

Waiting for a Reversal in Sentiment for Junior Explorers

Our second Junior Exploration Report for 2019 comes amid continued apathy towards the junior exploration sector in Canada as the TSX Venture Composite remains in a fragile state of recovery following a tumultuous 2018. The gold price had a strong start to the year before forming a head and shoulders top pattern that failed to breakdown and now remains rangebound between ~US\$1,280 and ~US\$1,300. Gold's implied volatility (measured by the CBOE Gold Volatility Index) compressed to all-time lows in Q2/19, which could precede an eventual explosive move at some point as volatility mean-reverts. While strength in the US Dollar Index (which has been a function of the US-Germany Treasury yield spread and weakness in the EUR/USD and GBP/USD currency pairs) has been a headwind for the entire commodity complex, gold has begun to see relative strength amidst creeping equity and bond market volatility driven by the continued trade dispute between the U.S. and China. We are looking for a potential reversal in the US Dollar and continued relative strength in the gold price as catalysts for a rebound in the junior exploration sector.

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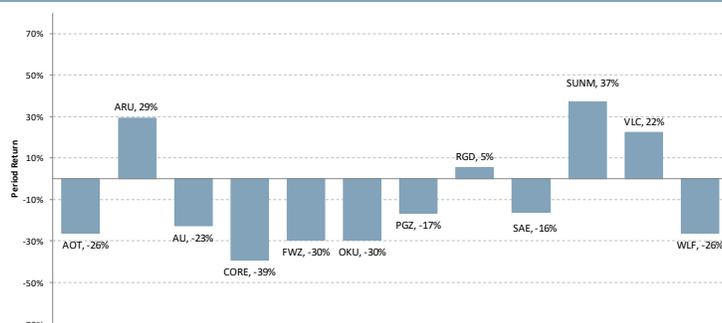
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Companies: Equity Performance



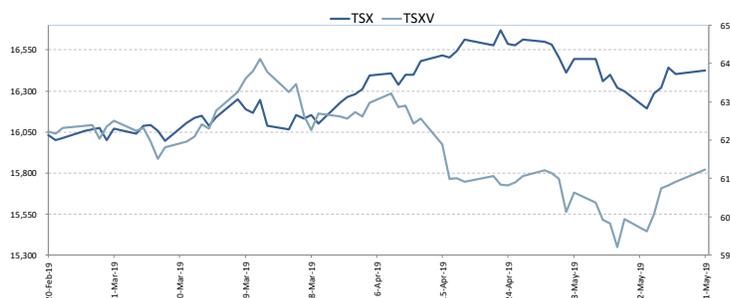
Source: Capital IQ and Haywood Securities

Metal Prices: Gold, Silver, and Copper Performance



Source: Bloomberg

Indices: S&P/TSX Composite Index and S&P/TSX Venture Composite Index



Source: Capital IQ

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Revising Our Watch List

Sentiment for junior mining equities remains weak (for now) as commodities fail to break out. At the time of our last Junior Exploration report in February ([Link to Report](#)), the junior mining sector had just endured a torrid 2018 but there were signs that investor interest was returning to the sector. The gold price was in an uptrend and on the verge of breaking through the US\$1,350 resistance level before momentum failed and gold fell back below US\$1,300. Copper was on the verge of a breakout through the US\$2.85 level, which it did in late February before it consolidated throughout March and April and eventually fell back below this level in late April/early May. The major headwind for metals (along with the rest of the commodity complex) has been a strong US Dollar, which is being driven by a widening US-Germany Treasury yield spread and weakness in key DXY components including the EUR/USD and GBP/USD pairs. This has put pressure on the metals & mining sector, with junior mining equities being the hardest hit. The VanEck Vectors Junior Gold Miners ETF (GDXJ) has had a ~20% drawdown from its February peak, following a ~35% upswing from late November 2018, while the S&P/TSX Global Gold Index experienced a ~14% drawdown. The S&P/TSX Global Base Metals Index has also experienced a ~14% drawdown from its April peak, following a ~28% upswing from December 2018.

US-China trade-induced uncertainty could begin to drive greater institutional allocation towards precious metals. Gold managed to find support at its 200-day exponential moving average (EMA) in late April and has begun to demonstrate improving relative strength against the S&P 500, as well as the Vanguard Balanced Index fund (VBINX; Figure 1), as US-China trade war headlines drive demand for hedges and safe-haven assets. If this relative strength continues, we could begin to see greater institutional allocation towards precious metals which could be a catalyst for improved sentiment towards the junior mining sector. Additionally, we have been seeing a divergence between inflation expectations and the gold price, which typically move together. If the bond market has it right on inflation expectations, then we should see the gold price eventually converge. We are watching for a reversal in the uptrend in the gold/silver ratio, which is negatively correlated to the performance of precious metals, as a signal that sentiment for precious metals is improving.

Figure 1: Gold vs. Vanguard Balanced Index Fund Relative Strength



Source: Stockcharts.com and Haywood Securities

Looking for a reversal in the US Dollar to spark commodities. The US Dollar Index has been struggling to break out above the 98 resistance level as the market digests the Federal Reserve's posturing (Fed funds futures and the 2-year yield have been pricing in a rate cut) along with weakness in the Eurozone and the ongoing Brexit negotiations. We are watching the Germany-US Treasury yield spread, the Euro, and the Pound for evidence of a potential reversal in the US Dollar Index, which would be a catalyst for commodities and the junior mining sector (Figure 2). A spike in equity and fixed-income volatility, along with widening credit spreads, are catalysts that would likely drive a safe-haven bid in precious metals but could also be bearish for base and industrial metals.



Figure 2: US Dollar Index vs. CRB Index (Weekly, 2014 to Present)



Source: Stockcharts.com and Haywood Securities

M&A activity is a sign of how cheap Canadian assets are. Amidst the weak sentiment for the mining sector, mergers and acquisitions have been picking up in 2019, headlined by the US\$10 billion mega-merger between Newmont (TSX:NGT, Not Rated) and Goldcorp to create the world's largest gold producer and eclipsing the Barrick (TSX:ABX, BUY, \$19.00 Target Price) and Randgold merger that closed in January, along with Pan American Silver's (TSX:PAAS, Not Rated) US\$1.3 billion takeover of Tahoe Resources. Additionally 2018 saw the acquisition by Hecla Mining (NYSE:HL, Not Rated) of Klondex Mines for US\$500 million and Gold Fields' (JSE:GFI, Not Rated) joint venture with Asanko Gold (TSX:AKG, HOLD, \$1.15) for US\$185 million. The Gold Fields' deal, together with last week's announcement that St Barbara (ASX:SBM, Not Rated) would acquire Atlantic Gold (TSXV:AGB, TENDER, \$2.95 Target), highlights an increased appetite for Canadian-listed companies from cashed-up Australian-listed miners; however, transactions to date have focused solely on producing mines, reflecting the lack of appetite for riskier, earlier-stage projects. Instead, gold producers have opted for the less-risky option of strategic investments in smaller, early-stage explorers, examples of which include Newmont's C\$17.6 million investment in GT Gold (GTT-V, Not Rated), Gold Fields' C\$8 million investment in Chakana Copper (PERU-V, Not Rated) and Kinross Gold's (TSX:K, Not Rated) additional investment in Aurion Resources (TSXV:AU, Not Rated) to maintain its 9.98% ownership position. In contrast, there has been relatively little M&A or investment activity by producers for advanced exploration/development stage projects, with Franco Nevada's (TSX:FVN, Not Rated) purchase of a 2% NSR from Marathon Gold's (TSX:MOZ, BUY, \$2.00 Target) Valentine Lake project for C\$18 million one notable exception. However, with few quality projects available in both the precious and base metals sectors, we feel it is only a matter of time before producers look downstream to earlier-stage projects. With this context in mind, we break down the performance of commodity prices and their associated equities and follow with our revised watch list for the next 3 months of 2019.



Recent M&A Activity Positive, But Not For Junior Explorers So Far

How long before gold producers look downstream for M&A opportunities? According to SNL Global Market Intelligence, deal value of pending and completed gold-focused transactions increased 82% to US\$11.72 billion in 2018 compared to the US\$6.44 billion in 2017; the total value of transactions in 2019 is already set to improve on 2018 figures with the \$10 billion Goldcorp-Newmont merger described above. As mentioned above, however, M&A activity has been directed almost solely on companies with producing assets while investment in smaller-cap explorers/developers have been limited to strategic investments, predominately in earlier stage exploration companies. The recent consolidation of larger-cap gold producers will likely result in the redistribution of non-core projects (producing and non-producing) from the majors to smaller-cap companies; after these assets have been inspected and/or acquired, we expect the focus will turn towards higher-risk, non-producing projects and eventually smaller-cap explorers as producers struggle to fill longer-term production pipelines that have become depleted due to the lack of exploration expenditure over the last 10 years. With rising inflation expectations and geopolitical tensions, as well as weakening expected returns for equities as an asset class due to high valuations and lower earnings growth, we believe this sets an ideal backdrop for capital flows into the gold mining sector.

Base Metals

Our macroeconomic outlook is more cautious as a result of the latest, more protectionist developments in the U.S.-China trade dispute. Since the recent escalation of tariffs, the prospects for China growth have become more uncertain: April China macroeconomic data was weaker than expected, with industrial production growth slowing in March to 5.4% YoY. According to the OECD's latest economic outlook, growth in China and the U.S. could be 0.2-0.3% lower on average by 2021 and 2022 if the two countries do not roll back reciprocal tariffs. U.S. consumer prices could be 0.3% higher in 2020 than they would have been without the new duties. Uncertainty about the extent of the trade disputes is also holding back business investment, which is forecast to grow globally at an average rate of 1.75% in 2019, down from 3.5% in 2017 and 2018. We are increasingly concerned that the U.S.-China trade dispute, which has impacted base metals more than other commodities, will be long term. Any positive news would shift sentiment favourably and improve prospects for Chinese GDP growth, until then, we believe China will return to more aggressive stimulus policies to counteract the effect of reduced trade.

Global demand for base metals has weakened, currently at about half the rate in the early 2000s, when China's materials intensive growth cycle started to dominate demand in the sector. Recently, Chinese copper demand has been impacted by slowing of growth in the property and power infrastructure sectors. Nickel fundamentals, after several years of strong stainless steel demand, have also softened but remain strong, while zinc usage in galvanized steel has fallen with the reduction in infrastructure spending. However, metals supply has also been impacted, as copper production has been reduced by a number of mine outages this year, resulting in insufficient concentrates supply and falling TCs. Overall, we remain positive for copper in the medium term and on nickel for the longer term, as battery metals and EVs become more prevalent. We believe zinc is more susceptible to a downturn, as the supply response becomes more pronounced over the next two years.

Copper. The pace of growth of copper use in China is slowing, but remains strong, with a generally positive sentiment based on the supply-demand balance. Chinese property investment is surprisingly strong YTD, and with China's growing EV adoption, declining growth from construction and infrastructure is expected to be offset by vehicular demand. From a supply perspective, mine production disruption is more pronounced this year. Reported outages are equivalent to over half of last year's full total. Smelter demand for concentrates is affecting spot TCs, now at multi-year lows in China as scrap inflows are expected to face more import restrictions soon. Overall, despite ongoing trade disputes, the outlook for copper remains positive, supported by supply-driven deficits. We believe the copper market will be in deficit for the next two years, as mine production slows and the market remains tight.

Zinc. Although drawdowns of stocks have brought exchange inventories to critically low levels, the growing concerns over potential impacts on consumption from macroeconomic factors and low utilization rates at smelters have resulted in higher TCs. A smelter bottleneck is expected to develop in 2019, with concentrate surpluses and refined deficits. Demand has been helped recently by stronger automotive and galvanized output in China, but the zinc market continues to have weak demand growth, at 1-2% a year, the lowest demand growth among the major base metals, and almost half of the growth rates reported in the 1990s. As global zinc mine supply recovers, we maintain our modest outlook on the metal.

Nickel. The rise in nickel prices since the start of 2016 has reflected strong growth in stainless steel demand. While demand growth for the metal has slowed from 8% in 2016, to 5% in 2018 (still the highest demand growth of the major base metals), the market remains in deficit. Stainless steel still dominates nickel usage and will remain the largest growth area, but the battery market is growing rapidly. It is estimated the amount of nickel per car could on average grow from 20kg up to 40-50kg by 2025, depending on battery technology. By 2025, trend demand of 5% growth from 2017 requires 1.1M tpa of new supply and the low end of EV forecasts suggests an additional 400k tpa is required. This is equivalent to fourfold growth in Chinese NPI production (which poses increasing risks to certainty of supply), or the total 2010 nickel production. At present, the project pipeline outside of Indonesian NPI projects is empty.



Uranium Sector Expected to be Catalyst Driven in Q2/Q3.

Uranium equities have had mixed start to 2019 as the UxC daily Broker Average Price (BAP) has pulled back almost 15% year-to-date after gaining almost 21% in 2018. The bulk of the negative price action in uranium this year occurred in Q1 (-13%) and prices appear to be stabilizing in the US\$24-\$25/lb U₃O₈ range as the market awaits a decision from the U.S. President (due by July 13th, 2019) on the confidential recommendations of the Department of Commerce's (DoC) Section 232 investigation into the domestic uranium supply chain. The outcome of this decision represents a potential catalyst for uranium equities with significant U.S. assets should the U.S. impart rules or regulations designed to support domestic production in some form. Beyond Section 232, uranium sector fundamentals continue to improve as supply/demand developments support sustained upward pressure on the commodity price. We believe we are in the early stages of a long-term bull market for the uranium investment theme and the driving force behind our bullishness continues to be supply-side driven production cuts from the world's largest suppliers designed to improve the fundamental demand-supply balance and increase uranium prices. Supply-side discipline and mine depletion in conjunction with a global nuclear fleet projected to grow to ~520 operating reactors from ~416 currently (+25%) by 2035 underpins this. We believe substantially higher prices will be required to incentivize new mine construction to backfill the accelerating supply shortfall we outline from 2027 onward in our demand/supply forecast. While we await clarity on potential catalysts, we believe investors in this sector can still be rewarded through exposure to names with big discovery potential, which if successful, have historically overcome the short term commodity price headwinds. We aim to include names that fit this theme in this feature report.

Junior Equity Performance Continues to Disappoint.

The junior exploration space registered another poor quarter, compounded by a fall in most of the major metals headlined by gold and copper which fell 4% and 9% respectively. A report from the SNL Global Market Intelligence unit reflected the poor performance from the junior exploration space. Its Pipeline Activity Index (PAI), a measure of the level and direction of the commodity supply pipeline from drilling results, resource estimates, project financings and project development milestones, fell between April 2018 and 2019. The index was most affected by a fall in drilling activity, which fell to a 32-month low, in addition to project financings and resource estimates. A more detailed inspection of project financings reflects the contrast in investor sentiment between Australia and Canada, with ASX listed companies accounting for 68% of project financings in the mining sector compared to only 26% from TSX/TSXV listed companies. This has been a major contributor to the increased focus on Canadian-listed companies by their cashed-up Australian listed peers as mentioned above.

One likely reason for the discrepancy in sentiment between the two mining jurisdictions is the impact of cannabis equities in North America, which has arguably attracted a large proportion of high-risk capital that would otherwise be allocated to the mining space. With the legalization of cannabis in Canada, and its access to the American market (despite still being illegal on a federal level), a large proportion of the high-risk investment capital that was previously dominated by the junior mining sector has been diverted to marijuana. A comparison between capital raised in both sectors paints the picture, with US\$1.20 billion for junior mining raised globally between April 2018 and 2019 (source: S&P Global Market Intelligence) compared to the ~US\$16 billion for cannabis raised through Canadian exchanges and NASDAQ in 2018 alone (Private Capital Journal). In contrast, cannabis laws are still prohibitive in Australia and the sector is still in its infancy, with only 21 companies listed on the ASX as of April 2019.

A similar thesis can be drawn for the base metals sector. While the trade dispute between the U.S. and China continues, base metal prices, and associated junior explorers, will likely remain under pressure. However, the fundamental supply demand principles remain the same: the continued depletion of tonnes and grade at many of the world's larger copper producers should put upward pressure on copper prices as market conditions become more favorable and producers look to bolster their future production pipelines. The closure of a number of zinc and lead mines should also put upward pressure on these metals as well. Given the lack of advanced exploration/development projects in the base metals space, we believe companies with advanced-stage base metals projects will be in an enviable position when sentiment returns. Investor and corporate interest should then flow downstream to the smaller-cap explorers.

The mixed performance of Junior mining equities reflects the performance of the companies featured in our last Junior Exploration Report. Of those 12 companies, only 4 registered positive returns. The best performer Sun Metals Corp. (SUNM-V), registering a 37% return since our last publication. The 2 highlight positive performers from our watch list are as follows:

- ◆ **Sun Metals Corp. (SUNM-V; ↑37%):** A new exploration company from the Oxygen Capital group focusing on the Stardust project in northcentral British Columbia.
- ◆ **Velocity Minerals Ltd. (VLC-V; ↑22%):** A gold exploration with several option agreements in Bulgaria

A summary of each company's performance since our last publication, in addition to selected commodities and indices, is given in the table below.

We have reviewed our list of companies from our last publication and have added 8 new names to our watch list: BeMetals Corp. (BMET-V), Chakana Copper Corp. (PERU-V), IsoEnergy Ltd. (ISO-V), Japan Gold Corp. (JG-V), Luminex Resources Corp. (LR-V), Orford Mining Corp. (ORM-V), Riverside Resources Inc. (RRI-V) and Westhaven Ventures Inc. (WHN-V). We note that one criterion for companies to be featured in our Junior Exploration Q2/19 Report is that we believe they can deliver news flow during the next quarter. We constantly assess companies not featured, and the composition of companies presented in future editions will be reviewed based on the same criteria.



