

HALLGARTEN & COMPANY

Portfolio Strategy

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Model Mining Portfolio: Crisis of Confidence

Performance Review – April 2017

Model Mining Portfolio

Mining's Crisis of Confidence

- + Yukon rising in the estimation of investors
- + Financings continuing but many are not of a size to advance major drill work for those undertaking them
- ✗ ETF dumping by GDXJ, and suspension of a derivative ETF, cast a pall on the larger junior explorers and smaller producers
- ✗ Gold and silver looking range-bound
- ✗ Base metals giving up ground
- ✗ Secondary banking "crisis" in Canada?
- ✗ Trump Administration's infrastructure "surge" moved into the too hard (temporarily?) basket

Amateur Hour at GDXJ

When is a passive investment vehicle not a passive investment vehicle? Maybe when it has an asset manager's fingerprints all over it. We have written in the past of the quirkiness of the GDXJ but now the quirkiness has bordered into sleaziness with a big dollop of incompetence on top. The GDX is all well and good. It was born out of the AMEX's gold miners index and was a natural to be tracked by an ETF. It was not without its faults as obviously the AMEX wanted to favour those stocks from Canada and Australia that had dual listings on the American Stock Exchange. The fact that few Australian companies, and virtually none from London, sought listings in the US meant that the end result was skewed towards Canadian names. All well and good. At least there was some science to the process.

The appearance though of the GDXJ was a rather cynical exercise. It contained a ragbag of stocks that did not appear to pay much homage to impartial stock selection and in many cases had names with zero pretense to being juniors.

The problem in recent times is that the GDXJ has not only become the tail that wags the dog, it has become the dog. The travails of the JNUG, a souped-up version of the GDXJ have meant that trading/creation of JNUG has needed to be suspended, which in turn has prompted a wholesale cleanout of "lesser stocks" at the GDXJ, that has correspondingly created a wave of turmoil due to the GDXJ holdings in these stocks being a goodly number of days' worth of trading volume in the names. Tipping them out the door in such a short span of time has sent most into a tailspin and had knock-on effects for the broader mining market as a relatively cash-tight market has tried to absorb all this supply.

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The thing that has the conspiracy theorists riled is that the decision to rejig the constituents of the ETF may have been made quite a while ago and that the decision was not kept entirely secret as trading patterns in the stocks concerned (additions and deletions) would appear to reflect “knowledge aforethought”.

Below can be seen the projected weighting reduction for the MV Junior Gold Miners Index as at March 17th.

