

The IKN Weekly

Week 469, May 20th 2018

Contents

This Week: In today's edition, No trading in Canada tomorrow, Back to normal next week.

Fundamental Analysis: Rio2 Ltd (RIO.v) announces its deal.

Stocks to Follow: Overview, Superior Gold (SGI.v), Tinka (TK.v), Solitario Zinc (XPL) (SRL.to), Sandstorm (SAND), Minera IRL (MIRL.cse), Rio2 Ltd. (RIO.v).

Copper Basket: Overview, Cordoba Minerals (CDB.v), Ero Copper (ERO.to).

Producer Basket: Overview.

Regional Politics: Argentina: Macri reshuffles his economy team, Argentina: The government moves on a pro-mining media campaign, A word on Nicaragua, Chile: Best GDP figures in five years thanks to mining, Colombia: Gustavo Petro makes his position on mining clear, Ecuador: Azuay is the protest zone, Peru: A new mining vice-minister.

Market Watching: Superior Gold (SGI.v): 1q18 financials, Wesdome Gold Mines Ltd (WDO.to) gives more good Kiena numbers.

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This Week

In today's edition

- RIO2 Ltd (RIO.v) has announced its deal and we look at what the Newco structure will be like, plus a first pass of the Cerro Maricunga project. That's our main Fundies section today.
- Superior Gold (SGI.v) made a splat sound with its share price on the publishing of its 1q18 financials. We take a close look at them, work through the line item issues and show (to my satisfaction at least) why the selling last week was way overdone.
- Argentina is a weird country.

No trading in Canada tomorrow

Even though most of you are fully aware of this, there are always a few people who benefit from a quick note saying that due to Canada celebrating Victoria Day (aka May Two Four, get two 12-pack cases in guys, watch the fireworks at Lakeside, etc etc) its markets are closed tomorrow Monday 21st.

And the Monday after, May 29th, is a holiday in The USA due to Memorial Day. But that's another story.

Back to normal next week

I'm now on the last leg of my extended travel away from home, with a couple of meetings in London this week before getting my plane back home and then a meeting awaits me the other end, too. So there is work in my life in the five days ahead but it's also interspersed with the last couple of vacation moments. I have been somewhat coy about my movements because while having a darned good time, it's now at the point where I'm more than a little guilty about

taking so much time off (it'll be 25 days by the time I get home, in fact). After all, I have a letter to write and all that. So without too much detail, I can say that I've been playing with my two daughters in England along with my UK family and it's been the most wonderful experience for me (I hope they've enjoyed it, too). But playtime is now over, today's Weekly is the last of the mediocre coverage before we get back to normal service.

Fundamental Analysis of Mining Stocks

Rio2 Ltd (RIO.v) announces its deal

It's taken over a year for the new vehicle set up by Alex Black, Rio2 Ltd (RIO.v), to bag the type of flagship property it's been looking for in order to move into serious development and construction, but the rumours that have been swirling around about an imminent deal were proven correct and it's time to pay more serious attention to this company, already a part of our 'Stocks to Follow' list.

On Monday 14th May RIO2 announced (1) it was merging with Atacama Pacific (ATM) and also announced it was running a C\$10m bought deal financing at \$1.00 per share (no warrant) at the same time. On arriving back in Lima later this week I have a meeting set up with RIO2 this Friday, at which I'm going to find out as much as possible about the deal and the company plans to move it forward. This week we consider the structure of the proposed newco, what's known in the public sphere about the Cerro Maricunga gold project, plus a few observations I can add to the mix at the end. As the nature of this deal means there's no rush to get positioned immediately if you (like I) are retail with cash on the sidelines, time is on our side.

Newco structure: According to the friendly deal, there are three parts to the make-up of the newco which will continue with the name Rio2 Ltd on closing and be run by the "Alex Black & Co" management team. They are the current shareholders of RIO2, the current shareholders of ATM and the new investors coming on board via a subscription receipt (basically a bought deal that waits until the deal is closed then happens). As for the new shareholders, that's simple because they're buying in at a nominal C\$1.00 price per share and have committed to buying 10m shares. As for the current shareholders, here's how that goes down according to the NR:

"Under the terms of the Arrangement Agreement, each Atacama Pacific shareholder will receive 0.6601 shares of the combined company for each Atacama Pacific common share held and each Rio2 shareholder will receive 0.6667 shares of the combined company for each Rio2 common share held"

A minor side point is that the slight difference between the two ratios is because RIO2 and ATM work an exchange ratio between the two companies of 0.9902. But that aside this is a reasonably typical all-paper fusion of two companies and once you crunch those numbers into the current shares out at both companies then add in the newbies, you get this for the three parts to "New RIO2":

- Current RIO2 shareholders will own 59.694m shares of "New RIO2"
- Current ATM shareholders will own 83.91m shares of "New RIO2"
- New Shareholders will own 10m shares of "New Rio2"
- **Total shares out of "New RIO2": 153.6045m**

But that's not all, because at the point of completion New Rio2 will run a 2-for-3 share consolidation. That means that, for example, if you own 3,000 shares of newco that's suddenly only 2,000 but the nominal price for the shares in the deal goes to \$1.50 instead of \$1.00 it's all fair and square. Once the consolidation is done, the final shares out total looks like this:

Post consolidation (i.e. day one of New RIO2)

- Current RIO2 shareholders: 39.796m shares

- Current ATM shareholders: 55.94m shares
- New Shareholders: 6.667m shares
- **Total shares out of "New RIO2": 102.403m**

At \$1.50 a share it gives New RIO2 a market cap of C\$153.6m. As for outstanding options and warrants, the same principles and math applies to both RIO2 and ATM derivatives. Once the calculations are done we end up with :

- 9.312m outstanding ATM options and warrants, nearly all in the money
- 3.82m RIO2 options and warrants, with around 1m of those out the money and another 1.367m at \$1.53 (just 3c out the money).

So 13.132m to add, which gives a fully diluted total count of 115.535m. Therefore to sum all that up, here's how 'New RIO2' will look on day one of its life, according to the calcs::

Shares out: 102.403m
Options & Warrants: 13.132m
Fully diluted shares: 115.535m
Nominal deal share price: C\$1.50
Market Cap: C\$153.6m
Approx working cap per S/O: \$0.175
<i>All prices are in Canadian Dollars unless stated. Forex US\$0.80=CAD\$1</i>

And that's the newco for you.

The Cerro Maricunga project

That's the new structure, what about the reason RIO2 is buying ATM (because all-paper merger or not, minority total holding or not, that's what is happening)? One place to read up on the generals of the project is the new RIO2 Corporate presentation available on its website (1) and another of course is to check out the Atacama Pacific website right here (2) as there's plenty to chew on, including semi-official updates on the studies completed there. However, the best source of information is still the 2014 pre-feasibility study compiled by Chilean consultancy firm Alquimia Conceptos for ATM dated October 2014 and available on the SEDAR page of ATM. In that document, we can start with this small table:

0.15 g/t Au Cut-off Grade	Tonnes (millions)	Grade (g/t Au)	Gold Ounces (000's)
Proven	126.9	0.39	1,603
Probable	167.6	0.40	2,140
Total Proven and Probable	294.4	0.40	3,743

That's just the mineral reserve, when we add in the M+I resource the total comes to this:

Zone	Measured		Indicated		Measured and Indicated			Inferred		
	Tonnes (Millions)	Grade (g/t Au)	Tonnes (Millions)	Grade (g/t Au)	Tonnes (Millions)	Grade (g/t Au)	Gold Ounces (000's)	Tonnes (Millions)	Grade (g/t Au)	Gold Ounces (000's)
Lynx	20.1	0.46	82.8	0.4	102.9	0.41	1,344	7	0.37	84
Cruz	92	0.35	119.1	0.32	211.1	0.33	2,227	28.1	0.3	266
Phoenix	40.7	0.46	79.1	0.42	119.8	0.44	1,678	22.8	0.34	253
Totals	152.8	0.39	281	0.37	433.8	0.38	5,249	57.9	0.32	603

That total resource of 5.25m oz M+I (including the 3.743m oz of P+P in the above chart) and 603k oz inferred uses a U\$1,300/oz gold price and a grade cut off of 0.15 g/t.

Therefore Cerro Maricunga is a large tonnage, low grade heap leach project. Its address in Northern Chile is good (we like Chile) and as both ATM and RIO2 are quick to point out, the area's potential Achilles' Heel of water is covered in this case as is already has enough supply secured and under contract to run the proposed mining and recovery operation.

Regarding project economics, this is also a key factor because I'm sure you're like me and immediately zoomed in on the low grade aspect of Cerro Maricunga. At 0.40 g/t gold it's all about bulk mining at low cost and the worry will always be about operating costs of a project like this. To illustrate this, at U\$1,300/oz gold and 80% recoveries from the rock, one metric tonne of Cerro Maricunga mineral will return U\$13.38 of gold in hard cash terms. That doesn't leave much room for the things one needs to in order to run a heap leach (scoops, trucks, fuel, NaCN, water, labour etc) and every mail I received from readers about this deal included this aspect. Normal enough, so let's address the "low grade issue".

- 1) Cerro Maricunga has a pre-feasibility study (PFS) published that demonstrates, on paper at least, robust economics and solid margins. On this point it's worth stating that grade may or may not be king in the world of mining (a geologist will tell you so, for sure) but what interests a number cruncher like me the most is margin.
- 2) The 0.15% cut-off used in the PFS implies an operation that can move and process a tonne of rock for U\$5 on average. That may sound low, but there are plenty of logistical advantages to Cerro Maricunga and it is, literally, feasible.
- 3) There are working mines in the world that run on this kind of grade and produce gold successfully and profitably. Take for example the Kinross Paracatu mine in Brazil which in 1q18 ran 0.36 g/t material and produced 128,200 oz gold in the quarter at a production cash cost of U\$904/oz. Or our own Minera IRL at its Corihuarmi project, which has seen grade drop to an average of 0.233 g/t gold in 2018 year to date, but still produces an ounce for under U\$1,000 and a tidy profit on its operations.
- 4) But above all, we should consider the track record of Alex Black and his team. I was one of the sceptics before first meeting him (what seems like many years ago now) and wondering how La Arena with an average 0.51 g/t gold would ever work. Here we are down the line and the mine is into its 7th year of 200k+ oz Au annual gold production and the only truly profitable mine in the whole TAHO suite. I know that CEO Black and his team has been keen on Cerro Maricunga as a project for a long time and I also know that when it comes to this type of project, he'll regale in proving the low grade doubters wrong for a second time. For me, fan of the man and the team (and richer because of what they did at Rio Alto) the mere fact that Alex Black says this will work means that it will work. It's nice to be able to trust a miner implicitly like that, ones of this ilk are rare indeed.