Q1/19 Junior Exploration Constituent Performance

Ticker	Company	Analyst	Price		Period Return	Commodity Focus
			20-Feb-19	21-May-19		
TSXV:AOT	Ascot Resources Ltd.	Geordie Mark	0.99	0.73	-26%	Au
TSXV:ARU	Aurania Resources Ltd.	Pierre Vaillancourt	2.75	3.55	29%	Au/Ag/Cu
TSXV:AU	Aurion Resources Ltd.	Mick Carew	1.27	0.98	-23%	Au
TSXV:CORE	Canadian Orebodies Inc.	Mick Carew	0.40	0.24	-39%	Au
TSXV:FWZ	Fireweed Zinc Ltd.	Pierre Vaillancourt	0.91	0.64	-30%	Pb/Zn/Ag
ASX:OKU	Oklo Resources Limited	Geordie Mark	0.24	0.17	-30%	Au
TSXV:PGZ	Pan Global Resources Inc.	Mick Carew	0.09	0.08	-17%	Cu/Au/Zn
TSXV:RGD	Reunion Gold Corporation	Kerry Smith	0.19	0.20	5%	Au
TSXV:SAE	Sable Resources	Mick Carew	0.16	0.13	-16%	Au/Ag
TSXV:SUNV	Sun Metals Corp.	Pierre Vaillancourt	0.43	0.59	37%	Au/Ag/Cu
TSXV:VLC	Velocity Minerals Ltd.	Geordie Mark	0.27	0.33	22%	Au
TSXV:WLF	Wolfden Resources Corporation	Pierre Vaillancourt	0.21	0.16	-26%	Cu/Zn/Pb/Au/Ag

Commodities & Indices

Gold (US\$/oz)	1,338	1,275	-5%
Silver (US\$/oz)	16.06	14.45	-10%
Copper (US\$/lb)	2.92	2.71	-7%
Uranium (US\$/lb)	28.70	24.59	-14%
Nickel (US\$/lb)	5.82	5.47	-6%
S&P/TSX Composite Index	16,031	16,420	2%
S&P/TSX Venture Composite Index	622.33	612.46	-2%
S&P/TSX Global Mining Index	75.32	71.55	-5%

Note: Price performance based on February 20th, 2019 - May 21, 2019

Source: Capital IQ, Bloomberg, and Haywood Securities

Junior Exploration Q2/19 Report

Analyst	Company	Ticker	MCap	Cash	Ent Value	Last		Region	Commodity
						Published	2019 YTD		
Mick Carew	Aurion Resources Ltd.	TSXV:AU	\$74.1M	\$12.0M	\$62M	-23%	-10%	Finland	Au
Mick Carew	BeMetals Corp.	TSXV:BMET	\$17.3M	\$8.0M	\$9M	-6%	11%	Idaho, Zambia	Cu/Zn/Pd/Ni
Mick Carew	Canadian Orebodies Inc.	TSXV:CORE	\$12.9M	\$1.5M	\$11M	-39%	-25%	Ontario	Au
Mick Carew	Chakana Copper Corp.	TSXV:PERU	\$31.0M	\$13.1M	\$18M	-4%	-10%	Peru	Cu/Au/Ag
Colin Healey	IsoEnergy Ltd.	TSXV:ISO	\$28.7M	\$4.2M	\$25M	-14%	-13%	Saskatchewan	U3O8
Mick Carew	Japan Gold Corp.	TSXV:JG	\$27.3M	\$6.0M	\$21M	-2%	9%	Japan	Au/Cu
Geordie Mark	Luminex Resources Corp.	TSXV:LR	\$26.7M	\$4.6M	\$22M	7%	2%	Ecuador	Au/Ag/Cu
Pierre Vaillancourt	Orford Mining Corporation	TSXV:ORM	\$4.9M	\$3.6M	\$1M	-11%	-47%	Quebec	Au/Ni
Kerry Smith	Reunion Gold Corporation	TSXV:RGD	\$79.5M	\$11.0M	\$69M	5%	8%	South America	Au
Pierre Vaillancourt	Riverside Resources Inc.	TSXV:RRI	\$11.0M	\$3.5M	\$7M	6%	-3%	Mexico	Au/Ag/Cu
Pierre Vaillancourt	Sun Metals Corp.	TSXV:SUNM	\$70.0M	\$6.9M	\$63M	37%	97%	British Columbia	Au/Ag/Cu
Mick Carew	Velocity Minerals Ltd.	TSXV:VLC	\$31.9M	\$8.5M	\$23M	22%	69%	Bulgaria	Au
Mick Carew	Westhaven Ventures Inc.	TSXV:WHN	\$54.6M	\$2.3M	\$52M	-35%	-55%	British Columbia	Au/Ag

Source: Company Reports, Capital IQ, and Haywood Securities



Metal Price Performance (year on year)

Gold & Silver



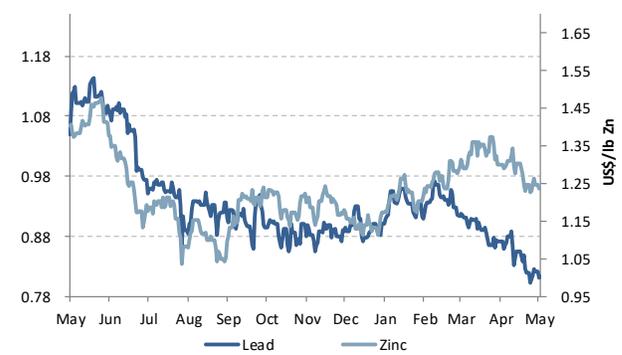
Platinum & Palladium



Copper & Nickel



Lead & Zinc



Iron Ore



Uranium



TSX



TSXV



Source: Bloomberg

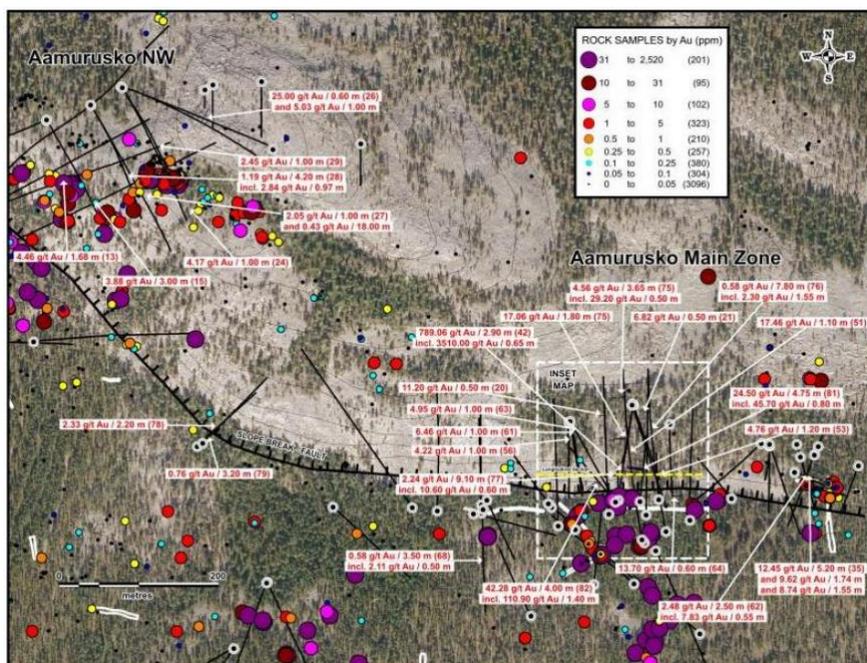


Aurion Resources Ltd. (AU-V, \$0.98)

Company Description

- Aamurusko starting to take shape:** Last year saw Aurion's 100%-owned Risti project continue to be the primary focus for the Company; in particular, drilling at the Aamurusko target intersect gold-bearing quartz veins that appear to exhibit a distinct plunge and orientation identified by trench work and a down hole camera. As a result, drilling has been far more productive, with 83% of the 82 drill holes at Aamurusko hitting gold mineralization and some intersecting gold mineralization down-plunge of previous drill holes. This was highlighted by a 100-metre zone where numerous high-grade gold intersections occur along the conglomerate and mafic/ultramafic contact at Aamurusko, which will be a major focus for the Company in 2019. Meanwhile, Aurion continued to advance its other targets, discovering more quartz boulders at Launi, located approximately 7 kilometers south of Aamurusko. Aurion is well financed following a recent \$6.65M raise and is expected to recommence drilling later this month.

Figure 1: Highlight drilling results at Aamurusko and location of high-grade zone (white square)



Source: Aurion Resources

Financials and Catalysts

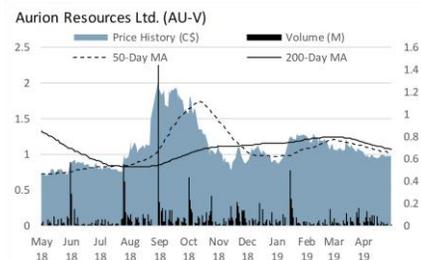
- Work Program:** Aurion has a 12-month budget of a ~\$9 million, which will be primarily focused on Aamurusko; a portion of the budget will also be allocated to Notches and other advanced targets and regional exploration elsewhere in its land package.
- Financial Position: Cash:** ~\$12 million. **Last Financing:** Brokered and non-brokered Private Placement of 6.16 million shares at \$1.05 per share (including 690,000 shares at \$1.05 per share purchased by Kinross; K-T) for gross proceeds of \$6.47 million.

RESERVE/RESOURCE (ATTRIBUTABLE)

	Grade	In Situ
Gold	0.8 g/t	0.82 Moz
EV/oz AU (US\$)		\$102
Peer Average EV/oz Au (US\$)		\$50

KEY STATISTICS AND METRICS

52-Week High/Low	\$2.15 / \$0.70	Net Debt	\$ 0.0 M
3 Month Performance	-22.83%	Enterprise Value	\$ 62.1 M
Shares I/O (M)	75.6 M	Daily Volume (3 mos.)	41,000
Shares F/D (M)	82.1 M	Currency	C\$ unless noted
Market Capitalization	\$ 74.1 M	Website	www.aurionresources.com
Cash	\$ 12.0 M	CEO	Michael Basha



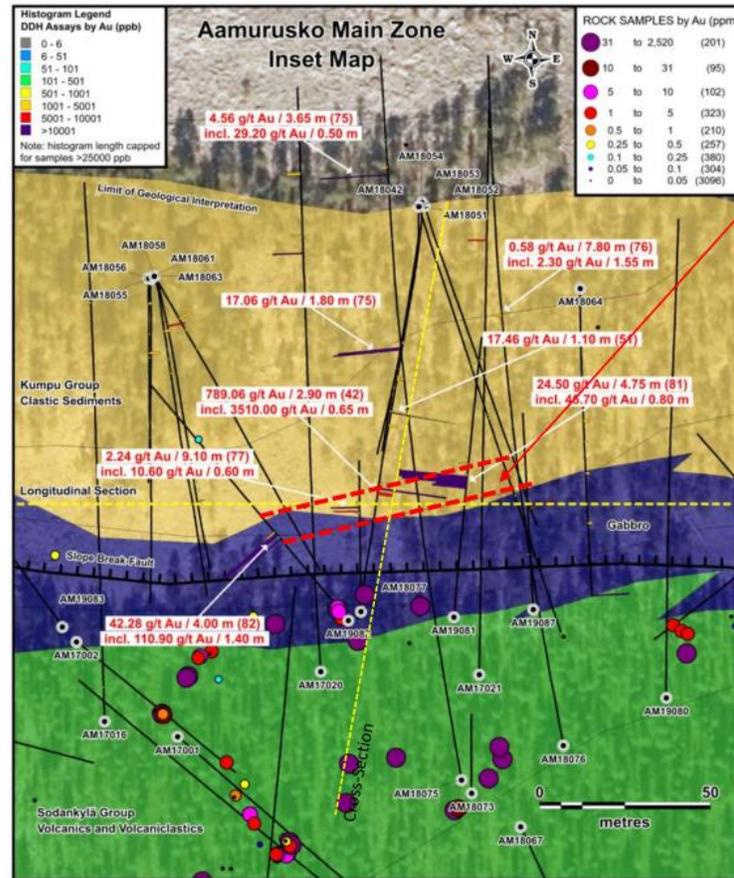
Source: Capital IQ and Haywood Securities



Exploration Projects

- ◆ **Geological model for Aamurusko evolving:** Aurion's recently completed 12,000 metre drill program at its Risti Project in northern Finland was a successful one for the Company, highlighted by the intersection of high-grade (albeit narrow) gold-bearing quartz veins in several holes down plunge from previous high-grade gold intersections. The importance of these results relates to the development of a geological model defining the important structural controls, and conversely the orientation(s) of, mineralized quartz veins at Aamurusko, resulting in a more predictive drill targeting strategy. A greater understanding of the kinematics behind these structurally controlled quartz veins will be invaluable as the Company continues to test its hypothesis that proposes the presence of a more coherent source for the gold-bearing veins and gold-bearing boulders on surface. At Aamurusko, this structural interpretation is apparent along the conglomerate and mafic/ultramafic contact where drilling has outlined a possible plunge direction and orientation to the quartz vein system that occurs over a strike length of ~100 metres (Figure 1).

Figure 2: High-grade zone at Aamurusko (red hashed lines) showing highlight gold intersections



Source: Aurion Resources

- ◆ **Risti Gold Project (Other Targets; 100%-owned)** Risti covers a 15,000-hectare area of untested ground containing several high-grade boulder fields including Aamurusko (see above), YNot to the northwest, Notches to the east and K2 to the south. In February, Aurion also announced the discovery of another quartz boulder field at Launi East, where 399 rock chip samples returned an average of 2.47 g/t gold. Trenches excavated at both YNot and Notches confirm the presence of in situ gold-bearing quartz veins. Trenching and boulder sampling has defined a 1.0 kilometer by 5.0 kilometer zone of gold mineralization hosted in sandstone and intercalated conglomerate. This work is expected to be followed up with a maiden drill program sometime in Q2/19.
- ◆ **Other Projects:** While Risti is Aurion's focus, the Company has several other projects in its portfolio. **Kutuvuoma** remains Aurion's most advanced project and is a joint venture with B2 Gold (TSX:BTO, BUY, \$5.00 Target), with Aurion fully funded through to a Feasibility Study (Residual 25% interest in the project). More information on B2Gold's plans for the project are expected soon. **Ahvenjarvi (B2Gold JV)** is an early stage exploration target also under a joint venture project with B2Gold. Aurion also has a 100% interest in the Ruoppa and Sila projects. The Ruoppa project is characterized by quartz-sulphide vein stockwork in dike swarms that covers an area approximately 2.3 kilometres by 1 kilometre, with grades up to 30.7 g/t gold. The Company signed a non-binding Letter of Intent with Kinross Gold Corp. (K-T; Not Rated) giving Kinross the right to earn up to 70% of the Outa project.

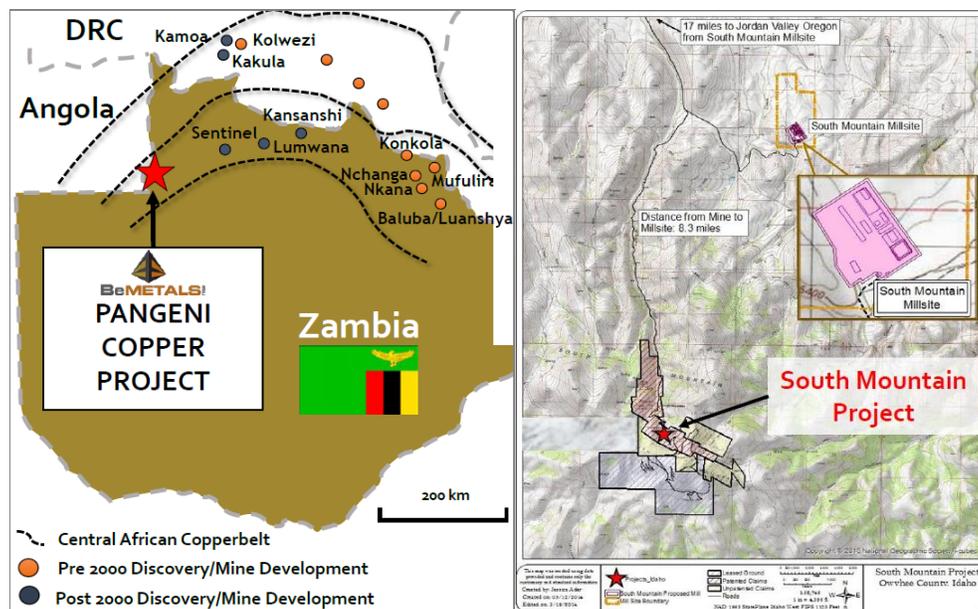


BeMetals Corp. (BMET-V, \$0.25)

Company Description

- ◆ **BeMetals** is a base metals exploration and development company whose strategy is to acquire near-term development assets and properties. The Company's two development stage, flagship projects are Pangeni Copper (Figure 1 – left) and South Mountain (Figure 1 – right). The South Mountain project is a zinc-silver focused polymetallic development project located in southwest Idaho. The Pangeni Copper project is in the Zambian Copperbelt, within the Lufilian Arc, underlain by Katangan Supergroup metasediments which are covered by a thin layer of Kalahari sands. BeMetals has an option agreement to acquire a 100% interest in South Mountain and the rights to acquire a 72% interest in the Pangeni Copper project.
- ◆ **Management:** The Company is led by CEO John Wilton who has 28 years of experience in the minerals industry and was previously the Regional Exploration Manager of Africa at Antofagasta PLC. Dennis Stansbury, Technical Advisor – Mining Engineer, founded B2Gold and helped grow its market capitalization from \$100 million to 3.6 billion; he currently serves as a Senior Vice President there. Clive Johnson, founder of B2Gold (TSX:BTO, BUY, \$5.00 Target) is an independent director.

Figure 1: Location of the Pangeni Copper and South Mountain Project



Source: BeMetals

Financials and Catalysts

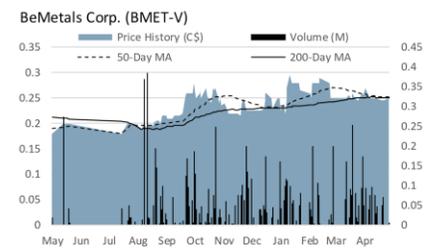
- ◆ **Work Program:** For Southwest Mountain, BeMetals is expected to undergo a US\$2.3 million advanced exploration program in 2019 and subsequently a preliminary economic assessment in 2020. For Pangeni, 1,400 meters of diamond core drilling is planned to test targets H1, D2 and E2 and has a budget of US\$700,000.
- ◆ **Financial Position:** Cash: ~C\$8 million. **Last Financing:** In May 2019, BeMetals closed C\$7.78 million financing.

