Alpha Minerals Inc. (AMW-V)  
Andover Mining Corp. (AOX-V)  
Argentum Silver Corp. (ASL-V)  
Atico Mining Corp. (ATY-V)  
Balmoral Resources Ltd (BAR-V)  
Bearing Resources Ltd. (BRZ-V)  
Cap-Ex Ventures Ltd. (CEV-V)  
Cayden Resources Inc. (CYD-V)  
Century Iron Mines Corp. (FER-T)  
Clifton Star Resources, Inc. (CFO-V)  
Coventry Resources Ltd. (CYY-V)  
Dunav Resources Ltd. (DNV-V)  
Freegold Ventures Ltd. (FVL-T)  
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Gold Standard Ventures Corp (GSV-V)  
High Desert Gold Corp. (HDG-V)  
Highland Copper Company Inc. (HI-V)  
Indico Resources Ltd. (IDI-V)  
International Enexco Ltd. (IEC-V)  
International Northair Mines Ltd. (INM-V)  
Kivalliq Energy Corp. (KIV-V)  
Lupaka Gold Corp. (LPK-T)  
Macusani Yellowcake, Inc. (YEL-V)  
Marathon Gold Corp. (MOZ-T)  
Marengo Mining Ltd. (MGO-AU)  
NovaCopper Inc. (NCQ-T)  
Papillon Resources Ltd. (PIR-AU)  
Probe Mines Ltd. (PRB-V)  
Reservoir Minerals Inc. (RMC-V)  
Reunion Gold Corp. (RGD-V)  
Ridgemont Iron Ore Corp. (RDG-V)  
Seafield Resources Ltd. (SFF-V)  
Solotoro Ltd. (SOL-V)  
Temex Resources Corp. (TME-V)  
Terraco Gold Corp. (TEN-V)  
Treasury Metals Inc. (TML-T)  
Volta Resources Inc. (VTR-T)  

Member of the Canadian Investor Protection Fund

Please see page 58 for analyst certification and important disclosures.
Please see rating structure, risk profile, parameters, disclaimers, and notes on pages 57 - 60.
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Companies: Equity Performance

Metal Prices: Gold, Silver, and Copper Performance

Indices: S&P/TSX and Venture Index

Source: Capital IQ and Haywood Securities

Source: Bloomberg

Source: Capital IQ

Haywood's Junior Exploration Q1/13 Report

Ben Asuncion | basuncion@haywood.com
Tara Hassan, P.Eng | thassan@haywood.com
Colin Healey, MBA | chealey@haywood.com
Stefan Ioannou, PhD | siioannou@haywood.com
Kerry Smith, MBA, P.Eng | ksmith@haywood.com
Russell Stanley, MBA, CFA | rstanley@haywood.com

Douglas Ibbitson | dibbitson@haywood.com
Maria Kalbarczyk, CFA | mkalbarczyk@haywood.com
Ardem Keshishian, MBA, CFA | akeshishian@haywood.com
Ahmad Shaath, MBA | aashaath@haywood.com
Alan Spence | aspence@haywood.com
Evan Young, MS, DIC | eyoung@haywood.com

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<thead>
<tr>
<th>Analyst</th>
<th>Name</th>
<th>Ticker</th>
<th>MCap</th>
<th>Cash</th>
<th>Ent Value</th>
<th>Q4/12</th>
<th>2012</th>
<th>Region</th>
<th>Commodity</th>
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<tr>
<td>Colin Healey</td>
<td>Alpha Minerals Inc.</td>
<td>AMW-V</td>
<td>$34M</td>
<td>$4M</td>
<td>$30M</td>
<td>592%</td>
<td>92%</td>
<td>Saskatchewan</td>
<td>U3O8</td>
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<td>Stefan Ioannou</td>
<td>Andover Mining Corp.</td>
<td>AOX-V</td>
<td>$23M</td>
<td>$1M</td>
<td>$28M</td>
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<td>-61%</td>
<td>Alaska, Utah</td>
<td>Cu</td>
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<td>Argentum Silver Corporation</td>
<td>ASL-V</td>
<td>$7M</td>
<td>$1M</td>
<td>$8M</td>
<td>-10%</td>
<td>-16%</td>
<td>Mexico</td>
<td>Ag</td>
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<tr>
<td>Ben Asuncion</td>
<td>Atico Mining Corporation</td>
<td>ATY-V</td>
<td>$25M</td>
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<td>$22M</td>
<td>35%</td>
<td>15%</td>
<td>Columbia</td>
<td>Au/Cu</td>
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<tr>
<td>Kerry Smith</td>
<td>Balmaral Resources Ltd</td>
<td>BAR-V</td>
<td>$97M</td>
<td>$14M</td>
<td>$83M</td>
<td>8%</td>
<td>35%</td>
<td>Quebec</td>
<td>Au</td>
</tr>
<tr>
<td>Ben Asuncion</td>
<td>Bearing Resources Ltd.</td>
<td>BRZ-V</td>
<td>$9M</td>
<td>$2M</td>
<td>$2M</td>
<td>-45%</td>
<td>-83%</td>
<td>BC, Yukon, Mexico</td>
<td>Au</td>
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<td>Colin Healey</td>
<td>Cap-Ex Ventures Ltd.</td>
<td>CEV-V</td>
<td>$27M</td>
<td>$6M</td>
<td>$21M</td>
<td>-15%</td>
<td>-72%</td>
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<td>Fe</td>
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<td>Kerry Smith</td>
<td>Cayden Resources Inc.</td>
<td>CYD-V</td>
<td>$66M</td>
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<td>$64M</td>
<td>2%</td>
<td>-27%</td>
<td>Mexico</td>
<td>Au</td>
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<tr>
<td>Colin Healey</td>
<td>Century Iron Mines Corporation</td>
<td>CER-V</td>
<td>$81M</td>
<td>$38M</td>
<td>$43M</td>
<td>-12%</td>
<td>49%</td>
<td>Labrador</td>
<td>Fe</td>
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<td>Kerry Smith</td>
<td>Clifton Star Resources, Inc.</td>
<td>CFO-V</td>
<td>$33M</td>
<td>$8M</td>
<td>$25M</td>
<td>-70%</td>
<td>-70%</td>
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<tr>
<td>Ben Asuncion</td>
<td>Colmcor Resources Ltd.</td>
<td>CMR-V</td>
<td>$26M</td>
<td>$2M</td>
<td>$24M</td>
<td>n/a</td>
<td>n/a</td>
<td>Ontario</td>
<td>Au</td>
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<tr>
<td>Kerry Smith</td>
<td>Dunav Resources Ltd.</td>
<td>DNV-V</td>
<td>$35M</td>
<td>$1M</td>
<td>$34M</td>
<td>-52%</td>
<td>-57%</td>
<td>Serbia</td>
<td>Cu/Au</td>
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<tr>
<td>Kerry Smith</td>
<td>Freegold Ventures Ltd.</td>
<td>FVL-T</td>
<td>$51M</td>
<td>$5M</td>
<td>$47M</td>
<td>17%</td>
<td>1%</td>
<td>Alaska</td>
<td>Cu</td>
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<tr>
<td>Kerry Smith</td>
<td>Gold Canyon Resources Inc.</td>
<td>GCU-V</td>
<td>$117M</td>
<td>$11M</td>
<td>$106M</td>
<td>-43%</td>
<td>-45%</td>
<td>Ontario</td>
<td>Au</td>
</tr>
<tr>
<td>Kerry Smith</td>
<td>Gold Standard Ventures Corp.</td>
<td>GSV-V</td>
<td>$99M</td>
<td>$15M</td>
<td>$84M</td>
<td>-30%</td>
<td>77%</td>
<td>Nevada</td>
<td>Cu</td>
</tr>
<tr>
<td>Kerry Smith</td>
<td>High Desert Gold Corporation</td>
<td>HDG-V</td>
<td>$12M</td>
<td>$5M</td>
<td>$7M</td>
<td>-35%</td>
<td>-48%</td>
<td>Nevada &amp; Utah</td>
<td>Au</td>
</tr>
<tr>
<td>Stefan Ioannou</td>
<td>Highland Copper Company Inc.</td>
<td>HI-V</td>
<td>$26M</td>
<td>$14M</td>
<td>$12M</td>
<td>-30%</td>
<td>-1%</td>
<td>Michigan</td>
<td>Cu</td>
</tr>
<tr>
<td>Stefan Ioannou</td>
<td>Indico Resources Ltd.</td>
<td>IDI-V</td>
<td>$9M</td>
<td>$2M</td>
<td>$7M</td>
<td>-18%</td>
<td>16%</td>
<td>Peru</td>
<td>Cu</td>
</tr>
<tr>
<td>Stefan Ioannu</td>
<td>International Enexco Ltd.</td>
<td>IEC-V</td>
<td>$25M</td>
<td>$4M</td>
<td>$21M</td>
<td>34%</td>
<td>17%</td>
<td>Nevada, Saskatchewan</td>
<td>Cu &amp; U3O8</td>
</tr>
<tr>
<td>Ben Asuncion</td>
<td>International Nothern Mines Ltd.</td>
<td>INH-V</td>
<td>$32M</td>
<td>$3M</td>
<td>$29M</td>
<td>-24%</td>
<td>20%</td>
<td>Mexico</td>
<td>Ag</td>
</tr>
<tr>
<td>Colin Healey</td>
<td>Kivalliq Energy Corp.</td>
<td>KIV-V</td>
<td>$62M</td>
<td>$5M</td>
<td>$57M</td>
<td>-6%</td>
<td>3%</td>
<td>Nunavut</td>
<td>U3O8</td>
</tr>
<tr>
<td>Ben Asuncion</td>
<td>Lupaka Gold Corp.</td>
<td>LKP-V</td>
<td>$27M</td>
<td>$11M</td>
<td>$26M</td>
<td>-37%</td>
<td>-57%</td>
<td>Peru</td>
<td>Ag</td>
</tr>
<tr>
<td>Colin Healey</td>
<td>Macusani Yellowcake, Inc.</td>
<td>YEL-V</td>
<td>$22M</td>
<td>$6M</td>
<td>$15M</td>
<td>-7%</td>
<td>4%</td>
<td>Peru</td>
<td>U3O8</td>
</tr>
<tr>
<td>Kerry Smith</td>
<td>Marathon Gold Corporation</td>
<td>MOZ-V</td>
<td>$35M</td>
<td>$5M</td>
<td>$30M</td>
<td>-24%</td>
<td>-42%</td>
<td>Newfoundland, Idaho, Oregon</td>
<td>Au</td>
</tr>
<tr>
<td>Stefan Ioannou</td>
<td>Marengo Mining Ltd.</td>
<td>MGO-AU</td>
<td>$165M</td>
<td>$13M</td>
<td>$152M</td>
<td>24%</td>
<td>-40%</td>
<td>Papua New Guinea</td>
<td>Cu</td>
</tr>
<tr>
<td>Stefan Ioannou</td>
<td>NovaCopper Inc.</td>
<td>NCO-T</td>
<td>$105M</td>
<td>$24M</td>
<td>$82M</td>
<td>-17%</td>
<td>-60%</td>
<td>Alaska</td>
<td>Cu</td>
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<tr>
<td>Tara Hassan</td>
<td>Papillon Resources Limited</td>
<td>PIJ-V</td>
<td>$460M</td>
<td>$10M</td>
<td>$450M</td>
<td>-1%</td>
<td>200%</td>
<td>Mali</td>
<td>Au</td>
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<tr>
<td>Kerry Smith</td>
<td>Probe Mines Limited</td>
<td>PRB-V</td>
<td>$144M</td>
<td>$35M</td>
<td>$109M</td>
<td>45%</td>
<td>-12%</td>
<td>Ontario</td>
<td>Au</td>
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<tr>
<td>Stefan Ioannou</td>
<td>Reservoir Minerals Inc.</td>
<td>RMC-V</td>
<td>$92M</td>
<td>$20M</td>
<td>$73M</td>
<td>-17%</td>
<td>402%</td>
<td>Serbia</td>
<td>Cu</td>
</tr>
<tr>
<td>Colmcor</td>
<td>Reunion Gold Corporation</td>
<td>RGD-V</td>
<td>$58M</td>
<td>$7M</td>
<td>$51M</td>
<td>-21%</td>
<td>-63%</td>
<td>Guyana</td>
<td>Fe</td>
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<tr>
<td>Colmcor</td>
<td>Ridgmont Iron Ore Corp.</td>
<td>RDG-V</td>
<td>$9M</td>
<td>$5M</td>
<td>$4M</td>
<td>-47%</td>
<td>-76%</td>
<td>Newfoundland and Labrador</td>
<td>Fe</td>
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<tr>
<td>Ben Asuncion</td>
<td>Seafield Resources Ltd.</td>
<td>SFF-V</td>
<td>$22M</td>
<td>$4M</td>
<td>$18M</td>
<td>-16%</td>
<td>-10%</td>
<td>Colombia</td>
<td>Au/Cu</td>
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<tr>
<td>Ben Asuncion</td>
<td>Soltores Ltd.</td>
<td>SOL-V</td>
<td>$31M</td>
<td>$3M</td>
<td>$29M</td>
<td>-7%</td>
<td>-42%</td>
<td>Mexico</td>
<td>Ag/Au</td>
</tr>
<tr>
<td>Kerry Smith</td>
<td>Temex Resources Corp.</td>
<td>TME-V</td>
<td>$42M</td>
<td>$9M</td>
<td>$33M</td>
<td>-12%</td>
<td>33%</td>
<td>Ontario</td>
<td>Au</td>
</tr>
<tr>
<td>Ben Asuncion</td>
<td>Terraco Gold Corp.</td>
<td>TMC-V</td>
<td>$23M</td>
<td>$2M</td>
<td>$21M</td>
<td>-13%</td>
<td>-30%</td>
<td>Idaho &amp; Nevada</td>
<td>Au/Ag</td>
</tr>
<tr>
<td>Kerry Smith</td>
<td>Treasury Metals Inc.</td>
<td>TML-V</td>
<td>$55M</td>
<td>$4M</td>
<td>$52M</td>
<td>11%</td>
<td>-11%</td>
<td>Ontario</td>
<td>Au</td>
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<tr>
<td>Tara Hassan</td>
<td>Voita Resources Inc.</td>
<td>VTR-V</td>
<td>$81M</td>
<td>$20M</td>
<td>$61M</td>
<td>-29%</td>
<td>-48%</td>
<td>Mali, Burkina Faso, Ghana</td>
<td>Au/Cu</td>
</tr>
</tbody>
</table>

Source: Company Reports, Capital IQ, and Haywood Securities
We have adjusted our list of exploration companies to watch in Q1/13. We have removed fifteen companies and added eleven, bringing our Q1/13 line-up to 37 companies. A brief introduction to our eleven new additions is provided below.