To round off the "low grade issue", here's the basic table from the 2014 43-101 PFS with the projected operating costs:

Area	Total Cost (\$ Millions)	Unit Cost (\$/t)
Mining	1,125	3.82
Process Plant	741	2.52
G&A	159	0.54
Total	2,024	6.88

If that works out, we're talking 50% margin at U\$1,300/oz gold. More than enough. From the same document just a couple of pages lower, here's another table:

Table 1-13 Summary of Economic Evaluation Results			
Indicator	Unit	Pre-tax	After-tax
NPV @ 5%	US\$ M	521	409
IRR	%	28.6	25.0
Payback Period	years	2.76	3.00

That 2014 PFS says that Cerro Maricunga runs at a post-tax 25% IRR using its standard

parameters. Part of that IRR calculation takes into account the project capex, of course. Here's how that is laid out in the document:

Item	Initial (\$ Millions)	Sustaining (\$ Millions)
Mine		
Pre-stripping	15.3	0.0
1 st Fleet Lease Payment	7.5	0.0
Mining Support	19.6	6.3
Process Plant		
Crushing & Stockpiles	143.4	0.0
Leach Pads	83.7	152.5
ADR & EW/Smelting	23.3	0.0
First Fill	2.0	0.0
Infrastructure		
Support Facilities	34.9	0.8
Roads	10.1	0.0
Owner	12.7	
Capital Costs (without contingencies)	352.5	159.6
Contingencies	46.5	23.0
Closure Cost	0	5.0
Total Capital	398.9	187.6

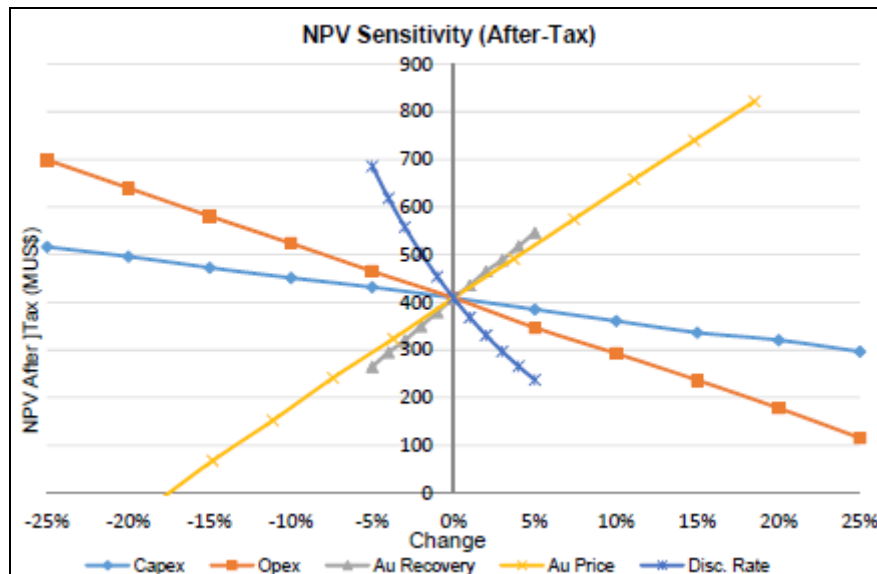
At U\$398.9m (let's call it \$400m) it's not a cheap price tag. However, there's more than one clue that tells us the build could be a lot cheaper than that, thereby lowering the main barrier to entry and improving project economics significantly. First up, consider the Alex Black team's strong track record for putting assets into production cheaply. They built La Arena with just U\$50m (sounds crazy now) and then bootstrapped it into higher production levels using cash flow. Then at Shahuindo they took a project with a \$130m capex budget and built it for under \$90m. One of the attractions of Cerro Maricunga must be this for the team, and that dovetails well with this August 3rd 2017 NR (3) out of ATM which tells us of preliminary work toward an eventual Feasibility Study they did (the FS never happened though) which identified at least one significant capex saving. As this could turn out to be important, I'm going to paste the main body of that NR here:

Toronto, August 3, 2017 – Atacama Pacific Gold Corporation (TSXV:ATM) ("Atacama Pacific") announces that it has defined the Cerro Maricunga Oxide Gold Project development parameters that will be used during the upcoming feasibility study. While the basic tenets of the 2014 Cerro Maricunga Prefeasibility Study ("2014 PFS") remain unchanged, the updated parameters include the elimination of the second and tertiary crushers and the removal of the conveyor system with the identification of a new leach pad area located adjacent to the planned open pit.

"As part of the feasibility study process and in conjunction with international mining consultants, we reviewed a number of scenarios aimed at reducing the overall capital requirements while maximizing production", said Carl Hansen, President and CEO of Atacama Pacific. "With the review completed and a clear path forward identified, we are prepared to commence with a feasibility study for the development of Cerro Maricunga that examines these new parameters".

Aside from moving to single stage crushing, a new leach pad area was identified in a broad open valley located adjacent to the open pit which will allow for the elimination of the planned six kilometer conveyor system from the pit to the 2014 PFS defined conventional heap leach pad area. The capital requirements of the secondary and tertiary crushers and related infrastructure, including the conveyor system, as outlined in 2014 PFS, were US\$130 million. Potential options for further capital reductions will be examined during the upcoming feasibility study.

In so many words, there's a potential to lob U\$130m off the capex already in blueprint stage. That's good, but to round off I'm going to show you the input sensitivity chart for Cerro Maricunga from the PFS:



Although it's fair to say it will still work to some or other extent at U\$1,200/oz gold, it's clear from this that the gold price is the biggest factor in project economics. That's normal for a high tonnage low grader of course, but it's one sign that RIO2 is going to become something of a leverage play on the metal in the months and years to come.

That wrap up today's note, an introduction to "New RIO2" and the project it's taking on board. After my meeting with CEO Black on Friday I expect I'll be in the position to put together a first pass ballpark style economic model for our new company.

Stocks to Follow

It wasn't just a tough week for us, mind you. The Dollar is still in Kudlow King mode (though the top now looks close to me), gold (via GLD proxy) dropped 2.1% on the week and the stocks did exactly what you'd expect them to do under the circumstances, with both GDX and GDXJ dropping 3.0%. As for us, only two of our 16 open positions made gains during, so a small sigh of relief that our Top Pick Regulus (REG.v) was one of them (the other was Wesdome (WDO.to) on decent news, see "Market Watching" for that). Two others remained unchanged on the week (Z.v, MIRL.cse) which means there were a full 12 losers. Another silver lining was that most losses were modest ones, with only one double figure percentage loss in the shape of Superior Gold (SGI.v down 12.4%). The 6.0% lost by B2Gold and the 5.6% lost by Sandstorm did me the most financial damage personally, but I did get rid of the slice of BTO early and at nearly the highest price of the week.

With 16 open positions we're still one over our normal self-imposed maximum. Seven of the stocks are in the green, nine in the red.

company	Ticker	this week	Avg Price	Reco date	Current PPS	Gain/Loss%	Notes
TOP PICKS							
Regulus Res	REG.v	buy	C\$0.64	6-Apr-15	C\$1.78	178.1%	LT exploreco top pick
Long positions (in current order of preference)							
B2Gold	BTO.to	hold	C\$2.11	12-Sep-14	C\$3.45	63.5%	tgt \$4.00, reduced from Top Pick
Sandstorm Gold	SAND	STR buy	U\$3.73	17-Apr-16	U\$4.54	21.7%	\$7 tgt, Hot Maden catalyst
Tinka Res	TK.v	hold	C\$0.195	19-Apr-16	C\$0.43	120.5%	Tgt under review, insto supported
Alexco Res	AXU	STR buy	U\$1.69	7-Sep-17	U\$1.41	-16.6%	Ag leverage, strong financials
Wesdome Gold	WDO.to	buy	C\$2.05	14-Oct-17	C\$2.01	-2.0%	LT trade \$2.05 avg, solid Au prod.
SolGold plc	SOLG.to	buy	C\$0.475	19-Nov-17	C\$0.46	-3.2%	Big Cu, Ecuador, recovering
Atico Mining	ATY.v	STR buy	C\$0.55	24-Jul-16	C\$0.57	3.6%	tgt \$1.10, added Dec17
Superior Gold	SGI.v	buy	C\$1.46	8-Apr-18	C\$1.27	-13.0%	sm starter position, will buy more
Chakana Copper	PERU.v	buy	C\$0.84	22-Mar-18	C\$0.75	-10.7%	New Cu long, will avg down NOW
Rio2 Ltd.	RIO.v	buy	C\$0.80	22-Apr-18	C\$0.90	12.5%	News this week coming
Lara Expl.	LRA.v	buy	C\$0.65	11-Feb-18	C\$0.64	-1.5%	Spec on Brazil IOCG
NGEx Res	NGQ.to	buy	C\$1.01	22-Oct-17	C\$1.02	1.0%	Copper exploreco, Arg/Chile
Zinc One	Z.v	hold	C\$0.47	14-Sep-17	C\$0.24	-48.9%	Zn spec trade on promo
Solitario	XPL	hold	U\$0.72	19-Mar-17	U\$0.425	-41.0%	has a few weeks to offer news
Minera IRL	MIRL.cse	hold	C\$0.195	22-Jul-12	C\$0.08	-59.0%	risk-reward, we wait on Cofide
Short positions							
None at present							
Closed in 2018		closed			close price		
Amarillo Gold	AGC.v	jan'18	C\$0.38	24-Mar-17	C\$0.31	-18.4%	Cut away losing trade
Riverside Res	RRI.v	jan'18	C\$0.39	27-Jun-16	C\$0.31	-20.5%	Cut away losing trade
Eros Res	ERC.v	jan'18	C\$0.175	1-Mar-17	C\$0.16	-8.6%	CEO sudden exit, not good
Excellon Res	EXN.to	jan'18	C\$1.54	9-Oct-16	C\$1.66	7.8%	4q17 poor, one too many bad qtrs
Wesdome Gold	WDO.to	jan'18	C\$1.68	15-Dec-17	C\$2.06	22.6%	Near-term trade block, took profit
Sabina G&S	SBB.to	apr'18	C\$2.06	17-Dec-17	C\$1.77	-14.1%	Near-term trade, bad timing, small
B2Gold	BTO.to	May'18	C\$2.11	12-Sep-14	C\$3.67	73.9%	sold 25% to reduce exposure

2009 to 2017 annual closed positions in appendices below

Now for notes on some of the current basket stocks.

B2Gold (BTO.to) (BTG): Partial sale complete, moved to "recommended". As stated last week, I got rid of around 25% of my large and long-term BTO position last week and I'm now feeling rather flush with cash. That's all I have to say, apart from wondering whether I should have sold more than I did on Monday as the 6% drop that followed was just another annoying week for your author. Regulus Resources (REG.v) is now our only Top Pick position.

Superior Gold (SGI.v): I remind readers of my cockiness and all that "Hah, told you there was no need to pay up, I got my target entry price" of last week. When the SGI 1q18 financials were filed the stock took a bit of a bath but, as explained below in 'Market Watching', the selling is way overdone.

Tinka Resources (TK.v): I received several mails asking about the non-performance of TK.v over the last couple of weeks, quite right too because it has, you're right to wonder and I'm annoyed as well. To that end, I have a one-on-one head-to-head meeting with CEO Carman that happens in 10 days' time when I'm back at the office. That's scheduled to happen

Minera IRL (MIRL.cse): I received a mail from a reasonably new subscriber asking for the game plan on IRL and that's fair enough, this one has been here a long time and hasn't had the type of close coverage it got when under full corporate attack a couple of years ago. On consideration, the story today isn't that difficult to explain and can be done with basic bullet

points:

- Corihuarmi keeps the company in positive free cash flow, pays its corporate expenses and allows it to survive without any dilutive financing.
- Meanwhile, the slow and tedious legal process over the Ollachea loan and property is now in arbitration, with all signals pointing to it going well for IRL. Its case has been strong from the very beginning and the way in which its main witness, Jaime Pinto, is now under criminal investigation for corruption in other State companies is its own writing on the wall, as is the way Cofide is trying everything it can to stall and delay the process.
- However, that stalling is clearly a double-edged sword and we're now approaching mid-2018 with no resolution in sight. This is why the Corihuarmi end of IRL, though small, demands our attention and is important to the survival of the company.
- Therefore the game plan is simple, we wait for a resolution from the arbitration tribunal and in the likely event it is favourable to IRL, it can then get back on with the job of building the Ollachea mine. At this point it's worth recalling that IRL has been in advanced talks with more than one entity willing to finance the project and that side of the deal will be reasonably simple to achieve, the logjam is the legal action as no financing entity in their right mind will move in until it's over.