RESERVE/RESOURCE (ATTRIBUTABLE)

	Grade	In Situ
Gold	1.7 g/t	0.03 Moz
Silver	182.7 g/t	2.84 Moz
Zinc	10.01%	106.70 Milb
Lead	1.07%	11.40 Milb
Copper	0.70%	7.50 Milb

KEY STATISTICS AND METRICS

52-Week High/Low	\$0.30 / \$0.18	Net Debt	\$ 0.0 M
3 Month Performance	-5.66%	Enterprise Value	\$ 9.3 M
Shares I/O (M)	69.0 M	Daily Volume (3 mos.)	67,760
Shares F/D (M)	74.6 M	Currency	C\$ unless noted
Market Capitalization	\$ 17.3 M	Website	www.bemetalscorp.com
Cash	\$ 8.0 M	CEO	John Wilton



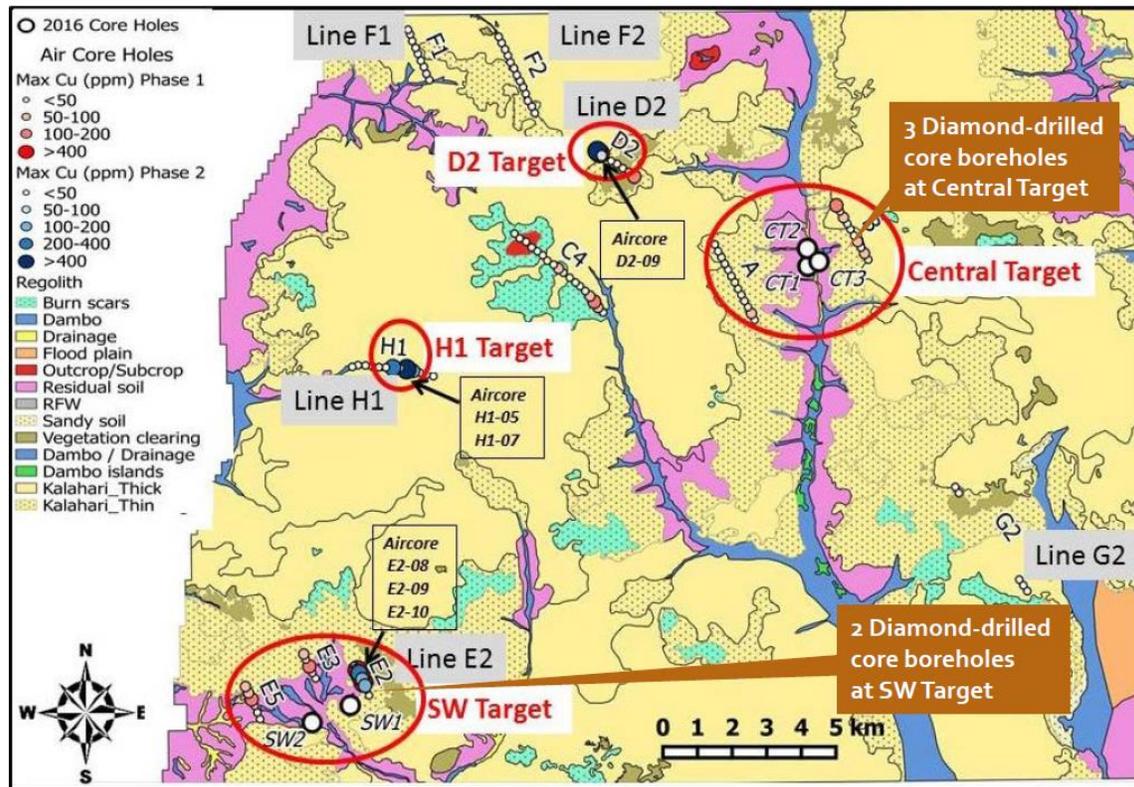
Source: Capital IQ and Haywood Securities



Exploration Projects

- ◆ **South Mountain Zinc-Silver Project (option to acquire 100% interest)** is one of the highest grade zinc equivalent projects in North America, with a grade by zinc equivalent of 17.6%. South Mountain has a current resource of 154.1Kt at 17.6% zinc equivalent as measured and indicated and 329.5Kt at 16.63% zinc equivalent as inferred. The 2019-2020 work plan for South Mountain has two phases. Phase one, which is to be completed in 2019, involves upgrading ventilation power and water systems, completing 100 meters of additional underground development to create drill platforms, and completing 2,500 meters of definition diamond drilling to confirm and expand known resources. Phase two, planned for 2020, is to complete a preliminary economic assessment as well as an additional 5,000 meters of definition drilling assuming positive phase 1 results. The project is aided by existing underground workings and the majority of permits already in place.
- ◆ **Pangeni Copper Project (rights to acquire 72% interest)** is located on the Zambian Copperbelt, a growing metallogenic province that has seen recent mine development by Barrick and First Quantum. At the project's central target, significant copper and cobalt mineralization has been discovered with intersections CT1 and CT3 yielding 6.1 meters at 0.34%Cu and 6.0 meters at 0.35% respectively. At the projects southwest target a significant Cu mineralized system has been discovered with intersections SW1 resulting 4.5 meters at 0.30% Cu and SW2 resulting 5.5 meters at 0.28% Cu. Mineralization is over at least 1200 meters strike. In addition, two new targets, H1 and D2, have been identified with the highest tenor air-core sample returned to date of 1,268 ppm Cu at D2 target (Figure 2). In 2019 the Company plans to do 1,400 meters of diamond core drilling to test targets H1, D2 and E2.

Figure 2: Plan view of the Pangeni Copper project with the location of the H1 and D2 Targets and phase 1 and 2 air-core results



Source: BeMetals

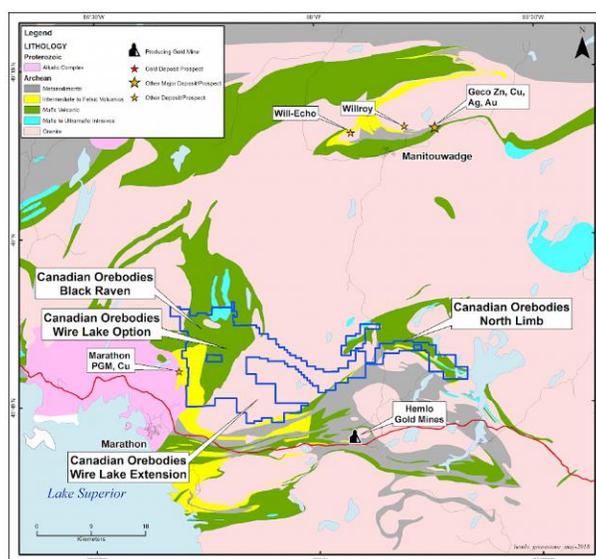


Canadian Orebodies Inc. (CORE-V, \$0.24)

Company Description

- Canadian Orebodies** is a gold exploration company focused on early stage, grassroots exploration within the Hemlo Greenstone Belt in Ontario. The flagship Wire Lake property covers 455 claims over ~11,300 Ha and is under an option agreement for 100% interest (see below for details); in 2017 the Company also acquired the adjacent Black Raven property comprising an additional 12,600 Ha. Several producing mines are proximal to both properties including the Geco and Winston Lake Zn-Cu deposits owned by Noranda and First Quantum respectively. The Company retains a tight capital structure with 54 million shares outstanding of which Osisko Mines (OSK-T, BUY, \$4.50 Target) and Northfield Capital are 12% and 17.6% shareholders respectively. President and CEO Gordon McKinnon co-founded a private royalty company sold to AuRico Metals in 2015 and has led Canadian Orebodies since its inception in 2008. The Wire Lake project is under an option agreement with a private company whereby Canadian Orebodies can earn 100% interest by an initial \$40,000 payment (completed), 312,500 shares and five payments of \$550,000. The vendor also retains a 2% royalty that can be purchased for \$1 million.

Figure 1: Location of Canadian Orebodies' gold and gold-zinc projects in Ontario



Source: Canadian Orebodies

Financials and Catalysts

- Work Program:** Canadian Orebodies completed its winter drill program in April, which comprised a total of 1,305 metres in ten holes. Assay results are expected in the next few weeks. The Company has also commenced a resampling program at various targets. Details for the Company's 2019 summer program are expected soon.
- Financial Position: Cash:** ~1.5 million. **Last Financing:** June 2018: non brokered private placement for \$2.06 million comprising of 6.153 million flow-through shares at \$0.335 per share.

RESERVE/RESOURCE (ATTRIBUTABLE)

	Grade	In Situ
Iron Ore	35.3%	519.00 Mt

KEY STATISTICS AND METRICS

52-Week High/Low	\$0.45 / \$0.14	Net Debt	\$ 0.0 M
3 Month Performance	-39.24%	Enterprise Value	\$ 11.4 M
Shares I/O (M)	53.9 M	Daily Volume (3 mos.)	31,470
Shares F/D (M)	28.3 M	Currency	C\$ unless noted
Market Capitalization	\$ 12.9 M	Website	www.canadianorebodies.com
Cash	\$ 1.5 M	CEO	Gordon Scott McKinnon

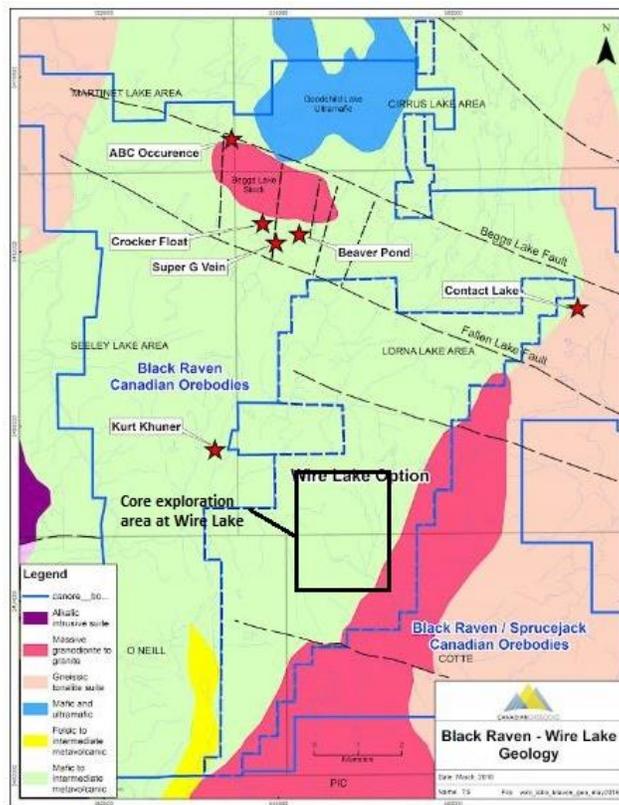


Source: Capital IQ and Haywood Securities



- Wire Lake Property:** Originally discovered in 1986, the Wire Lake property lay dormant for 20 years due to a law suit until Canadian Orebodies commenced drilling on the property in 2017. Twenty-seven holes totaling over 4,000 metres were drilled in 2017 and 2018 targeting a combination of rock/soil geochemical and magnetic/IP geophysical anomalies, defining several gold-bearing zones that occur over a total strike length of ~2 kilometers. All five zones identified so far remain open in all directions and at depth to a maximum of ~200 metres. Highlight intersections include 18.7 metres grading 2.6 g/t gold at the North Hill Zone and 32.4 metres grading 1.4 g/t gold at the Lucky Seven Zone. Interestingly, while anomalous gold grades were intersected at the West Zone (Figure 2), drilling also encountered several intervals of massive sulphide containing up to 40% pyrrhotite and averaging ~5 to 10% sulphide. Base metal assays for the five holes drilled in 2018 are pending.
- Black Raven Property:** The 100%-owned Black Raven property is situated adjacent to and to the north of Wire Lake and contains several gold and gold-zinc prospects. Of particular interest is the Super G prospect, originally discovered by Hemlo Gold Mines in 1993 from high-grade gold bearing float boulders. A 5-hole, 785 metre drilling program followed up on earlier drilling by Hemlo and intersected several intervals of narrow, but high-grade gold mineralization associated with visible gold in quartz veins/stringers and disseminated sulphides. These features appear to be part of a larger anastomosing network of structures that has been defined over a strike length of ~400 metres and a depth of ~130 metres and are bounded by two prominent northwest trending faults. The highlight from the 2018 program was a 2.0 metre intersection grading 133.2 g/t gold, while other noteworthy results included 2.0 metres grading 19.1 g/t gold and 2.0 metres grading 8.7 g/t gold. Several boulder trains containing float samples with variable gold and zinc grades occur adjacent to Super G and require follow-up work.
- Other Projects:** Canadian Orebodies also hold a further 7,000 Ha of prospective ground to the east of Black Raven and Wire Lake that covers a 22 km strike length of the Hemlo greenstone belt containing several gold and VMS-style occurrences. The Company also own an iron ore deposit in Nunavut with a NI 43-101 resource of 319 million tonnes grading 35.34% iron (Ind and Inf).

Figure 2: Simplified geology of the Wire Lake and Black Raven properties



Source: modified after Canadian Orebodies

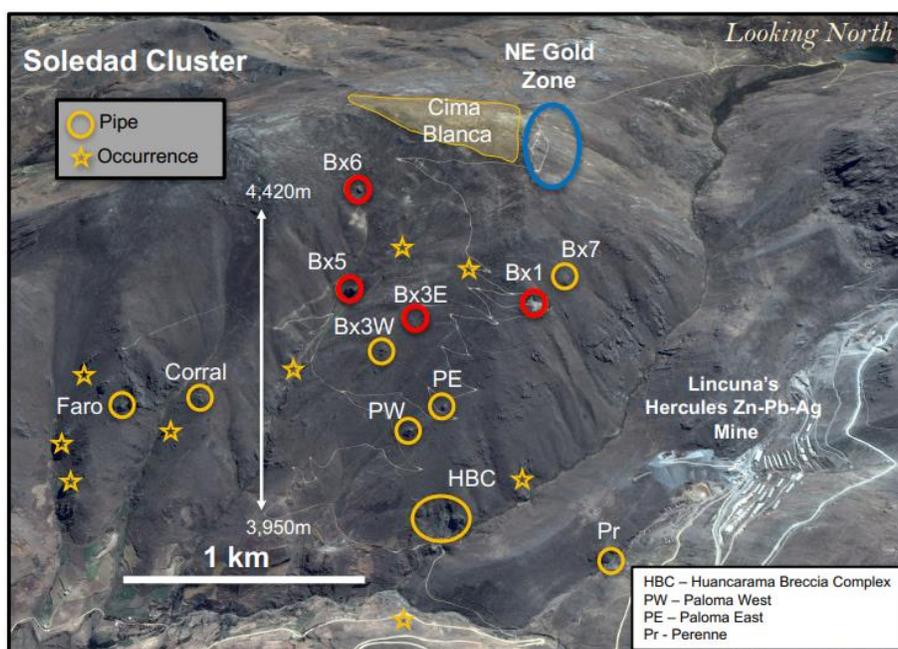


Chakana Copper Corp. (PERU-V, \$0.38)

Company Description

- Chakana Copper is a copper-gold exploration company currently advancing the Soledad project near Aija, in the Ancash region of Peru. Soledad is located 35 kilometres south of Barrick Gold's (ABX-T, Buy Rating, \$19.00 Target) Pierina gold mine and 60 kilometres southwest of the Antamina mine. There is good road access to the project, as Lincuna's (Private Company) nearby Hercules mine is located < 1 kilometre to the east. Chakana's focus is on a series of vertical tourmaline breccia pipes that are exposed on surface and occur over an area of ~4 km² (Figure 1). So far, the Company has drill tested four pipes (1, 3E, 5 and 6), with 1 and 5 drilled to resource density. The project was recently validated with Gold Fields' (GFI-JSE, Not Rated) C\$8 million strategic investment last month; Gold Fields' now own 16% of the issued and outstanding shares. The Board includes Doug Kirwin, formerly of Ivanhoe Mines and part of the discovery team for the Hugo Dummet deposit at Oyu Tolgoi in Mongolia, and Jon Black, formerly of Antares Minerals, which was acquired by First Quantum Minerals (FM-T, Not Rated) for C\$650 million.

Figure 1: Soledad Breccia Pipe Cluster showing those drilling (red) and those identified (Yellow).



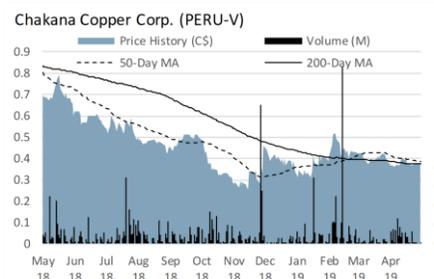
Source: Chakana Copper

Financials and Catalysts

- Work Program:** Two drill rigs are currently on site, and Chakana are expected to drill approximately 20,000 metres for its Phase three program. The Company are also awaiting a final permit for its Huancarama project (Figure 1), which will be included in the 20,000 metre program when received. Chakana are aiming to release a maiden resource estimate for Soledad by the end of the year
- Financial Position:** Cash: ~C\$13.1 million - (May 2019). Last Financing: April 2019, a \$8 million strategic investment by Goldfields (GFI-JSE) comprising 15.7 million shares at \$0.51 per share.