- **Alpha Minerals Inc. (AMW-V)** – A junior explorer holding a portfolio of assets comprised of both uranium and gold properties. Main focus is on the jointly-held Patterson Lake South uranium property in the Athabasca Basin. The recent drill program was highlighted by a near-surface intersection of 12.5 metres grading 2.49% U₃O₈.

- **Atico Mining Corporation (ATY-V)** – Atico Mining is a junior explorer focused on copper and gold exploration in Colombia. The Company’s primary focus is the El Roble property, host to an operating copper-gold mine, for which they can acquire a 90% interest in for US$14 million. The principals behind Atico are the founding team from Fortuna Silver (FVI-T).

- **Cap-Ex Ventures Ltd. (CEV-V)** – The Company is focused on the development of the wholly-owned Block 103 iron ore property in the Labrador Trough. 2012 drilling was completed in November, totaling 22,300 metres across 72 holes within the Greenbush Zone on Block 103. An initial resource estimate on the property is expected in Q1’13.

- **Clifton Star Resources, Inc. (CFO-V)** – Clifton Star is continuing to focus on the Duparquet gold project in Quebec, which covers 7.7 kilometres of favourable strike length along the prolific Porcupine-Destor Fault. We anticipate a PEA and resource update imminently, as well as ongoing drill results from a 20,000 metre exploration program during 2013.

- **Coventry Resources Ltd. (CYY-V)** – Coventry Resources is focused on developing its advanced stage Cameron Gold Camp Project and advancing its early stage Rainy River District gold prospects in Western-Ontario. Coventry’s focus is to take the Cameron deposit into production by mid to late 2015. On January 9, 2013, the Company commenced trading on the Venture exchange and on the ASX.

- **Freegold Ventures Ltd. (FVL-T)** – Freegold Ventures is a junior explorer with a portfolio of projects in Alaska focused in the Tintina gold belt. Freegold’s key asset is the Golden Summit project, which spans 11,400 acres and is situated approximately five miles from the Fort Knox Mine, Alaska’s largest operating mine. The focus for 2013 will be expanding the resources at Golden Summit, specifically within the Dolphin and Cleary areas as well as ongoing metallurgical test work to support an internal scoping study.

- **Highland Copper Company Inc. (HI-V)** – Highland’s key asset is the Keweenaw copper project in northern Michigan, underpinned by an amended joint venture (JV) agreement with BRP LLC (a diversified coal, natural gas, and royalty company). Highland is working to complete a 172 hole diamond drill program (8 holes to be completed, assay results for only 98 holes have been reported) to verify historical drilling completed in 1970’s, which will support a National instrument 43-101 compliant resource estimate (expected in Q1/13) and a prefeasibility study (expected June 2013). Recent drilling highlights include 22.7 metres grading 3.80% copper and 11.8 g/t silver in hole CEN452.

- **Indico Resources Ltd. (IDI-V)** – Indico is focused on the exploration and development of copper-gold porphyry deposits in South America. The Company’s flagship Ocaña copper-gold-molybdenum porphyry project, located in the northwest extension of the Southern Peru Porphyry copper belt, is underpinned by an earn-in agreement to acquire up to a 100% interest. Recent exploration highlights at Ocaña include 265 metres grading 0.35% copper of primary (hypogene) mineralization in hole OCADH014. Indico’s exploration portfolio also includes the
grass-roots Maria Reyna copper-molybdenum skarn-porphyry project, located in the Andahuaylas-Yauri belt of Cusco Region, Southern Peru (~10 kilometres from Hudbay’s Constancia project).

- **International Enexco Ltd. (IEC-V)** – International Enexco’s (IEC) flagship asset is the 100% owned Contact Copper copper-oxide project in northern Nevada, which features a notably increased (49%) resource base following the acquisition of an adjacent land package in 2011 and the completion of a successful 2012 drill program. IEC also holds a 30% interest in the Mann Lake uranium project in the Athabasca Basin, Saskatchewan (Cameco owns 52.5% and is the project operator), which has received recent interest following Cameco’s announcement of a $6 million exploration program (+28 drill holes, ~21,000 metres). Subsequently, IEC closed a $1.8 million private placement with Denison Mines—sufficient to meet IEC’s 2013 Mann Lake funding obligations.

- **Ridgemont Iron Ore Corp. (RDG-V)** – The Company is focused on the exploration and development of the wholly-owned Lac Virot iron ore project in the Labrador Trough. An initial resource estimate is expected in Q4’13, following completion of the 2013 drilling program. Ridgemont also maintains a 100%-interest in the Maguse River iron ore project in southern Nunavut.

- **Treasury Metals Inc. (TML-T)** – Treasury Metals is advancing its 100%-owned Goliath project in Northwestern Ontario, within the Eagle-Wabigoon-Manitou greenstone belt, with a prospective strike defined over 6 kilometres. The Company commenced a 20,000 metre $20 million exploration program in November 2012, which is expected to be completed in mid-2013. We also anticipate an updated resource at Goliath in H2/13.
Gold & Gold Equities

In U.S. dollar terms, gold rose approximately 8% in 2012, marking the twelfth year in a row of gold finishing on a positive note. During the year gold traded within a range of US$1,540 per ounce (Q2/12) to US$1,792 per ounce (Q3/12). Gold prices in 2012 averaged approximately US$1,670 per ounce, coming in only 1.2% above Haywood’s estimate of US$1,650/oz for the year. Going forward, we anticipate higher near-term gold prices of US$1,750 (US$1,650 previously) with a long-term price retreating to US$1,400 per ounce (US$1,250 previously).

Although gold reacted positively in almost all the currencies to the U.S. Federal Reserve’s announcement of further quantitative easing in mid-September 2012, its performance has continued to be volatile and it has given up much of its gains since as investors balance concerns over an earlier end to QE3 and increased global inflation concerns with positive Chinese trade data and continued weakness in the Euro zone which could lead to further easing.

Over the past 12 to 18 months, this combination of macro-economic conditions caused substantial volatility in gold price, and we anticipate that volatility will continue to be a theme, as many of these issues remain. In particular, we expect the European sovereign debt crisis, the U.S. debt ceiling debate, and U.S. quantitative easing to impact volatility, but overall provide positive support for gold prices in 2013. A key risk to our gold price forecast would be the conclusion of the U.S. quantitative easing program sooner than expected.

Despite the gold price continuing its uptrend in 2012, gold equities continued to disconnect from gold price in 2012 as the S&P/TSX Global Gold Index was down nearly 19% in 2102. Although gold equity performance improved after the QE3 performance, weakness toward the end of 2012 has led to equities continuing to trade at depressed levels. Although there is substantial room for upside with a gold price rally, we expect that rebounds will be selective and reserved for high-quality assets operated by experienced and proven management teams.

Although gold equities performed poorly in 2012, equity financings in the gold space were up both in value and count year over year, although still remain well below 2009 and 2010 values.

Equity Financings Gold Space (TSX and TSX Venture) – Cumulative Value and Number

<table>
<thead>
<tr>
<th>Year</th>
<th>Issuance Value (C$M)</th>
<th>Issuance Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$222</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>$123</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>$184</td>
<td></td>
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<tr>
<td>2010</td>
<td>$261</td>
<td></td>
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<tr>
<td>2011</td>
<td>$132</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>$159</td>
<td></td>
</tr>
</tbody>
</table>

Source: FP Infomart
During 2012, equity financings for TSX- and TSX Venture-listed gold companies experienced a protracted slowdown in Q2 and Q3, before picking back up on the back of improved gold prices Q4 with a return of equity financing in the gold space for, importantly, exploration and development plays, a good indicator of a return of investor appetite for risk. The ability to access financing going forward will still depend on the underlying asset’s quality, location, and stage of development, among other attributes, combined with the management’s capacity to deliver its catalysts.

Although 2012 saw total global exploration budgets reach an all-time high, gold exploration budgets were down year over year, although still represented nearly 50% of the exploration dollars budgeted globally. We note however that the weakness in gold equity markets for a large portion of the year resulted in a slowdown in demand for drilling rigs. We note however that the market could tighten once juniors return to more active levels of exploration, resulting in cost inflation and/or lengthy wait times for those slower to return, similar to the environment experienced in 2010 and 2011.

**Gold Exploration Trends**

![Gold Exploration Trends Chart]

Source: Metals Economics Group (MEG).

**Silver & Silver Equities**

In 2012, while silver continued to trade in tandem with gold (correlation of more than 90%), it demonstrated twice the volatility of its precious metal counterpart. Last year, silver traded over a range of ~US$37 per ounce in late February, to a low of ~US$26 per ounce in late June, averaging ~US$31 per ounce for the year. The primary driver behind silver’s price swings was investment demand, which came on the back of growing financial market expectations for additional monetary accommodation in the United States and throughout the European Union.

Going forward we continue to expect silver to trade with a high correlation to gold, given the mutual store of value through coins and ETFs, and have adjusted our silver price deck in sync with the increase to our gold forecasts. We now anticipate near-term silver prices of US$32.50 (US$28.50 previously) with a long-term price retreating to US$24.00 per ounce (US$22.00 previously). We view investment demand as the key driver of the silver price in the near term, influenced by problems in the global economy that are expected to take several years to resolve, providing support for silver prices at elevated levels.
Silver and Gold Price Forecasts

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Silver, US$/oz</td>
<td>32.50</td>
<td>32.50</td>
<td>31.50</td>
<td>30.00</td>
<td>28.00</td>
<td>26.00</td>
<td>24.00</td>
</tr>
<tr>
<td>Gold, US$/oz</td>
<td>1,750</td>
<td>1,750</td>
<td>1,700</td>
<td>1,650</td>
<td>1,600</td>
<td>1,500</td>
<td>1,400</td>
</tr>
<tr>
<td>Gold:Silver Ratio</td>
<td>54:1</td>
<td>54:1</td>
<td>54:1</td>
<td>55:1</td>
<td>57:1</td>
<td>58:1</td>
<td>58:1</td>
</tr>
</tbody>
</table>

Source: Haywood Securities

Gold-to-Silver Ratios

During 2012, silver traded at an implied gold-to-silver ratio between 48:1 when silver peaked at US$36.91 per ounce and 59:1 when silver hit a low of US$26.38 per ounce, to average the year at 54:1. Comparatively, over the long term, the gold-to-silver ratio has averaged 60:1 since 2000 and 58:1 since 1975, consistent with Haywood’s long-term forecasted metal prices at a ratio of 58:1.

The current gold-to-silver ratio of 54:1 represents a significant departure from the low of 32:1 attained in late April 2011, when silver peaked at US$48.44 per ounce, and is more typical of the influences on the metal of industrial fabrication and investment demand. Going forward, we view both these components of demand as the key drivers of the silver price. However, investment demand (through ETFs) will have a greater influence on near-term price volatility.