IRL has fallen so far off the market's radar that this publication is probably the only one left that mentions it on a regular basis (and that because I am a shareholder and see plenty of value in remaining in). Come the day that Ollachea is returned to its rightful owner and freed from the shackles of Cofide's knavery, IRL will again have its day in the sun. As for the current reco on the stock, I'd like to tell you all to dive in and buy at this price because it surely is cheap and will go much higher when Ollachea is moving forward again, but reality is harsher than mere mathematics and the lack of liquidity in the stock plus the uncertain timeline makes it a patience hold, rather than a bargain now. I know there are a couple of readers who do chip carefully away at the bid price and quietly buy up 2,000 here, 10,000 there (I'm not one of them) and slowly build cheap positions. That's a fair strategy too if you have the time, the patience and the risk tolerance, but for the moment it's really the only way to be active on IRL. My real world call is that it's a hold for the moment, not one to buy. I'd rather get the resolution in favour, watch volume come back and trade in at 12c and out at 20c than get you buying at 8c and waiting in the dark for a Peru legal ruling to be handed down.

RIO2 Ltd (RIO.v): A lot of RIO2 above today, here we note the way its stock traded and as seen here (right) it was a real rollercoaster. At first on the deal day it dropped, as the market assumed its default position of the buyer getting diluted down. Then the next day it sprang right back to its C\$1.00 level as the structure of the deal became apparent and the market decided it was looking at one of those win-win mergers in which both sides get share price appreciation. Come Thursday and Friday it all petered out, not least because the Atacama Pacific side of the deal seems to offer strong arb to the ticket price of 95c and the obvious backdoor into the story. Below is the 12 month chart of ATM that shows the big kick move on volume, but in effect it's only returned to where it was in 3q17 and 4q17.



On the subject of ATM, it became known that just before the deal was announced a major

holder of ATM shares, Harrington Global Ltd, had disposed of over half its position by selling 8.5m shares at 75c. This puts Harrington on less than 10% and it no longer needs to disclose its trading, but we understand from contacts in Canada that the fund does not plan to sell any more for the time being. This (the shares being traded out for a quick profit by new hands) may be the reason ATM is offering such a wide arbitrage to date.

Due to the ATM arb, I expect the overallotment on the deal at \$1.00 offered by RIO2 won't be that popular (why pay \$1.00 when you can pay 74c for the same thing, after all?). But the main \$10m subscription is a bought deal and already fully taken, so no worries for either RIO2 or the brokerages running the book.



Solitario Zinc (XPL): We await solid news from XPL, most likely connected in some way to its main Florida Canyon (ex-Bongará) project and JV with Nexa/Milpo. Until then it's a case of suffering this thin and painful trading action.

Sandstorm Gold (SAND) (SSL.to): SAND fell with the tide, as did many others, but this one is particularly annoying after its strong moves of the week before. I'd wager there's more than one virgin buyer of SAND or even PM stocks in early May who now wonders what the Sam Hill happened to his money in such a short space of time.

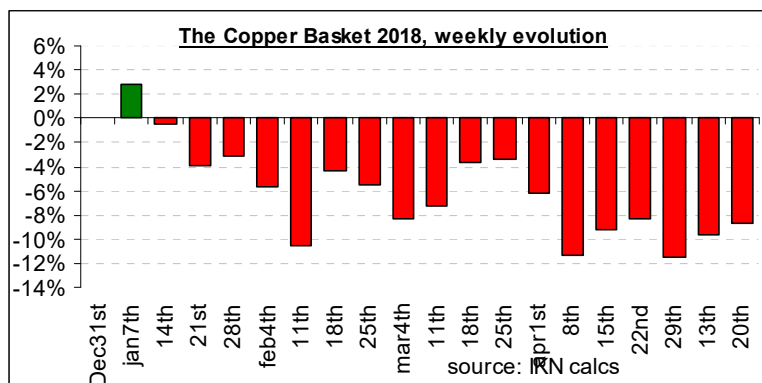
The Copper Basket

After twenty weeks of 2018, The Copper Basket shows a 8.84% loss to level stakes.

	company	ticker	price 1/1/18	Shares out	Market Cap	current pps	gain/loss%
1	SolGold	SOLG.to	0.51	1696	780.16	0.46	-9.8%
2	Ero Copper	ERO.to	7.58	74.6	660.21	8.85	16.8%
3	Excelsior Min.	MIN.to	1.33	167.364	232.64	1.39	4.5%
4	NGEx Resources	NGQ.to	1.05	226.37	230.90	1.02	-2.9%
5	Copper Mtn	CMMC.to	1.53	187.167	215.24	1.15	-24.8%
6	Amerigo Res	ARG.to	1.10	176.236	172.71	0.98	-10.9%
7	Trilogy Metals	TMQ.to	1.39	105.5	180.41	1.71	23.0%
8	Regulus Res.	REG.v	1.85	74.2	132.08	1.78	-3.8%
9	Western Copper	WRN.to	1.26	99.559	118.48	1.19	-5.6%
10	Los Andes Copper	LA.v	0.36	271.658	81.50	0.30	-16.7%
11	Atico Mining	ATY.v	0.75	98.5	56.15	0.57	-24.0%
12	Coro Mining	COP.to	0.12	651.3	58.62	0.09	-25.0%
13	Cordoba Min.	CDB.v	0.43	88.6	19.49	0.22	-48.8%
14	Aston Bay	BAY.v	0.16	104.65	22.50	0.215	34.4%
15	Camino Minerals	COR.v	0.41	53.192	13.30	0.25	-39.0%
NB: All stocks priced in CAD\$ Portfolio avg							-8.84%

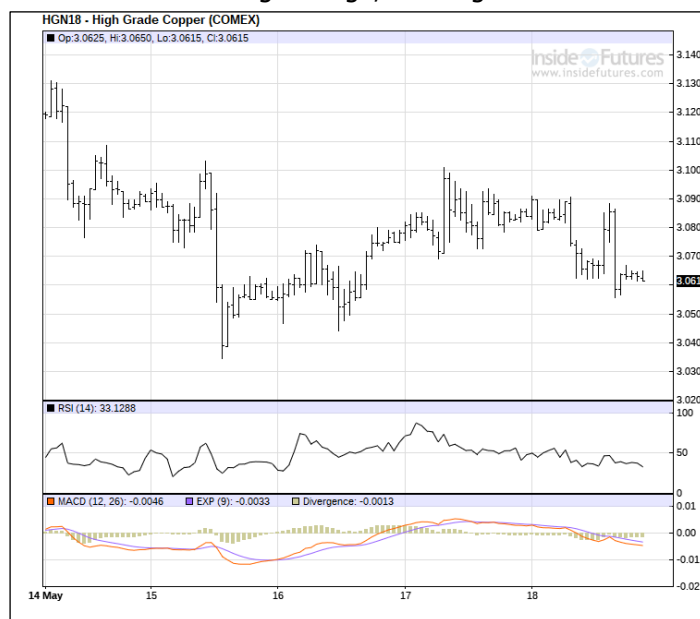
A strange week, in which the basket average managed to put in a 1.24% gain despite having the headcount against it. Five stocks went up (ERO.to, TMQ.to, REG.v, WRN.to, BAY.v) and two others were unchanged (LA.v, COP.to), which means a full eight lost ground (SOLG.to, NGQ.to, MIN.to, CMMC.to, ARG.to, ATY.v, CDB.v, COR.v) but thanks to the big percentage gains in Ero Copper (ERO.to up 16.3%), Trilogy Metals (TMQ.to up 10.3%) and Western Copper & Gold (WRN.to up 10.2%) the result was positive. Worst losers were Cordoba (CDB.v down 17.0%) and Camino (COR.v down 9.1%) but as they've already had a serious beating this year, the

magic of mathematics means they affect the average less than before.



As for the metal, copper jagged down early week and then traded in a tight range, once again in the “above 3, below 3.10” zone that’s now a default floor. Trading was reportedly light.

As for macro news, next week sees the start of the dry run month for the brand new Shanghai SHFE copper options contract. Approved last year by the Chinese authorities and designed (ostensibly at least) to give end users of the metal another device to let them regulate their own prices paid and allow budget planning, once in full operation (end of this year if the trial goes well) it will be a fairly classic and straightforward options structure, the only difference being the very large size of the pool. Around U\$3.7Trillion (yup, with a T) in copper futures contracts were traded through the SHFE in 2017 and while the vast majority of those were paper trades, it gives an idea of the amount of money that moves around the metal. If this new vehicle gets even a small part of the pie, it will mark another step in the SHFE’s long-term plan to become the price discovery centre for traded commodities of all types (e.g. wresting copper away from the LME).

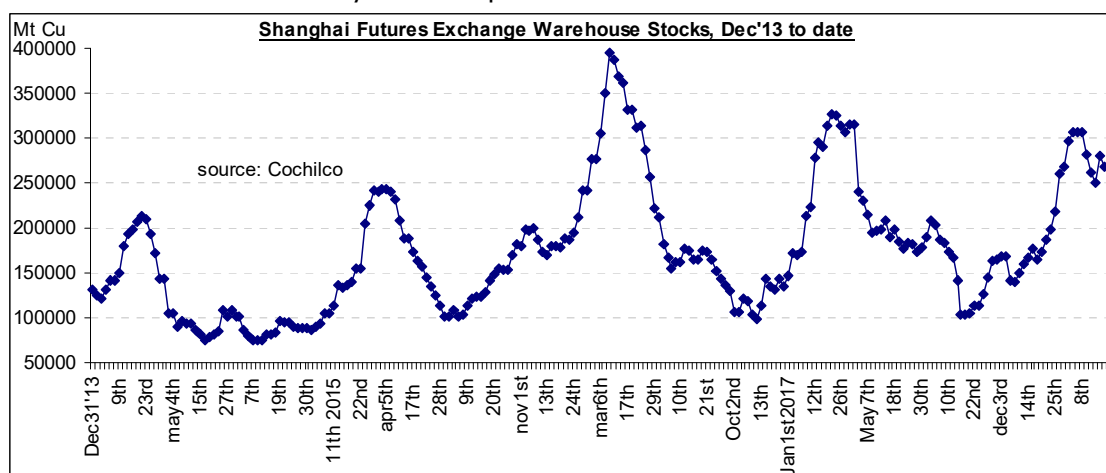


We move to the regular copper inventory bullet points:

- Overall world stocks added 7,276 metric tonnes (mt) (+1.0%) from the three official warehouse systems last week, closing just under the 800k line at 795,196mt.
- Shanghai SHFE inventories went back to doing what they’re supposed to do and dropped 11,021mt (-3.9%) last week, ending play at 268,504mt. The comment in LME below is for here, too.
- At the LME, stocks rebounded after that big drop of last week, adding back 20,400mt (+7.3%) to close Friday at 301,475mt. After asking around last week, it was indeed an arb move between SHFE and LME that caused the anomalous moves and this week’s numbers seem to have us back on a normal seasonal pattern.
- However there was a small surprise in the mix last week as Comex had one of it’s unusual losing weeks, stocks dropped 2,103mt (-0.9%) to close at 225,217mt.