| Benchmark Ticker ¹ | CAD Ticker | Name | Est. Index Weight Change | Est. New Index Weight | *Est. GDJ.J Flow ² | 3-Mo. ADV | | | Days to Trade ⁴ |
|----------------------------------|---------------|--------------------------------|--------------------------------|-----------------------------|-------------------------------------|-----------|-------|-------|----------------------------------|
| | | | | | | CAD/ US | Other | Total | |
| KL CT Equity | KL | KIRKLAND LAKE GOLD INC | -4.06% | 2.12% | (12.8) | 1.6 | - | 1.6 | 8.0 |
| SSRI UN Equity | SSO | SILVER STANDARD RESOURCES INC. | -3.10% | 1.62% | (7.3) | 2.8 | - | 2.8 | 2.6 |
| RRL AT Equity | | REGIS RESOURCES LTD | -3.03% | 1.59% | (35.9) | - | 3.9 | 3.9 | 9.2 |
| TXG CT Equity | TXG | TOREX GOLD RESOURCES INC | -2.82% | 1.48% | (4.2) | 0.7 | - | 0.7 | 5.6 |
| EDV CT Equity | EDV | ENDEAVOUR MINING CORP | -2.72% | 1.42% | (5.2) | 0.5 | - | 0.5 | 9.8 |
| OR UN Equity | OR | OSISKO GOLD ROYALTIES LTD | -2.67% | 1.39% | (7.5) | 1.3 | - | 1.3 | 5.7 |
| CG CT Equity | CG | CENTERRA GOLD INC. | -2.55% | 1.33% | (15.0) | 2.2 | - | 2.2 | 6.9 |
| NG UA Equity | NG | NOVAGOLD RESOURCES INC | -2.27% | 1.19% | (18.3) | 2.9 | - | 2.9 | 6.3 |
| SBM AT Equity | | ST BARBARA LTD | -2.21% | 1.16% | (28.4) | - | 4.6 | 4.6 | 6.1 |
| HOC LN Equity | | HOCHSCHILD MINING PLC | -2.09% | 1.10% | (22.2) | - | 2.4 | 2.4 | 9.2 |
| GUY CT Equity | GUY | GUYANA GOLDFIELDS INC | -1.98% | 1.03% | (13.1) | 1.5 | - | 1.5 | 8.8 |
| HMV UN Equity | | HARMONY GOLD MNG-SPON ADR | -1.88% | 0.98% | (24.9) | 5.5 | 2.3 | 7.8 | 3.2 |
| FSM UN Equity | FVI | FORTUNA SILVER MINES INC | -1.82% | 0.95% | (11.7) | 2.9 | - | 2.9 | 4.0 |
| SMF CT Equity | SMF | SEMAFO INC | -1.79% | 0.93% | (17.0) | 3.3 | - | 3.3 | 5.2 |
| MAG UA Equity | MAG | MAG SILVER CORP | -1.73% | 0.90% | (4.6) | 0.8 | - | 0.8 | 5.6 |
| MUX UN Equity | MUX | MCEWEN MINING INC | -1.57% | 0.82% | (15.1) | 4.9 | - | 4.9 | 3.1 |
| SVM CT Equity | SVM | SILVERCORP METALS INC | -1.52% | 0.80% | (15.6) | 1.6 | - | 1.6 | 9.5 |
| SAND UA Equity | SSL | SANDSTORM GOLD LTD | -1.51% | 0.79% | (10.5) | 2.2 | - | 2.2 | 4.8 |
| SAR AT Equity | | SARACEN MINERAL HOLDINGS LTD | -1.44% | 0.75% | (33.9) | - | 7.6 | 7.6 | 4.5 |
| KLDX UA Equity | KDX | KLONDEX MINES LTD | -1.35% | 0.71% | (6.5) | 2.6 | - | 2.6 | 2.5 |
| ASR CT Equity | ASR | ALACER GOLD CORP | -1.32% | 0.69% | (27.1) | 2.3 | - | 2.3 | 11.9 |
| AKG UA Equity | AKG | ASANKO GOLD INC | -1.19% | 0.62% | (14.6) | 4.2 | - | 4.2 | 3.5 |