KEY STATISTICS AND METRICS

52-Week High/Low	\$0.80 / \$0.25	Net Debt	\$ 0.0 M
3 Month Performance	-3.80%	Enterprise Value	\$ 17.9 M
Shares I/O (M)	81.5 M	Daily Volume (3 mos.)	106,040
Shares F/D (M)	87.7 M	Currency	C\$ unless noted
Market Capitalization	\$ 31.0 M	Website	www.chakanacopper.com
Cash	\$ 13.1 M	CEO	David Kelley



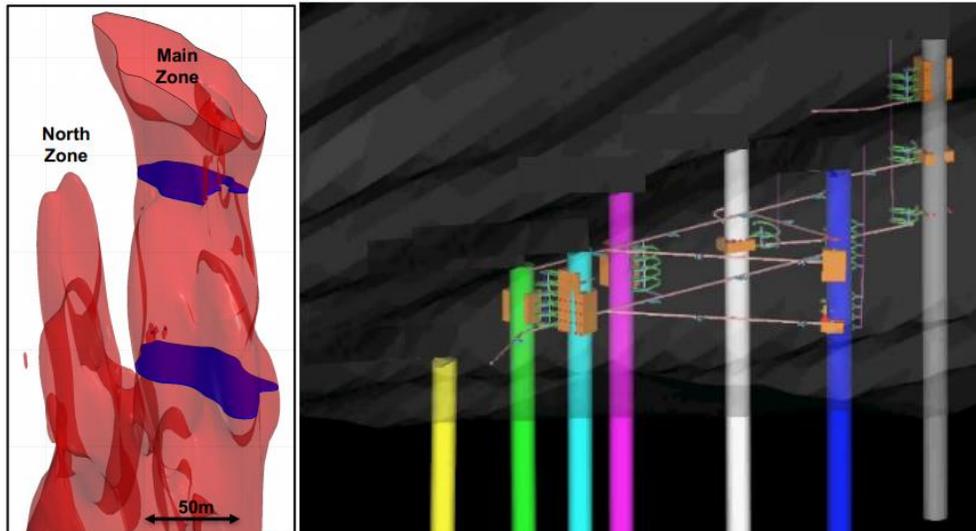
Source: Capital IQ and Haywood Securities



Exploration Projects

- Soledad Breccia Pipe System:** The key target for Chakana is a series of high-grade tourmaline breccia pipes, which were ignored by previous operators focused on porphyry-style deposits to which the breccia pipes are interpreted to be related. Chakana aims to define a number of these breccia pipes and demonstrate their economic potential (Figure 2). To date, two of the nine identified breccia pipes have been tested by drilling. Several of the breccia pipes identified align in a north-northwest orientation and vary from 176 metres to 625 metres apart. In addition, identified pipes and alteration occurrences also align in an east-northeast orientation (Figure 1 and 2); the alteration occurrences are interpreted to represent breccia pipes not exposed at surface. Most of the drilling until now has focused on Breccia Pipe 1, with highlight intersections including 209 metres grading 2.22 g/t gold, 69.6 g/t silver, and 0.96% copper (hole SDH17-018). Higher grade copper-gold mineralization occurs along the margins of the breccia pipes.
- Historical Work** Exploration work first began in the Soledad area in 1995/1996, with several operators completing drilling programs and conducting early stage exploration work focused primarily on porphyry-style targets. In 2016, a private Peruvian mining company optioned the property from Condor Resources, drilling four holes before terminating the agreement in early 2017. Since signing the option agreement with Condor, Chakana has completed 14,700 metres over 55 holes from a 16,600- to 30,000-metre drill program that began in August 2016.
- Option Agreements.** The Soledad project is currently held under three separate option agreements with Condor Resources (CM-V, Not Rated), Barrick Gold and Rosales, a private Peruvian family. For 100% ownership, the Condor and Rosales agreements require Chakana to make total cash payments of US\$7.67 million over 4.5 years and includes a 1% and 2% royalty for Condor and Rosales respectively, with options to purchase a portion of either royalty for additional cash payments. We note that most of the drilling conducted to date at Soledad has been within ground covered by the Condor agreement. The Barrick agreement requires Chakana to complete 2,000 metres of drilling and complete a PEA within 5 years and includes a onetime back-in right to enter a 70:30 JV by reimbursing 3 times the total exploration expenditures back to Chakana plus a 2% NSR.

Figure 2: A) 3D model (looking east) of Breccia Pipe 1; B) Conceptual mine plan showing the sub-level caving mining method proposed for Soledad (should economic reserves be defined at the project).



Source: Chakana Copper



IsoEnergy Ltd. (ISO-V, \$0.42)

Company Description

- ◆ **IsoEnergy** is a mineral exploration company focused on its portfolio of uranium exploration properties in the Athabasca Basin. This portfolio includes Larocque East, Geiger, Radio and Thorburn which are all 100% owned by IsoEnergy. The main goal of the upcoming summer exploration drill program at Larocque East will be following up on very promising results from the 'Hurricane Zone' uncovered during the winter drill program where 11 of 12 holes intersected strong uranium mineralization. **Results of the winter drill program at the Hurricane Zone, in our view, represent the most interesting and promising uranium exploration results we've seen from a new discovery in any jurisdiction in some time.** ISO's Geiger, Radio and Thorburn Lake projects are also drill ready.
- ◆ **Management.** IsoEnergy is led by CEO Craig Parry who is the former founder of Tigers Realm Group, Tigers Realm Coal, EMR Capital and a founding director of NexGen Energy Ltd. He also led geology and resources for Rio Tinto's Kintyre uranium project and advised on its sale to Cameco. Steve Blower, VP Exploration, has over 20 years' experience in the minerals industry and over 10 years of experience exploring uranium in the Athabasca Basin.

Exploration Projects

- ◆ **Larocque East (100% Owned)** was acquired from Cameco in May 2018. The discovery hole was drilled in July 2018 and included a subinterval of 1.0m grading 6.45% U₃O₈ (within 8.5m grading 1.26% U₃O₈). The Hurricane zone lies 40km from Orano's McClean Lake mill and occurs at a relatively shallow depth of 330m below surface. Follow-up drilling was completed this past winter with 11 of 12 drill holes intersecting significant uranium mineralization (Figure 2). Known uranium mineralization extends over one kilometer of strike and is interpreted to occur "on a major basement tapping fault system that has caused a ridge in the sub-Athabasca unconformity" (Figure 1). Major highlights of follow-up drilling include hole LE19-02 which cut a 3.5m intercept averaging 10.4% U₃O₈, including 0.5m grading 38.2% U₃O₈, which reportedly straddles the sub Athabasca unconformity. Hole LE19-03 cut a 3.0m intersection grading 2.7% U₃O₈, above the sub Athabasca unconformity (Figure 1). Four (4) of the 12 holes drilled included very high-grade double-digit U₃O₈ % assays over at least half a metre and another 5 of the holes included still high-grades of at least single-digit U₃O₈ % over a minimum of half a metre, offering a confidence boost that ISO is onto something at Larocque. Potential to expand the mineralized zone to the east is supported by historic drilling which identified mineralization beyond the current zone (hole KER07, Figure 2). ISO reports indications of continuing strong illite alteration and sandstone bleaching beyond the eastern-most hole drilled this winter, out to historic hole KER07, located more than 250m to the east (Figure 2).
- ◆ **Geiger (100% Owned)** was acquired in August 2017 and has since then been expanded with 6,800 hectares in the Dawn Lake North Block being added. The new region is drill ready and has approximately 135 kilometers of graphitic conductors including several mineralized intersections. A 9 hole drilling program was finished in January to March 2018.
- ◆ **Radio (100% Owned)** is located 2 kilometers east of Rio Tinto's Roughrider uranium deposit and was acquired by IsoEnergy in July 2017. IsoEnergy already completed 23 drill holes totaling 8,859 meters and still considers the location a drill ready target.
- ◆ **Thorburn Lake (100% Owned)** was previously drilled by another company in 2011. The presence of uranium mineralization was confirmed with an intercept of 0.6 m grading 0.43% U₃O₈. IsoEnergy has completed 7,100 meters of drilling in 16 holes in 2016 and 2017 with targets in the drilling area still remaining and new ones being generated. The Thorburn Lake property is within 7km of Cigar Lake.

Financials and Catalysts

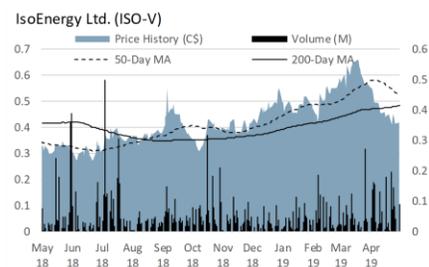
- ◆ **2019 Summer Work Program:** ISO is poised to commence an aggressive summer drill program in June at Larocque East, focusing on the Hurricane zone. The fully-funded \$2.1M exploration program is expected to include up to 13 step-out drill holes and up to 3 infill holes.
- ◆ **Catalysts:** The single biggest catalyst for ISO over the next quarter is results from the drill program at Larocque set to commence shortly.
- ◆ **Financial Position: Cash:** approximately \$4.2M, no debt. **Financing:** Completed over-subscribed bought-deal private-placement raising \$5.5M, in the fourth quarter of 2018. In May 2018, IsoEnergy issued 1,000,000 common shares worth \$350,000 to acquire the Larocque East exploration property. **Share Ownership:** NexGen Energy (NXE-T, BUY, \$6.00 Target; 53.4%), Cameco (5.4%), Orano Canada (2.0%), institutional holdings (19%).

RESERVE/RESOURCE (ATTRIBUTABLE)

	Grade	In Situ
Uranium	0.23%	8.20 Mlb

KEY STATISTICS AND METRICS

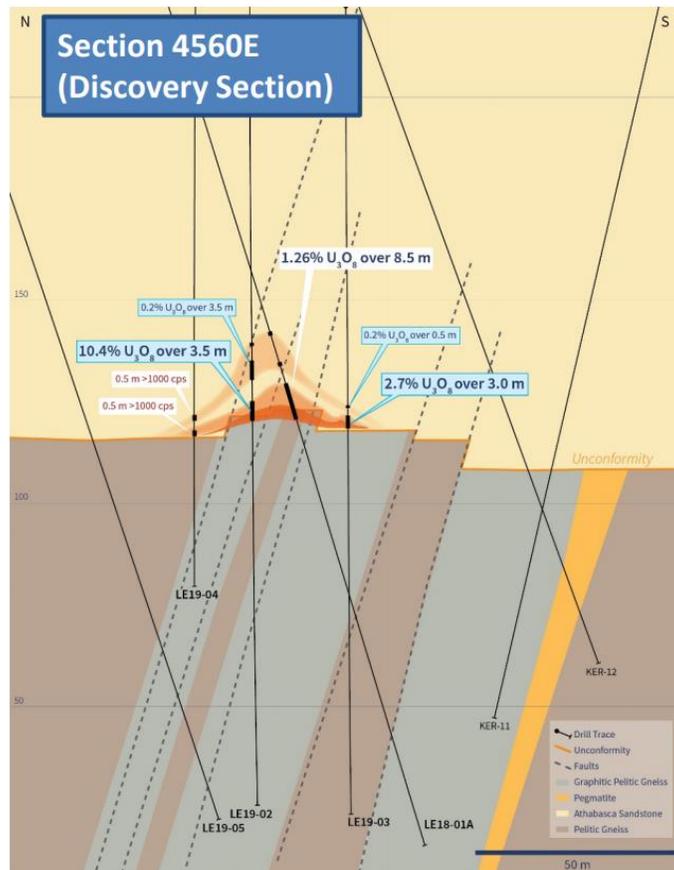
52-Week High/Low	\$0.66 / \$0.28	Net Debt	\$ 0.2 M
3 Month Performance	-14.29%	Enterprise Value	\$ 24.7 M
Shares I/O (M)	68.4 M	Daily Volume (3 mos.)	61,320
Shares F/D (M)	77.6 M	Currency	C\$ unless noted
Market Capitalization	\$ 28.7 M	Website	www.isoenergy.ca
Cash	\$ 4.2 M	CEO	Craig Parry



Source: Capital IQ and Haywood Securities

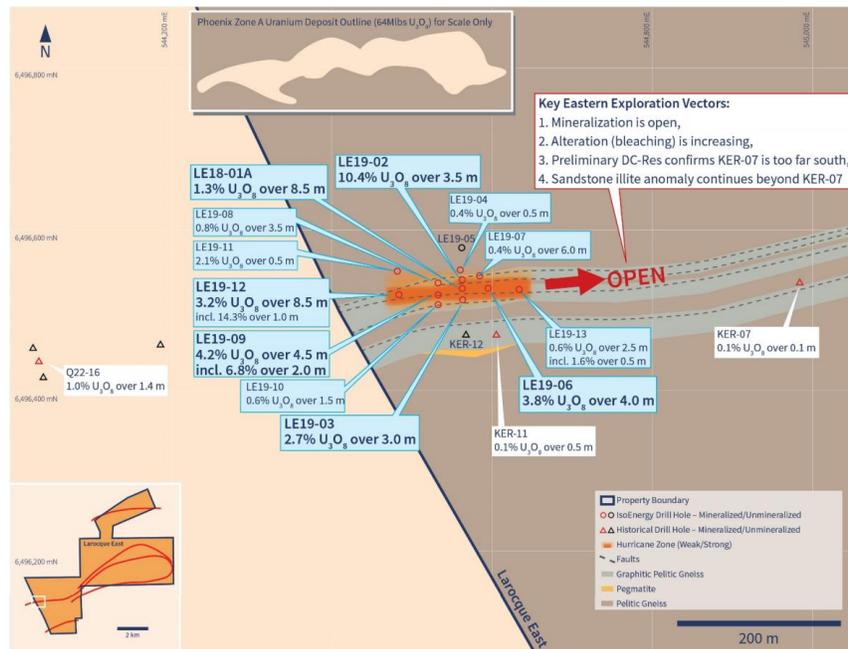


Figure 1: Larocque East– Winter 2019 drill traces



Source: IsoEnergy Ltd.

Figure 2: Location of mineralized and unmineralized drill holes in Larocque East



Source: IsoEnergy Ltd.

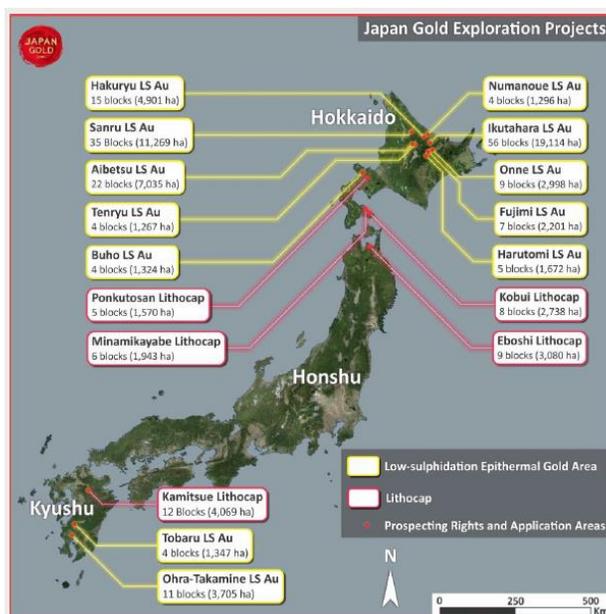


Japan Gold Corp. (JG-V, \$0.24)

Company Description

- ◆ **Japan Gold's** aim is to advance its highly prospective land packages in Hokkaido and Kyushu, Japan. In 2012, the Country opened up its mining industry to foreign investment which had remained nationalized since World War 2. The Company's 71,529 hectare land position is proximal to several past- and current producing gold mines, including the world class Hishikari Mine, which has produced ~7.6 million ounces of gold grading 30 to 40 g/t since 1985. The Company is 19.9% owned by Goldcorp (now Newmont-Goldcorp; NEM-NYSE) following a \$6.65 million private placement; RCF Opportunities also participated and currently owns 8.8%. We also aware of the recent merger between Goldcorp and Newmont and how this combination affects its exploration strategy in the future. Regardless, Japan Gold is cashed undertake its exploration and drilling plans for this year.

Figure 1: Location of Japan Gold's exploration projects in Hokkaido and Kyushu.



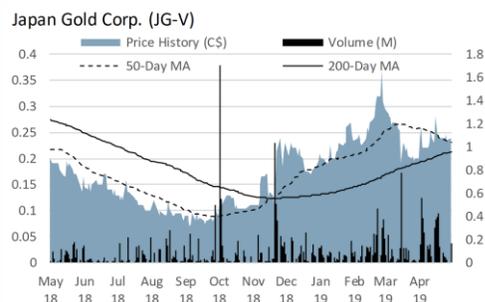
Source: Japan Gold Corp.

Financials and Catalysts

- ◆ **Work Program:** A 5,100 metre drill program at Ikutahara (3,000 m) and Ohra-Takamine (2,100 m) is expected to commence in May and June 2019 respectively. Early stage reconnaissance work will also be completed on a number of epithermal and porphyry projects this year. Drill permit applications for an additional 6,300 metres of drilling are currently being processed and more details on this next phase of drilling is expected when the permits are finalized.
- ◆ **Financial Position: Cash:** ~\$6 million. **Last Financing:** Private placement of 44.3 million common shares with Goldcorp (now Newmont-Goldcorp; NEM-NYSE) and RCF Opportunities Fund at a price of \$0.15 per share for gross proceeds of \$6.65 million.

