

Mining Equity Sales Commentary

February 7, 2018

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Executive Summary

Market Commentary

Trailing 30-Day Beta: Top 10 weighted securities on GDX and GDXJ ranked by Beta relative to Gold spot

Metal Futures	Price	Change
Gold	1327	-2.5
Silver	16.44	-0.14
Copper	312.5	-6.4
Platinum	986.6	-7.7
Palladium	983.45	-19.05

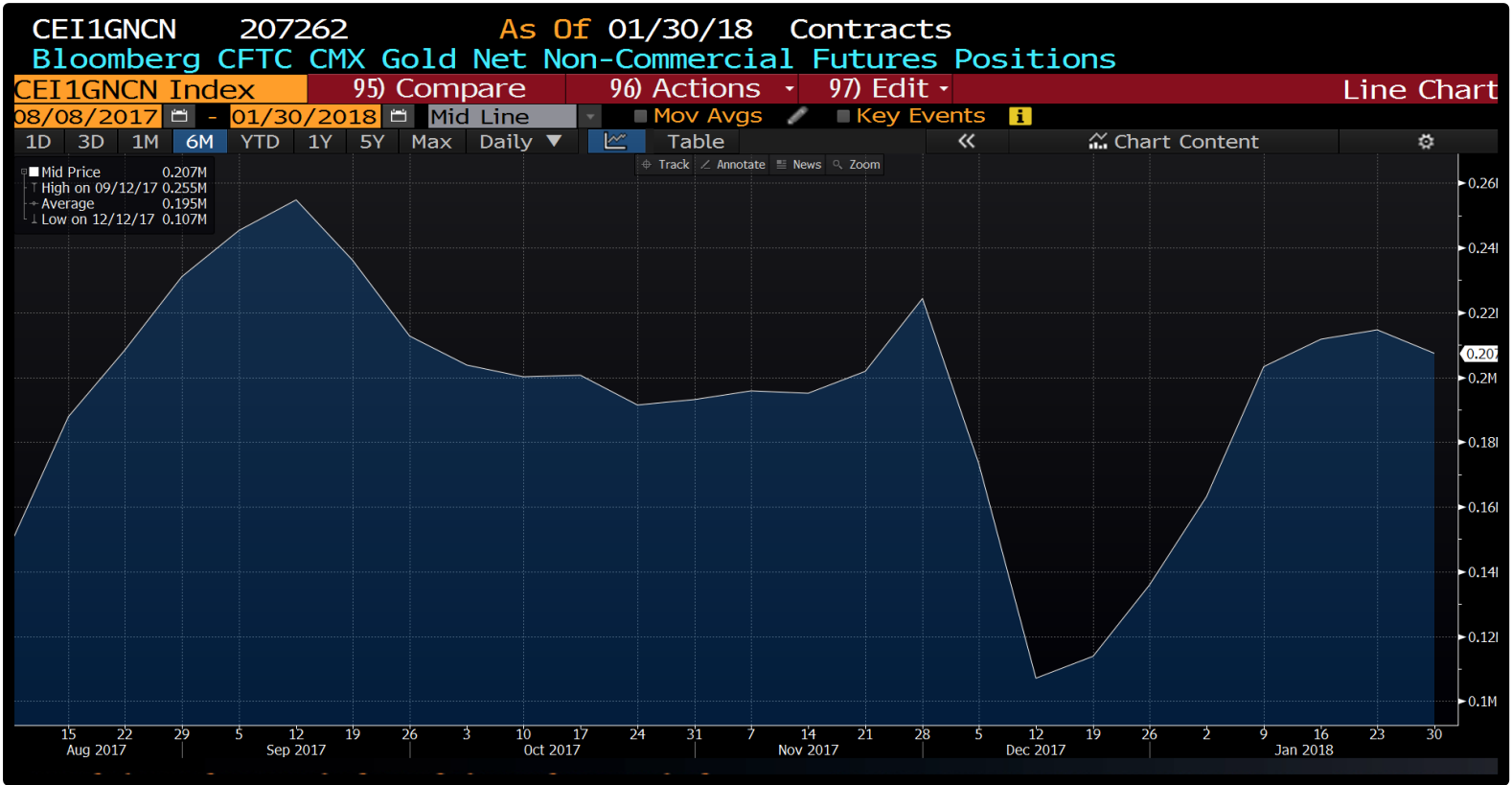
GDX	Beta	GDXJ	Beta
KGC	2.40	AUY	3.00
ABX	1.84	BTG	2.96
AEM	1.80	IAG	2.82
GG	1.76	SBGL	2.49
GOLD	1.75	GFI	2.44
WPM	1.68	PAAS	2.15
NEM	1.45	KL	2.05
FNV	1.42	CEY	1.06
RGLD	1.34	EVN	0.44
NCM	0.25	NST	0.17

ETF Holdings	Volume	Change
Gold	72,155,964	-238,656
Silver	646,390,026	+1,369,473
Platinum	2,498,516	-4,183
Palladium	1,228,505	-12,076

Gold held in ETF showing signs of rolling over under liquidation pressure. Headwind.