Here’s the Shanghai-only chart. After the surprise uptick reported in IKN468 last week, something like normal service seems to have been resumed. Just like last week there’s no

jumping to conclusions, though. We wait for a solid trend to establish, but chances now are that the first two weeks in May were a blip.



Now for a few notes on two basket component stocks:

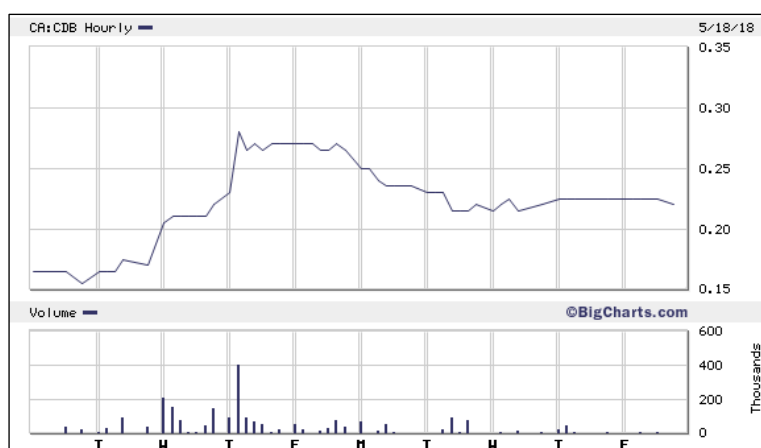
Ero Copper (ERO.to): In the week ERO filed its 2018 annual report (no big surprises) and set the date for its AGM, the stock suddenly took off again and put in a very solid 16% move. However, the volume action was very spotty and with that 0.5m share trade last week at a spike low of \$7.57 then the 600k or so that went thru at \$8.60 this week, it's a rather strange and artificial looking market at the moment.



I'm behind in my DD for this, it's up at the top of my list for serious research and with current travel commitments it hasn't been possible. I now feel cheesy about that, what with the move it just made. However, unless copper the metal suddenly spikes I don't think there's a rush hurry to own it yet.

Cordoba Minerals (CDB.v): CDB couldn't hand on to the strong gains of the week before and gave about half of them back rather tamely on low volume. I still see no reason to own before Friedland sorts his hand.

CDB will also need to raise more cash at some point. A quick look at the balance sheet as at 1q18 (published May 11th) shows cash&eq down about a million in 1q18 to \$1.41m and even worse, working cap down to virtually zero. That's because CDB is now accruing debt for fees with most of that \$1.384m owed to HPX, the Friedland company.



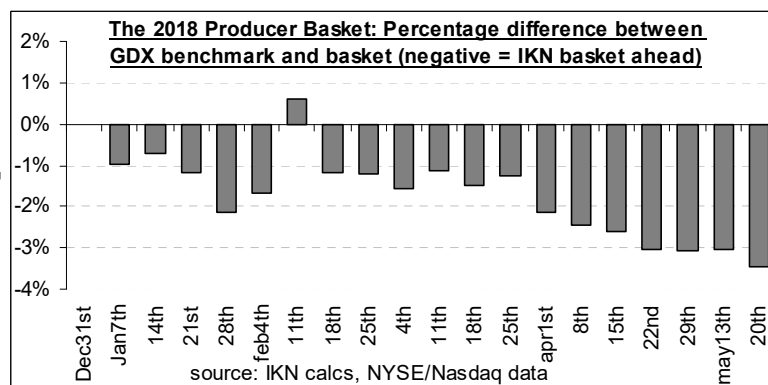
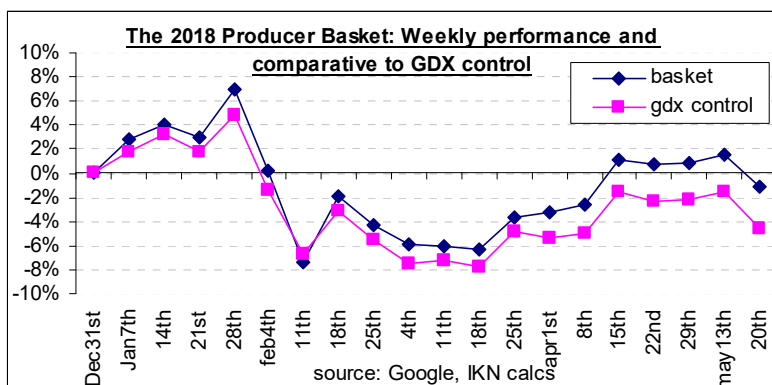
	March 31, 2018	December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents (Note 5)	\$ 1,409,778	\$ 2,414,435
Other receivables	42,828	66,855
Due from related parties (Note 12)	-	61,777
Prepaid expenses and deposits	452,786	824,219
	1,905,392	3,367,286
Non-current assets		
Colombian value added tax receivable (Note 6)	1,324,186	1,171,287
Property, plant and equipment (Note 7)	954,294	937,884
	2,278,480	2,109,171
TOTAL ASSETS	\$ 4,183,872	\$ 5,476,457
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 506,018	\$ 466,005
Due to related parties (Note 12)	1,384,380	45,921
	1,890,398	511,926
Shareholders' equity		
Share capital (Note 9)	139,737,498	139,615,465
Equity reserves (Note 9 and 10)	15,118,447	15,191,447
Accumulated other comprehensive loss	(17,865)	(259,886)
Deficit	(152,544,606)	(149,582,495)
	2,293,474	4,964,531
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 4,183,872	\$ 5,476,457

Is this how Robert Friedland is going to go about this control move, by eventually running a "shares for debt" on CDB, then rollback and re-boot? Could be, we wait and watch on the outside though.

The Producer Basket

After 20 weeks of 2018, the Producer Basket shows a loss 1.08% to level stakes.

	company	ticker	price 1/1/18	Shares out	Mkt Cap (Bn)	current pps	gain/loss%
1	Newmont	NEM	37.52	533.23	20.88	39.16	4.4%
2	Barrick	ABX	14.47	1166	15.34	13.16	-9.1%
3	Goldcorp	GG	12.77	866	11.73	13.54	6.0%
4	Agnico Eagle	AEM	46.18	232.312	10.01	43.09	-6.7%
5	Randgold	GOLD	98.89	94.1	7.34	77.95	-21.2%
6	Royal Gold	RGLD	82.12	65.306	5.78	88.58	7.9%
7	Kinross Gold	KGC	4.32	1247	4.48	3.59	-16.9%
8	Kirkland Lake	KL	15.36	207.6	4.06	19.54	27.2%
9	Buenaventura	BVN	14.08	254.19	3.95	15.52	10.2%
10	B2Gold	BTG	3.08	979.17	2.63	2.69	-12.7%
Prices in US\$, NYSE or NASDAQ tickers							Portfolio avg
							-1.08%



The basket dropped a hefty 2.55% on the week, not quite as bad as the 3.0% lost by GDX but still a blow to the body and we're back in negative territory 2018 YTD. There were nine weekly losers and only one winner, the seemingly unstoppable Kirkland Lake (KL) adding just nine cents to its share price but that was enough to out-perform all others.

GDX is 4.52% down on the year, which means we're now 3.44% in front of the benchmark, so winning while losing hoorah.

Regional politics

Argentina: Macri reshuffles his economy team

Done in the quietest way possible and reported to Argentina by its lapdog press in the best possible way, this weekend President Macri has moved to re-shuffle his economic team in the light of the forex slump affecting the country. The details are less important, but for those who care (4) Macri has decided to make his current Treasury Minister Nicolás Dujovne the "economic coordinator", a sort of Super Minister with executive power over seven other ministries that were to this point independent. This wrests financial control away from a couple of his inner circle (Mario Quintana and Gustavo Lopetegui, who are in turn close allies of Macri's cabinet chief and to this point right-hand man Marcos Peña).

As said, details are interesting for local political watchers but what matters to us is that he's taken action and acknowledged that the economic plan is going off the rails. The Peso's rapid deval seems to have reached a plateau, with 25 to the dollar touched and then bought down to 24.4 this weekend (the debt rollover on Tuesday went well because the government ran a surprise move and emitted new 19% paying dollar bonds, which were snapped up by the foreign debt market and paid for the rollover). However, the effects are already reaching grassroots levels, with one of the main complaints in Buenos Aires this weekend the way that wheat flour has jumped in price by up to 50% (it's a city runs on bread and bread products).

USD to ARS Chart

20 Apr 2018 07:00 UTC - 20 May 2018 07:52 UTC USD/ARS close: 24.40250 low: 20.15790 high: 25.00167



Argentina: The government moves on a pro-mining media campaign

Two to report here, First and more importantly (for projects such as NGEx Resources's Vicuña) a new "media campaign to inform the public of the true facts" (i.e. propaganda) about the Argentine government's plan to change the so-called "Glacier Law" has begun, with a very interesting report in La Nacion here (5) called "A necessary re-look at the Glacier Law", giving the whole timeline of how the current law came into being, why the whole "periglacier" (area of permanent freeze around a glacier) issue is key, why it's bad to have periglaciers included in the protection law, how it's stopping Argentina from economic development.

Secondly this (6), a most bizarre note out of Argentina's official (i.e. 100% pro government) news agency Telam, which purports to collect and offer the opinions on mining in Chubut from nine of the region's political leaders and voices, from all sides of the tracks. The strange thing is that even though this is Chubut, one of the most (in)famously anti-mining regions of the country, not one of the nine comments was anti-mining! The pro-mining people give us the "great for the world" or "the central meseta zone needs mining", while the typically anti-voices are restricted to "we need to debate the subject, it's up to the people".

A word on Nicaragua

I've been asked quite a lot about the unrest and protests in Nicaragua, which have rumbled on

after the first big moment about a month ago when 26 people were killed in riots. At this moment some isolated protests are still happening, the government is using a heavy military/police hand to suppress them and in some locations of the country there's a heavy government presence to ensure calm. However, to this point the key mining regions have not been affected, nor is the situation one that truly threatens the government of Daniel Ortega, so up to now I've been in "monitoring mode" on the troubles.

As a best fit assumption, Ortega will wait for some relative calm and then go through a talks/concessions phase with the discontented sectors (he's a canny politico and hasn't held on to power for decades just out of luck). Context is also necessary, as even though Nicaragua is the best place to go mining in Central America it's still a Central American country, that means violent episodes and volatile politics are the norm rather than the exception. A crude generalization perhaps, but also realistic.

Bottom line: For the moment, there's little risk to mining investment in the country.

Chile: Best GDP figures in five years thanks to mining

The Central Bank of Chile last week announced (7) that country GDP improved by 4.2% in the first quarter of 2018, the best Year-over-Year (YoY) improvement since 2013. What's even better for us out here is that although stats improved across the board, the main driver of the jump was mining, which improved 19.3% YoY. That's all thanks to the big jump in the price of copper, of course.