KEY STATISTICS AND METRICS

52-Week High/Low	\$0.38 / \$0.07	Net Debt	\$ 0.0 M
3 Month Performance	-2.04%	Enterprise Value	\$ 21.3 M
Shares I/O (M)	113.7 M	Daily Volume (3 mos.)	145,810
Shares F/D (M)	137.5 M	Currency	C\$ unless noted
Market Capitalization	\$ 27.3 M	Website	www.japangold.com
Cash	\$ 6.0 M	CEO	John Proust



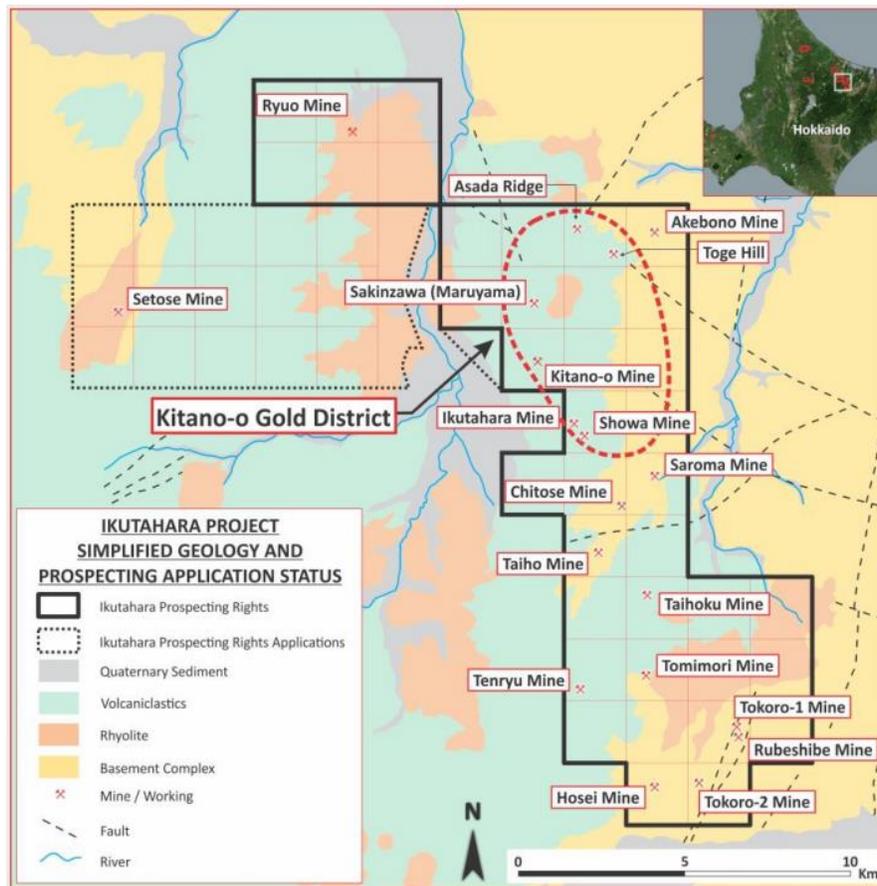
Source: Capital IQ and Haywood Securities



Exploration Projects (100%-owned)

- ◆ **Flagship Epithermal Projects** The two projects that have garnered the most attention during Japan Gold's tenure are **Ikutahara** and **Ohra-Takamine**. Both project areas contain historic mines and comprise large, consolidated land packages over favorable geology. **Ikutahara** includes the Kiano-o Gold District and the historic Ryuo Mine, where production from the former is estimated at 96,450 ounces of gold averaging 5.9 g/t. Early-stage exploration in 2017 and 2018 comprised mapping and geochemical sampling and resulted in the identification of two additional targets approximately 5 kilometers to the north. Exploration drilling this year (3,000 metres) will target epithermal quartz veins systems below the at-surface alluvial deposits that were the focus of historical mining; rock samples taken from historic mine dumps returned high-grade gold values up to 93.3 g/t gold. The **Ohra-Takamine** project in Kyushu also covers a number of historic gold mines including 910,000 ounces of gold grading 17.4 g/t at Yamagano, located ~20 km southwest of Hishikari (see above). An initial 2,100 metre drill program this year will focus on a 3.5 kilometer alteration corridor that are proximal to several historic mine workings. Additional applications for ground along extension of the corridor beyond the Company's current land holdings have been submitted and are pending approval.

Figure 2: Location of the Kitano-o Gold District within the Ikutahara Project, Hokkaido, Japan



Source: Japan Gold Corp.

- ◆ **Other Epithermal Projects:** Exploration work to date has primarily focused on Ikutahara and Ohra Takamine (above) given the historic production in both areas; however, geological data from the government database indicate several other projects with potential for epithermal gold mineralization. Mapping and sampling work at **Aibetsu**, **Hakuryu** and **Sanru** (Figure 1) has been planned for 2019; Aibetsu in particular hosts the historic Tokusei mine which produced 38,000 ounces of gold and 474,000 ounces of silver while government work in the 1990's yielded promising drill assay results including 1.4 m grading 69 g/t gold and 263 g/t silver
- ◆ **Porphyry Projects:** Japan Gold's 2019 plans for its porphyry projects was intended to follow up preliminary work conducted by its Strategic Alliance partner First Quantum (FM-T, Not Rated). However, First Quantum decided to discontinue its option to earn into 4 of the 5 projects owing to results from the preliminary work suggesting the porphyry systems in Kyushu include a high proportion of gold relative to copper, which did not meet First Quantum's target criteria, but does not detract from the quality of the projects themselves. We await further details on Japan Gold's plans for its porphyry copper portfolio of projects.

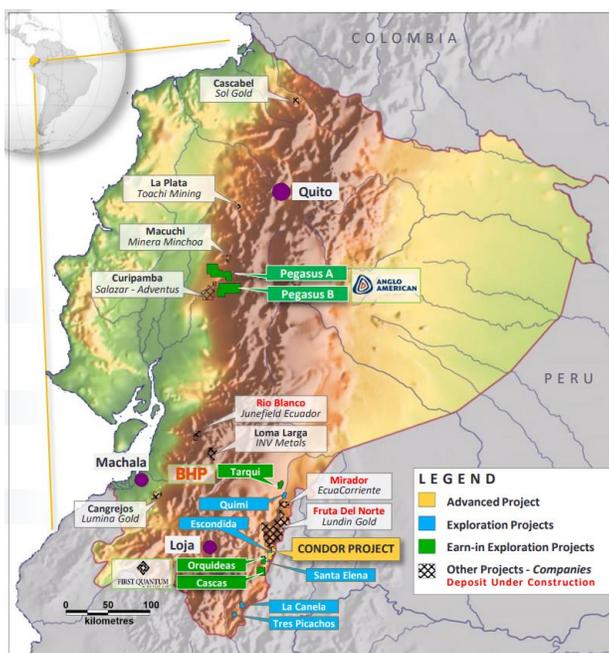


Luminex Resources Corp (LR-V, \$0.65)

Company Description

- Luminex Resources** is a Vancouver based precious and base metals exploration and development company focusing on advancing a portfolio of large scale exploration properties in Ecuador. On August 31st, 2018 Lumina Gold (LUM-V, Buy Rating, \$1.50 target) completed a plan of arrangement to create Luminex Resources through the transfer of all properties excluding the flagship Cangrejos project, with each share of Lumina Gold eligible for 0.15 shares of Luminex. The concession base for Luminex comprises of numerous exploration stage properties; however, primarily focuses on the continued development of the 90% owned Condor Au-Cu project (10,101 ha) located in South Western Ecuador and 30km south of Lundin Gold's (LUG-T, Buy Rating, \$7.50 target) 9.5 Moz Au construction stage project. Luminex envisions advancing Condor to the PEA stage in the near-term upon the completion of additional resource definition drilling, metallurgical test work and mining scenario analysis outlined to be completed in H1/19. Luminex also holds the Tarqui, Pegasus and Orquideas & Cascas projects, each of which have earn-in agreements with BHP (BBL-US, Not Rated, earning 60%), First Quantum Minerals (FM-T, Not Rated, earning 51%) and Anglo American (AAL-LM, Not Rated, earning 60%) respectively.

Figure 1: Luminex Concession Overview in Ecuador



Source: Luminex Resources

Financials and Catalysts

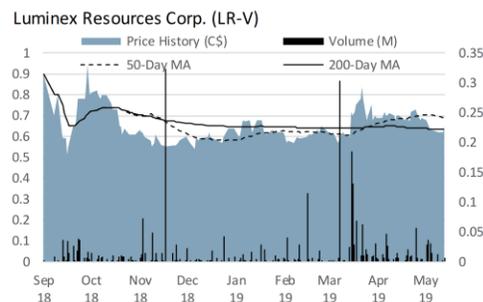
- Work Program: Condor:** Ongoing drilling and engineering test work to support the delivery of a PEA. **Tarqui:** Drill testing at the "Discovery Zone" target. **Orquideas and Cascas:** Receipt of drilling permits in H1/19 prior to undertaking the planned 4,500 metre drill program. **Pegasus A&B:** Rock chip sampling, geological mapping and ZTEM airborne survey to identify targets for follow up drilling.
- Financial Position: Cash:** ~US\$3.4 million (December 2018). **Management/Insiders Control:** 25.6% (15.7% controlled by Ross Beaty).

RESERVE/RESOURCE (ATTRIBUTABLE)

	Grade	In Situ
Gold	0.6 g/t	3.69 Moz
Silver	5.5 g/t	16.52 Moz
Copper	0.07%	272.70 Mlb

KEY STATISTICS AND METRICS

52-Week High/Low	\$1.05 / \$0.51	Net Debt	\$ 0.0 M
3 Month Performance	6.56%	Enterprise Value	\$ 22.1 M
Shares I/O (M)	41.1 M	Daily Volume (3 mos.)	26,360
Shares F/D (M)	43.9 M	Currency	C\$ unless noted
Market Capitalization	\$ 26.7 M	Website	www.luminexresources.com
Cash	\$ 4.6 M	CEO	Marshall Koval



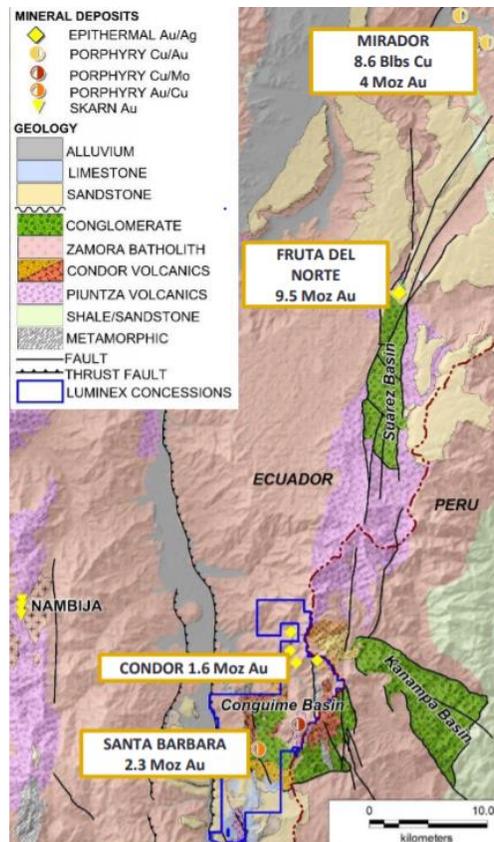
Source: Capital IQ and Haywood Securities



Exploration Projects

- Condor Au-Cu:** The Condor project is located in Zamora-Chinchipec province in South West Ecuador within the Cordillera del Condor region. The region constitutes as a mature metallogenic district with an established trend of paired porphyry Cu deposits, epithermal deposits and prolific skarn mineralization, including Fruta del Norte and the Mirador Cu-Au deposits. Condor hosts an indicated resource base of 63.8 Mt containing 1.4 Moz Au (0.68 g/t), 9.2 Moz Ag (4.5 g/t), and 43 Mlb Cu (0.03%), and includes an inferred resource of 144.5 Mt containing 2.5 Moz Au (0.54 g/t), 7.9 Moz Ag (1.7 g/t), and 260 Mlb Cu (0.08%). Future exploration work at Condor is expected to focus on multiple deposit zones, which include primarily the Santa Barbara, Prometador and Camp Zones, in addition to the engineering test work being undertaken to support the delivery of a PEA.
- Tarqui Earn-In:** On March 19th, 2019 Luminex announced a US\$82 million non-binding LOI with BHP to earn up to 70% ownership interest in Tarqui by investing an aggregate amount of US\$75 million and making up US\$7 million of cash obligations to Luminex. BHP is outlined to assume management of the joint venture company, which will undertake exploration on the 4,817 Ha concession located 25 km north of the Mirador deposit containing an indicated resource of 7.8 Blb Cu and 3.2 Moz Au. Luminex plans to expedite progress towards drill testing in the near-term, with the "Discovery Zone" target ranked as the highest priority prospect.
- Orquideas and Cascas Earn-In:** On June 20th, 2018 Lumina Gold announced an earn-in agreement with First Quantum Minerals to earn up to 70% ownership if First Quantum funds the project to a mining decision following US\$38.5 million in expenditures between 2018 and 2023. Orquideas is located within the Zamora-Morona Santiago Cu-Mo-Au Metallogenic Belt, and notably lies 40km south of Lundin Gold's Fruta Del Norte deposit (indicated resource: 7.35 Moz Au, 9.89 Moz Ag). To date, four priority targets have been identified for an initial 4,500 metre drill program, which is expected to commence upon receipt of drilling and industrial water permits.
- Pegasus A&B:** Effective September 21st, 2019, Luminex signed a formal earn-in and joint venture agreement with Anglo American pertaining to the Pegasus project. Post completion of US\$57.3 million in expenditures associated with the property, Anglo will own 60%, with an option to earn 70% ownership in the event the project is funded to a final development decision. The Pegasus project is located in the Western Cordillera of Ecuador and encompasses a 67,640 Ha portion of the Mauchi Formation (VMS/Skarn district with porphyry related mineralization). Future work will focus on stream sediment sampling, structural geology field validation, field mapping and rock chip sampling. Anglo has distributed its share of concession fees for 2019 (US\$663,000) and intends on completing a ZTEM airborne gravity survey to facilitate the generation of follow up drill targets across the entire project area.

Figure 2: Condor Concession in Relation to Fruta Del Norte and Mirador



Source: Luminex Resources



Orford Mining Corporation (ORM-V, \$0.08)

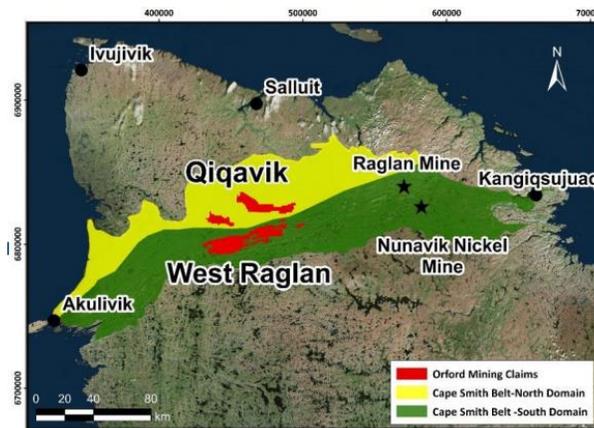
Company Description

- Orford Mining is a gold exploration company with projects in the Cape Smith Belt in Northern Québec. Management is focused on underexplored regions near existing flagship mining operations for Major mining producers: for the Cape Smith Belt, the Raglan mine operated by Glencore. Orford is led by David Christie, President, CEO, and Director, a geologist with 30 years' experience. Alger St-Jean is Vice President Exploration and is a Director with more than 20 years' experience in mineral exploration and development.

Projects

- The Qiqavik project** is part of a high-grade gold-copper trend in Northern Québec, more than 40km in strike length, that contains multiple large-scale structures with complex geometry acting as pathways for mineralizing fluids. The belt bears similarities to the Abitibi gold camp, with a defining shear zone called the Qiqavik Break. The project includes three key discovery zones: Aurora (100% owned), Esperance (100% owned), and the Gerfaut Block (earn-in to 100%). At Aurora, grab and channel samples assayed more than 2 g/t gold, and up to 189 g/t gold. Visible gold was identified in quartz veins trending parallel to the granitic body, with veins up to 30cm wide, zoned and parallel to the intrusive contact. The strike length measures 600m and is open. The Esperance Zone has at least a 500m strike extent, and rock grab samples assayed over 2 g/t gold and up to 31.9 g/t gold and 10.3% copper. The Gerfaut project contains polymetallic metal mineralization (gold, silver, copper, zinc, lead) in highly silicified, dolomitized and K-altered volcanics.
- West Raglan** (100% owned), on the Cape Smith Belt, is located 40km from Glencore's Raglan mine in Northern Québec, with M&I resources of 14.5 Mt grading 3.21% nickel, and ore grades that are among the highest of significant global nickel deposits. At West Raglan, the Frontier Zone's magnetic signatures, litho geochemistry, and geology are similar to Raglan.

Figure 1: Cape Smith Belt, with Orford projects and Raglan Mine



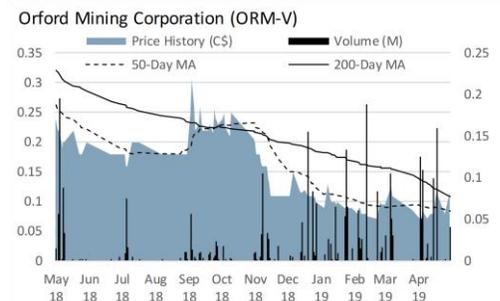
Source: Orford Mining Corporation

Financial Position

- Last Financing:** In May, 2019 Orford announced a private placement with Alamos Gold (TSX:AGI, BUY, \$9.00 Target) for (1) 11.8M flow-through shares at C\$0.17 per share, for gross proceeds of \$2M, and (2) 3M hard dollar common shares at C\$0.10 per share for gross proceeds of C\$300k. Upon completion of the financing, Alamos will own 14.8M shares of Orford, or 19.3% of its issued and outstanding shares.