Historical Gold-to-Silver Ratios vs. Silver Spot Price (2012 and 5-year)

Source: Bloomberg and Haywood Securities

Silver ETPs and COMEX Positions

Investment demand for silver, through physically backed silver exchange-traded products (ETPs) and speculation on the commodities futures exchange, has been the primary driver of silver prices in the past few years. Investors in ETFs were net buyers in 2012, with ETPs increasing their holdings to 608 million ounces, or a 9% increase from 556 million ounces at the end of 2011. This level compares with a record high of 599 million ounces on April 26, 2011, just prior to the metal’s close at a record high of US$48.44 per ounce on April 28, 2011. Putting this into perspective, CPM Group estimates total mine production for 2013 of 759 million ounces.
Net speculative positions on the COMEX, seen as a proxy for the investment appetite for silver, have tracked the underlying spot silver prices since late 2010. Total positions increased three and a half times in 2012 to 153 million ounces at year-end. While investor interest in silver has supported prices in the near term, backed by a high level of activity in COMEX silver futures contracts, physically backed silver ETPs, and demand for silver coins; heightened volatility results from the relative ease with which ETP investors and speculators can enter and exit the market.

**Supply and Demand Fundamentals**

Demand for silver is influenced primarily by its use in industrial fabrication and by investment demand. According to CPM Group, total fabrication demand for silver in 2013 is estimated at 899 million ounces, representing a 2% increase over 2012, and comprises the following sectors: photography (10%), jewellery and silverware (34%), electronics and batteries (27%), solar panels (7%), and other uses (21%). Silver demand is also influenced by its allure as an investment asset, in light of the continued European and U.S. debt concerns, central bank intervention and stimulus, and political brinkmanship. Opposing moves by market participants, between investors looking to silver as a store of value and end-users looking to the metal for industrial fabrication, are anticipated to be the largest contributors to the metal’s near-term price volatility. However, we note that the relative ease with which investors can enter and exit silver investment vehicles, notably ETPs, means that these holdings can translate into supply as investors look to capitalize on higher metal prices.

Most (74%) of the silver supply, estimated at 1,032 million ounces in 2013 (Source: CPM Group), is from mine production, with supply from secondary sources (scrap and recycling) accounting for the remainder. The surplus of silver supply over demand, 134 million ounces estimated for 2013, is anticipated to be absorbed by coinage and ETPs. Over the long term, silver is expected to move from a net surplus (supply in excess of fabrication demand) to a net neutral position by 2020.

**Equities**

Despite a 9% increase in silver prices last year, silver-focused exploration companies lagged the physical commodity with an average ~20% decline. However, despite a lack lustre performance from the equities, financings in the silver space were both up in value and count year over year, although still remain well below the recent highs observed in 2010. In 2012, equity financings for TSX– and TSX Venture-listed silver companies experienced a lull in the first quarter but saw consecutive quarter on quarter increases for the remainder of the year.
With respect to merger and acquisition activity, the preferred theme throughout most of 2012 was for producer-producer consolidation. Transactions included Pan American Silver’s (PAA-T) acquisition of Minefinders (MFL-T), First Majestic’s (FR-T) acquisition of Silvermex Resources (SLX-T), Endeavour’s (EDR-T) acquisition of the El Cubo mine and Guadalupe y Calvo projects from AuRico Gold (AUQ-T), and the merger of US Silver and RX Gold to form US Silver & Gold (USA-T) despite a rival cash offer from Hecla Mining (HL-N). However, towards the end of 2012 we saw producer-developer consolidation emerge with the acquisition of Orko Silver (OK-V) by First Majestic and the Coeur d’Alene’s (CDE-N) consolidation of the Joaquin project by acquiring the outstanding interest from Mirasol Resources (MRZ-V).

Base Metals

The base metals complex experienced a period of significant volatility through 2012 as global markets wrestled with political uncertainties and the implementation of meaningful fiscal reforms following a global economic slowdown and the European sovereign debt crisis. Positive sentiment spurred a small recovery in late 2012, but it has been met with the recent negativity fuelled by ongoing uncertainty about the U.S. fiscal path. We expect near-term volatility and weakness in base metals prices, but believe in the longer term fundamentals. We continue to see structural tightness in the copper market, as growth in supply remains constrained, mine grades continue to decline, and future production comes from higher risk jurisdictions. We remain cautious on nickel, lead, and zinc pricing over the short term given macro-economic concerns and historically high London Metal Exchange and consumer inventories. However, we still anticipate medium to longer term strength in these metals—specifically zinc, where we remain cognizant of a number of key mine closures expected within the next 3 years and the lack of new large, advanced-stage development projects poised to replace existing production capacity. We have taken a cautious stance regarding the near term for molybdenum, but still believe in the long-term potential, where an overall lack of good-quality advanced-stage development projects could lead to a supply deficit in a market underpinned by continued growth in demand.

Copper

Copper is widely used across various sectors spanning industrial through residential applications. Recent bullish sentiment has fuelled a small copper price rebound, from the mid-November lows of ~US$3.45 per pound, to the current trading level of ~US$3.70 per pound. However, we expect that any near-term upside will remain capped by ongoing economic uncertainty fed by global political instabilities, severely limiting the potential for meaningful short-term market recovery. Despite this macro-economic uncertainty, we continue to believe that ongoing supply-side issues will limit potential downside.
Supply growth in 2012 was not as robust as previously expected when initial estimates targeted mine production growth as high as ~1.2 million tonnes during the year. However, actual increases added up to only ~0.3 million tonnes, in a total worldwide copper market of about 16.3 million tonnes of mine production. The lag in production growth was driven largely by declining head grades at established mines and by rising operating-cost pressures. Furthermore, the copper supply was significantly impacted by strike action at Codelco’s operations in Chile, Freeport’s Grasberg mine in Indonesia, and BHP’s Escondida mine in Chile, as workers demanded better compensation on the back of historically high metal prices. As an additional element of political risk and supply-side uncertainty, we note that China has become the world’s second largest producer of mined copper ahead of Peru. Based on reports by Thomson Reuters GFMS (GFMS), China produced 1,513,000 tonnes of copper in 2012, versus only 1,257,000 tonnes from Peru. For reference, China produced 1,299,000 tonnes in 2011 and only 946,000 tonnes in 2007. Thus, China’s 2012 production level represents an impressive 16% and 60% production increase above 2011A and 2007A respectively.

GFMS expects global copper production will increase by 3.8% in 2013, narrowly outpacing the forecast of 3.1% growth in global consumption. Furthermore, GFMS estimates a marginal 2013 copper surplus of 155,000 tonnes (total year-end stocks of 1.4 million tonnes representing ~3.5 weeks’ consumption), reflecting a very tight market. Given the constraints expected on both the demand and supply sides of the copper market, we have modestly increased our near-term copper price forecast. We expect that the copper price will average US$3.65 per pound in 2013E and 2014E, in line with current price levels.

Copper Supply/Demand Remained in Tight Balance Through 2012

Currently, worldwide demand for copper totals ~20 million tonnes per annum. Future growth in demand remains largely dependent on continued Chinese consumption, which is expected to pick-up in 2013 after slowing in 2012, in support of global economic recovery. The viability of expected growth in copper supply still remains in question, as planned output will depend largely on areas with rising political risk (i.e., West Africa) and areas with significant infrastructure hurdles (i.e., constrained electrical power supply in Chile). Furthermore, supply will increasingly come from lower grade mines, redefining the industry’s cost curve. During 2012, we saw a number of majors announce plans to refocus efforts on cost-cutting measures at existing operations. In turn, their doing so questions the timelines underpinning a number of (very) large low-grade high-cost development projects and the implications for the availability of future supply. As a result, we have increased our long-term (2016+) copper price forecast to US$3.25 per pound.
Zinc

The zinc market continues to face a considerable medium-term supply issue, as there are arguably no new large advanced-stage development projects poised to replace production capacity after a number of key mine closures expected within the next 5 years. Xstrata has formally announced the closure of the Brunswick mine in March 2013 (~470 million pounds [Mlb] of annual zinc production, representing ~1.5% of 2012E global zinc mine production), and Minmetals’ Century mine is expected to close in 2015 (~1,120 Mlb of annual zinc production, representing ~3.6% of 2012E global zinc mine production). Mine closures anticipated through 2015 will remove approximately 2,790Mlb of annual zinc production from the market, equivalent to ~10% of global supply (based on GFMS estimates; see below).

The anticipated supply shortage is reflected, in part, by consolidation within the zinc space, including the acquisitions of both Farallon and Breakwater by Nyrstar, a fully integrated global zinc company, and the purchase of Sabina Gold & Silver’s Hackett River project by Xstrata. We note that Nyrstar’s June 2011 offer valued Breakwater at a 44% premium to market—arguably a sign that smelters/refiners are anticipating a sharp decline in available feedstock. We also note Trafigura’s formal acquisition of Iberian Minerals (IZN-V) in 2012, at a 39% premium to market. The transaction’s key asset, the Aguas Tenidas polymetallic mine in Spain, is expected to have produced ~78 Mlb of zinc in concentrate in 2012.

### Key Near-Term Zinc Mine Closures

<table>
<thead>
<tr>
<th>Significant Zinc Mine Closure / Owner</th>
<th>Annual Zinc Production (Mlb)</th>
<th>Percentage of 2012E Global Zinc Mine Production</th>
<th>Final Year of Full Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perseverance / Xstrata</td>
<td>290</td>
<td>0.9%</td>
<td>2012</td>
</tr>
<tr>
<td>Brunswick / Xstrata</td>
<td>470</td>
<td>1.5%</td>
<td>2012</td>
</tr>
<tr>
<td>Lisheen / Vedanta</td>
<td>370</td>
<td>1.2%</td>
<td>2013</td>
</tr>
<tr>
<td>Century / MMG</td>
<td>1,120</td>
<td>3.6%</td>
<td>2015</td>
</tr>
<tr>
<td>Other Significant Zinc Producers</td>
<td>540</td>
<td>1.7%</td>
<td>2012 - 2015</td>
</tr>
<tr>
<td><strong>Total Significant Zinc Mine Closure</strong></td>
<td><strong>2,790</strong></td>
<td><strong>~10%</strong></td>
<td><strong>2012 - 2015</strong></td>
</tr>
</tbody>
</table>

Source: GFMS and Haywood Securities

*GFMS estimates of 2012 global zinc mine production to be ~31,000 Mlb.*

Zinc stockpiles climbed steadily through 2012, with LME inventories reaching current highs above 1,235,000 tonnes. Large zinc stockpiles are not expected to materially decline in the near term (noting that market forecasters expect the surplus to extend through 2013), which may continue to weigh negatively on market sentiment. However, we note that downside associated with growing inventories...
may be offset by large portions of essentially inaccessible zinc in stockpiles (i.e., restricted by warehousing contracts or bottlenecked by in-warehouse material handling). Furthermore, the zinc market remains underpinned by strong longer term demand fundamentals. The Australian Bureau of Agricultural and Resource Economics and Sciences, the state forecaster, anticipates that 2012E world steel production will increase by ~7% to 1.6 billion tonnes, fuelled in part by a 6% increase in Chinese consumption (to 664 million tonnes) in 2012E.

We note that zinc mines in China, which account for approximately 33% of global supply, require as much as ~US$1.15 per pound to break even, which may prompt the country to offset higher cost domestic production with cheaper imported concentrate/metal. Beijing Antaike Information Development Co., a state-backed research group, anticipates Chinese zinc demand could reach ~6.6 million tonnes of zinc metal by 2015, compared with 5.5 million tonnes in 2011. We have begun to observe a resurgence of the United States’ automotive and construction sectors (for reference, the United States is the world’s second largest consumer of refined zinc), and continue to expect that longer term fundamentals will be shaped by sustained Chinese growth. We have reduced our near-term forecast in line with current zinc price levels, expecting an average price of US$0.95 per pound in 2013E. Nonetheless, we remain cognizant of medium-term supply restrictions and expect the zinc price to average US$1.25 per pound in 2015E. Our long-term view of the zinc market is unchanged, and we continue to include a 2017E+ forecast price of US$1.15 per pound.

Zinc Cost Curve (2012 Estimate)

Source: Teck Resources

**Lead**

Lead pricing fared relatively well through 2012 when compared with the other base metals. Lead prices averaged US$0.94 per pound in 2012, and posted a 15% gain during the year, exiting at US$1.05 per pound. For reference, zinc averaged US$0.88 per pound in 2012 and recorded a 12% gain in price. According to GFMS estimates, global demand for lead increased by 6.5% in 2011 and grew by a further 4.3% in 2012. GFMS expects demand to expand by an additional 6.3% in 2013. Lead is used mainly in the production of batteries for applications in the automotive sector. Note that China is the largest consumer of lead (~45% of 2012 global consumption), and as a result, the lead price is generally a strong indicator of Chinese industrial activity. Chinese consumption of refined lead products was estimated at 4.9 million tonnes in 2012, representing an increase of 6% year on year, and is expected to increase to 5.5 million tonnes in 2013. Current LME inventories remain elevated at 317,700 tonnes, but have declined from the recent highs above 360,000 tonnes observed in November 2012. Coupled with concerns regarding the macro-economic environment, we expect any upside in the lead price to remain capped in the near term. However in the longer term, we expect continued Chinese economic growth and consumption to support higher price levels.
Iron Ore

The dominant driver of growth for the sector continues to be Asian economies (e.g., China, South Korea, and India), and their production/consumption of steel. Approximately 98% of all iron ore is used in steelmaking (World Coal Association data). China continues to dominate crude steel output, producing 47% of the world’s supply year to date (to November 2012), a share it maintained throughout 2011 as well. India has witnessed a much slower growth rate in steel consumption, as it has yet to accelerate the build-out of infrastructure and urbanization at rates comparable to China. That said, given India’s population of >1.2 billion, increases in steel consumption per capita can, and are expected to, have a material impact on the long-term demand for iron ore. India is the 4th largest crude steel producer globally, up 6% year over year. Acceleration in growth and coincident industrial development over the long term within these nations, coupled with the understanding that the marginal cost of iron ore production in India and China is high (well above $100 per tonne), highlight the potentially strong fundamental support for long-term iron ore demand.