| SA UN Equity | SEA | SEABRIDGE GOLD INC | -1.14% | 0.59% | (2.8) | 0.9 | - | 0.9 | 3.1 |
| RSG AT Equity | | RESOLUTE MINING LTD | -1.13% | 0.59% | (42.8) | - | 8.1 | 8.1 | 5.3 |
| CGG CT Equity | CGG | CHINA GOLD INTERNATIONAL RES | -1.10% | 0.58% | (23.0) | 0.9 | 0.3 | 1.2 | 19.8 |
| RIC UN Equity | RIC | RICHMONT MINES INC | -1.04% | 0.55% | (4.7) | 1.1 | - | 1.1 | 4.4 |
| EXK UN Equity | EDR | ENDEAVOUR SILVER CORP | -1.02% | 0.53% | (11.7) | 3.2 | - | 3.2 | 3.7 |
| PG CT Equity | PG | PREMIER GOLD MINES LTD | -0.96% | 0.50% | (14.6) | 1.8 | - | 1.8 | 8.1 |
| HGMLN Equity | | HIGHLAND GOLD MINING LTD | -0.87% | 0.45% | (15.0) | - | 2.4 | 2.4 | 6.2 |
| CNL CT Equity | CNL | CONTINENTAL GOLD LTD | -0.86% | 0.45% | (11.2) | 1.1 | - | 1.1 | 9.9 |
| WGX AT Equity | | WESTGOLD RESOURCES PTY LTD | -0.83% | 0.43% | (16.8) | - | 2.6 | 2.6 | 6.6 |
| WDO CT Equity | WDO | WESDOME GOLD MINES LTD | -0.83% | 0.43% | (10.9) | 1.4 | - | 1.4 | 7.6 |
| FF CV Equity | FF | FIRST MINING FINANCE CORP | -0.79% | 0.41% | (52.2) | 2.4 | - | 2.4 | 21.4 |
| GSS UA Equity | GSC | GOLDEN STAR RESOURCES LTD | -0.77% | 0.40% | (35.3) | 2.6 | - | 2.6 | 13.5 |
| AR CT Equity | AR | ARGONAUT GOLD INC | -0.76% | 0.40% | (13.1) | 2.2 | - | 2.2 | 5.9 |
| GSV UA Equity | GSV | GOLD STANDARD VENTURES CORP | -0.73% | 0.38% | (12.3) | 2.2 | - | 2.2 | 5.7 |
| KOZAL TI Equity | | KOZA ALTIN ISLETMELERI AS. | -0.72% | 0.38% | (5.0) | - | 0.8 | 0.8 | 6.4 |
| TGZ CT Equity | TGZ | TERANGA GOLD CORPORATION J | -0.63% | 0.33% | (41.7) | 2.7 | - | 2.7 | 15.7 |
| GPL UA Equity | GPR | GREAT PANTHER SILVER LTD | -0.61% | 0.32% | (15.6) | 2.1 | - | 2.1 | 7.4 |
| BDR AT Equity | | BEADELL RESOURCES LTD | -0.58% | 0.30% | (101.3) | - | 7.5 | 7.5 | 13.6 |
| PRU AT Equity | PRU | PERSEUS MINING LTD | -0.57% | 0.30% | (80.2) | 0.5 | 7.1 | 7.6 | 10.6 |
| DRD UN Equity | | DRD GOLD LTD-SPONSORED ADR | -0.56% | 0.30% | (4.3) | 0.4 | 1.3 | 1.7 | 2.5 |
| GORO UA Equity | | GOLD RESOURCE CORP | -0.55% | 0.29% | (4.7) | 0.9 | - | 0.9 | 5.2 |
| DPM CT Equity | DPM | DUNDEE PRECIOUS METALS INC | -0.54% | 0.28% | (9.8) | 0.5 | - | 0.5 | 18.4 |
| SLR AT Equity | | SILVER LAKE RESOURCES LTD | -0.49% | 0.26% | (44.0) | - | 2.7 | 2.7 | 16.1 |
| RMS AT Equity | | RAMELIUS RESOURCES LTD | -0.44% | 0.23% | (49.1) | - | 2.6 | 2.6 | 18.7 |
| 1194 HK Equity | | CHINA PRECIOUS METAL RESOURC | -0.33% | 0.17% | (623.5) | - | 22.7 | 22.7 | 27.4 |
| PPP UN Equity | P | PRIMERO MINING CORP | -0.20% | 0.10% | (13.5) | 2.1 | - | 2.1 | 6.5 |