KEY STATISTICS AND METRICS

52-Week High/Low	\$0.34 / \$0.07	Net Debt	\$ 0.0 M
3 Month Performance	-11.11%	Enterprise Value	\$ 1.3 M
Shares I/O (M)	61.2 M	Daily Volume (3 mos.)	53,300
Shares F/D (M)	75.9 M	Currency	C\$ unless noted
Market Capitalization	\$ 4.9 M	Website	www.orfordmining.com
Cash	\$ 3.6 M	CEO	David Christie



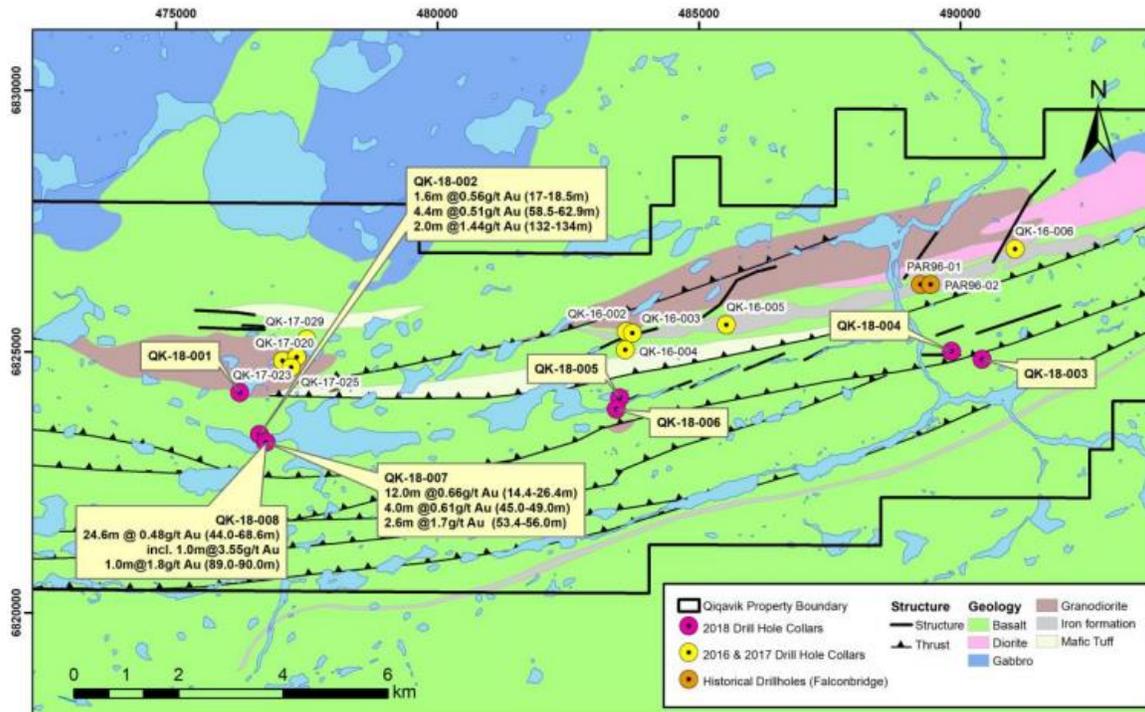
Source: Capital IQ and Haywood Securities



Work Program

- The highlight of the 2018 drilling program results is the discovery at the Interlake Area of a thick sequence of gold mineralized quartz-carbonate veining associated with sulphidic metasediments which was intersected in three diamond drill holes. This is the first time that thicknesses of up to 24.6 metres of goldbearing mineralization within a structural complex zone has been intersected on the property. The Interlake area has generated additional potential high-grade targets for the 2019 exploration program on its Qikavik gold project. The 2018 Qikavik work also identified several new high-grade surface gold showings and expanded previously discovered showings. Surface gold samples such as 342 g/t gold, 149.5 g/t gold at a new surface showing, 108 g/t at the Focused Intrusive and 17.15 g/t at the Interlake zone continue to suggest strong gold endowment of the Qikavik property and its untested potential. The first phase of the 2019 program has begun, and consists of a ground Induced Polarization (IP) survey to test high priority target areas. The survey will enable the second phase summer exploration program with well-defined drill targets.

Figure 2: 2018 Qikavik drill hole locations with notable results.



Source: Orford Mining Corporation

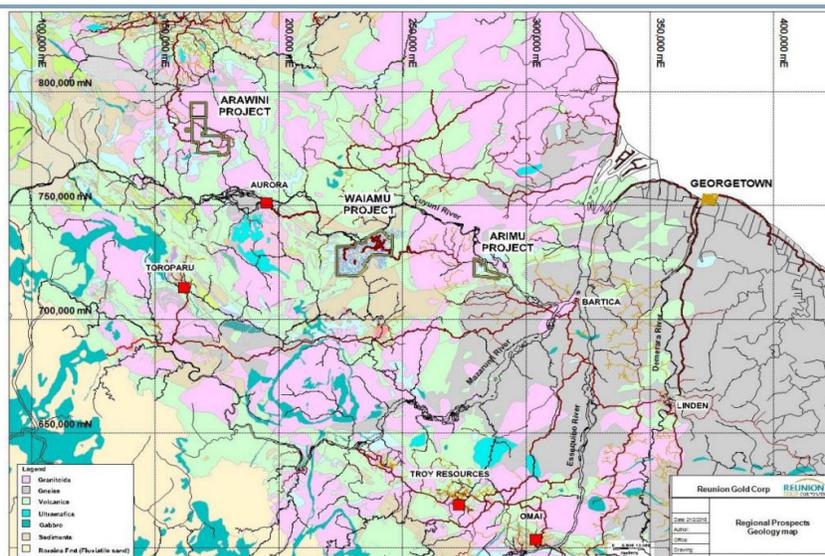


Reunion Gold Corp. (RGD-V, \$0.195)

Company Description

- Reunion Gold** is a junior gold exploration company active in the Guiana shield. Reunion has assembled seven mostly early stage exploration projects in the Guiana Shield with very favorable earn-in option agreements. These projects all have extensive artisanal workings, and most have had very little modern exploration done. On February 4, 2019 Barrick (TSX:ABX, BUY, \$19.00 Target) announced a strategic alliance for a 50-50 alliance to jointly explore, develop and mine Reunion's Guyana projects. Barrick will initially fund US\$4.2 million on the Waiamu, Aremu, Arawini and Oko projects with subsequent funding on a 50:50 basis. Barrick also increased its share ownership in Reunion from ~15% to 19.9% and appointed one representative to the Board of reunion at the same time. President & CEO Réjean Gourde, a mining engineer with more than 30 years' experience in the mining industry was previously Senior Vice President at Cambior, overseeing all of Cambior's operations in the Guiana Shield, and took the Rosebel mine in Suriname from feasibility to production.

Figure 1: Project Locations in Guyana



Source: Reunion Gold

Financials and Catalysts

Work Program: Reunion plans on spending about ~US\$9 million on exploration activities this year. At Dorlin, Reunion plans to complete 10,000 metres of diamond drilling focused on expanding mineralization. At Boulanger, the 2019 exploration program includes re-interpretation the project geology from the magnetometer and spectrometer survey, expanding the 2018 IP grids, drill test targets generated by the 2018 IP with an initial 1,500 metre drill program planned to start in Q2/19 and drill test new targets. At Waiamu a 5,000-metre drill program started is planned to commence in Q3/19. A US\$0.5 million reconnaissance program is planned at Haute Mana once permits are received

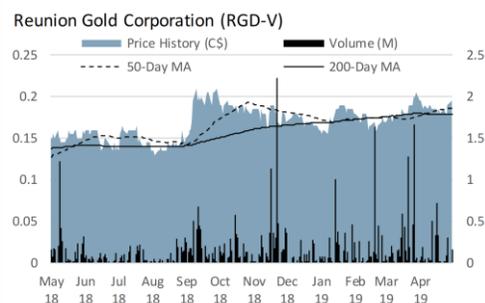
Financial Position: The Company's cash balance is currently ~C\$11 million, following the closing of a \$13.1 million private placement (87.3 million shares at \$0.15) on February 12th, 2019. Barrick Gold increased it ownership in Reunion Gold from 15% to 19.9% as part of this financing and also appointed one representative to Reunion's Board of Directors.

RESERVE/RESOURCE (ATTRIBUTABLE)

	Grade	In Situ
Gold	1.1 g/t	1.16 Moz
EV/oz AU (US\$)		\$75
Peer Average EV/oz Au (US\$)		\$50

KEY STATISTICS AND METRICS

52-Week High/Low	\$0.23 / \$0.12	Net Debt	\$ 0.1 M
3 Month Performance	5.41%	Enterprise Value	\$ 68.7 M
Shares I/O (M)	407.8 M	Daily Volume (3 mos.)	217,260
Shares F/D (M)	472.5 M	Currency	C\$ unless noted
Market Capitalization	\$ 79.5 M	Website	www.reuniongold.com
Cash	\$ 11.0 M	CEO	Réjean Gourde



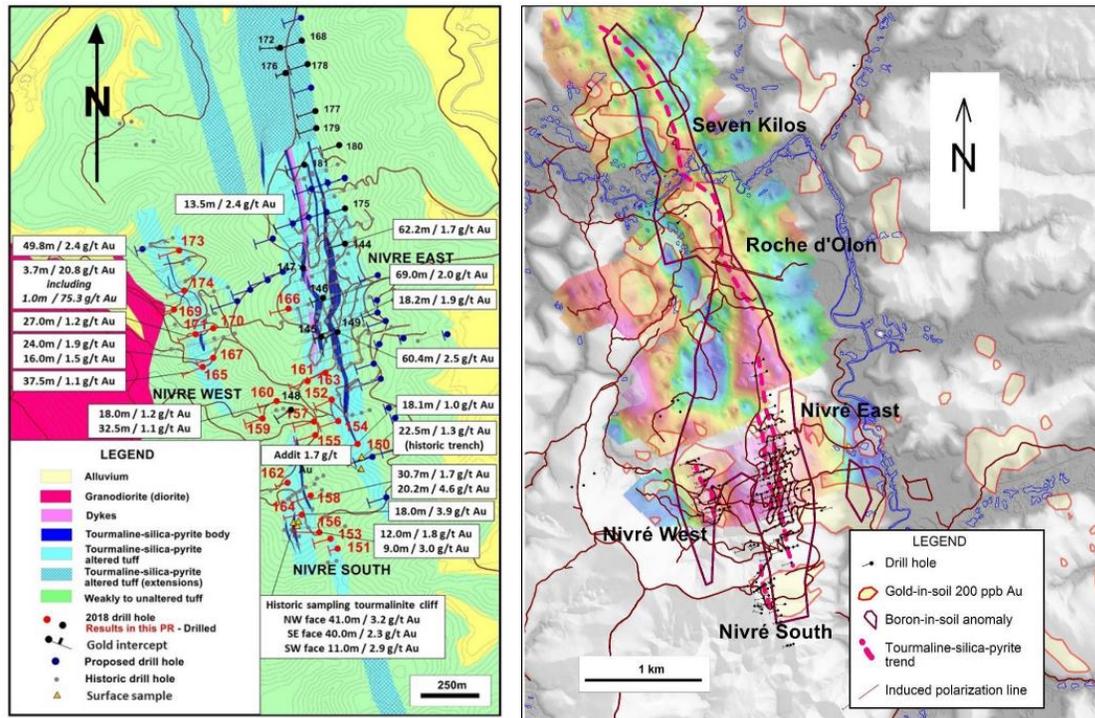
Source: Capital IQ and Haywood Securities



Exploration Projects

- ◆ **Dorlin Gold Project (option to earn 75%, less a 0.5% NSR):** Dorlin is an exploitation permit covering 84 km² in central south French Guiana, in an area approved for mining. The Company must complete a feasibility study by late 2021 with a minimum of US\$3 million spent over the first three years. A resource estimate was announced on March 14, 2019 by G Mining Services Inc. containing 665,000 ounces of gold at an average grade of 1.09 g/t gold in the indicated category and 883,000 ounces of gold at an average grade of 1.06 g/t gold in the inferred category (estimated using a gold price of US\$1,500/oz), with mineralization remaining open at depth and along strike.
- ◆ **CMB Boulanger Project (option to earn 100%, less a 2% NSR):** This property includes 75.2 km² of mineral concessions and a 24 km² exploitation permit which has been mined for alluvial gold over the last +20 years, recovering on average 10-12,000 ounces per year. This project has a cheap earn-in, excellent infrastructure and good exploration upside in an area designated for mining.
- ◆ **Waiamu Gold Project (option to earn 100%):** Waiamu is a large package with extensive artisanal workings and Reunion has started a program of prospecting, mapping, sampling, trenching and drilling. A 400 m by 50 m regolith sampling program has defined at least seven areas with anomalous gold values, independent from known artisanal workings. A 5,000-metre drill program is expected to commence in Q3/19.
- ◆ **Aremu Gold Project (option to earn 80%):** The Aremu project has been exploited by small scale legal miners for over 30 years, with mining confined to alluvium and some quartz stringers in saprolite. Aremu (5,164 acres), has never been drilled or properly explored, has reasonable access by river and road and permits are already in place for exploration.
- ◆ **Haute Mana Gold Project (option to earn 80%):** Haute Mana totals ~122 km² in the central-south part of French Guiana, and the earn-in requires completion of a PEA by January 1, 2024. The project is accessible only by aircraft and a forest trail. The project has at least six targets along a shear zone, mostly based on historic artisanal work in alluvial and primary sources. This is a very prospective target geologically but is remote and early stage.
- ◆ **Arawini and Oko Gold Projects (option to earn 100% in both):** We expect Reunion will have a modest prospecting program in 2019 on both projects.

Figure 2: Dorlin Project – 2018 Nivré Expansion Program



Source: Reunion Gold



Riverside Resources Inc. (RRI-V, \$0.175)

Company Description

- ◆ **Riverside is a prospect generator** with a portfolio of gold, silver and copper projects in Mexico. For every \$1 Riverside spends on exploration, the Company has generated \$2 in partner-funded exploration. The Company recently signed a two-year, \$2M exploration agreement with BHP Exploration for the funding of generative exploration in the central portion of the Laramide Copper Belt in Sonora, Mexico.
- ◆ **Experienced explorers.** The Company is led by John-Mark Staude, CEO, who has been active with exploration in Mexico for the last 20 years. Alberto Orozco, VP Corporate Development, has 15 years experience in the mining industry working with Linear Gold Corp., Pediment Gold and more recently, Argonaut Gold. Freeman Smith, VP Exploration, has 19 years of experience in exploration with Oro Gold, BCGold Corp, and Goldplay Explorations. Riverside's technical team has worked with major companies such as Teck, Yamana Gold, BHP, Freeport and Rio Tinto.

Key Exploration Projects

- ◆ The Cecilia gold-silver project is located in NE Sonora, and contains near-surface gold mineralization amenable to open-pit mining. There is an extensive database of previous work analyzed and built upon by Riverside. The Company's first phase exploration found high grade gold and silver assays up to 113g/t Au and 288g/t Ag. Cecilia further work found a cluster of targets on the large hill of Cerro Magallanes with high grade gold – silver veins like those at Silver Crest's Chispas project. Then work on the 50 km sq surrounding Cecilia 1 concession expanded with four more targets and high grade veins like Premier Gold's Mercedes Mine. These comparable areas are within 100km from Riverside's Cecilia Project and of similar age and geologic features.
- ◆ The Peñoles gold-silver project contains a resource of 15Moz silver and 305koz gold (500koz AuEq), and is open in multiple directions with at least five district targets. Recent drill results include 732g/t Ag and 1.2g/t Au over 4.25m, and 988g/t Ag and 1.24g/t Au over 7m. The open-pit leach gold targets look to be expanded through 2019 exploration work as well as the high grade Jesus Maria and San Rafael vein systems that were previously shallowly mined and have significant upside potential.
- ◆ The La Silla gold-silver project is a 23km² land package with an epithermal gold-silver vein system, with high grade gold and silver samples. Riverside has signed a definitive agreement with Sinaloa Resources.
- ◆ The Tajitos gold project, located in Sonora, is a 61km² land package with orogenic gold system and open pit potential. The Tajitos project is surrounded by two advanced projects: Fresnillo's Tajitos project, and Agnico Eagle's Pitaya project.
- ◆ Riverside also has three copper assets in Sonora, located in proximity with existing mines.

Financial Position and Capital Structure

- ◆ Riverside has over \$3.5M in the Treasury, no debt and a tight shareholder base with less than 63M shares outstanding. Key shareholders include a European Investor group of resource funds and high net worth investors (30%), Spratt Global Resource Investments (20%), Adrian Day Asset management (7%), and Trimark Capital (2%), as well as Riverside management and insiders (6%).

RESERVE/RESOURCE (ATTRIBUTABLE)

	Grade	In Situ
Gold	0.4 g/t	0.33 Moz
Silver	18.7 g/t	16.99 Moz

KEY STATISTICS AND METRICS

52-Week High/Low	\$0.33 / \$0.13	Net Debt	\$ 0.0 M
3 Month Performance	6.06%	Enterprise Value	\$ 7.5 M
Shares I/O (M)	62.7 M	Daily Volume (3 mos.)	56,750
Shares F/D (M)	39.0 M	Currency	C\$ unless noted
Market Capitalization	\$ 11.0 M	Website	www.rivres.com
Cash	\$ 3.5 M	CEO	John-Mark Staude

Riverside Resources Inc. (RRI-V)



Source: Capital IQ and Haywood Securities

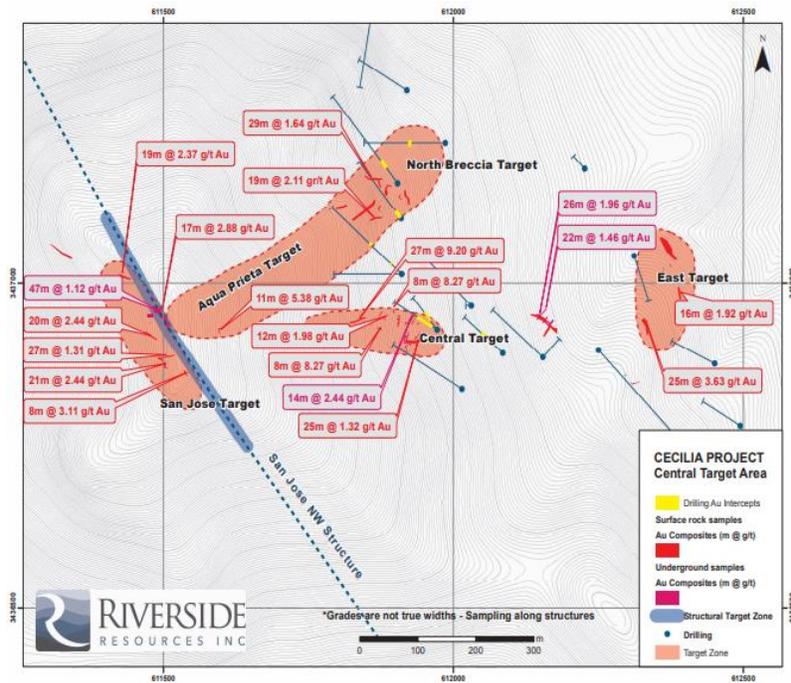


Figure 1: Riverside Resources projects



Source: Riverside Resources

Figure 2: Cecilia gold-silver project



Source: Riverside Resources

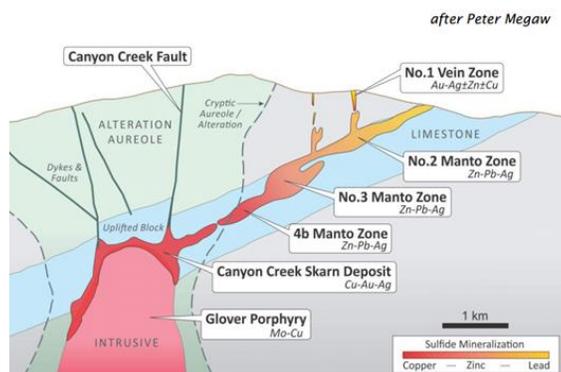


Sun Metals Corp. (SUNM-V, \$0.59)

Company Description

- ◆ **Sun Metals** is a Canadian exploration company with a focus on base metals in British Columbia. Sun Metals came to the attention of investors in the fall of 2018, with strong drill results from its Stardust Property, with intercepts that included 7.8% CuEq over 36.5m, and 5% CuEq over 100m.
- ◆ **Strong team.** Sun Metals was created by Oxygen Capital with the purpose of advancing the Stardust project. The CEO is Steve Robertson, who joined in 2017 from Imperial Metals, where he was Vice President, Corporate Affairs, and previously, Manager of Exploration, where he designed exploration programs at Red Chris. The team includes Mark O’Dea, Chairman, who has helped found a number of resource companies within the Oxygen Group, and Donald McInnes, founder and director of a number of publicly traded mineral exploration companies.