Despite the negative trend in iron ore prices since peaking in early 2011, the latest available World Steel Association data for global crude steel production (November 2012) highlight that cumulative 2012 crude steel production (graph at left, green line) has been defining record global crude steel output, and continues to redefine the upper boundary of the 5-year output band defined by the grey-shaded area, representing record iron ore demand and consumption. 2011 (gold line) defined this upper boundary last year, and year over year record daily steel output is becoming a recurring theme.

Another recurring theme in the sector of late is the Chinese iron ore stockpiles in the headlines. As iron ore prices declined rapidly from May to September 2012, stockpiles coincidently declined. The lack of buying to maintain stockpiles in China exerted downward pressure on seaborne iron ore prices, despite seasonally strong iron ore consumption for steel production. The graph below provides some insight into the relationship between iron ore stockpiles in China as a percentage of consumption. Some industry commentators point to the total weight of increasing stockpiles as a concern. Expressing stockpiles as a percentage of consumption helps quell some of these anxieties, as one would expect higher total output to require larger average stockpiles. Note that when estimated iron ore consumption (graph at right, grey shaded area) witnesses a sharp decline, there is commonly a coincident response reflected in a temporary spike in stockpiles, as we saw in December 2011. Note also that very often spikes in stockpiles tend to be short lived, and in the past have been corrected fairly quickly by inertia in consumption growth in China. As the black line in the graph at right highlights, stockpiles trended downward to November 2012, and the recent +100% recovery (September 2012 to January 2013) in iron ore prices (FOB Brazil, 62% Fe) (+77% CFR China, 62% Fe) is widely attributed to buying related to replenishing stockpiles. Estimated monthly consumption in China remains on a growth trend and stockpiles are expected to be maintained at or above the 85% level, similar to average levels witnessed in 2010 and 2011.
The baseline iron ore price for a 62% Fe product FOB Brazil, as reported by Platts, finished 2012 up significantly at 19% year over year, after experiencing a steady 5-month decline from March to early September, bottoming out at $69 per tonne, before recovering +75% to $126 per tonne to finish the year (currently $138 per tonne). The table below provides context to the swings seen in iron ore prices in 2012, and highlights just how common these large swings in quoted spot prices have been over the past 3 years, with the 2012 min-max price delta of $57 being smaller than that seen in either of the previous 2 years.

<p>| Iron Ore Price Stats (FOB Brazil, 62% Fe Fines) (US$ / tonne) |</p>
<table>
<thead>
<tr>
<th>Year</th>
<th>Min</th>
<th>Max</th>
<th>Peak - Trough Δ</th>
<th>Average</th>
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</thead>
<tbody>
<tr>
<td>2010</td>
<td>$86</td>
<td>$155</td>
<td>$69</td>
<td>$115</td>
</tr>
<tr>
<td>2011</td>
<td>$90</td>
<td>$164</td>
<td>$74</td>
<td>$141</td>
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<tr>
<td>2012</td>
<td>$69</td>
<td>$126</td>
<td>$57</td>
<td>$106</td>
</tr>
<tr>
<td>2013 YTD</td>
<td>$126</td>
<td>$138</td>
<td>$10</td>
<td>$127</td>
</tr>
</tbody>
</table>

Source: Platts, Bloomberg, and Haywood Securities

Given the iron ore market’s propensity for volatility demonstrated above, our forecast for 2013 of $118 per metric ton (FOB Brazil, 62% Fe fines) represents a discount to the current spot price of $138 per tonne, but an ~11% premium to the 2012 average price of $106 per tonne. Our 2013 forecast of $118 per tonne is intended to reflect our view of the average price for the full year in the context of historical volatility. Note that our long-term forecast price remains $74 per tonne, reflecting our view that eventually the current elevated price environment will incentivise new production capacity and increase supply in the long term. A change in our view on the premium applied for iron content (% Fe) in concentrate has tempered a few of our target prices, with producers with the highest iron-content (in concentrate) the most susceptible. Previously, we applied a $4 credit for each 1% in nominal Fe content above our benchmark of 62% Fe in concentrate. We now adopt a $3 credit for each 1% in nominal Fe content above our base product, more in line with current market conditions.
Uranium

Over the past 12 months, the uranium sector has been beaten up as uranium prices have trended downward. The global macro environment remains unexciting in terms of catalysts for near-term growth, and the uranium sector has not found a hope to pin itself to as the uranium equities dramatically underperformed the broader market and the commodity. Since Fukushima, both the spot and long-term price indicators from UxC have trended negatively, with no particular stimulus to speak of to date. The graph below highlights how poorly uranium equities, as a group, performed in 2012 relative to the uranium price, and a slightly positive broader market indicator. The good news is that the uranium spot price witnessed its first uptick in 5 months in mid-November, and the graph suggests that perhaps the equities were finding their footing as we exited 2012. We believe that with the end of the Russian HEU supply agreement (Megatons to Megawatts) in 2013, a more predictable and normal supply/demand response will emerge in the uranium market as this major source of secondary supply falls away. We believe that the loss of this secondary supply (18 to 24Mlb of $U_3O_8$) will positively impact uranium prices, and the equities will witness a significant response as it occurs, especially in the context of the current suppressed valuations.

Trailing 12-Month Performance: Spot Uranium, Uranium Stocks, and the Broader Market Index

World Nuclear Association (WNA) data for future reactor requirements indicate that the aggregate number of reactors under construction, planned and proposed has increased dramatically since 2007, owing to upward revisions in expected demand in China and the introduction of Saudi Arabia as a nation planning to integrate nuclear power into its future energy mix. During the year, the number of reactors under construction dropped as they were introduced into their respective grids, and the number of operable reactors, and more significantly, operating reactors, was lowered as a result of the nuclear accident in Japan and the retirement of others. Since November 2011, we have seen the number of operating reactors globally climb from 382 to 387 (including the restart of 2 in Japan).
place the current state of the nuclear energy generator market in context, since September 2007 operating reactors have decreased 12%. However, we note that operable reactors have decreased only 1%, with the vast majority of Japan’s operable fleet still offline. The really promising data are in the reactors under construction, planned, and proposed, which have each increased 91%, 94%, and 42% respectively. There are currently 65 reactors under construction, another 167 planned, and 317 proposed. That comes to a total of 232 under construction or planned, or almost 60% of the current operating fleet. To reiterate the China argument, the country currently operates 16 reactors but has 29 reactors under construction, 51 planned, and 120 proposed.

The following graphs highlight the above data. In the Reactors Operating data, we have netted out Japan’s “operable”, but not currently operating, units from the data set. We then plot uranium spot and long-term prices against the data to see the dramatic rise in spot price through the winter of 2010/2011, only to be cut short with a rapid decline after Fukushima. We believe the spot market data highlight the delicate balance that exists in the uranium supply/demand market, and indicate how quickly the demand side may react to a perceived supply deficit in coming years.

The significant changes to the uranium price forecast are concentrated in the front end of the forecast. Persistent weakness throughout 2012 has heavily weighed down the average uranium price as we exit the year. As a result, our 2013 average spot and long-term price forecast falls to US$60 per pound of U₃O₈ and US$67.5 per pound of U₃O₈, respectively. These prices clearly call for some strengthening over the year, as we expect buyers to return to the market to secure supply, and avoid, or hedge against, potential production shortfalls. In addition, we have adjusted our spot uranium price forecast from 2017 onward down US$5, to US$70 per pound of U₃O₈ to reflect our view that the spot market will likely persistently average slightly lower pricing than the long-term price, as shown below. We note the potential for periodic intermittent spikes of the spot price above the long-term owing to the nature of the markets, and to the higher volatility of the spot market in a dynamic supply/demand environment.
Recent Uranium Price Performance and Haywood Forecast

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<td>Uranium (Spot), US$/lb</td>
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Source: UxC and Haywood Securities
Metal Price Performance (TTM)

Gold & Silver

Platinum & Palladium

Copper & Nickel

Lead & Zinc

Iron Ore

Uranium

TSX

TSXV

Source: Bloomberg
Alpha Minerals Inc. (AMW-V, $2.00)

**Company Description:** Alpha Minerals is a junior mineral exploration company holding a portfolio of assets comprising of both uranium and gold properties. Alpha’s uranium assets (Patterson Lake South, Cluff Lake, Hook and Cree) are situated in the Athabasca Basin, comprising over 225,000 acres. The main focus of the Company is the Patterson Lake South Property, located in the southwest portion of the Athabasca Basin. Alpha’s two gold assets are the Mikwam Property (Ontario) and Donna Property (British Columbia) respectively.

**Project #1: Patterson Lake South Property**
- **Ownership:** 50% (JV Partner: Fission Energy Corp, FIS-V)
- **Location:** Athabasca Basin, Saskatchewan, Canada
- **Exploration Target:** Alpha Minerals and Fission Energy (“joint venture partners”) hold the 76,700 acre property located in the southwestern portion of the Athabasca Basin, responsible for ~20% of global uranium production. The target is highlighted by a boulder field discovered on surface, which is believed to have been scoured from a basement bedrock source and deposited over a roughly 7.4km x 0.9km area by glacial process.
- **Historical Work:** The recently completed core drilling program totaling ~1,600 metres over 9 holes was highlighted by an intersection near surface of 12.5 metres grading 2.49% U$_3$O$_8$. Patterson Lake South was identified in 2008 following a review of assessment reports showing strong radon anomalies. The following year the joint venture partners completed a detailed airborne geophysical survey, revealing a large radioactive boulder field. In 2011, 123 boulder and mineralized soil samples were submitted for assay. Of those submitted, 49% produced “off-scale” radioactive readings. 51 high grade boulders sampled assayed over 10% U$_3$O$_8$.
- **2013 Work Program:** Alpha has yet to release final details on the size and budget of the upcoming winter 2013 drilling program. Details released thus far state that it will carry out additional core drilling in order to define the mineralized area established by the 2012 program and to test several other similar targets.
- **Resources / Reserves (100% basis):** There is currently no NI 43-101 compliant resource estimate on Patterson Lake South.

**Financial Position**
- **Cash:** $4 million (December 2012 estimate)
- **Debt:** Nil
- **Last Financing:** $4 million in December 2012 in a non-brokered private placement (2,666,667 units @ $1.50 each). Each unit consisting of one common share and one-half of one share purchase warrant, entitling the holder to purchase one common share at a price of $1.80 per share over a 12-month period. On January 14th Alpha announced a $3.15 million bought deal private placement of 1.5 million flow-through shares at $2.10/share. The deal is set to close on January 28th and would leave the Company with an even stronger treasury as it begins its 2013 exploration program.
Andover Mining Corp. (AOX-V, $0.21)

Company Description: Andover’s flagship asset is the 100% owned Sun volcanogenic massive sulphide (VMS) project located in the Ambler mining district of northwestern Alaska. The Company acquired the Sun property through an option earn-in agreement (completed in March 2007) for total consideration of $13 million. The Company also holds a controlling interest in Chief Consolidated Mining Company.

Project #1: Sun

- **Ownership**: 100%
- **Location**: Ambler mining district, northwestern Alaska
- **Exploration Target**: The Sun property covers 36,800 acres, and hosts VMS mineralization in up to four separate horizons (up to 31-metres thick). Andover has also staked 9,120 acres in the metavolcanic belt surrounding Teck’s Smucker deposit, located to the west of Sun.
- **Historical Work**: Past exploration work includes the completion of 76 drill holes (pre-2012; ~49,000 feet). A historical (non-National Instrument 43-101 compliant) prefeasibility study was completed by Anaconda Copper Mining Company in 1977, which outlined significant open-pit and underground resources (see below). Andover’s US$3.5 million 2012 exploration program included 14,265 feet of diamond drilling in 20 holes, and the resampling of historical drill core (19 mineralized intercepts from 12 drill holes). Specific highlights include 11.5 metres grading 3.00% copper, 2.43% zinc, 0.54% lead, 43.6 g/t silver, and 0.43 g/t gold in hole SUN-12-39.
- **2013 Work Program**: With the results of the 2012 drill program in hand, Andover will bring Sun’s historical resources into National Instrument 43-101 compliance (expected in Q1/13) and is working toward the completion of a Preliminary Economic Assessment (expected in H1/13). In December 2012 the Alaskan Governor announced details of the State's 2013 budget, which includes $8.5 million earmarked for the ~$400 million / 110 mile Ambler Mining District Road, which will provide access via the Dalton Highway.
- **Resources / Reserves (100% basis)**: Sun: Historical open-pit (non-National Instrument 43-101 compliant): 2.2 Mt grading 1.93% copper (93 Mlb), 4.51% zinc (216 Mlb), 1.20% lead (58 Mlb), and 74.3 g/t silver (5.2 Moz). Historical underground: 16.2 Mt grading 1.91% copper (683 Mlb), 4.46% zinc (1,596 Mlb), 1.18% lead (422 Mlb), and 73.7 g/t silver (38.5 Moz).