All this just reflects the dangers inherent in a manager creating an ETF that tracks an index of their own creation. It is all a bit too intellectually incestuous. Beyond that the concept of an ETF of junior stocks is in itself inherently fraught when the ETF grows beyond a certain size and it's the ETF that drives the

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stocks, rather than the other way around. Additionally when one includes a sector (mining) that is voraciously hungry for capital and constantly making capital raises then the ETF by dint of its proportional representation on registers is forced to take up the financings (or buy equivalent stock in the market) to maintain its holdings (not wanting the escrowed stock of a financing). The ETF then becomes a party to financings either directly or indirectly. Oh, to be a fly on the wall when financiers come a'calling to the managers of the ETF.

Referring back to our table we can see that the Toronto-listed stock with the most days to clear out the stock is First Mining Finance Corp (FF.v) at over 21 days-worth of volume. Here is its chart.... Any damage caused by the index switch is purely coincidental, honest.



A corporate executive lamented the state of the mining markets to us during the month and we had to do a double take. With gold/silver where they are and base metals having moved to a higher plane and many specialty metals having lifted out of their doldrums, what is he complaining about? Clearly he must be heading one of the companies in the firing line or hit by the backwash of the ETF clean-out for most metals aren't in a particularly bad place. Alas, the ETF is an artificial construct and indeed a dangerous one. If he thinks this is bad imagine what might happen in a market rout with one ETF owning such a mighty chunk of the larger juniors. It's potentially RAB Capital in 2008 all over again.

The truism from all this: "The mining junior that lives by the ETF, dies by the ETF".

Portfolio Changes

There were two portfolio changes during the month.

- Closed a Long position in NewGold. Sold 30,000 shares in NGD.to at CAD\$4.30 per share on the 24th of April
- Added a Long position in Western Copper & Gold. Bought 100,000 shares in WRN.to at CAD\$1.57 per share on the 24th of April

The Portfolio Move

The Model Mining Portfolio ended April at \$4.089mn, which was quite a battering considering that it ended March at \$4.291mn. Net cash declined from \$938,000 to \$917,000.

A slight resurgence in the Lithium space took our Bacanora Short back into negative territory (i.e. it rose) but Galane Gold is doing all the “right” things with some disastrous Q4 results and a looming cash crisis. Seems we might need to find another Short in the near future.

It’s worth noting that Scandium International has become a stellar performer of late (up over 170%) as has graphite developer, Talga Resources, up over 200%.

We keep raising our target price for the Palladium ETF and it keeps getting near to it.

Western Copper & Gold – Rolling the Dice at Casino

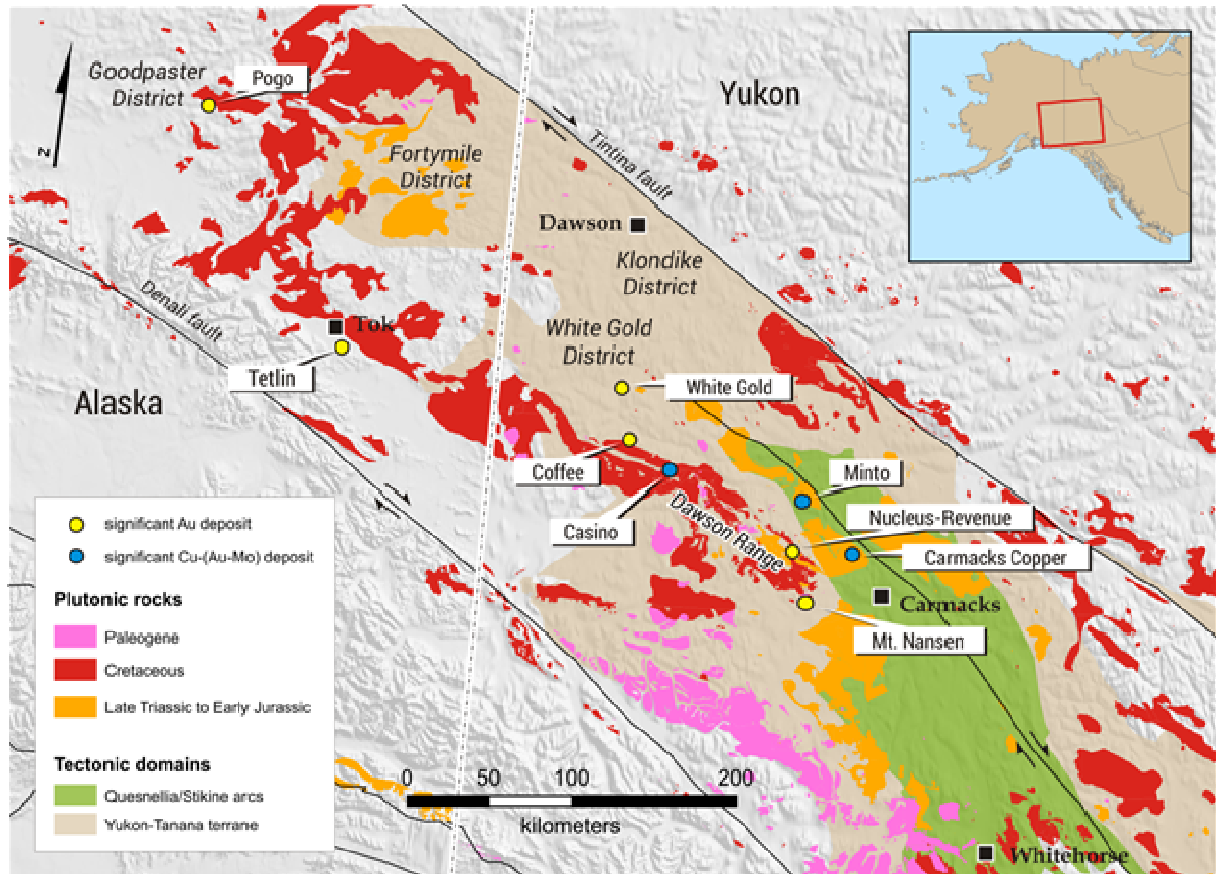
Our paths have crossed with this company various times over the years both in New York and several times recently in London. Western Copper & Gold is focused on developing the Casino project, located in the Yukon Territory. The project is currently in the permitting phase. We had withheld from pulling the trigger as the Yukon seemed like heavy-lifting compared with more accessible mining camps in an era where investors were wary of anything that was “beyond the pale”.