Colombia: Gustavo Petro makes his position on mining clear

According to Colombia law there is a one week blackout period for all political campaigning (and polling) before any major election, designed to give the population time to reflect on the proposals of the candidates before voting. So on May 16th the candidates gave us their final rallies and speeches and the most interesting by far was that of left wing candidate (and near certain to face off against Iván Duque in the second round run-off) Gustavo Petro. One of the strategies being used by his opponents in these last weeks is to point to the mess being made by Venezuela's hard left wing government and then say Petro would do the same to Colombia. Of course Petro has pushed back against that (he may be lefty but he's nowhere near as dangerous or dumb as Maduro) but while doing so in his final speech, he made mention of the large informal gold mines and the oil industry in Venezuela and then said this (8):

"The vocation of Colombia is not mining, we are not going to be a country of open pit mines, exporting our own blood and territory."

Even in context that's a clear message, but be clear that Petro has been trying for a long time to find a way of declaring his anti—mining credentials while leaving himself a get-out clause. If you needed another reason to prefer Duque over Petro or were wondering whether mining under Petro wouldn't be that bad, that's all the extra evidence you need.

The blackout period is now on and the big vote goes down next Sunday. Meanwhile, the very last edition of the reliable poll called the "Big Survey" out on Friday put right wing Ivan Duque on 35%, Gustavo Petro on 26%, third placed Sergio Fajardo on 14% and the rest noise.

Ecuador: Azuay is the protest zone

It doesn't take a deep understanding of Ecuador's mining scene to see that the anti-mining opposition have now chosen to fight their battle in Azuay, home to Chinese capitals Junefield SA and its Rio Blanco gold project (under construction and still suspended, see last week's note) and INV Metals (INV.to) and its Loma Larga (ex-Quimsacocha) exploration stage gold project. They anti-miners know Fruta del Norte is going to happen (and is popular in that zone, because Lundin Gold (LUG.to) has been doing things right), equally Cascabel (SolGold et al) is big and popular in its Northern region, whereas there has been deep-set opposition to the abovementioned project for years and their cause is supported by the majority.

Last week we saw more street marches and protests against mining in the zone (9) that made national headlines, with the government and mining ministry making all the “we’re talking with all sides” noises (10) as follow-up stories. Expect a lot more noise from this region in the weeks to come, as protests will ratchet up rather than die down.

Peru: A new mining vice-minister

In Peru, the cabinet level minister in charge of the mining sector is the “Minister of Energy and Mining”, which means she or he also covers the energy sector. This means the Vice-Minister of Mining is a meaningful job and that’s amplified at the moment, as the main minister Francisco Ísmodes is a hydrocarbons guy. Last week Peru announced (11) that Miguel Incháustegui Zevallos was taking over from Ricardo Labó as Vice-Minister of Mining. He’s a lawyer with 17 years of experience in large Peru mining companies, having worked as the head of different legal departments in Volcan, Gold Fields Peru, Lumina Copper Peru and then (when that was bought out) back in Gold Fields.

This appointment is welcome for three reasons:

- As a lawyer in the Peru mining business, he can tackle the main institutional problem of slow permitting and bureaucracy because he’s been fighting it for nearly 20 years and watching it get worse.
- He’s a real mining guy, albeit a white collar one, who knows how the nation’s industry works.
- Ricardo Labó turned out to be a waste of space, apart from good timing for photo opportunities did very little to improve the sector. Good riddance and good to see new President Vizcarra applying this deeper level of new broom to his ministries.

This time next weekend I’ll be back and installed in Lima, able to hit up contacts and find out more about this appointment.

Market Watching

Superior Gold (SGI.v): 1q18 financials

First the context, then the big question, then the extended answer. On the morning of Tuesday March 15th Superior Gold (SGI.v) published its 1q18 financials, with all filings done as per and the NR to boot (12). This ten day chart of the stock price shows what happened next:



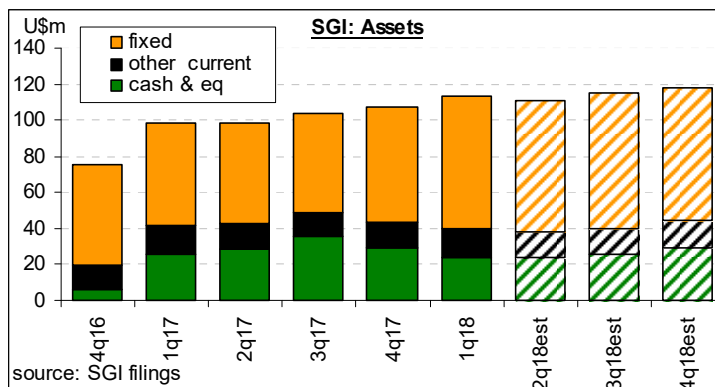
The stock immediately swan-dived from \$1.46 at the open to under \$1.30 and touched a low of \$1.23 midday (right at the time I published this “hey, it wasn’t that bad” post on the blog (13)) before rebounding somewhat. A weak market on Friday made our close \$1.27.

Therefore the question to ask is “What went wrong?”

As for the answer, the TL:DR is “not that much, this is a bargain, buy now”, but clearly there

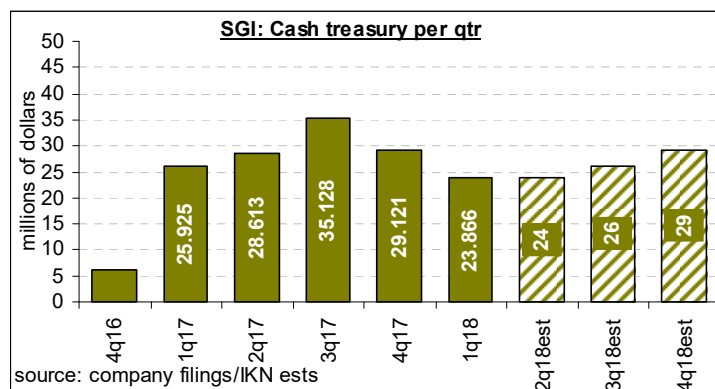
were things in the 1q18 numbers that the market didn't like so here we go with those. As for my viewpoint, I'll say now that SGI.v really isn't in bad shape at all and not much has changed, certainly not enough to warrant that level of selling. Anyone selling this on this set on numbers should really have been in the stock in the first place, because its attraction isn't in the current set-up phase but what it is capable of achieving in the second part of 2018. However, there are negatives in the numbers that I didn't expect, so they need examination to understand.

We'll start with the balance sheet, because the true health of the company is there. Here's the assets chart and below I lay out the filed numbers compared to my previous estimates:

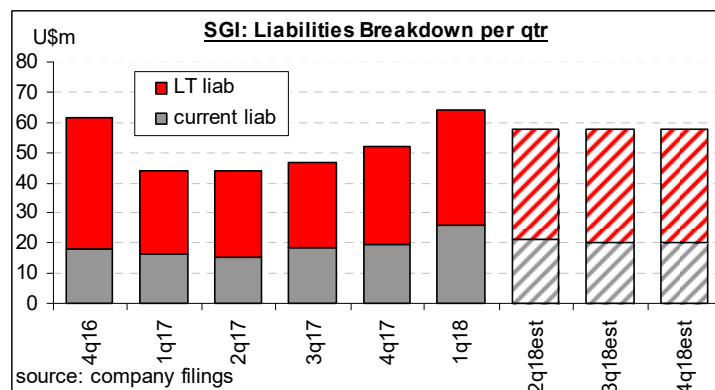


- Total assets in 1q18 came to \$113.158m, some \$5m higher than my estimated \$108m. I'm good with this result and explain the difference when talking liabilities below.
- Current assets came to \$39.633m, right on the button with my \$39m estimate.
- Cash came to \$23.866m, close enough for me to be relaxed about my \$25m estimate.

Here's the cash treasury data isolated, which shows SGI has more than enough for its development needs in 2018 and as the company gets into full gear we can still expect it to rise.



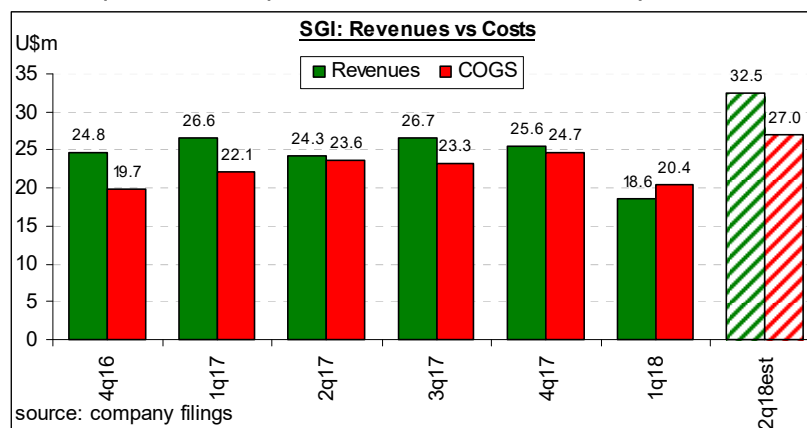
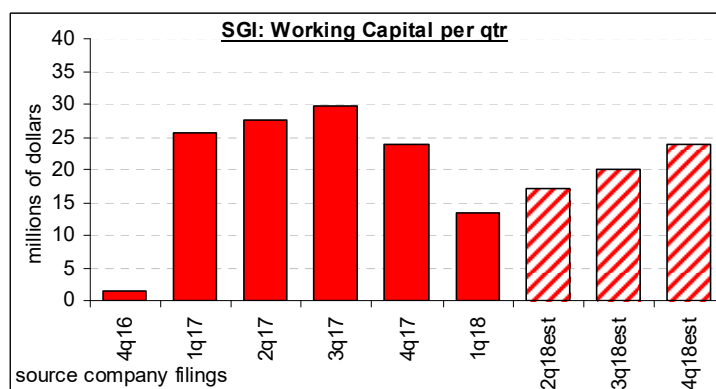
Now for liabilities, in which I was out by more and there are two main reasons so thoughts on those errors below:



- My estimate for current liabilities was \$18m. The reality was a much larger \$26.141m. The main differences include \$1.4m added to the near-term payback schedule of its lease (not a biggie, though I should have spotted it on the dates published), then a bigger change of \$5.1m added to accounts payable. The good news is that this is almost certainly a one-time addition, as it takes into account the non-commercial status of the new Hermes project. As that is now commercial as from April 1st we should see the accounts payable pertaining to that paid and removed from the balance sheet (by the gold sold from Hermes in the non-commercial period). In short, I was \$5m out but wrong for the right reasons, this isn't an issue in the future and my model has current liabilities going back to previous levels for future quarters.
- My estimate for long-term liabilities was \$34m. The reality was a larger \$37.789m. The main difference was the addition of a \$4.533m line item to long-term liabilities that reflects the money now owed to Northern Star (the vendors of Plutonic) as SGI has found more than 250,000 extra ounces of gold since the sale. We mentioned this in the original analysis of SGI in IKN464 dated April 8th so the monies due don't come as a surprise to your author. The difference comes because I was dumb and forgot to account for this extra on the balance sheet, but as it's also added to long-term assets as a balance item, it makes no real difference to the company (and this explains why Total Assets came in \$5m higher than expected above). The good news is that it's going to stay as a non-cash long-term item and not something that will affect the day-to-day, because SGI can hold it against the Northern Star buyback option that's a long way down the line. We should now expect this line item to stay as it is and where it is in the future.