Project #2: Chief Consolidated Mining Company

- **Ownership**: 82.5% (subsidiary of Andover)
- **Location**: East Tintic District, Utah
- **Exploration Target**: Chief holds ~16,000 acres of patented mining property in the East Tintic poly metallic Mining District of Utah, which includes the past-producing Burgin and Trixie mines (joint venture with Enirgi Group, 100% owned subsidiary of the Sentient Group), and the Big Hill project (joint venture with Kennecott Exploration Company, 100% owned subsidiary of Rio Tinto).

Financial Position

- **Cash**: $1 million as of September 30, 2012
- **Debt**: $6 million as of June 30, 2012
- **Last Financing**: $1.5 million convertible note with The Sentient Group on August 29, 2012 (24-month; 0% interest; convertible at $0.235 per share)
Argentum Silver Corporation (ASL-V, $0.14)

Company Description: Argentum Silver is a junior exploration company focused on silver and gold exploration in Mexico, with a portfolio of four wholly owned projects: Coyote and Victoria in Jalisco, and the Silayacaopan and Lachiguiri projects in Oaxaca.

Project #1: Coyote

- **Ownership:** 100% subject to a 3% net smelter return (NSR) (reducible to a 2% NSR for US$1.5 million)
- **Location:** Western Jalisco, Mexico
- **Exploration Target:** The property encompasses 1,053 hectares, with numerous low-sulphidation epithermal silver-gold veins and stockworks identified within an area spanning 2,500 by 2,000 metres. The seven principal vein systems identified include the El Tajo, El Tajo Norte, La Colorada, La Florida, Bocancha, and San Rafael. Through a combination of surface and underground workings, geophysics, geochemistry, trenching, and drilling, the La Colorada vein has been traced on surface for 300 metres, the La Florida vein for 400 metres, and El Tajo for 700 metres.
- **Historical Work:** A Phase I diamond-drill program totalling 2,686 metres in 25 holes was completed in April 2012 and targeted four vein zones: El Tajo Zone (11 holes), La Florida Zone (7 holes), Bocancha Zone (4 holes), and the La Colorada Zone (3 holes). A follow-up Phase II diamond drill program totalling 2,164 metres in 17 holes was completed in November 2012 and focused on the El Tajo Zone (14 holes) and La Colorada Zone (3 holes). The El Tajo vein has been intercepted by drilling to depths ranging from 60 – 12 metres vertical, over a strike of 600 metres, with widths ranging from 0.85 – 11.0 metres and grades ranging from 31 – 1,470 g/t silver. A separate sub parallel hanging wall vein, named Upper El Tajo 2, has been intercepted over a strike of 350 metres with intercepts ranging from 0.35 – 2.5 metres and grades ranging from 16 – 1,083 g/t silver.
- **2013 Work Program:** Jan – April 2013: 2,000 meters of drilling. The program will test the Victoria project (Lupita mine with 300 – 400 meters of drilling), extend the EL Tajo vein to the north and to a depth of up to 200 meters and to test the San Rafael vein.
- **Financial Position**
  - **Cash:** $1.25 million estimated as of December 31, 2012
  - **Debt:** Nil
  - **Last Financing:** $4.2 million private placement in July 2011 (11.6 million shares at $0.35, plus ½ warrant at $0.50 for 12 months)
Atico Mining Corporation (ATY-V, $0.64)

**Company Description:** Atico Mining is a junior explorer focused on copper and gold exploration in Colombia. The Company’s primary focus is the El Roble property, which is host to an operating copper-gold mine. The principals behind Atico are the founding team from Fortuna Silver (FVI-T).

**Project #1: El Roble**

- **Ownership:** Option to acquire a 90% interest in the El Roble operating mine for US$14.0 million. Initial staged payments totalling US$2.25 million have already been incurred. A US$1.2 million payment in January 2013, which is being exercised, extends the date of the option to January 28th, 2014. An overriding government NSR of 4% on gold and 3% on copper exists.

- **Location:** Chocó department of Colombia

- **Exploration Target:** The El Roble project is comprised of an 8,361 hectare land package which contains 10 kilometres of favorable contact zone with multiple geochemical and geophysical anomalies for copper-gold and massive sulfide outcrops. The El Roble mine, in operation since 1990, has produced a cumulative 1.5 Mt of primarily pyrite chalcopyrite ore with an average grade of 2.53% copper and an estimated gold grade of 2.54 g/t Au from a Cretaceous VMS deposit. The currently outlined dimensions of El Roble deposit measure 325 metres along strike by 250 metres in depth by up to 45 metres thick. The mine and processing plant currently operates at a nominal capacity of 400 tpd producing a high-grade Cu-Au concentrate. Management is targeting a resource capable of supporting a 2,000 tpd operation.

- **Historical Work:** Significant exploration by past operators included 10,000 metres drilled by Kenecott (1982 – 1986) and 16,000 metres of drilling by Minera El Roble (1998 – 2009). In 2012, Atico conducted geological mapping and sampling, geophysics, and two phases of drilling. The first phase was comprised of 11 underground diamond holes in 1,600 metres to explore for additional, high-grade massive sulfide bodies lateral to and below the existing mine workings. The second phase was comprised of concurrent surface (2 diamond holes for 800 metres) and underground (15 holes for 3,600 metres) drilling to explore for additional VMS lenses peripheral to current mining areas and test for district geophysical anomalies.

- **2013 Work Program:** The completion of the second phase of drilling (initiated in late 2012) by April 2012, comprised of 3,000 – 4,000 metres of surface drilling plus 3,000 metres of underground drilling.

- **Resources / Reserves (100% basis):** None

**Financial Position**

- **Cash:** $3 million estimated as of December 31, 2012
- **Debt:** Nil
- **Last Financing:** Pending private placement of gross proceeds of $8 million: 12.3 M units at $0.65 including 1 share and ½ warrant at $0.90/sh for 18 months.
Balmoral Resources Ltd. (BAR-V, $1.14)

**Company Description:** Balmoral Resources has one of the largest land packages in the Abitibi area, controlling 82 kilometres of the Detour-Sunday Lake Deformation Zone (DSDZ), which also hosts the Detour Lake gold project. Balmoral is led by Darin Wagner, the former CEO of West Timmins Mining, which was acquired by Lake Shore Gold (LSG-T) in November 2009 for $424 million.

**Project #1: Martiniere**

- **Ownership:** Earning 100%. A one-time payment of US$450,000 is remaining for a 100% interest in Martiniere and Fenelon.
- **Location:** Detour-Sunday Lake Deformation Zone, northwestern Quebec
- **Exploration Target:** The Martiniere gold system is located 45 kilometres east of Detour Lake, and multiple discrete gold-bearing zones have been identified along a length of nearly 2,000 metres and a 500 metre-wide corridor that remains open in all directions. Martiniere West is a shallow, high-grade zone within a broad, lower grade halo currently defined over a 425-metre strike length and demonstrates continuity over 400 metres down plunge. The east side of the system hosts four different styles of gold mineralization, including a broad sulphide zone and three higher grade structures defined along 130 metres of strike and down to 200 metres depth. The Bug Lake Zone has been intersected over more than 400 metres along strike and to 200 vertical metres, remains open in all directions, and is characterized by a 30- to 70-metre wide breccia zone that hosts higher-grade subzones. ME-16 is a high-grade zone at the eastern limit of recent drilling and remains open to the east, west, and to depth. Balmoral continues to deliver excellent drill results from this project and could conceivably deliver an initial resource by mid-2013.

- **Historical Work:** Balmoral drilled 27 holes (6,130 metres) at Martiniere during the 2011 winter program. In 2012, Balmoral spent ~$3 million and drilled 123 holes at Martiniere (12,300 metres) and 2,200 metres at Detour East during the summer program. The 2012 program yielded several discoveries, including the Footwall Discovery (272.79 g/t over 3.88 metres), ME-16 (12.93 g/t gold over 9.3 metres), and a gold-bearing structural zone at Bug Lake (best result to date is 23.82 g/t over 6.73 metres), at shallow depths. 11 holes are still pending and will be released imminently.

- **2013 Work Program:** Balmoral will spend up to ~$9 million on drilling in 2013, including ~$3.7 million on a winter drill program from January to mid-May. Drilling will focus on Martiniere (80%, including new targets outside existing zones of mineralization), Grasset (10%), Harri (5%) and East Doight (5%). Balmoral is aiming to release an initial resource at Martiniere in Q4/13, and will likely update the resource at Fenelon in Q4/13 as well.

- **Resources / Reserves (100% basis):** None at Martiniere. Resources of 1.06 Moz grading 1.61 g/t (not all NI 43-101 compliant) at Fenelon, Northshore, and N2.

**Financial Position**

- **Cash:** ~$13.5M at the end of December 2012. Working capital of ~$18M.
- **Debt:** Nil
- **Last Financing:** September 2012 bought-deal flow-through private placement raising gross proceeds of $8.04 million, issuing 6.96 million flow-through shares at $1.15 per share, a 20% premium to the previous day’s closing price.
Bearing Resources Ltd. (BRZ-V, $0.12)

Company Description: Bearing Resources is a copper- and gold-focused exploration company formed during the acquisition of Valley High Ventures Ltd. by Levon Resources Ltd. (LVN-V). Underpinned by the exploration assets of Valley High Ventures outside the Cordero project in Mexico, Bearing is led by an accomplished management team consisting of former Phelps Dodge, Cyprus Amax, and First Quantum personnel, in addition to previous senior management at Valley High Ventures Ltd. Bearing’s assets include the Mapimi silver-gold properties (Durango State, Mexico) that include the KM66 project under option from Apollo Mining and the wholly owned Pedro property that contains the new HP Breccia gold discovery, October Dome gold property (B.C.), Flume gold property (Yukon), the Boundary Zone Mount Polley mine royalty (B.C.), and a portfolio of other exploration projects adjacent to both Northern Tiger’s (NTR-V) and Golden Predator’s (GPD-T) Yukon claims.

Project #1: Mapimi

- **Ownership:** Option to purchase 100% of Kilometer 66 (KM 66; staged payments totalling $9.2 million over 5 years plus a 3% NSR) and the wholly owned Pedro property. Bearing has subsequently granted Patriot Minefinders (PROF-OTC BB) a right to earn a 75% interest in the KM 66 project by spending $2.0 million by 2013, producing a feasibility study within 8 years and issuing 1.2 million shares to Bearing.

- **Location:** Mapimi region of Durango State, Mexico

- **Exploration Target:** The 40,000-hectare project hosts a number of targets; namely, the La Gloria and Las Palmitas breccia-hosted epithermal silver-gold-lead-zinc deposits (historical non-National Instrument 43-101 compliant resource estimate of ~22.3 Moz AgEq), the Bull’s Eye molybdenum porphyry target, the North Zone carbonate replacement target, and the Victorinos epithermal silver-gold target.

- **Historical Work:** Previous work on the KM 66 property had defined breccia-hosted silver-gold-lead-zinc mineralization at the La Gloria and Las Palmitas prospects, for which a historical resource had been defined by a previous operator (Great Panther Silver, GPR-T), as well as a soil anomaly at the North Zone.

- **2013 Work Program:** The 2013 work program, currently being finalized, will include geophysics and drilling.

- **Resources / Reserves (100% basis):** None

Financial Position

- **Cash:** $1.7 million estimated as of December 31, 2012
- **Debt:** Nil
- **Last Financing:** $0.4 million private placement in July 2012 (2.0 million shares at $0.20 per flow-through share).
Cap-Ex Ventures Ltd (CEV-V, $0.36)

Company Description: Cap-Ex Ventures is an iron ore company focusing on the development of the wholly owned Block 103 property, located in the Labrador Trough which produces 99% of Canada’s iron ore. The Company also possesses several other properties (Redmond, Porky Lake and Snelgrove) which lie within a 50km radius of the historic Schefferville mining area. Lac Connelly is the final property, 250km north of Schefferville, and is undergoing further beneficiating work following 2011 field visits.