The Casino project is a copper, gold, molybdenum and silver deposit, located about 300 km northwest of Whitehorse and 560 km (350 mi) from year-round port at Skagway, Alaska.

One of the attractions of the deposit is that it ranks among the largest in the world at a time when substantial sized copper deposits in amenable jurisdictions are becoming a rarity. The project is currently in the environmental assessment review stage.

Isolation and logistics are frequently cited concerns of investors (and us) about any project in the Canadian North. In this case access to the project site will be by plane and a new 120 km unpaved road extending from the end of the existing Freegold Road, about 83 km northwest of Carmacks. This proposed road will be an industrial road, and have controlled access.

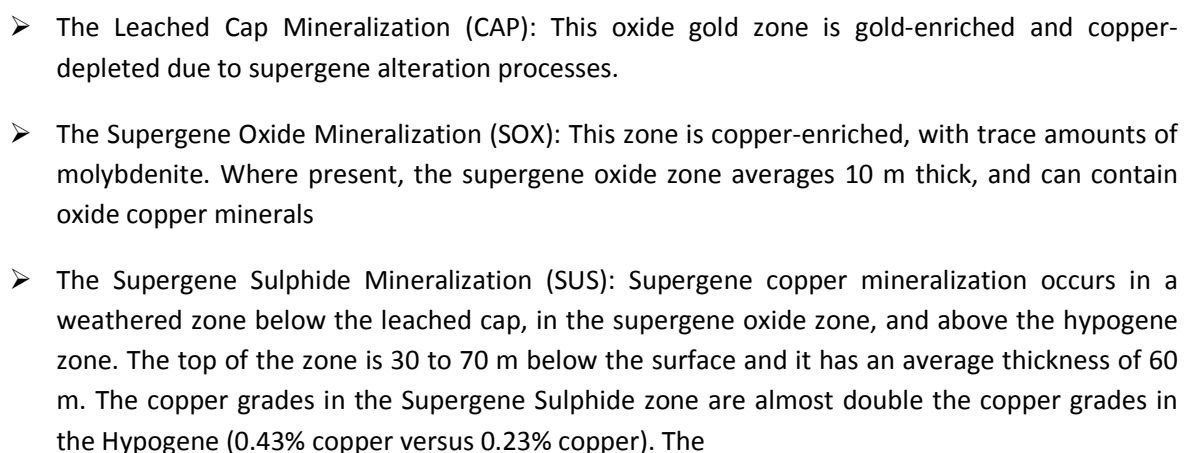
Liquefied natural gas (LNG) will be trucked to the project site and gasified to provide natural gas to fuel the 150 MW power plant.