Figure 1: Exploration model applied to Stardust property



Source: Sun Metals Corp

Financials and Catalysts

- ◆ **Work Program:** To date, there has been a total of \$28M invested in the property, resulting in 87km of drilling (427 holes), as well as 425km of mag and 390km of VLF geophysical surveys. Following a 15km drill program in 2018, Sun Metals is planning a similar program this year, starting in late May. Initial plans are to step out from the strong intervals intercepted in the fall of 2018 and test magnetic anomalies.
- ◆ **Financial Position: Cash:** \$7 million, no debt. **Last Financing:** On December 20, 2018, Sun Metals closed a \$5.2M financing at \$0.413 with Teck Resources. Teck now owns 13.8% of Sun Metals and has the right to maintain this interest.

Exploration Projects

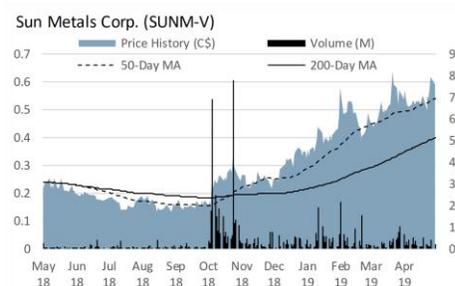
- ◆ **Stardust Property.** The Stardust project, located 250km northwest of Prince George, B.C., is a large porphyry skarn-manto epithermal system, where mineralization trends for 2,200m and all zones are open for expansion. The Canyon Creek Cu-Au skarn zone contains an Indicated + Inferred resource of 2.97Mt grading 1.3% Cu, 1.6g/t Au, 33g/t Ag, for a combined grade of 2.72% CuEq. There is potential for considerable expansion of the resource within the skarn and the mantos.

RESERVE/RESOURCE (ATTRIBUTABLE)

	Tonnes	Copper %	Gold g/t	Silver g/t
Indicated	985,000	1.34	1.59	36.8
Inferred	1,985,000	1.24	1.72	30.5

KEY STATISTICS AND METRICS

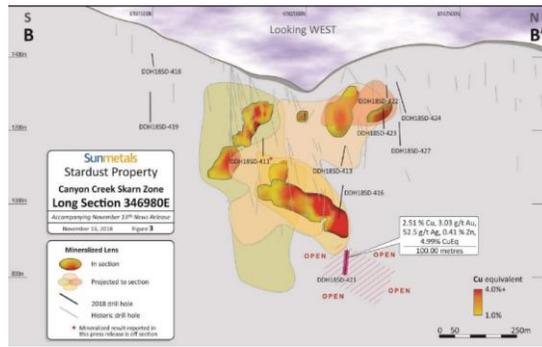
52-Week High/Low	\$0.65 / \$0.12	Net Debt	\$ 0.0 M
3 Month Performance	37.21%	Enterprise Value	\$ 63.1 M
Shares I/O (M)	118.6 M	Daily Volume (3 mos.)	339,010
Shares F/D (M)	165.3 M	Currency	C\$ unless noted
Market Capitalization	\$ 70.0 M	Website	www.sunmetals.ca
Cash	\$ 6.9 M	CEO	Stephen Robertson



Source: Capital IQ and Haywood Securities

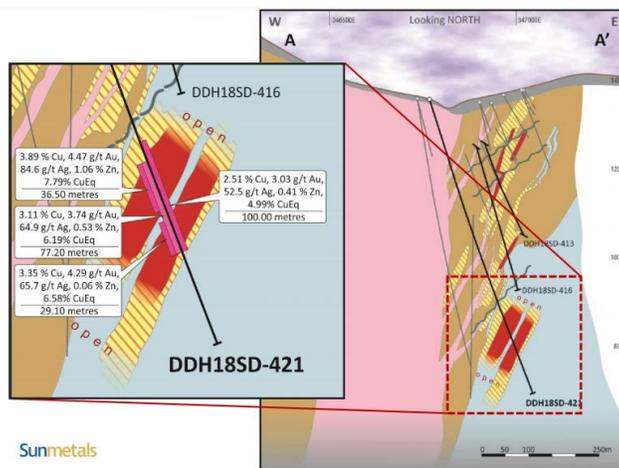


Figure 2: Canyon Creek Skarn zone long section



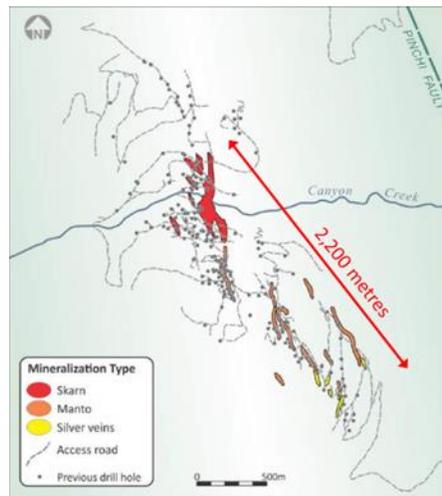
Source: Sun Metals Corp

Figure 3: Canyon Creek Skarn zone cross section



Source: Sun Metals Corp

Figure 4: Exploration zones over integrated porphyry-skarn-manto epithermal system



Source: Sun Metals Corp

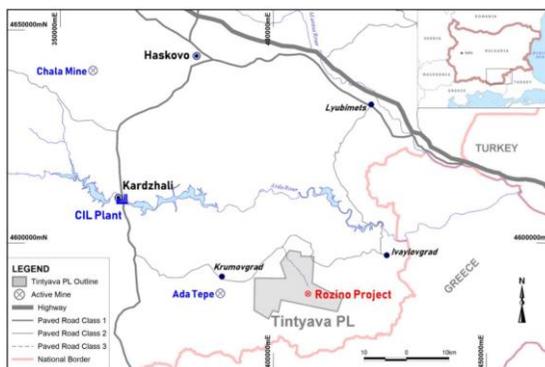


Velocity Minerals Ltd. (VLC-V, \$0.33)

Company Description

- Velocity Minerals** is a gold exploration and development company currently focused on assets located in Bulgaria. Velocity's consolidated asset base is outlined as the Balkan Gold project, which includes the Rozino project (PEA stage) acquired in July 2017, and three additional near-surface gold projects (Makedontsi, Obichnik and Sedefche). In November 2018, following the delivery of a PEA, Velocity exercised its option to earn a 70% interest in the 163 km² Tintyava property (including the Rozino project) through a JV partnership arrangement with Gorubso Kardzhali, a private Bulgarian mining company. The Rozino project is located 20km east of the 0.85 Moz Ada Tepe gold deposit, currently being developed by Dundee Precious Metals Inc. (DPM-T, Not Rated), and 85km southeast from the city of Kardzhali. Through an exploration and mining alliance with Gorubso formed in February 2018, Velocity has secured an agreement to access Gorubso's fully permitted and operational CIL processing facility located in Kardzhali for the processing of mineralized material from current and future projects. The Alliance covers all existing and future Gorubso and Velocity projects encompassed within a 10,400 km² area in the prospective Eastern Rhodope Gold Mining District in South Eastern Bulgaria. In January 2019, Atlantic Gold (TSX:AGB, Tender, \$2.95 target) demonstrated a vote of confidence in Velocity's assets through the announcement of a \$9 million strategic investment (\$3.9 million equity and \$5.1 million convertible debentures) to fund the advancement of the Rozino gold project towards feasibility and beyond (prefeasibility anticipated in Q1/20), resource expansion, and exploration and assessment of several other projects within Velocity's existing asset portfolio. Atlantic gold owns ~19.9% of Velocity's issued and outstanding shares (as of March 14th, 2019), with Atlantic shareholders anticipated to maintain exposure to Velocity Minerals through a TSX-V listed "SpinCo" following the pending acquisition of all outstanding Atlantic shares by St Barbara Ltd. (SBM-V, Not Rated). On May 9th, 2019, Velocity announced the conditional acceptance to graduate to Tier 1 of the TSX-V (from Tier 2), as project development advances towards the PFS stage.

Figure 1: Location of Velocity's Rozino Project in South East Bulgaria



Source: Velocity Minerals

Financials and Catalysts

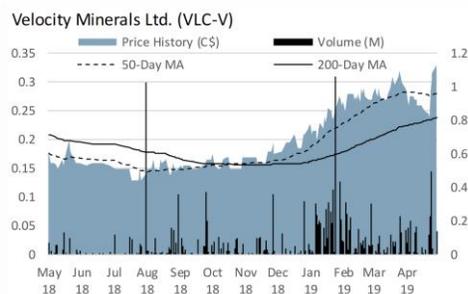
- 2019 Work Program:** Program to support the advancement towards PFS (expected in Q1/20) and mine permitting is underway. The program comprises of 14,000m of resource expansion and infill definition drilling, additional metallurgical and comminution studies, geotechnical work, and environmental monitoring and assessment data collection.
- Resources/Reserves (100%):** Inferred resource base of 13 Mt grading 1.37 g/t Au for contained gold of 573 koz (0.60 g/t Au cut-off).
- Financial Position: Cash:** Pro-Forma cash position of approximately \$8.5 million (May 1st, 2019). **Last Financing:** March 14, 2019 close: \$9 million strategic investment by Atlantic Gold (\$3.9 million equity placement of 18.6 million units at \$0.21/unit, and \$5.1 million convertible debentures carrying an 8.5% coupon over a 5-year term, and convertible by Atlantic Gold at a \$0.25/sh).

RESERVE/RESOURCE (ATTRIBUTABLE)

	Grade	In Situ
Gold	1.4 g/t	0.67 Moz

KEY STATISTICS AND METRICS

52-Week High/Low	\$0.37 / \$0.13	Net Debt	\$ 0.0 M
3 Month Performance	22.22%	Enterprise Value	\$ 23.4 M
Shares I/O (M)	96.5 M	Daily Volume (3 mos.)	96,600
Shares F/D (M)	138.5 M	Currency	C\$ unless noted
Market Capitalization	\$ 31.9 M	Website	www.velocityminerals.com
Cash	\$ 8.5 M	CEO	Keith Henderson



Source: Capital IQ and Haywood Securities

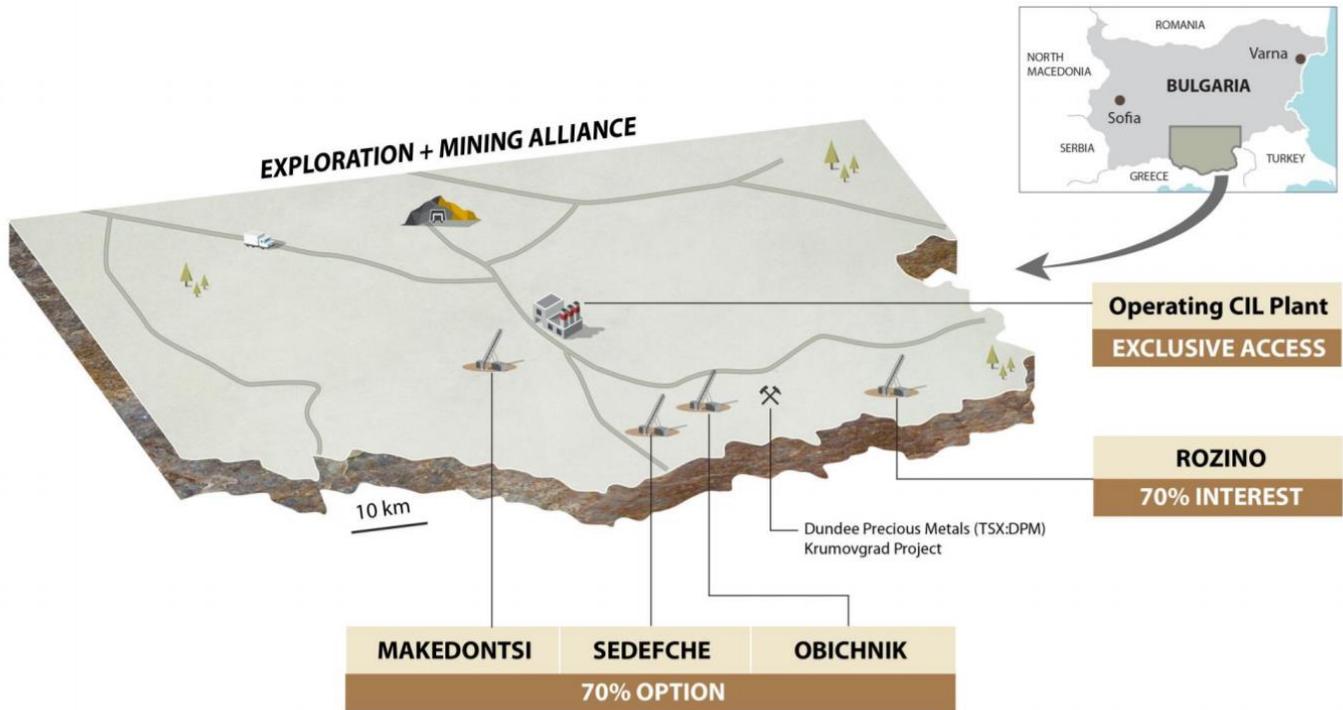


Exploration and Development Projects

Rozino Gold Project: is located within the Tintyava property in southeast Bulgaria approximately 350 km from the capital of Sofia. In 2017, Gorubso signed an option agreement under the terms of which Velocity carried the rights to acquire an undivided 70% legal and beneficial interest in the Tintyava property upon the delivery of a PEA. The PEA was announced in September 2018, and in November Velocity agreed to exercise its option to acquire its full-interest right through a JV partnership arrangement with its exploration and mining alliance partner (Gorubso). The PEA outlines a base-case assessment of developing Rozino through open pit mining (commencing in 2022 with maximum capacity of 6.8 Mtpa), on-site crushing, and a combination of on-site preconcentration in a flotation plant, and further processing in an existing fully-permitted CIL plant operated by Gorubso (located 85 km by road from Rozino). The PEA is underpinned by an inferred resource base (September 2018) of 13 Mt grading 1.37 g/t gold at a 0.6 g/t gold cut-off grade, for total contained gold of 573 koz (100% attributable basis). LOM gold production is outlined at 365 koz (steady state annual production of 65 koz and peak annual production of 78 koz gold), at an AISC of US\$543/oz gold.

The PEA highlights an after-tax NPV5% of US\$129 million, and an after-tax IRR of 33.1% using an assumed gold price of US\$1,250 per ounce with an initial project CAPEX estimate of US\$97.6 million. Future work at Rozino intends to advance the project towards the completion of a prefeasibility study, which is expected to be completed in Q1/20. The study is outlined to be supported by further drilling of priority targets proximal to the open pit defined in the PEA pit, as well as infill drilling, additional metallurgical testing, geotechnical and hydrogeological studies, and completion of an environmental social impact assessment (ESIA). We view the recent \$9 million strategic investment by Atlantic Gold as a key de-risking milestone for Velocity, with the cash injection enabling the undertaking of additional work at Rozino in efforts to advance the project through to the feasibility stage and beyond.

Figure 2: Velocity Minerals Exploration and Mining Alliance Project Overview



Source: Velocity Minerals Ltd.

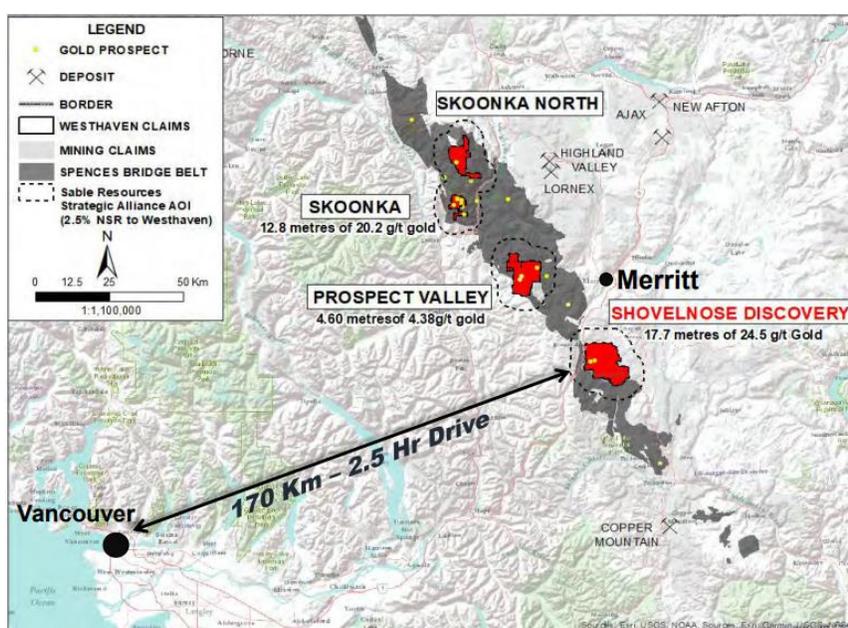


Westhaven Ventures Inc. (WHN-V, \$0.61)

Company Description

- ◆ **Westhaven Ventures** is an exploration stage company focused primarily on gold and silver exploration within the Spences Bridge Gold Belt in British Columbia (Figure 1). The Company's land package comprises three project areas aligned along a northwest-southeast trend and is accessible by road and located only 170 kilometers (~2.5 hour drive) northeast of Vancouver and ~10 kilometers west of Merritt. The Company gained market attention in October last year when hole SN18-14 returned epithermal-style, high-grade gold mineralization (17.77 metres grading 24.50 g/t gold) at its Shovelnose Property; the Company's share price rose 128% in two days as a result. Shovelnose remains its flagship project, having completed a 3,031 metre drill program earlier this month. The Company has also completed early stage exploration work at Prospect Valley and Sכוןka (Figure 1). Westhaven is led by President and CEO Gareth Evans and Chairman D. Grenville Thomas, with the latter involved in the discovery of the Diavik Diamond Mine and a recipient of the PDAC's Prospector of the Year Award in 1999.