Project #1: Block 103 Property

- **Ownership:** 100%
- **Location:** Labrador West region of Labrador and Newfoundland, Canada
- **Exploration Target:** Block 103 is strategically located proximal to existing infrastructure and on strike with two multi-billion tonne iron ore deposits (New Millennium’s LabMag and KeMag).
- **Historical Work:** The 2012 drill program was completed in November, totaling 22,300 metres across 72 holes within the Greenbush Zone on Block 103. Mineralization was intersected over a strike length of 4,000 metres, with a width of up to 2,300 metres and remaining open to the north, south and at depth. The Greenbush Zone was discovered in 2011. Mineralization was encountered at shallow depths with thicknesses up to 260m with grades ranging between 30.5% iron to greater than 68% iron. An additional zone, Northwest, was discovered in 2011 just 2km west of Greenbush. The zone was only minimally tested (6 holes over 5.3 km).
- **2013 Work Program:** Cap-Ex continues to evaluate the results from the 2012 drill program in order to plan and budget the next phase of drilling. The stated target for the upcoming resource estimate is 800 million – 1 billion tonnes with a grade in the range of 29-32% iron.
- **Resources / Reserves (100% basis):** There is currently no NI 43-101 compliant resource estimate on the project. Cap-Ex expects to publish an initial resource estimate in Q1’2013.

Financial Position

- **Cash:** $6 million (December 2012 estimate)
- **Debt:** Nil
- **Last Financing:** In November 2012, Cap-Ex closed the third tranche of a non-brokered private placement. In aggregate, the three tranches of the placement resulted in gross proceeds of $5.6 million.
Source: Capital IQ and Haywood Securities

Cayden Resources Inc. (CYD-V, $1.58)

Company Description: Cayden Resources is focused on its Morelos Sur gold project (17,000 ha, 80 koz resource grading 1.5 g/t Au) within the Guerrero Gold Belt, Mexico, which borders the Los Filos gold mine (Goldcorp, G-T), the largest operating gold mine in the country (70 kt/d capacity, 345 koz of payable production for 2012) and Torex’s Morelos project (4.1 Moz in P&P category). Cayden also has an earn-in option on the El Barqueno gold project (9,800 ha) with a non-NI 43-101 compliant resource of 290 koz grading 3.62 g/t Au (est. 2000) located 110km SW of Guadalajara.

Project #1: Morelos Sur

- **Ownership:** 100%; 3.5% NSR, 1% to Grupo Mexico, and 2.5% to the Mexican government, or an annual payment of $200K to Grupo Mexico until (subject to the greater of the two)

- **Location:** Mexico

- **Exploration Target:** The major gold discoveries in the Guerrero Gold Belt have been associated with magnetic anomalies (intrusions and related bodies). The Company believes that its La Magnetita target, where core drilling commenced in September 2012, is the largest of these magnetic anomalies. Drilling at its Las Calles target, between Goldcorp’s two pits, intersected 28.5m grading 3.2 g/t Au with 84 g/t Ag from 254m downhole amongst other successful holes in the area.

- **Historical Work:** The 47,600-hectare Morelos Mineral Reserve was created by the Federal Mexican Government and subsequently privatized via public auction in 1998. Modern exploration ventures led by Teck, Newmont, and Miranda in the region yielded positive results. The Company has spent 18 months drilling existing prospects and building roads to access the more remote and prospective (as defined by airborne magnetics) portion of the project known as La Magnetita. Simultaneously, the Company ran a surface geochemistry program over the La Magnetita prospect consisting of stream sediments (1,900), soils (5,800), and trench and rock samples (5,900). The soil geochemical survey delineated an area of 2 km² (> 500 ppb Au) within a larger envelope of anomalous gold (5.4 km², >100 ppb Au). Trenching at La Magnetita returned 20m grading 6.39 g/t Au.

- **2013 Work Program:** Completion of a 5,000 metre drill program at the La Magnetita target initiated in late 2012. Surface exploration and drilling (Q1/13) at the El Barqueno target.

- **Resources / Reserves (100% basis):** Inferred resources of 80.0 Koz gold (1.7 Mt grading 1.49 g/t Au) at a 0.2 g/t cut-off.

Financial Position

- **Cash:** $2 million estimated as of December 31, 2012

- **Debt:** Nil

- **Last Financing:** $5.1 million unit financing closed in August 2012 at $1.00 per unit consisting of one common share and ½ warrant for 2 years at $1.50.
Century Iron Mines Corporation (FER-T, $0.85)

Company Description: Century Iron Mines is focused on the exploration of a group of properties in James Bay and the Labrador Trough, mainly the Duncan Lake, Attikamagen, and Sunny Lake projects. Four additional projects (Astray, Grenville, Menihek, and Schefferville) were acquired from Altius Minerals, all located in the Labrador Trough. Century has a definitive agreement with WISCO Resources on the formation of a joint-venture, which will be applied to the Duncan Lake, Attikamagen, and Sunny Lake projects. Under the agreement, WISCO will invest a total of $120 million for a 40% interest in each of the three projects. Although Duncan Lake is the most developed of all the projects, we continue to believe in Sunny Lake’s potential given its direct shipping ore (DSO) and taconite deposits, which are positioned on the same strike as New Millennium (NML-T) and Adriana Resources (ADI-V) Labrador trough deposits.

Project #1: Duncan Lake Project

- **Ownership:** 51% (with an option to increase to 65%, joint-venture partner Augyva Mining Resources, AUV-V)
- **Location:** Quebec, Canada
- **Exploration Target:** Duncan Lake is a magnetite project consisting of 531 mineral claims over 25,603 hectares. Century currently holds a 51% interest in the Duncan Lake property, but has the ability to increase that to 65% by funding a further $14 million over 4 years. Duncan Lake is situated in close proximity to water sources which are important for concentrate operations, and its proximity to a major Hydro Quebec power plant will be a source of low-cost energy. Grade and recovery analysis on Duncan Lake has envisaged the production of concentrates and pellets of good grade (65%-69% iron) with low impurities.
- **Historical Work:** Century began drilling the project in the summer of 2008, with an initial resource estimate published in 2010, followed by the most recent estimate in August 2012. Metallurgical tests were conducted by COREM and produced a magnetic concentrate with an average grade of 66.92% iron from an average feed grade of 27.76% iron. In 2012, Century undertook a two-phase drilling program at Duncan Lake with its joint-venture partner in 2012 for a total of 176 holes / 54,306 metres. This drilling led to an updated resource estimate, published in late August.
- **2013 Work Program:** 2013 will be an important year for the Company as it has numerous resource estimates and technical reports due for several projects. In support of the resource estimates and PEAs to be completed in the year, a total of 40,000 metres is expected to be drilled across multiple projects. Century is expected to deliver a Preliminary Economic Assessment by the end of Q1’13 for Duncan Lake.
- **Resources / Reserves (100% basis):** Duncan Lake hosts 1,051 Mt Fe grading 24.39% Fe in Measured + Indicated and 563 Mt grading 24.70% Fe Inferred. Across all categories, the project hosts 1,614 Mt grading 24.50% Fe.

Financial Position

- **Cash:** $38 million (estimated December 2012)
- **Debt:** Nil
- **Last Financing:** In May 2011, Century completed $115 million of private placements (including $60.9 million by WISCO and $12.2 million by MinMetals).
Clifton Star Resources Inc. (CFO-V, $0.85)

**Company Description:** Clifton Star is a junior gold exploration and development company holding a portfolio of seven properties in Quebec along the Porcupine-Destor Fault, and one in Manitoba. Clifton Star’s portfolio includes properties with historical gold, silver, copper and nickel production.

**Project #1: Duparquet**

- **Ownership:** 100% of surface rights. Payments of $10M, $10M, $15M and $15.2M by December 1 2014, 2015, 2016 and 2017 respectively for 100% ownership of the mineral rights.
- **Location:** Porcupine-Destor Fault in Quebec. Duparquet has existing power and road infrastructure and access to mining services.
- **Exploration Target:** Duparquet covers 7.7 km of favorable geological strike length. The majority of drilling to date has been limited to 400 metres of strike and the deposit remains open to depth. The current resource (announced July 5, 2012) is contained within 3 general pit shells on the Beattie, Donchester and Central Duparquet properties, which have historically produced over 1.5 million ounces of gold.
- **Historical Work:** In 2012, Clifton Star drilled over 35,000 metres (~100 holes) with 2 drill rigs. The Company targeted in-pit resources and out-of-pit exploration targets. Notable results included hole BD12-18 with 36.0 metres grading 2.08 g/t Au and hole D12-34 with 36.6 metres grading 2.59 g/t Au in the North Zone.
- **2013 Work Program:** In 2013, Clifton Star will spend $6 million for engineering, environmental and metallurgical studies, as well as ~25,000 metres of additional drilling. In January 2013, Clifton Star anticipates completion of a PEA based on a new resource (modestly larger, with conversion of a portion of inferred resources to the indicated category). The PEA will be based on open-pit resources only, and the Company envisions annual production of 150 koz at a cash cost of US$750 per ounce based on a mill feed grade of 1.8 g/t, throughput of 8,000 tpd, strip ratio of 6:1 and gold recoveries of +93% from partially refractory ore using an autoclave. Historical recoveries averaged 83% (via conventional milling without an autoclave) during production in the 1930s–1950s. Clifton Star plans to update the resource again in Q3/13 as well as complete a PFS in late 2013.
- **Resources / Reserves (100% basis):** Indicated: 29.6 Mt grading 1.80 g/t gold (1.71 Moz of gold). Inferred: 29.1 Mt grading 1.78 g/t gold (1.67 Moz of gold).

**Financial Position**

- **Cash:** ~$8 million at the end of December 2012.
- **Debt:** Nil
- **Last Financing:** November 2012 private flow placement of 2.76 million flow-through shares at $1.25 per flow-through share for gross proceeds of $3.45 million.
Coventry Resources Corp. (CYY-V, $0.37)

**Company Description:** Coventry Resources is focused on developing its advanced stage Cameron Gold Camp Project and advancing its early stage Rainy River District gold prospects in Western-Ontario. Coventry's focus is to take the Cameron deposit into production by mid to late 2015. On January 9, 2013, the Company commenced trading on the Venture exchange and on the ASX.

**Project #1: Cameron Gold Deposit**

- **Ownership:** 100% owned.
- **Location:** Approximately 80 kilometres southeast of the city of Kenora and 82 kilometres northwest of the city of Fort Frances located near the U.S. border in the southern-most part of western Ontario in Canada.
- **Exploration Target:** The Savant Lake-Crow Lake Greenstone Belt within the Western Wabigoon Subprovince. This highly-metal endowed geological terrain extends over most of Ontario and Quebec and into the eastern part of Manitoba in Canada, as well as in Minnesota in the USA.
- **Historical Work:** This project was discovered in 1960 by Noranda. Most of the historic work dates to 1980 – 1988, targeting a thick, steeply plunging shoot that outcrops at surface and has been drilled to a depth of over 700 metres to date. A total of 757 holes over 84,541 metres have been drilled, plus 3,500 metres of underground development to a vertical depth of 243 metres has also been completed.
- **2013 Work Program:** Approximately 15,000 to 16,000 metres of drilling planned for Cameron and nearby (10 kilometres) satellite prospects which have returned a number of high grade shallow intercepts. In addition, an independent resource estimate is to be completed at the Dogpaw Gold Prospect by the end of Q1/13.

**Resources / Reserves (100% basis):**

- **Cameron:** Measured and Indicated of 567,100 oz (7.2 Mt grading 2.45 g/t) and inferred of 830,100 oz (12.2 Mt grading 2.11 g/t).
- **Dubenski:** Indicated of 62,700 oz (551,000 t grading 3.53 g/t) and inferred of 1,800 oz (22,000 t grading 2.57 g/t).

**Project #2: Rainy River District Prospects**

- **Location:** Adjacent to and 5 kilometres from the 8.5 million ounce Rainy River Gold Project owned by Rainy River Resources (RR-T). The Company has the largest ground holding in the district outside of Rainy River.
- **2013 Work Program:** Approximately 7,500 metres of drilling to commence in January 2013 to follow up on gold and base metal anomalies generated from the Company’s inaugural RC drilling program in the winter of 2012 as well as expanding the regional geochemical coverage in order to delineate new anomalies and targets.

**Financial Position**

- **Cash:** $1.5 million as of January 2013.
- **Debt:** Nil.
- **Last Financing:** A$1.3 million in October 2012 (approx. 4.7 million shares at A$0.275 per share).
Dunav Resources Limited (DNV-V, $0.29)

Company Description: In 2010, Dunav changed its exploration focus to Serbia and in October 2010 entered into a joint-venture option with Dundee Precious Metals, which was exercised in September 2011 when Dunav acquired the Tulare copper and gold project (main focus of the Company), the Sur dulica molybdenum project, other early stage projects, as well as a group of four exploration licences known as the Lisa project. The Tulare project comprises several porphyry copper-gold targets including Kiseljak, Yellow Creek, Trlica and Calovica vis South and also includes the Bakrenjaca carbonate-base metal epithermal vein system. All target areas are located within 3 kilometres of the Kiseljak deposit. Dunav controls 100% of this newly identified porphyry cluster, located within the Lece Volcanic Complex.