The project is in the Yukon Plateau, a region characterized by weathered bedrock landscape, treed and rolling topography, and moderate to deeply cut valleys. The region is mainly un-glaciated.

Geologically the deposit is centered on the 70-million-year-old, Patton Porphyry, which intrudes older, surrounding rocks from the Dawson Range Batholith and Yukon Crystalline Complex. The intrusion caused brecciation of both the Patton Porphyry and surrounding rocks mainly along their northern, southern and eastern contacts, resulting in contact breccias. This intrusive complex covers an area of about two square kilometres.

The most prevalent mineralization is copper, gold and molybdenum, which was deposited from hydrothermal fluids (hot, mineral-rich solutions) mainly in fractures within the contact breccias and fractured wall rocks. Better metal grades occur in the breccias and gradually decrease outwards away from the contact zone both towards the centre of the Patton Porphyry and outward into the older, surrounding rocks. This is shown in the cross-section on the following page.



- Hypogene Mineralization: Hypogene mineralization occurs throughout the various alteration zones of the Casino deposit, as mineralized stockwork veins and breccias. Hypogene refers to primary ore minerals formed deep below the surface from rising fluids. The pyrite halo in this mineralization is host to the highest copper values on the property.

Reserve & Resource

The Reserve consists of 965mn tonnes of mill ore + 157mn tonnes heap leach (Proven + Probable) containing 4.5bn lbs Cu and 8.9mn oz Au. Then there is the Inferred Resource of 1.7bn tonnes of mill ore containing 5.4bn lbs Cu and 9mn oz Au.

The Plan at Casino

The feasibility statement dates from January 2013 and is the basis for the current plan. Indeed costs may have retreated from those cited at that time. Western Copper is planning for a conventional open-pit, truck and shovel operation to make the project economically viable. Most of the ore is processed by conventional milling to produce a concentrate, and a portion of the ore will be heap leached to recover the gold. The mill is expected to process about 120,000 tonnes of ore per day and the heap leach 25,000 tonnes per day over a 22-year mine life. There will be 600 employees (at peak production) and 1,000 workers (at peak construction). Some of the key metrics of the feasibility study were:

- Post-tax NPV (at an 8% discount rate) is US\$1.83bn
- Post-tax IRR is 20.1%
- CapEx is projected at US\$2.46bn
- Cash Costs, net of by-products, are US\$0.81 per pound of copper

The processing will be undertaken using a conventional flotation mill & gold heap leach with the end-products being Copper-gold and moly concentrates & gold-silver doré.

The company claims that there is 25+ years of additional potential with the Inferred Resource.

An Environment Assessment Application was submitted January 2014 and the project is currently in the Adequacy Phase of the permitting process. The scheduled production would be heap leaching +2 years from final permits and milling start-up +4 years from final permits.

We have added a Long position to the Model Mining Portfolio with a 12-month target price is CAD\$2.74.

Parting Shot

It was not surprising that after such a long drought that the mining industry would go into overdrive with financings. Some companies were down to their last brass farthings, but quite a number of those

with still substantial cushions or even better cashflows have been reappearing at the withdrawal window to refill their coffers.

We have been wary since the recovery appeared to call the turn on the whole sector as we still feel there is little new money. The whole debacle of the ETFs, that we discussed earlier, shows that hot non-mining money has been washing in and out of the space. Sure this has indirectly pumped money into those companies that saw their prices rise and then saw the ETFs dashing to keep weightings providing a captive audience for financings (or part thereof). However, too much of the money invested in financings was flipped as soon as it could be and investors moved on to the next play in a case of wash-and-repeat.