Figure 1: Location of Westhaven Ventures' properties in British Columbia.



Source: Westhaven Ventures

Financials and Catalysts

- ◆ **Work Program:** Westhaven has budgeted for a ~15,000 metre drill program focusing primarily on Shovelnose. Two drill rigs are expected to be mobilized and commence drilling in late May/early June.
- ◆ **Financial Position:** **Cash:** ~\$2.3 million. **Working Capital:** ~\$2.3 million. **Last Financing:** February 2019: \$2.5 million private placement. **Ownership:** 38% is owned by directors and officers, 32% by retail investors and 15% by institutions and funds.

RESERVE/RESOURCE (ATTRIBUTABLE)

	Grade	In Situ
Gold	0.5 g/t	0.17 Moz

KEY STATISTICS AND METRICS

52-Week High/Low	\$1.43 / \$0.13	Net Debt	\$ 0.0 M
3 Month Performance	-35.11%	Enterprise Value	\$ 52.3 M
Shares I/O (M)	89.4 M	Daily Volume (3 mos.)	132,070
Shares F/D (M)	97.7 M	Currency	C\$ unless noted
Market Capitalization	\$ 54.6 M	Website	www.westhavenventures.com
Cash	\$ 2.3 M	CEO	Gareth Evans

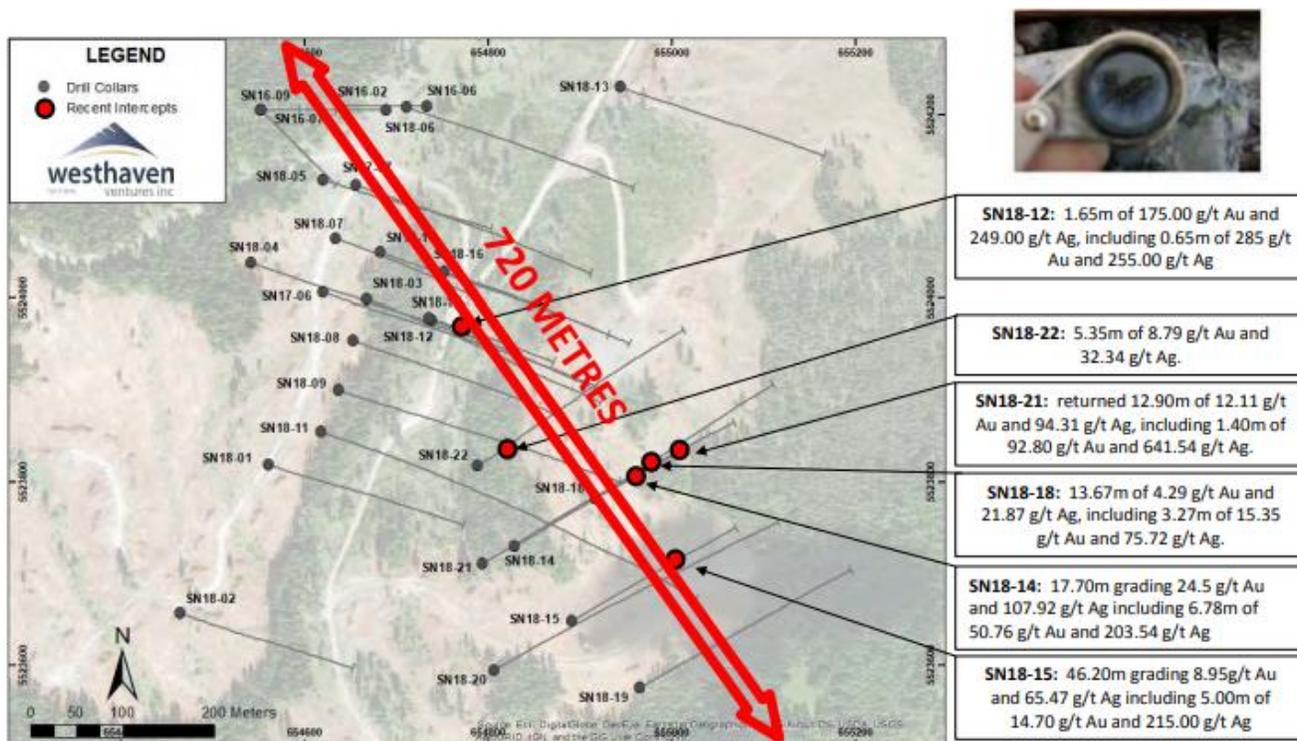


Source: Capital IQ and Haywood Securities



- ◆ **Shovelnose Gold Property:** Westhaven discovered the South Zone following the acquisition of the Shovelnose property in 2011. While several drilling campaigns at Shovelnose yielded promising results, it was in late-2017 that the South Zone was discovered following the release of hole SN17-07 (101 metres grading 0.29 g/t gold and 1.1 g.t Ag). In October last year, high-grade gold mineralization was intersected to the south following a re-evaluation of the geology and quartz vein orientation in particular; this re-evaluation prompted the Company to direct drilling to the northeast (most prior drilling was oriented southeast), resulting in several high-grade gold intersections including hole SN18-14 (see above). The South Zone has been Westhaven's primary focus since its discovery; the Company has just completed a 3,000 metre drilling program of which assay results from several holes are pending. To date, gold mineralization has been intersected with limited drilling over a 720 metre strike length (Figure 2). Two "zones" of gold-bearing, epithermal-style quartz veins hosted in rhyolite have been intersected from the top of basement rock (overburden averages ~50 metres) to >400 metres deep. Gold mineralization is spatially associated with areas of low magnetism, representing a key exploration tool as drilling continues to expand the epithermal system further to the north and south. We note that a 2% NSR remains at the Shovelnose property, of which Westhaven has the option to purchase 1% for \$500,000.

Figure 2: Shovelnose Target, South Zone with drill traces and highlight drill intersections from last year.



- ◆ **Skoonka Gold Property:** Several showings have been discovered at Skoonka including the JJ Showing, where epithermal-style gold mineralization has been traced over a strike length of 750 metres via 30 holes including hole SC-008 (12.8 metres grading 20.2 g/t gold). The Discovery, Deadwood, Ember and Blackburn showings have also had some preliminary drilling that have intersected variable gold mineralization and require further work.
- ◆ **Prospect Valley Gold Property:** The Prospect Valley property area is an intrusion related low-sulphidation epithermal mineralization type system, where deposited gold mineralization is controlled by folded rock and fault structure and closely associated with pyrite. Prospect Valley hosts a small NI 43-101 compliant Inferred Resource totaling 166,000 ounces grading 0.511 g/t gold and the Company aims to expand and/or identify other zones adjacent to the current resource.



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We, Mick Carew, Geordie Mark, Kerry Smith, Pierre Vaillancourt, Colin Healey, hereby certify that the views expressed in this report (which includes the rating assigned to the issuer's shares as well as the analytical substance and tone of the report) accurately reflect my/our personal views about the subject securities and the issuer. No part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations.

Important Disclosures

Of the companies included in the report the following Important Disclosures apply:

Ticker	Company	1	2	3	4	5	6	7	8
TSX:AGI	Alamos Gold Inc.			X					
TSX:AKG	Asanko Gold Inc.			X					
TSXV:AGB	Atlantic Gold Corp.			X					
TSXV:AU	Aurion Resources Ltd.	X	X	X	X				
TSX:BTO	B2Gold Corp.	X		X					
TSX:ABX	Barrick Gold Corp.			X					
TSXV:BMET	BeMetals Corp.		X			X			
TSXV:CORE	Canadian Orebodies Inc.								
TSXV:PERU	Chakana Copper Corp.			X			X		
TSXV:ISO	IsoEnergy Ltd.								
TSXV:JG	Japan Gold Corp.		X			X			
TSXV:LUM	Lumina Gold Corp.		X	X	X	X			
TSXV:LR	Luminex Resources Corp.		X						
TSX:LUG	Lundin Gold Inc.			X	X				
TSX:MOZ	Marathon Gold Corp.	X		X	X				
TSX:NXE	NexGen Energy Ltd.			X			X		
TSXV:ORM	Orford Mining Corp.			X					
TSX:OSK	Osisko Mining Corp.			X	X				
TSXV:RGD	Reunion Gold Corp.	X		X					
TSX:RRI	Riverside Resources Inc.								
TSXV:SUNM	Sun Metals Corp.		X						
TSXV:VLC	Velocity Minerals Ltd.		X			X	X		
TSXV:WHN	Westhaven Ventures Inc.						X		
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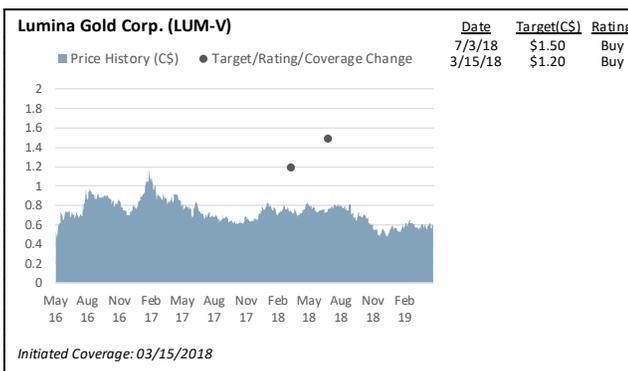
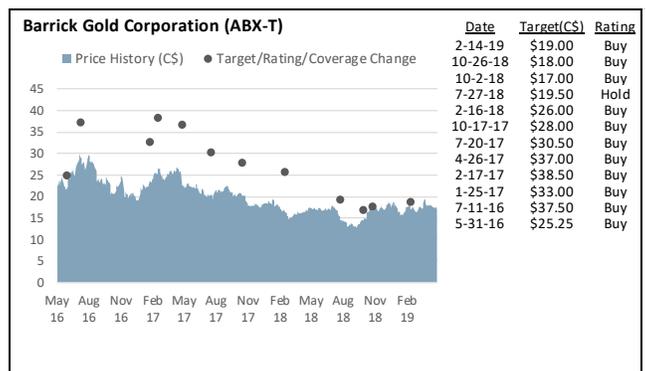
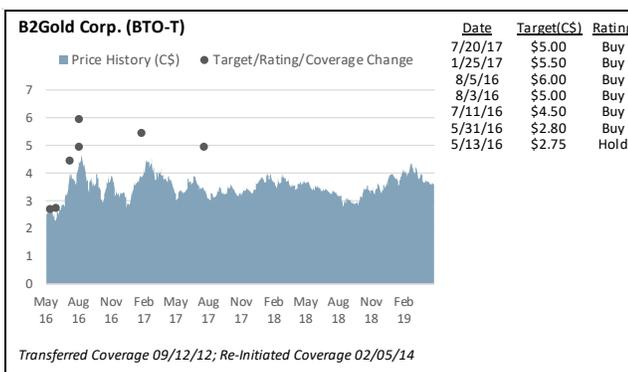
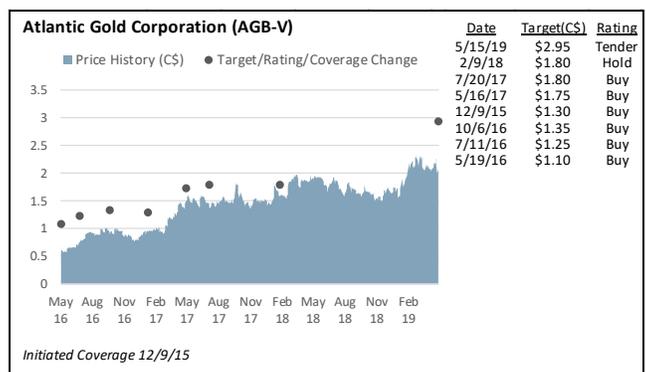
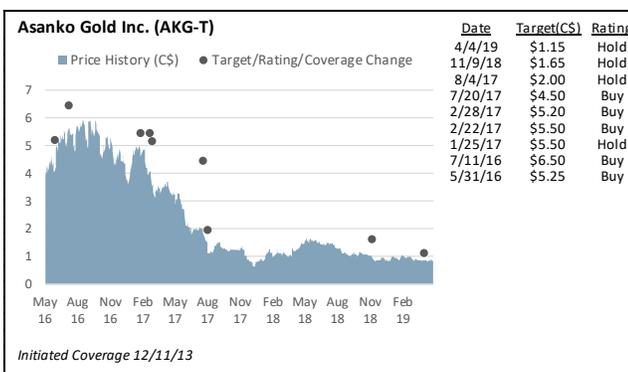
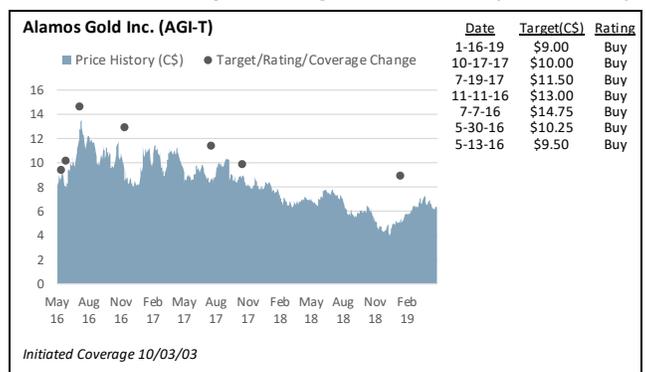
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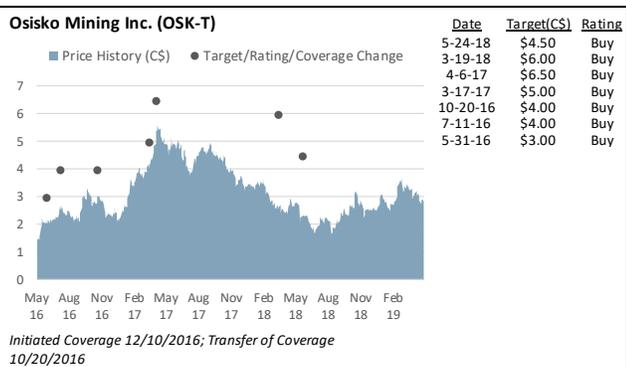
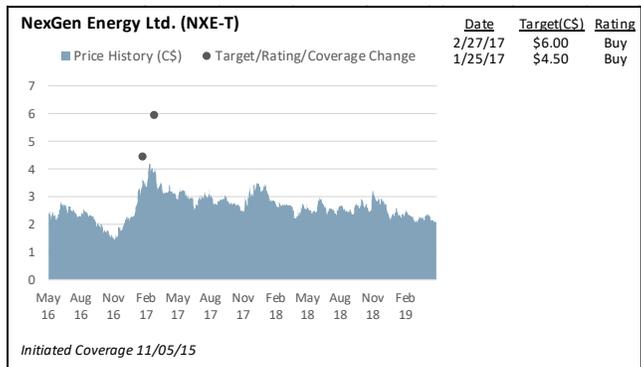
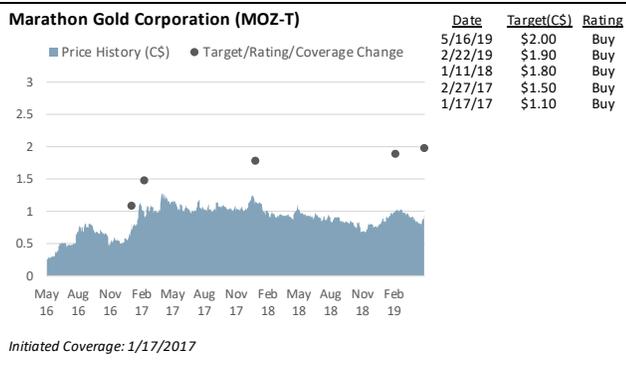
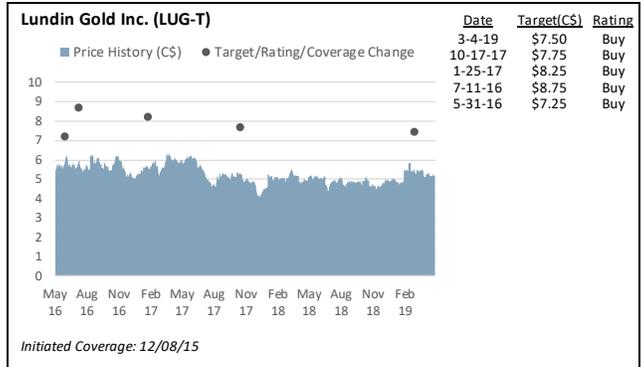
◆ n/a

Distribution of Ratings (as of May 23, 2019)

	%	#	IB Clients (TTM)
Buy	79.2%	84	100.0%
Hold	5.7%	6	0.0%
Sell	0.9%	1	0.0%
Tender	0.9%	1	0.0%
UR (Buy)	0.0%	0	0.0%
UR (Hold)	0.0%	0	0.0%
UR (Sell)	0.0%	0	0.0%
Dropped (TTM)	13.2%	14	0.0%

Price Chart, Rating and Target Price History (as of May 23, 2019)





B: Buy; H: Hold; S: Sell; T: Tender; UR: Under Review
 Source: Capital IQ and Haywood Securities

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