Project #1: Tulare Copper-Gold Porphyry Project

- **Ownership:** 100%.
- **Location:** Serbia, within the Lece Volcanic Complex (second largest magmatic complex in Serbia after Timok).
- **Exploration Target:** Current drilling is focused on defining the limits of copper-gold mineralization at the Kiseljak copper and gold porphyry, currently open in all directions. Also, Dunav is also drilling the Yellow Creek copper and gold porphyry.
- **Historical Work:** In late November 2012, Dunav released a maiden mineral resource for Kiseljak, estimated at 300 million tonnes grading 0.27% copper and 0.26 grams per tonne gold in the inferred resource category for 1.8 billion pounds of copper and 2.5 million ounces of gold, using a 0.25% copper equivalent cut-off. This resource was based on 29.7 kilometres (71 drill holes) of diamond drilling (since May 2011). Preliminary test work shows that conventional processing routes should be suitable for recovering copper and gold in concentrate, with initial metallurgical work showing good recoveries of 90% for copper and 85% for gold, utilizing both flotation and gravity recovery.
- **2013 Work Program:** Dunav’s work program for 2013 includes completing a Preliminary Economic Assessment (“PEA”); continue with more met work, and do some drilling to close off the edges of the resource at Kiseljak. At Yellow Creek, Dunav plans to continue with more drilling. The Company also plans to start initial drilling on the Degremen Licence area. In total, Dunav has budgeted 26,500 metres of diamond drilling and 24,000 metres of RC drilling. Additional equity financing to fund the 2013 work program is required.
- **Resources / Reserves:** 1.8 billion pounds of copper and 2.5 million ounces of gold in the inferred category - 300,500,000 tonnes grading an average of 0.27% copper and 0.26 grams per tonne gold.

Financial Position

- **Cash:** $0.5 million (January 2013).
- **Debt:** Nil.
- **Last Financing:** $12.7 million (gross) private placement in June 2011 (21.2 million units at $0.60, plus ½ warrant at $0.80 for 24 months).
Freegold Ventures Limited. (FVL-T, $0.69)

Company Description: Freegold Ventures is a junior explorer with a portfolio of properties in Alaska focused in the Tintina gold belt. One of the two advanced exploration projects, Golden Summit, covers approximately 11,400 acres and is situated 5 miles from Alaska’s largest gold mine, Fort Knox Mine, which produces ~350koz annually. The company acquired its interest in Golden Summit in 1993 and has since completed several studies, including a resource update in October 2012. Freegold also holds the Vinasale Property which is host to an Inferred resource of 1.7 Moz gold (49.3 Mt grading 1.09 g/t Au).

Project #1: Golden Summit

- **Ownership:** 100% working interest through a series of long term leases and outright ownership
- **Location:** Alaska
- **Exploration Target:** Mineralization on the property occurs in intrusive hosted sulfide-quartz stockwork veinlets (Dolphin Zone deposit), auriferous sulfide-quartz veins (exploited by historic underground mines), and shear-hosted gold-bearing veinlets. All three types found on the property are considered to be part of a large-scale intrusive-related gold system.
- **Historical Work:** The property has hosted over 80 known gold occurrences. Several historic gold mines are located on the property and open pit gold mining is ongoing at the nearby Ft Knox gold deposit. Freegold has conducted surface exploration work on the property, including reconnaissance rock sampling, mapping, property-wide grid-based soil sampling, and several trenching projects at key prospects. Resource drilling has been focused on the west portion of the property.
- **2013 Work Program:** Drilling is expected to focus on the expansion of resources in the Dolphin/Cleary area as well additional resource delineation on the remainder of the project area plus testing of new target areas. Metallurgical testwork is planned and will be used to support an internal scoping study.
- **Resources / Reserves (100% basis):** Indicated resources of 1.5 Moz gold (62.6 Mt grading 0.73 g/t Au) and Inferred resources of 4.1 Moz gold (191.9 Mt grading 0.67 g/t Au) at a 0.35 g/t Au cut-off.

Financial Position

- **Cash:** $4.5 million estimated as of December 31, 2012
- **Debt:** Nil
- **Last Financing:** August 2012 $1.9 million private placement of 3.4 million units at $0.56 per unit comprised of 1 share and ½ warrant at $0.65
**Gold Canyon Resources Inc. (GCU-V, $0.86)**

**Company Description:** Gold Canyon Resources is an advanced-exploration company with an alkali porphyry-hosted disseminated gold project (Springpole project, >80,000 acres) in northwest Ontario, 370 km northeast of Winnipeg and 110km northeast of Red Lake. Gold Canyon retains a multitude of other exploration properties located throughout Canada, USA and Malawi.

**Project #1: Springpole Gold Project**

- **Ownership:** 100% – Royalties on the project are anticipated to be 2-3% NSR with an opportunity to buy down a portion.
- **Location:** Northwest Ontario
- **Exploration Target:** The Project is situated within the Birch-Uchi Greenstone Belt, whereby dominant host rocks for most of the gold mineralization at Springpole are Archean age (2.7 billion years old) sedimentary and intrusive rocks. The Springpole Gold Project land position encompasses a total area of approximately 32,375 hectares (over 80,000 acres). Three First Nations groups, of which half of the project’s labour force comes from, have signed an MOU amongst themselves to consolidate the negotiations with the Company.
- **Historical Work:** Gold exploration on the Property was carried out during two main periods, one during the 1920’s to 1940’s, and a second period from 1985 to the present. By 1995, Akiko Gold had been reorganized into Gold Canyon Resources Inc. In the summer of 1998, Gold Canyon conducted a lake bottom sediment sampling program in several areas of Springpole Lake. The results of this survey identified several follow-up targets that were tested in 1999 by Paso Rico with 12 core holes totaling 2,779 meters (9,117 feet). In 2000, Paso Rico withdrew from the Project leaving Gold Canyon with its current 100% interest in the Property. The Company has drilled more than 78,000 m (186 holes) since 2010 at average depths increasing from 359 m (2010) to 475 m (2012).
- **2013 Work Program:** A winter drill program to commence by late January / early February at the Portage zone, where the majority (~90%) of the resource lies, and advance pre-development activities. Drilling will include step-out drilling for resource expansion and select in-fill drilling plus geotechnical studies. Results are to be incorporated into a PEA in H1/13 followed by a PFS slated for 2014 and submission of an EAI and IBA agreement with the three First Nations groups.
- **Resources / Reserves (100% basis):** M&I resource of 4.4 Moz of gold plus silver (128.2 Mt grading 1.07 g/t Au and 5.7 g/t Ag) and Inferred resources of 0.7 Moz of gold plus silver (25.7 Mt grading 0.83 g/t Au and 3.2 g/t Ag) at a 0.4 g/t Au cut-off.

**Financial Position**

- **Cash:** $10.5 million estimated as of December 31, 2012
- **Debt:** Nil
- **Last Financing:** July 2012 financing for gross proceeds of $15M via the issuance of 1.95 million common shares at $1.30 and 8.5 million flow-through shares at $1.47.
Gold Standard Ventures Corp. (GSV-V, $1.18)

**Company Description:** The Company is testing the Railroad Dome (~16,724 acres), one of the least tested domal structures along the Carlin Trend that hosts multimillion-ounce deposits in Nevada. Vice President Exploration Dave Mathewson is an ex-Newmont geologist, and the Board of Directors includes David Cole (also ex-Newmont), President and CEO of Eurasian Minerals Rob McLeod (Revolution Resources, Underworld, and Full Metal), Jamie Strauss (independent mining consultant), and Bill Threlkeld, elected by FCMI. Jonathan Rubenstein is on the advisory team.

**Project: Railroad Project**

- **Ownership:** 100%
- **Location:** Nevada

- **Exploration Work:** The Richmond Dome hosts the Pete, Carlin, Leeville, Goldstrike, and Meikle mines. The Maggie Creek Dome hosts Gold Quarry and Mike. The Rain Dome hosts the Rain, Emigrant, and Saddle projects. These domal structures are cored by tertiary intrusives interpreted to be the feeders for the gold events that direct mineralizing fluids along high-angle structures. The Company is the only non-major to control an entire district, while Barrick and Newmont control the bulk of the other 3 windows. The last unexplored window on the Carlin Trend represents a district-scale opportunity.

- **Historical Work:** In October 2012, the company obtained approval for its plan of operations (POO, 1,282 ha) by the BLM in Nevada for exploring its wholly owned Railroad project. The 2011/2012 drilling program (10,000-12,000 metre, 20-25 holes) intersected 124.1 m grading 4.05 g/t Au (RR12-10), 56.4m grading 4.26 g/t Au (RR11-16) including 18.3m grading 7.03 g/t Au and 164 metres grading 3.38 g/t Au including 42.7m grading 9.4 g/t Au (RR12-01), focused on the North Bullion Fault Zone (NBFZ) which was administered by the Nevada Dept. of Environmental Protection (NDEP). The approval of the POO allows the Company to greatly expand its exploration program onto the public lands administered by the BLM. The southern extension of this NS trending fault corridor will now be open to a larger footprint. Other priorities include the Railroad fault zone and the Central Bullion skarns.

- **2013 Work Program:** Completion of a 70,000 foot / ~40 hole drill program from June 2012 through May 2013 utilizing six rigs (5 core & 1 RC) at a budgeted cost of ~US$18 million.

- **Resources / Reserves (100% basis):** None

**Financial Position**

- **Cash:** $15M estimated as of December 31, 2012
- **Debt:** Nil
- **Last Financing:** Closed equity financing for gross proceeds of $20M via the issuance of 10 million shares at $2.00 per share on June 27, 2012.

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Note: The table and graph data have been included for reference, but the main focus is on the descriptive content provided.
High Desert Gold Corporation (HDG-V, $0.15)

Company Description: High Desert Gold is focused on expanding its resource base at its Gold Springs project and has identified two prospective properties in Mexico: the Canasta Dorada Gold Project (34.2% ownership through Highvista Gold, HVV-V), adjacent to the El Chanate mine, and the 100% owned San Antonio high-grade gold project. Company President and CEO Ralph Fitch has more than 40 years of experience in exploration, some as former Chief Geologist with Chevron minerals, where he played a key role in the discovery of the Collahuasi copper porphyry in Chile.

Project #1: Gold Springs Project

- **Ownership:** 70/30 joint venture with Pilot Gold (PLG-T)
- **Location:** Nevada/Utah border
- **Exploration Target:** The Gold Springs project lies within a caldera setting hosting low-sulphidation, epithermal-vein precious metal mineralization, with potential for bulk tonnage, open-pit mining, as drilling to date indicates the presence of near-surface mineralization.

**Historical Work:** An initial inferred resource was completed in December 2011 at the Jumbo Zone defined over a 700 metre strike length. A ZTEM geophysical survey identified 18 targets on the expanded land package (6,287 ha), some of which were tested in the Phase 1 program (6,400m). Recent drilling (December 2012) includes highlights of a 59.4 metre intersection grading 1.3 g/t AuEq (GE-12-015) from the Grey Eagle prospect in the NW region of their land package on the Nevada side within a zone of stockwork quartz veining. The zone dips under a few metres of post-mineral cover to the west.

**2013 Work Program:** Assay results from the remaining 21 drill holes within the Grey Eagle target and 4 drill holes at the Jumbo target in Utah are anticipated within the next few weeks. Metallurgical tests have been initiated on Grey Eagle, Etna and Jumbo Zone samples to test precious metal recoveries leading to a Gold Springs resource update in Q1/13. Following the recently announced financing (December 28th, 2012), the Company expects to initiate a drill program following the snow melt at Gold Springs in April.

- **Resources / Reserves (100% basis):** Inferred resources of 173 Koz gold plus 3.9 Moz silver (9.4 Mt grading 0.57 g/t Au and 12.9 g/t Ag) at a 0.3 g/t AuEq cut-off.

**Financial Position**

- **Cash:** $4.5 million estimated as of December 31, 2012
- **Debt:** Nil
- **Last Financing:** Gross proceeds of $3.6M via the issuance of 15.6M shares and 4.1M units (1 share and 1 warrant, $0.23 strike) at $0.18 and $0.20 respectively (Dec 28, 2012).
Highland Copper Company Inc. (HI-V, $0.50)

Company Description: Highland’s key asset is the Keweenaw copper project in northern Michigan, underpinned by an amended joint venture (JV) agreement with BRP LLC (a diversified coal, natural gas, and royalty company). Highland can earn a 65% project interest by spending $11.5 million, completing a National Instrument 43-101 compliant feasibility study by October 26, 2015, paying $750k ($500k paid to date), and issuing 1.0 million shares (667k shares issued to date). BRP's is free-carried through the earn-in period, and will hold a sliding scale NSR royalty on all future production (2.0% to 5.0%).