Which brings us to Working Capital, the centre of the liquidity question at SGI. With the large fail in guessing current liabilities correctly last time, my \$21m estimate for end 1q18 was also a big miss here and in fact SGI ended the quarter at +\$13.492m. Yes that's less, but the company faces no sort of cash crunch and has all the liquidity it needs to make good on its 2018 expansion plans. Plus, as it should move to free cash flow positive status 2q18 and beyond, there's no pressure here.

Moving to operating results, the main item here is the number of ounces sold. In its recent production NR, SGI stated that it had sold 18,940oz gold and because of that, the IKn house estimate for 1q18 sales was put at \$25.6m. Here's the reality:

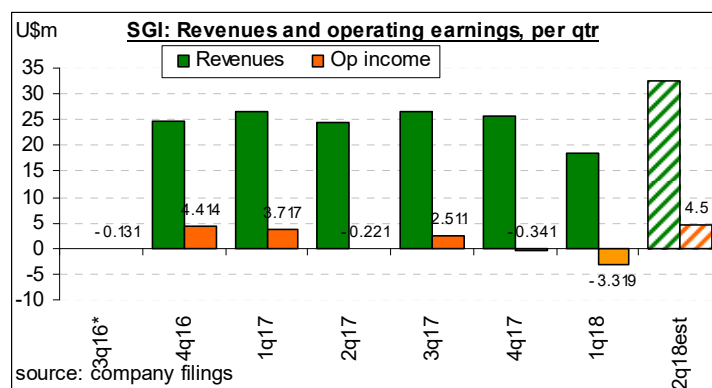


More than anything else, I think this was the cause of the over-reaction from the market and the selling spree that hit because its sales figure of \$18.633m, heavily down from the previous quarters, was misunderstood.

Those sales were generated from 13,792oz of gold, not the total of 18,940oz, because the restant 4,968oz that came from Hermes was classed as non-commercial and cannot be put on the P+L. However costs at \$20.4m came in lower than expected and that's for the same reasons, Hermes was non-commercial in Q1.

As Hermes from April 1st is now classed at commercial, we can expect the full benefit of those ounces plus the expected improvement in underground (U/G) production, as the 1q18 mine plan also involved chewing through an area of low grade in order to reach higher-grading material once more. All that means there was around \$6.6m in gold that didn't make it to the P+L from Hermes. We can also add the extra ounces as its established operations bounce back from a fully planned low production period. In other words, 1q18 revenues were a blip and much better is to come.

Here's the operating revenues chart. I wasn't expecting much from 1q18 in the first place and "around breakeven" was the plan (to be exact, I'd modelled \$0.6m profit) so the negative \$3.3m explains my "around \$3m off" comment on the blog. As for the pre-tax loss, that was also made to look bad by the same \$4.533m contingent item in the financials to cover the Northern Star royalty owed on those extra ounces. However in this case that's a one time item and won't repeat, it's also non-cash and very much one of those "accounting only" items that never affect operations. So once again, those who simply stare at bottom lines would have seen a \$6.341m loss for the quarter and perhaps got scared out of their position, without really understand the temporary nature of the deal and how 1q18 is a one-off in the progress of the company.



Bottom line: Yup I missed a couple of items that I should have seen in the prelude to the quarterly numbers. However, there's nothing at all wrong with the operations or the finances at Superior Gold (SGI.v) and taken overall, the numbers have the look and feel of a "kitchen sink quarter" when all bad news is dealt with at once, all negative factors run though the books and a clean company is waiting to report in the quarters ahead.

SGI is right on course with its plans and if my estimates were \$5m out here or there for stupid or nuanced reasons in a single quarter, it makes no odds for a company that will show what it's made of going forward. In 2q18 we'll see the Hermes production go cash flow positive and reach the revenues section, the weight it put on liabilities will lift and with the U/G works now through the low grade material, SGI, will be able to produce at closer to the rate we expect it to manage in the second half of this year. To repeat the basic investment thesis point here, as SGI is a high fixed cost operation (FIFO, or "fly in fly out" makes it that way), the key is to better utilize its mill capacity, produce more ounces, dilute those fixed costs with more variables, bring down overall cash cost and sell more ounces at better margins. The 1q18 numbers didn't show that but then again they were never going to, Q1 was a step in the process and the fruits will begin to show as from now.

SGI is financially solid with plenty of liquidity and the selling we saw last week was overdone. Those not in yet (I'm fully taken now) should consider this an excellent opportunity to make me jealous about your overall cost average, because 2q18 will be a lot better than this, then Q3 and Q4 with more to add. Due warning complete, so do something Buffett-like and radical and buy when the rest are selling.

Wesdome Gold Mines Ltd (WDO.to) gives more good Kiena numbers

On Thursday 17th May Wesdome Gold (WDO.to) announced (14) more drilling results from its main development project at Kiena Deep. As in the last set, these are from the "Kiena Deep A" zone (the focus of attention while the final metres of the access tunnel were completed), once again we got strong numbers from the core of the type we're getting used to and once again WDO used a conservative cut on the very-high-grade intersections (all surely with visible gold) in order to keep eventual resource expectations and the mine plan under control (they're miners, not BSsers). Here's the highlight reel from the NR:

- Hole 6295: 9.9 g/t Au over 8.9 m core length (6.2 g/t cut, 6.4 m true width)
- Hole 6296: 43.3 g/t Au over 6.5 m core length (6.8 g/t cut, 5.5 m true width)
- Hole 6290 - Zone A: 28.8 g/t Au over 3.2 m core length (10.5 g/t cut, 2.7 m true width)
- Hole 6290 - Zone A1: 26.0 g/t Au over 25.7 m core length (7.3 g/t cut, 20 m true width)
- Hole 6299 – Zone A1: 29.6 g/t Au over 10.2 m core length (9.8 g/t cut, 7.7 m true width)
- Hole 6299 – Zone A2: 77.4 g/t Au over 14.4 m core length (12.8 g/t cut, 10.8 m true width)

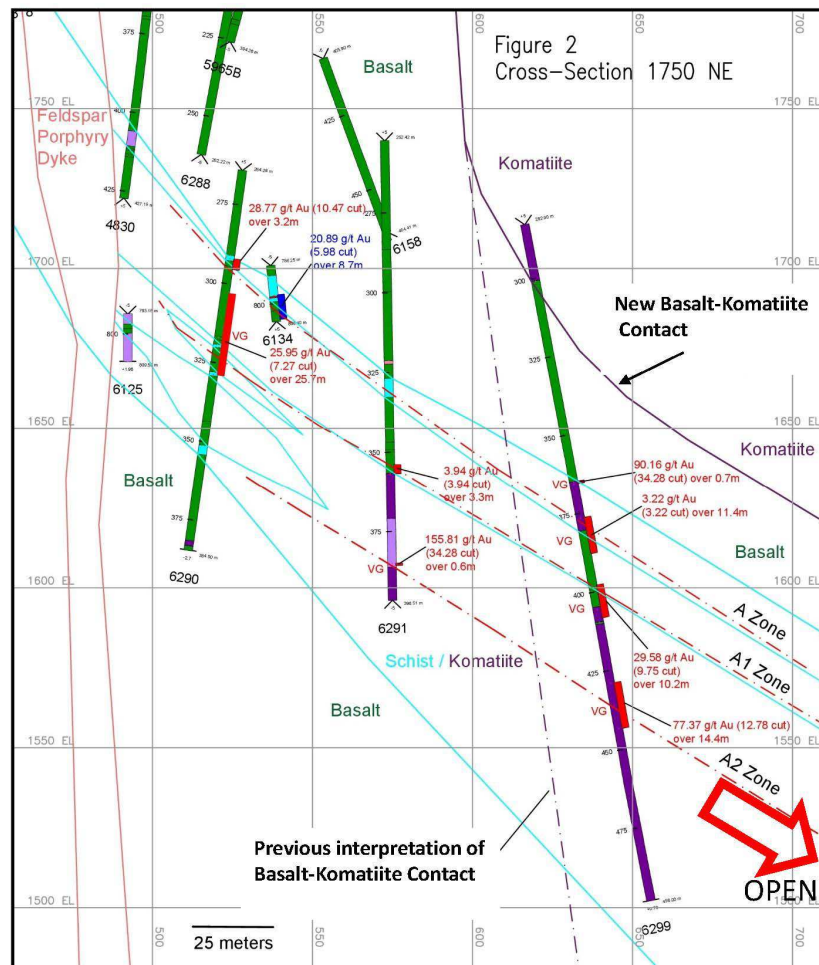
There's plenty to like there of course, but that was also true of its previous drill numbers that didn't move the market much. However, this time we got this:



WDO moved up 10c on the news Thursday and what's more, buyers came on Friday too to push it over the \$2.00 line (where it should have been in the first place, frankly). That performance is even more impressive if we sit the WDO squiggly line against the Gold & Silver Miners Index (XAU), which had a rough week:



WDO went up hard on a down day, swam successfully against the tide and buyers showed up, so why did this one get the traction that's been missing after previous NRs on Kiena? The answer may be that it was simply well overdue (both I and my back pocket agree with myself on that), but it may be because of that final hole on the list, 6299. Here's one of the maps that accompanied the NR:



The place to look is at the right, the 6299 hole and the geological interpretation around it. The previous interpretation of the contact zone (i.e. "where the mineral runs out") meant that the company wasn't expecting big hits from 6299. In fact they've found strong and high grade stuff (including 14.4m of 77.37 g/t Au uncut...is 2½ oz gold per tonne enough for you?) which means they've had to change assumptions and now think there's a lot more resource down there, the system open to the East. These things are good things.

In my opinion WDO is priced fairly where it is on the Eagle River complex alone. We can debate on that if you like, but at worst Kiena is only contributing a small amount to the overall share price today and deserves to be valued a lot higher. We can now expect plenty of newsflow from the company due to its ongoing drill program and with that, perhaps a growth in understanding of just what Kiena means to the asset value of this company. Like SGI, WDO is very undervalued for what it is today and when the market catches up with the fact, current prices will be past history.

Conclusion

IKN469 is done, we end with bullet points:

- Rio2 Ltd (RIO.v) now has a project to get moving on and so far at least, it looks a good fit for the Alex Black team. Expect more next week plus a first pass ballpark on what it could mean for the share price.
- Nothing wrong with Superior Gold (SGI.v) at this point, a discounted entry point is yours for the taking.

I thank you in advance for any feedback. Our Top Pick stock is Regulus Resources (REG.v). Flash updates will be sent if required by events.

I wish you good trading fortune, ladies and gentlemen. Namaste.