The relative lack of big acquisitions for cash by majors means that another source of fresh money has been lacking. Then we have our perpetual bugbear of lack of dividends in the Canadian market so the likes of **First Majestic** that either claims it is not making money, or even when it does, refuses to pass it on as it is “investing for the future”. Fat lot of future the shareholders of 2010 got as the stock wilted and the bottom line evaporated. Life at these companies is all rainy days or saving for a rainy day. Executives never manage to miss a pay cheque though. Anyway, dividends are the way that prosperity in metals is recycled back to shareholders and then into up and coming stories. If the likes of First Majestic hang onto the cash for the security blanket for management’s personal peace of mind then that is a disconnect between recovery in metal prices and money filtering into the space.

All of this is leading to a crisis of confidence. Those that were certain that a new age had dawned last year are now starting to have their doubts. Arguably Canadian-listed companies at this juncture have more interesting and prospective properties and projects scattered around the world than Australian-listed ones do. However the Australian-listed entities have the underpinning of the massive Superannuation money pile while the Canadian market has merely the feel good factor from the increasingly overpriced property market (not that Australia does not “suffer” from that same malaise, but at least there it is not regarded as a source of funds or psychological support for the mining equities market). The lack of a “guaranteed” underpinning for the Canadian mining markets in the good times (it goes away everywhere in the bad times) means that ostensibly prices can be rising and some financings being done, but a certain fragility always remains.

With mining as one of Canada’s major sources of revenues, exports and jobs maybe it’s time that some thought might be given to how the activity might better be underpinned with an indigenous capital base that is not so will-o-the-wisp. Australia’s self-directed superannuation funds maybe give a clue as to how this might be done.

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Mining Model Portfolio as at: 30-Apr-17

