

Top 10 Resource Stocks For The Years Ahead

ADRIAN DAY

Sprott / Vancouver

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Franco-Nevada Corp.

- Royalties and non-operating interests
 - low risk; low cost; high margin
- Busy: \$1 billion, 35 royalties, 12 months
- 85% Precious Metals
- Cobre Panama, 2018?
- Candelaria: immediate, 60k to 70k per year
- \$600 million cash; \$400 million cash flow
 - Gold price, acquisitions, legacy assets
 - people, business plan, cash

Royal Gold

- 2nd largest royalty company
- Advantages of royalties
- World class assets
- Problems:
 - Pascua suspended
 - Penisquito slow ramp up
 - Mt. Milligan investment
- Debt
- Cheaper, with leverage

Goldcorp

- Diversified: 11 mines, throughout Americas, inc. j-v's.
- Long-life mines
- Well run, strong balance sheet (debt/assets 8%)
- Disciplined; walked from Osisko
- Mine problems: Penasquito, El Morro
 - New mines Eleonore, Cochenour, Cerro Negro
- 2.5% yield

Eurasian Minerals

- Globally diversified assets
- Prospect generator, JVs (NEM, FCX, Vale)
- Mostly gold, also copper
- Haiti venture with Newmont, terms, potential
- Malmyzh copper in Russia, 12 bn pounds
- Costs down, from \$5.2 million to \$2.5 mill
- Royalty pays overhead?

Miranda Gold

- Prospect generator, Colombia, Nevada, Alaska
- Several partners—seniors (Agnico) and juniors
 - Agnico: Colombia (alliance)
- Top exploration team
- Near-term cash flow?
- Refocus Colombia
- Over \$4 million cash, two years burn rate

Midland Exploration

- Prospect generator in Quebec
- 22 projects, 10 jvs, gold, PGMs, rare earths
- Strong partners: Agnico, JOGMEC, and Soquem
- Active in James Bay generating prospects
- \$18 million, following Quebec raise
- Active: 5 new j-v's last year; 8 drill programs this
- Disciplined management

Riverside Resources

- Prospect generator primarily in Mexico
- Large mineral database
- 16 projects, 5 JVs and alliance projects
- Antofagasta and Hochschild strategic alliances
- Tight share structure, >\$3 million cash (plus equities)

Altius Minerals

- Royalty company
- Voisey's Bay nickel royalty, pays overhead
- Transformational deal, end-2013, coal, potash,
 - \$30 million/year; future royalty creation
- Acquisition Callinan
- Strong balance sheet, shares
- Dividend

Evrim Resources

- Prospect generator, Mexico, Arizona, BC
- ArcelorMittal iron ore alliance
- Acquired several properties, for jv
- Strong management and board
- \$2.8 million cash, low burn
- Tight structure, leverage from success

Lara Exploration

- Prospect generator Latin America
 - Brazil, Peru, Chile and Columbia
- Copper discovery at Liberdade in Brazil, Codelco
- Several JVs, active dealing properties
- Management, exploration team
- <\$1 million cash, low burn

Reservoir Minerals

- JV with Freeport on Timok in Serbia
- Extraordinary drilling results
- Long-delayed resumption; Freeport take over?
- Other properties, Balkans, North Africa, JV
- Balance sheet, \$40 million plus warrants
- Two Chinese shareholders, one smelter
- Drilling 100% ground

Top Ten Resource Stocks for the Years Ahead

+1 BONUS
STOCK!

Franco-Nevada	FNV:NY	
Royal Gold	RGLD:Nasdaq	
Goldcorp	GG:NY	
Eurasian Minerals	EMXX:NY	
Miranda Gold	MAD:Toronto	
Midland Exploration	MD:Toronto	
Riverside Resources	RRI:Toronto	
Altius Minerals	ALS:Toronto	
Evrmin Resources	EVM:Toronto	
Lara Exploration	LRA:Toronto	
Reservoir Minerals	RMC:Toronto	

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ADRIAN DAY ASSET MANAGEMENT

INVESTING *in* RESOURCES

How to Profit
from the
Outsized Potential
and Avoid the
Risks



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