacer's shares all around.

Richmont Mines (RIC.TO) is getting 5-10 meter intersections grading 1 to over 3 ounces per tonne of gold at the Island project Ontario at various depths, some as great as 1.2 kilometers, where it is trying to establish a “1 million ounce high-grade resource envelope below the operating mine.” The company is an old miner that has been in business since the early nineties. It operates the Island gold mine in Ontario near one of Argonaut's mines and the smaller Beaufor gold mine in Quebec (2016 production = 104,050 ounces of gold). The stock has done well off its 2014 low, putting in a 10-fold gain, which we missed, on the back of major success in growing its resource last year by more than 500,0000 ounces (global). The current drill program has been following up on a zone discovered last year to the east of the east zone discovered last year about 500 meters away. But Hole GD-640-05 above tested the downplunge of the eastern lateral extension discovered last year intersected 20.57 g/t (26.55 g/t uncut) of gold over a core length of 11.3 metres, at a vertical depth of approximately 1,000 metres. Another hole, GD-640-04, located approximately 150 metres above hole GD-640-05, intersected 7.38 g/t gold over 3.27 metres. To date, Richmont has completed a total of 8,232 metres (33 holes) of exploration *and* infill drilling of the planned 37,000 metres in the eastern lateral area. The deep drill hole (MH4-4B) in the table above is tricky because uncut it assays huge but at an upper cut off grade that 3 ounces per tonne drops down to about 5 grams per tonne. It could still have value but seems like most of it is concentrated in a length less than half a meter, which is not usually mineable, especially at such depths. Hole 740-465-16 was an infill hole. The drill program reveals the potential of this mine as still largely untested. Worth watching. But stock seems a bit ahead of itself.

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