Mark

Footnotes, appendices, references, disclaimer

(1) <http://www.rio2limited.com/>

(2) <http://www.atacamapacific.com/>

(3) <http://www.atacamapacific.com/investors/pdf/news-170803.pdf>

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(9) <https://www.andes.info.ec/es/noticias/economia/16/ministra-de-mineria-visito-azuay-para-analizar-situacion-de-proyectos-minero>

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(11) <https://mineriaenlinea.com/2018/05/designan-a-miguel-inchaustegui-zevallos-como-nuevo-vice-ministro-de-minas/>

(12) <https://www.superior-gold.com/investors/news/superior-gold-inc-announces-first-quarter-2018-fi-122528/>

(13) <https://incakolanews.blogspot.co.uk/2018/05/superior-gold-sgiv.html>

(14) http://www.wesdome.com/news/press-releases/index.php?content_id=286

Stocks To Follow Closed Positions 2017

Closed in 2017		closed			close price		
Continental Gold	CNL.to	Jan'17	C\$2.68	22-May-16	C\$4.17	55.6%	trade closed, profit taken
Focus Ventures	FCV.v	Jan'17	C\$0.23	1-Jul-12	C\$0.05	-78.3%	Give up, a disaster trade
Wesdome Gold	WDO.to	Feb'17	C\$1.72	28-Aug-16	C\$3.00	74.4%	Target hit, sold, good trade
Belo Sun	BSX.to	Mar'17	C\$0.90	30-Jan-17	C\$0.90	0.0%	failed near-term flip trade
Lara Expl.	LRA.v	Mar'17	C\$1.15	8-Apr-12	C\$1.05	-8.7%	cut to make room for new trade
Rye Patch Gold	RPM.v	Apr'17	C\$0.31	2-Sep-16	C\$0.32	3.2%	cut for doubts & new stock
Cordoba Min.	CDB.v	Jun'17	C\$0.75	15-Sep-16	C\$0.63	-16.0%	closed
Constantine Metal	CEM.v	Aug'17	C\$0.135	9-Apr-17	C\$0.28	107.4%	spec trade closed, good win
Red Eagle Min.	R.to	Sep'17	C\$0.67	13-Dec-16	C\$0.27	-59.7%	IKN's biggest failure in years
Starcourt Intl	SAM.to	Sep'17	C\$0.61	10-Jan-15	C\$0.31	-49.2%	Patience ran out
B2Gold	BTO.to	Dec'17	C\$2.11	12-Sep-14	C\$3.39	60.7%	sold small portion for liquidity

Stocks To Follow Closed Positions 2016

Closed in 2016		closed			close price		
Phoscan Chem	FOS.to	jan16	C\$0.28	29-mar-15	C\$0.265	-5.4%	Buyout trade, bot but poor deal
True Gold	TGM.v	jan16	C\$0.18	23-ago-15	C\$0.25	38.9%	okay trade, sold on pol risk
McEwen Mining	MUX	jan16	U\$1.09	25-ene-15	U\$1.20	10.1%	sold due to lack of value
Lake Shore Gold	LSG.to	feb-16	C\$1.10	07-abr-15	C\$1.69	53.6%	bot out, sold early in process
Atacama Pacific	ATM.v	feb-16	C\$0.19	26-abr-15	C\$0.40	110.5%	sold for a double on big pop
New Gold	NGD	feb-16	U\$2.06	24-ene-16	U\$2.96	43.7%	closed good near-term trade
Sandspring Res	SSP.v	mar-16	C\$0.195	18-oct-15	C\$0.32	64.1%	Hit tgt, took profit
Teranga Gold	TGZ.to	mar-16	C\$0.54	15-feb-15	C\$0.60	11.1%	disappointing trade
B2Gold	BTG	mar-16	U\$0.85	13-ene-16	U\$1.30	52.9%	Separate trade on B2, hit tgt
Dalradian Res	DNA.to	mar-16	C\$0.67	27-oct-13	C\$1.00	49.3%	Hit target, sold, good win
HudBay Min.	HBM	may-16	U\$4.10	03-abr-16	U\$4.36	-6.3%	Short trade, poor timing
Nevada Sunrise	NEV.v	may-16	C\$0.185	28-feb-16	C\$0.23	24.3%	V. small, no big deal either way
Richmont	RIC	jun-16	U\$7.60	01-may-16	U\$9.30	22.4%	near-term trade, profit taken
INV Metals	INV.to	jul-16	C\$0.25	03-abr-16	C\$0.95	280.0%	Trade closed on time
HudBay Min.	HBM	aug16	U\$4.98	09-jun-16	U\$4.80	3.6%	short trade covered, no big deal
Miranda Gold	MAD.v	oct-16	C\$0.125	03-jul-16	C\$0.10	-20.0%	tiny spec trade, didn't work
Avino G & S	ASM	nov-16	U\$2.00	21-oct-16	U\$1.40	-30.0%	Abandon trade on bad bot deal

Stocks To Follow Closed Positions 2015

Closed in 2015		closed			close price		
Argonaut Gold	AR.to	jan'15	C\$1.47	14-dec-14	C\$2.53	72.1%	Big gain small time, profit taken
Amerigo Res	ARG.to	jan'15	C\$0.405	20-jul-14	C\$0.285	-29.6%	Given up on weak Cu prices
Reservoir Min.	RMC.v	jan'15	C\$6.05	18-jun-14	C\$4.12	-31.9%	sold on Cu downturn
Coro Mining	COP.to	jan'15	C\$0.075	26-jan-14	C\$0.035	-53.3%	sm, sold on Cu downturn
Fortuna Silver	FSM	mar'15	U\$4.12	10-nov-14	U\$3.75	9.0%	Short used as hedge
GoldQuest Min.	GQC.v	mar'15	C\$0.26	27-oct-13	C\$0.085	-67.3%	given up ghost
Rio Alto Mining	RIO.to	apr'15	C\$2.30	07-apr-11	C\$3.57	55.2%	Top pick, bot out, big win
Timmins Gold	TGD	jun'15	U\$0.60	19-apr-15	U\$0.62	3.3%	near-term trade, out of time
First Majestic	AG	jul'15	U\$10.51	10-aug-14	U\$4.55	56.7%	horrible failed trade
NovaCopper	NCQ.to	jul'15	C\$1.05	09-apr-14	C\$0.50	-52.4%	no more Cu exposure, sm sell
McEwen Mining	MUX	aug'15	U\$0.695	21-jul-15	U\$0.92	32.4%	Closed nearterm flip for win
Midas Gold	MAX.to	sep'15	C\$0.39	21-sep-15	C\$0.35	-10.3%	Sm. trade idea that didn't work
New Gold	NGD	oct'15	U\$2.18	23-aug-15	U\$3.05	39.9%	trade closed, profit taken
Legend Gold	LGN.v	nov'15	C\$0.085	01-mar-15	C\$0.035	-58.8%	tiny "land grab" idea, failed
Timmins Gold	TGD	nov'15	U\$0.245	20-sep-15	U\$0.15	-38.8%	small near-term loser

Stocks To Follow Closed Positions 2014

Closed in 2014		closed			close price		
Fortuna Silver	FVI.to	jan'14	C\$2.80	23-dec-13	C\$3.19	13.9%	small ST trade closed
Rio Alto Mining	RIO.to	jan'14	C\$2.06	07-jun-13	C\$2.30	11.7%	trading position finally closed
Network Expl.	NET.v	feb'14	C\$0.01	22-jul-12	C\$0.005	-50.0%	position closed, did nothing
Tahoe Resources	TAHO	feb'14	U\$13.10	08-apr-13	U\$21.72	-65.8%	short closed due to reality
Darwin Res	DAR.v	mar'14	C\$0.10	14-jul-12	C\$0.045	-55.0%	tiny risk play dropped
B2Gold	BTO.to	mar'14	C\$3.07	28-nov-12	C\$3.35	9.1%	closed to free up capital
Pretium Res	PVG	mar'14	U\$5.38	22-nov-13	U\$6.50	-20.8%	short closed as port longer
Gold Res Corp	GORO	may'14	U\$5.07	26-jan-14	U\$4.12	16.7%	took profit
Bear Creek Min	BCM.v	may'14	C\$1.63	23-mar-14	C\$2.05	25.8%	Took profit, sm near-term win
Eco Oro Min.	EOM.to	aug'14	C\$0.48	22-sep-13	C\$0.26	-45.8%	sold small loser to make room
True Gold	TGM.v	sep'14	C\$0.395	02-feb-14	C\$0.41	3.8%	M&A won't happen, sold
Santacruz Silver	SCZ.v	sep'14	C\$1.04	26-jan-14	C\$0.86	-17.3%	silver/M&A spec, rel. small
Timmins Gold	TGD	nov'14	U\$1.38	09-apr-14	U\$0.99	-28.3%	failed trade, sell, raise cash
Kinross Gold	KGC	nov'14	U\$2.90	20-oct-14	U\$2.15	-25.9%	V small trade, didn't work, chau
Salazar Res	SRL.v	hold	C\$0.28	02-mar-14	C\$0.145	-48.2%	lost China sponsor

Stocks To Follow Closed Positions 2013

Closed in 2013		closed			close price		
USA Graphite	USGT	feb'13	U\$0.93	08-jan-13	U\$0.17	81.7%	short tgt made/trade closed
Lachlan Star	LSA.to	feb'13	C\$1.50	30-sep-12	C\$0.95	-36.7%	sold to reduce port risk
United Silver	USC.to	mar'13	C\$0.21	28-oct-12	C\$0.095	-54.8%	small Ag sector trade, failed
Aurcana Corp	AUN.v	apr'13	C\$1.07	11-nov-12	C\$0.55	-48.6%	closed on poor YE results
Gold Res Corp	GORO	apr'13	U\$14.11	25-jan-13	U\$9.38	33.5%	short tgt made/trade closed
Marlin Gold	MLN.v	apr'13	C\$0.075	10-feb-13	C\$0.065	-13.3%	closed trade
Bear Creek	BCM.v	may'13	C\$2.58	01-apr-13	C\$2.40	-7.0%	near-term, time ran out
Lupaka Gold	LPK.to	may'13	C\$1.12	23-oct-11	C\$0.32	-71.4%	towel thrown in
Tahoe Resources	TAHO	may'13	U\$18.62	08-apr-13	U\$14.70	21.1%	took profit on ST short
OceanaGold	OGC.to	jun'13	C\$3.03	16-sep-12	C\$1.18	-61.1%	sold on gold drop
IMPACT Silver	IPT.v	jun'13	C\$1.14	13-jan-13	C\$0.62	-45.6%	sold on silver drop
Duran Ventures	DRV.v	jun'13	C\$0.045	10-may-13	C\$0.025	-44.4%	ST trade never worked
Plata Latina	PLA.v	jun'13	C\$0.79	10-apr-12	C\$0.13	-83.5%	closed
Bellhaven	BHV.v	jun'13	C\$0.065	03-jun-13	C\$0.12	84.6%	closed ST trade
B2Gold	BTO.to	aug'13	C\$3.07	28-nov-12	C\$3.44	12.1%	sold 1/2 to raise cash
Colossus Min.	CSI.to	aug'13	C\$0.72	24-jul-13	C\$0.79	9.7%	closed thru nerves on future
Pretium Res	PVG.to	aug'13	C\$8.20	11-jun-13	C\$10.14	23.7%	closed to raise cash
Bear Creek	BCM.v	sep'13	C\$2.06	30-may-13	C\$2.20	6.8%	sold on pol risk decision
MAG Silver	MVG	oct'13	U\$7.00	12-sep-13	U\$5.62	19.6%	near-term short
Gold Res Corp	GORO	oct'13	U\$9.52	03-may-13	U\$4.98	47.7%	short tgt made, covered
AQM Copper	AQM.v	oct'13	C\$0.31	16-oct-11	C\$0.125	-59.7%	closed failed trade
First Majestic	AG	nov'13	U\$11.51	07-nov-13	U\$10.50	8.8%	v near term short, closed
Fortuna Silver	FSM	nov'13	U\$4.00	07-nov-13	U\$3.68	8.0%	v near term short, closed
Primero	PPP	nov'13	U\$5.70	07-nov-13	U\$5.75	-0.9%	v near term short, closed
Starcore Intl	SAM.to	nov'13	C\$0.235	08-sep-13	C\$0.17	-27.7%	ST trade didn't work, sm loss
B2Gold	BTO.to	dec'13	C\$2.22	28-nov-12	C\$2.16	-2.7%	closed ST trade to raise cash