| Security | | Initiated | Currency | Price | | Portfolio | Increase | Target |
|-----------------------|-------------------------------------|------------|----------|-------|---------|-----------|----------|---------|
| | | | | Avg. | Current | Weighting | in Value | |
| Long Equities | | | | | | | | |
| Various Large/Mid-Cap | Capstone Mining (CS.to) | 5/29/2009 | CAD | 2.32 | 1.06 | 1.20% | -54.30% | \$2.00 |
| | NevSun (NSU) | 3/23/2012 | CAD | 3.45 | 3.03 | 3.60% | -12.20% | \$5.00 |
| | Sherritt International (S.to) | 7/11/2013 | CAD | 1.78 | 0.9 | 3.20% | -49.40% | \$2.50 |
| | Palladium ETF (PALL) | 10/16/2014 | USD | 72.08 | 79.17 | 5.20% | 9.80% | \$80.00 |
| | Metals X (MLX.ax) | 29/5/2014 | AUD | 0.98 | 0.74 | 2.40% | -24.40% | \$1.00 |
| Uranium | Uranium Participation Corp (U.to) | 10/20/2010 | CAD | 7.01 | 3.92 | 2.30% | -44.10% | \$6.00 |
| | Western Uranium (WUC.cx) | 7/5/2016 | CAD | 2.25 | 1.7 | 2.40% | -24.40% | \$4.80 |
| Zinc/Lead Plays | GovEx (GXU.cx) | 6/29/2015 | CAD | 0.08 | 0.17 | 4.90% | 106.90% | \$0.50 |
| | Zinc ETF (Zinc.L) | 1/15/2010 | USD | 7.04 | 7.6 | 2.50% | 8.00% | £9.00 |
| | Canadian Zinc (CZN.to) | 12/9/2011 | CAD | 0.82 | 0.18 | 0.50% | -78.00% | \$0.70 |
| | Ascendant Resources (ASND.v) | 10/31/2016 | CAD | 0.48 | 0.66 | 3.20% | 38.90% | \$1.70 |
| Gold Producers | Nyrstar (NYR:BR) | 9/28/2009 | Euros | 65.1 | 5.2 | 3.70% | -92.00% | € 11.00 |
| | Southern Silver Exploration (SSV.v) | 8/25/2016 | CAD | 0.39 | 0.485 | 2.90% | 24.40% | \$0.94 |
| | Patagonia Gold (PGD.L) | 10/2/2013 | GBP | 3.6 | 1.7 | 1.40% | -52.80% | £4.00 |
| | Komet Resources (KMT.v) | 11/25/2016 | CAD | 0.47 | 0.39 | 1.90% | -17.00% | \$1.28 |
| | Para Resources (PBR.v) | 2/17/2017 | CAD | 0.23 | 0.24 | 2.90% | 4.30% | \$0.58 |
| Copper Producer | Westgold (WGX.ax) | 12/6/2016 | AUD | 2.01 | 1.94 | 4.30% | -3.50% | \$2.40 |
| | Eldorado Gold (EGO) | 6/21/2012 | USD | 9.12 | 4.99 | 4.90% | -45.30% | \$5.50 |
| | Teranga Gold (TGZ.to) | 6/21/2012 | CAD | 1.57 | 0.66 | 1.90% | -58.00% | \$1.50 |
| | Coro Mining (COP.to) | 2/23/2015 | CAD | 0.03 | 0.13 | 3.10% | 333.30% | \$0.30 |
| | Royal Nickel (RNX.to) | 11/17/2016 | CAD | 0.33 | 0.22 | 1.60% | -33.30% | \$0.60 |
| Processor | IBC Advanced Alloys (IB.v) | 4/29/2016 | CAD | 0.3 | 0.38 | 0.90% | 26.70% | \$1.40 |
| Driller | Cabo Drilling (CBE.v) | 9/28/2016 | CAD | 0.025 | 0.02 | 1.00% | -20.00% | \$0.08 |
| Tungsten Producer | Almonty Industries (AII.v) | 7/31/2015 | CAD | 0.36 | 0.25 | 3.00% | -31.00% | \$1.00 |
| Copper Explorer | Asiamet Resources (ARS.v) | 4/28/2016 | CAD | 0.05 | 0.05 | 1.70% | -3.80% | \$0.24 |
| | Western Copper & Gold (WRN.to) | 4/25/2017 | CAD | 1.57 | 1.5 | 3.60% | -4.50% | \$2.74 |
| Nickel Explorer | Sama Resources (SME.V) | 23/2/2015 | CAD | 0.16 | 0.21 | 4.00% | 31.30% | \$0.30 |
| Lithium | Neometals (NMT.ax) | 7/31/2014 | AUD | 0.04 | 0.31 | 3.80% | 737.80% | \$0.60 |
| | Galaxy Mining (GXY.ax) | 6/28/2016 | AUD | 0.35 | 0.43 | 2.30% | 24.40% | \$0.70 |
| Scandium Explorer | Scandium International (SCY.to) | 8/23/2016 | CAD | 0.14 | 0.39 | 5.60% | 178.60% | \$1.00 |
| Graphite Producer | Elcora Resources (ERA.v) | 29/5/2014 | CAD | 0.2 | 0.29 | 3.50% | 45.00% | \$0.64 |
| Graphite Developer | Talga Resources (TLG.ax) | 8/25/2016 | AUD | 0.27 | 0.83 | 10.10% | 213.20% | \$0.90 |
| REE Explorer | Northern Minerals (NTU.ax) | 6/9/2011 | AUD | 0.73 | 0.13 | 0.50% | -82.20% | \$0.28 |
| NET CASH | | | | | | 917,748 | | |
| Short Equities | | | | | | | | |
| Shorts | Bacanora (BCN.v) | 12/4/2015 | CAD | 1.53 | 1.56 | 58.60% | -2.00% | \$0.80 |
| | Galane Gold (GG.v) | 4/28/2016 | CAD | 0.06 | 0.06 | 41.40% | 0.00% | \$0.03 |

| | |
|--|------------------|
| Current Cash Position | 917,748 |
| Current Liability on Shorts Not Covered | 116,496 |
| Net Cash | 1,034,244 |
| Current Value of Bonds | 0 |
| Current Value of Long Equities | 3,055,315 |
| TOTAL VALUE OF PORTFOLIO | 4,089,559 |

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