We await Friday's Commitment of Traders report and a view into the tone of a non-commercial gold futures players.



We look for a reversion to the mean of VIX levels as Volatility product distributions pass and systematic risk wanes from the mind of the market.



[As Cobalt Prices Rise, Congo Raises Pressure on Western Mining Giants](#) (Wall Street Journal)

- Congo wants to renegotiate deals with mining companies operating within the country as world demand and the price of Cobalt surges, in an attempt to renationalize the country's natural resources.
- The Congolese state-owned mining firm, Gecamines SA, has been undertaking an audit on some of the mining companies operating in the country and believes that a few of these companies may have been manipulating costs and production numbers resulting in a lower payment of dividends and royalties to the government.
- Along with a new legislation to increase tax on metals like Cobalt that has yet to be signed by the Congolese President, this renegotiation could have a significant impact on these miners, as well as the tech and auto industries.

[Gold Price: 9 Straight Years of Record Annual Mine Production](#) (Mining.com)

- On Tuesday, the World Gold Council released its [Gold Demand Trends Report for 2017](#), reporting that primary gold production hit another record after nine years of annual growth in output.
- Overall production of 3,268.7 tonnes or just over 105 million troy ounces
- Production only slightly higher than 2016 as new mines starts mostly served to fill the gap from production losses elsewhere
- Primary gold production has surged by 525 tonnes since 2010
- China's gold production dropped 9% in 2017 as tighter government regulations have forced the shutdown of marginal operations

Gold mines on the moon? A cool perspective of Agnico Eagle's Meadowbank gold mine in Nunavut



Analyst Company Commentary

Golden Reign Resources GRR.T – announces positive gold metallurgical results from Las Chonchitas

- The recent metallurgical testing of combined gravity and cyanidation methods resulted in an average of:
 - 95.7% gold recovery
 - 68.5% silver recovery
- These results come from composite samples grading in average 8.70 g/t gold and 20,10 g/t silver
- Exploration activities by Golden Reign have identified seven highly mineralized structures within the Las Conchitas area with strike lengths ranging from 500 to over 1,000 meters
- Currently we rate the company as a BUY with a target price of \$0.80/sh and a SPECULATIVE risk rating.

Worth Repeating

Discussions with Management

Insider SEDI Filings – Notable

Marketing Schedule

Jaguar Mining – Rodney Lamond, CEO: Thursday January 4th – Vancouver and Tuesday January 9th – Toronto

Rye Patch Mining – Bill Howell, President and CEO: Wednesday January 10th – New York City and Thursday January 11th – Toronto

Superior Gold – Chris Bradbrook, President and CEO: Wednesday January 10th – Toronto

Skeena Resources – Walter Coles Jr. CEO and Kelly Earle, VP Communications: Tuesday January 30th – New York City and Wednesday January 31st – Toronto

INV Metals – Candace MacGibbon, CEO: Tuesday February 13th – Toronto

Analyst Site Visits

Site Visits in the Past 6 Months

Anaconda Mining Inc. (ANX.T)	Goldboro, Point Rouse
Asanko Gold Inc. (ASK.T)	Asanko
Atlantic Gold Corp. (AGB.V)	MRC
Bluestone Resources Inc. (BSR.V)	Cerro Blanco
Endeavour Mining Corp. (EDV.T)	Karma, Hounde
Excelsior Mining Corp (EXN.T)	Gunnison
Golden Star Resources Ltd. (GSC.T)	Wassa, Prestia
Integra Resources Corp. (ITR.V)	Delamar, Florida
Klondex Mines Ltd. (KDX.T)	Fire Creek, Hollister
Nighthawk Gold Corp. (NHK.T)	Colomac
Perseus Mining Ltd. (PRU.AU)	Sissingue, Edikan
Revival Gold Inc. (RVG.V)	Bear Track, Arnett Creek
Roxgold Inc. (ROXG.T)	Yaramoko
Rye Patch Gold Corp. (RPM.V)	Florida Canyon
SEMAFO Inc. (SMF.T)	Boungou
TerraX Minerals Inc. (TXR.V)	Yellowknife City Gold
Troilus Gold Corp. (TLG.V)	Troilus

Upcoming Site Visits

Monarques Gold Corp. (MQR.V)	Beaufor, Wasamac, Croinor	Feb
Titan Mining Corp. (TI.T)	Empire State	Feb/March

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