Stocks To Follow Closed Positions, 2012

Closed in 2012		closed			close PPS		
Soltoro	SOL.v	jan'12	C\$0.87	07-nov-11	C\$0.94	8.0%	<i>cash moved to BCM.v</i>
Gold-Ore Res	GOZ.to	feb'12	C\$0.84	13-oct-10	C\$0.98	16.7%	<i>trade closed on ELG.v offer</i>
Minefinders	MFN	feb'12	U\$11.68	17-nov-11	U\$14.80	26.7%	<i>target made, trade closed</i>
Iron Creek	IRN.v	mar'12	C\$0.58	26-sep-10	C\$0.31	-46.6%	<i>time up on small bad trade</i>
U.S. Silver	USA.to	apr'12	C\$2.18	15-mar-12	C\$1.86	-14.7%	<i>ST trade no good, cut loss</i>
Augusta Res.	AZC.to	may'12	C\$3.10	29-jan-12	C\$2.07	-33.2%	<i>bad mkt, bad trade cut loss</i>
Bellhaven	BHV.v	may'12	C\$0.50	22-sep-10	C\$0.28	-44.0%	<i>new mgmt not impressive</i>
Zincore Metals	ZNC.to	may'12	C\$0.325	29-jul-11	C\$0.17	-47.7%	<i>bad mkt, bad trade cut loss</i>
Soltoro	SOL.v	may'12	C\$0.70	18-mar-11	C\$0.41	-41.4%	<i>bad mkt, bad trade cut loss</i>
U.S. Silver	USA.to	aug'12	C\$1.78	27-jul-12	C\$1.36	-23.6%	<i>fail ST trade close pre split</i>
Estrella Gold	EST.v	aug'12	C\$0.91	27-mar-11	C\$0.14	-84.6%	<i>Closed on port realignment</i>
Fortuna Silver	FVI.to	sep'12	C\$1.07	03-may-09	C\$5.32	397.2%	<i>sell call \$6.17/ Mar25</i>
Strait Minerals	SRD.v	oct'12	C\$0.125	09-dec-11	C\$0.12	-4.0%	<i>closing coverage til FY13</i>
Sunward Res	SWD.to	oct'12	C\$1.47	13-mar-11	C\$1.21	-17.7%	<i>sold, took loss</i>
Gold Res Corp	GORO	oct'12	U\$21.47	09-sep-12	U\$17.40	19.0%	<i>Short trade closed</i>
Yellowhead Min.	YMI.to	nov'12	C\$1.00	01-apr-12	C\$0.63	-37.0%	<i>sold, took loss</i>
Primero Mining	PPP	nov'12	U\$7.26	07-oct-12	U\$6.73	7.3%	<i>Short trade closed</i>
Bear Creek Min.	BCM.v	nov'12	C\$3.38	07-nov-11	C\$3.72	10.1%	<i>Took small profit</i>
Vena Resources	VEM.to	dec'12	C\$0.70	31-may-09	C\$0.18	-74.3%	<i>Failed trade (caps F)</i>
Galway Res	GWY.v	dec'12	C\$2.19	24-nov-12	C\$2.30	5.0%	<i>closed good ST arb trade</i>

Stocks To Follow Closed Positions, 2011

Closed in 2011		closed			close PPS		
Sunward Res	SWD.v	jan'11	C\$1.05	21-nov-10	C\$1.63	55.2%	<i>target made, trade closed</i>
Serengeti Res	SIR.v	mar'11	C\$0.245	05-dec-10	C\$0.285	16.3%	<i>sold pre-tgt, ST trade fail</i>
Fronteer Gold	FRG	apr'11	U\$2.37	03-may-09	U\$15.24	543.0%	<i>buyout, trade closed</i>
Minefinders	MFN	apr'11	U\$9.09	07-nov-10	U\$16.89	85.8%	<i>target made, trade closed</i>
Metalline Min.	MMG	may'11	U\$1.04	26-jan-11	U\$0.89	-14.4%	<i>exit, resource disappointed</i>
Peregrine Met	PGM.to	jul'11	C\$0.87	06-mar-11	C\$2.60	198.9%	<i>buyout offer, closed</i>
Dynasty Metals	DMM.to	jul'11	C\$4.20	03-may-09	C\$2.85	-32.1%	<i>Sold. Fail. Move on.</i>
Aura Silver	AUU.v	aug'11	C\$0.22	13-oct-10	C\$0.16	-36.4%	<i>Bad pick. Take loss</i>
U.S. Silver	USA.v	aug'11	C\$0.52	26-jan-11	C\$0.71	36.5%	<i>closed to make room</i>
B2Gold Corp	BTO.to	sep'11	C\$2.80	12-may-11	C\$4.27	52.5%	<i>target made, trade closed</i>
Bear Creek Min.	BCM.v	sep'11	C\$3.80	27-may-11	C\$4.17	9.7%	<i>macro sell call victim</i>
Minefinders	MFN	sep'11	U\$14.70	10-aug-11	U\$15.15	3.1%	<i>macro sell call victim</i>
Great Panther	GPR.to	sep'11	C\$3.03	22-aug-11	C\$2.64	-12.9%	<i>macro sell call victim</i>
Fortuna Silver	FVI.to	sep'11	C\$1.07	03-may-09	C\$5.36	400.9%	<i>sold 20%, macro sell call</i>
Focus Ventures	FCV.v	nov'11	C\$0.40	20-apr-10	C\$0.20	-50.0%	<i>cut losses, bad trade</i>
Regulus Res.	REG.v	dec'11	C\$1.17	14-aug-11	C\$0.52	-55.6%	<i>cut on news of poor 43-101</i>

Stocks To Follow Closed Positions, 2010

Closed in 2010		closed			close PPS		
B2Gold Corp	BTO.to	Jan'10	C\$0.88	08-nov-09	C\$1.49	68.2%	<i>target made, trade closed</i>
Radius Gold	RDU.v	Jan'10	C\$0.18	23-aug-09	C\$0.40	122.2%	<i>target made, trade closed</i>
MAG Silver	MVG	mar'10	U\$5.60	23-nov-09	U\$7.28	30.0%	<i>closed in pdac week</i>
Riverside Res	RRI.v	mar'10	C\$0.435	20-sep-09	C\$0.60	37.9%	<i>closed in pdac week</i>
Amarillo Gold	AGC.v	mar'10	C\$0.81	31-may-09	C\$0.70	-13.6%	<i>closed in pdac week</i>
B2Gold Corp	BTO.to	apr'10	C\$1.24	18-feb-10	C\$1.50	21.0%	<i>target made, trade closed</i>
Lumina Copper	LCC.v	apr'10	C\$0.84	14-jun-09	C\$1.55	51.2%	<i>total position now sold</i>
Troy Resources	TRY.to	may'10	C\$1.10	03-may-09	C\$2.25	104.5%	<i>sold on negative results</i>
AuEx Ventures	XAU.to	may'10	C\$2.51	24-may-09	C\$3.38	34.7%	<i>trade closed</i>
Nevada Copper	NCU.to	jun'10	C\$3.27	14-mar-10	C\$2.03	-37.9%	<i>need to lower Cu exposure</i>
Carpathian Gold	CPN.to	jun'10	C\$0.39	14-mar-10	C\$0.35	-10.3%	<i>too exposed to cap raising</i>
Amerix PM Corp	APM.v	jun'10	C\$0.065	08-nov-09	C\$0.05	-23.1%	<i>victim of macro bear</i>
Antares Minerals	ANM.v	jun'10	C\$1.42	06-dec-09	C\$2.10	47.9%	<i>sold half</i>
Vena Resources	VEM.to	jun'10	C\$0.37	31-may-09	C\$0.23	-37.8%	<i>sold half</i>
Minera Andes	MAI.to	sep'10	C\$0.75	28-jul-10	C\$0.95	26.7%	<i>ST trade closed</i>
Gold-Ore Res	GOZ.to	sep'10	C\$0.52	01-aug-10	C\$0.75	44.2%	<i>target made, trade closed</i>
B2Gold Corp	BTO.to	sep'10	C\$1.45	25-may-10	C\$2.01	34.5%	<i>target made, trade closed</i>
Blue Sky Uran	BSK.v	oct'10	C\$0.41	19-may-10	C\$0.22	-46.3%	<i>v small v bad trade closed</i>
Dia Bras Expl	DIB.v	oct'10	C\$0.14	30-aug-09	C\$0.35	150.0%	<i>target made, trade closed</i>
S. Amer. Silver	SAC.to	nov'10	C\$1.38	24-oct-10	C\$1.60	-15.9%	<i>loss on short, small fail</i>
Ventana Gold	VEN.to	nov'10	C\$7.92	27-jun-10	C\$13.51	70.6%	<i>trade closed on buyout</i>
Lumina Copper	LCC.v	nov'10	C\$1.42	11-aug-10	C\$3.65	157.0%	<i>trade closed</i>
Antares Minerals	ANM.v	dec'10	C\$1.42	06-dec-09	C\$8.40	491.5%	<i>trade closed</i>
Rio Alto Mining	RIO.v	dec'10	C\$0.69	23-mar-10	C\$2.16	213.0%	<i>trade closed</i>
Coro Mining	COP.to	dec'10	C\$0.585	03-oct-10	C\$1.24	112.0%	<i>target made, trade closed</i>

Stocks To Follow Closed Positions, 2009

Closed positions		closed			closing PPS		
Cardero Res	CDY/CDU.to	May'09	U\$1.20	03-May-09	U\$0.87	-27.5%	<i>sold on negative news</i>
Eastmain Res.	ER.to	May'09	C\$1.04	06-May-09	C\$1.315	26.4%	<i>trade closed</i>
Radius Gold	RDU.v	May'09	C\$0.165	03-May-09	C\$0.235	42.4%	<i>trade closed</i>
Latin Amer Min.	LAT.v	May'09	C\$0.12	03-May-09	C\$0.158	29.2%	<i>trade closed</i>
Aquiline Res.	AQI.to	July'09	C\$2.03	16-Jun-09	C\$1.68	-17.2%	<i>took loss, bad timing</i>
Chariot Resources	CHD.to	Aug'09	C\$0.20	12-Jul-09	C\$0.415	107.5%	<i>trade closed</i>
Castle Gold	CSG.v	Sep'09	C\$0.64	02-Aug-09	C\$0.60	-6.3%	<i>ST trade didn't work out</i>
Guyana Goldfields	GUY.to	Sep'09	C\$2.30	12-May-09	C\$4.50	95.7%	<i>profit taken</i>
Los Andes Copper	LA.v	Sep'09	C\$0.09	21-Jun-09	C\$0.09	0%	<i>trade closed</i>
Pediment Gold	PEZ.to	Oct'09	C\$0.80	09-Aug-09	C\$1.00	25.0%	<i>trade closed</i>
Minera Andes	MAI.to	Oct'09	C\$0.68	03-May-09	C\$0.71	4.4%	<i>too much bad news</i>
Dynasty Metals	DMM.to	Nov'09	C\$4.18	03-May-09	C\$6.01	43.8%	<i>half sold</i>
Rusoro Mining	RML.v	Nov'09	C\$0.55	03-May-09	C\$0.57	3.6%	<i>underperformed</i>

Important Disclosure

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