Project #1: Keweenaw

- Ownership: 65% (upon completion of earn-in; see above)
- Location: Keweenaw Peninsula, northern Michigan
- Exploration Target: Keweenaw consists of ~13,000 acres of mineral rights, covering a 20 mile long belt of chalcocite mineralization occurrences. The property also includes historic (flooded) native copper mines that previously produced ~4.9 million tons of copper. Mineralization at key exploration targets (543S and G-2 deposits) is hosted by Precambrian basalt lava flows associated with the Midcontinent Rift system. Chalcocite is the dominant copper bearing mineralogy (~80% copper; i.e., potential to produce a high grade copper concentrate [+48%] which would conceivably garner ‘premium’ pricing).
- Historical Work: Mining activity in the Keweenaw Peninsula dates to the 1850s, when the region produced up to 80% of the copper consumed in the U.S. Hence, regional infrastructure is well established. The 543S and G-2 deposits were discovered by an Inco-Homestake JV in the mid-1970s, but exploration ceased in 1978 due to low copper prices. Historic drilling tested the 543S deposit on 200 foot centres, and a 101 drill hole database underpins a non-National Instrument 43-101 compliant ‘historic’ resource (see below). Associated drill core has not been preserved. However, Highland has obtained the corresponding dataset and twin-hole drilling to date has demonstrated strong correlation between past and recent results. The G-2 deposit is also underpinned by a ‘historic’ resource estimate (1981).
- 2013 Work Program: Highland is working to complete a 172 hole diamond drill program (8 holes remaining, assay results for 98 holes have been reported to date) designed to verify the project’s historic database, bring 543S’s historical resource into National Instrument 43-101 compliance (expected in Q1/13), and underpin a prefeasibility study (PFS; expected in mid-2013). Recent drilling highlights include 22.7 metres grading 3.80% copper and 11.8 g/t silver in hole CEN452.

Financial Position
- Cash: $14 million as of September 30, 2012
- Debt: Nil
- Last Financing: $16.5 million non-brokered private placement on May 31, 2012 (206 million units at $0.08 per unit; 1 unit = 1 share, plus 1 warrant at $0.15, for 2 years)
Indico Resources Ltd. (IDI-V, $0.16)

Company Description: Indico is focused on the exploration and development of copper-gold porphyry deposits in South America. The Company’s flagship Ocaña copper-gold-molybdenum porphyry project is located in the northwest extension of the Southern Peru Copper Porphyry Belt. Indico’s exploration portfolio also includes the grass-roots Maria Reyna copper-molybdenum skarn-porphyry project, located in the Andahuaylas-Yauri belt of Cusco Region, Southern Peru—directly adjacent to Hudbay’s Constancia mine currently under construction.

Project #1: Ocaña

- **Ownership:** Ocaña is underpinned by an agreement with private Peruvian vendors, whereby Indico can earn a 100% interest in the property for total consideration of US$17.8 million in cash and 8.5 million shares, payable over a remaining +2 year period (US$1.2M cash and 500k shares paid to date; near-term commitments include US$5.16M in cash and 500k shares due in April 2013).
- **Location:** Southern Peru Copper Porphyry Belt (‘elephant country’—‘majors’ active in the area include Freeport, Teck, Anglo, and Southern Copper).
- **Exploration Target:** The Ocaña property covers 110 km² and consists of 22 mining concessions. Favourable porphyry mineralization has been identified at the Jimena and Waka Waka targets. Indico believes Ocaña’s mineralization is analogous to AQM Copper/Teck’s Zafranal project located in the same belt.
- **Historical Work:** Indico’s Phase 1 exploration program (5 holes, 2,195 metres) demonstrated potential for significant near-surface copper oxide mineralization. A recently completed Phase 2 program (19 holes, 4,733 metres) tested the thickness and extent of Ocaña’s supergene blanket and underlying hypogene mineralization. Recent highlights include 300 metres grading 0.49% copper and 0.17 g/t gold (hypogene; including 57 metres grading 1.11% copper and 0.21 g/t gold) in hole OCADH010.
- **2013 Work Program:** Initial metallurgical (leach) testing, and will begin a Phase 3 infill drill program (30 short holes, ~100 metres each) in early 2013.
- **Resources / Reserves (100% basis):** N/A

Project #2: Maria Reyna

- **Ownership:** Maria Reyna is underpinned by a binding MOU with Peruvian vendors. Indico can earn an initial 51% interest by paying US$2.0 million in cash (due February 2013), which can be increased to a 100% interest for additional consideration of US$20 million in cash and 30 million shares (via scheduled payments over a 60 month period).
- **Location:** Southern Peru (~10 kilometres from Hudbay’s Constancia project; Hudbay has publically stated it views the region surrounding Constancia as a ‘camp’ and will likely look to increase its footprint in the area over time).
- **Exploration Target:** The 3,164 hectare property features 3 identified zones of skarn mineralization. Adjacent porphyry mineralization was discovered in the Southwest Zone through a 2010 drill program (11 holes, 5,585 metres) completed by Vale. Geophysics/surface work to date has identified a large anomaly that is similar to the anomaly underpinning Constancia.

Financial Position

- **Cash:** ~$2 million as of November 2012
- **Debt:** Nil
- **Last Financing:** $3.3 million non-brokered private placement on September 21, 2012 (27.7 million units at $0.12 per unit; 1 unit = 1 share, plus ½ warrant at $0.15, for 2 years)
International Enexco Ltd. (IEC-V, $0.63)

Company Description: International Enexco’s (IEC) flagship asset is the 100% owned Contact Copper copper-oxide project in northern Nevada, which features a notably increased (49%) resource base following the acquisition of an adjacent land package in 2011 and the completion of a successful 2012 drill program. IEC also holds a 30% interest in the Mann Lake uranium project in the Athabasca Basin, Saskatchewan ( Cameco owns 52.5% and is the project operator), which has received recent interest following Cameco’s announcement of a $6 million exploration program (+28 drill holes, ~21,000 metres). Subsequently, IEC closed a $1.8 million private placement with Denison Mines—sufficient to meet IEC’s 2013 Mann Lake funding obligations. The Company’s project portfolio also includes grass-roots gold-silver exploration properties in Idaho and Nevada.

Project #1: Contact Copper

- **Ownership:** 100%
- **Location:** Elko County, northern Nevada
- **Exploration Target:** Contact Copper is characterized by 2 sub parallel east-west striking, south dipping (porphyry related) quartz vein systems (typically +20 feet thick; up to +100 feet thick locally) that cross cut a granite (quartz monzonite) intrusive. Copper mineralization is hosted directly within the veins (higher grade) and within the surrounded host rock (granite; disseminated / lower grade).
- **Historical Work:** IEC completed an October 2010 preliminary feasibility study (PFS) update, which details current development metrics. However, the PFS’s parameters were notably un-optimized, as the open pit outline was constrained by the property’s boundary—not geology. Nevertheless, the PFS details a 10-year open-pit / heap leach operation designed to produce 25 Mlb of copper cathode per annum at total cash cost of US$0.93/lb. The US$86 million initial capital cost project generates a US$44 million after-tax NAV10% (20% IRR) at US$2.25/lb copper. At US$3.00/lb copper the project generates a US$115 million after-tax NAV10%. Following acquisition of ~8,400 acres of adjacent land from Allied Nevada Gold Corp. and the completion of additional drilling (total of 42,418 feet completed to date), IEC increased Contact Copper’s measured and indicated resources by 49% and inferred resources by 17% (see below).
- **2013 Work Program:** IEC will continue metallurgical test work that will feed into a feasibility study (FS; H1/13 targeted completion). We note that the FS is expected to include considerable project optimizations versus the October 2010 PFS given the PFS open pit outline was limited by previous property boundaries and not geology (see above).
- **Resources / Reserves (100% basis):** M&I: 216 million tons grading 0.25% copper (1,059 Mlb contained). Inferred: 71 million tons grading 0.24% copper (340 Mlb contained).

Financial Position

- **Cash:** ~$4 million as of December, 2012
- **Debt:** Nil
- **Last Financing:** $1.6 million non-brokered private placement on December 14, 2012 (2.7 million flow-through shares at $0.60 per unit. $2.4 million non-brokered private placement on November 29, 2012 (4.7 million units at $0.50 per unit; 1 unit = 1 share, plus ½ warrant at $0.60, for 2 years).
International Northair Mines Ltd. (INM-V, $0.29)

**Company Description:** International Northair Mines is a precious metals-focused explorer active in Mexico. The Company’s primary focus is the La Cigarra project.

**Project #1: La Cigarra**

- **Ownership:** Option to earn up to 100% by making staged cash payments (totalling US$450,000 over 5 years) with the remaining payment of $375,000 scheduled to be made in 2013.
- **Location:** Approximately 25 kilometres outside the City of Parral, in the State of Chihuahua, along the eastern fringes of the Sierra Madre Occidental in north-central Mexico.
- **Exploration Target:** The property is characterized by epithermal, low-sulphidation silver-dominant mineralized systems hosted by sedimentary rocks and related to intrusives. The three significant zones of mineralization confirmed by drilling (La Borracha, San Gregorio, and Las Carolinas) are spread along a 3-kilometre trend that has the potential to contain both surface-minable bulk tonnage and high-grade underground vein deposits. Drilling within the San Gregorio and Las Carolinas area has defined mineralization over a combined 2,400-metre strike, with widths of up to 100 metres, and remains open both along strike and downdip. Significant exploration potential exists south of La Carolinas where mineralization remains open along trend towards two historic workings referred to as the Las Venadas and La Soledas zones.
- **Historical Work:** Previous work included multiple phases of drilling, totalling in excess of 25,000 metres, including 15 reverse-circulation holes (1,455 metres) and 139 diamond-core holes (24,202 metres). Results from reported drilling at San Gregorio averaged 45 metres grading 58 g/t silver, compared with an average of 45 metres grading 46 g/t silver at Las Carolinas and preliminary results from La Borracha averaging 19 metres grading 37 g/t silver. Metallurgical test work completed to date has returned silver recoveries of up to 85% for sulphide material (grind size of 11 microns) and up to 90% for oxide material (grind size of 94 microns).
- **2013 Work Program:** A maiden resource estimate for the San Gregorio and Las Carolinas zones in Q1/13 which will serve as the foundation for a Preliminary Economic Assessment in Q2/13.
- **Resources / Reserves (100% basis):** None

**Financial Position**

- **Cash:** $3.4 million estimated as of December 31, 2012
- **Debt:** Nil
- **Last Financing:** $6.1 million private placement in July 2012 (21.8 million shares at $0.28, plus ½ warrant at $0.40 for 18 months).
Kivalliq Energy Corporation (KIV-V, $0.36)

Company Description: Kivalliq’s primary focus is the development of the Lac Cinquante uranium deposit, located on its Angilak Property that spans 340,268 acres. In addition, Kivalliq retains a back-in right to acquire a 20% project interest in the Baker Lake uranium project (Nunavut).

Project #1: Lac Cinquante at Angilak Property

- **Ownership:** 100%
- **Location:** Nunavut, Canada
- **Exploration Target:** Lac Cinquante is a basement-hosted, vein-hydrothermal type, unconformity-associated uranium deposit. The deposit comprises three distinct mineralized sections occurring over 3.8 kilometres of strike length. The central Main Zone is the largest at Lac Cinquante and measures 1.4 kilometres in drilled length.
- **Historical Work:** The Lac Cinquante uranium deposit was originally discovered by Pan Ocean Oil in the 1970s. In the mid-1980s, a historical, non-National Instrument 43-101 resource estimate suggested “indicated and inferred reserves” of 11.6 Mlb U₃O₈ grading > 1% U₂O₅, with a further 8.8 Mlb U₃O₈ categorized as “possible”. Kivalliq has significantly advanced the Angilak Property since it first started exploring in 2008, including airborne and ground geophysics (2008-2011) and an infrastructure and development study (2009), and completed > 48,500 metres of drilling (2009-2011) and deposit modelling in support of the initial National Instrument 43-101 compliant resource estimate delivered in February 2011 outlining 14.15 Mlb U₃O₈ at an average grade of 0.79% U₂O₅, which was later substantially increased with an early 2012 update outlining more than 27 million pounds U₃O₈ (grading 0.69%) collectively.
- **2013 Work Program:** Driving the 2013 work program will be an updated resource estimate from two new zones; J4 and Ray, which the Company expects to publish early this year. Kivalliq’s 2013 program, while board approval dependent, is expected to be similar in size to 2012 drilling, at 30,000-40,000 metres. Three core rigs remain on site at the Angilak Property.
- **Resources / Reserves (100% basis):** The January 2012 National Instrument 43-101 compliant resource for the Lac Cinquante uranium deposit outlined an inferred resource of 1,779,000 tonnes grading 0.69% U₂O₅ for a total of 27.13 Mlb U₂O₅. As compared with the February 2011 maiden estimate, the updated estimate displays a ~120% increase in tonnage and ~92% increase in contained U₂O₅.

Financial Position

- **Cash:** $4.5 million (December 2012 estimate)
- **Debt:** Nil
- **Last Financing:** $11.5 million in May 2012 (7.1 million shares at $0.45 per share and 16.7 million flow-through shares at $0.50 per share)
Lupaka Gold Corp. (LPK-T, $0.45)

**Company Description:** In late 2012, Lupaka acquired Andean American Gold (AAG-V) for $26.6 million which included the Invicta copper-gold project in northwest Peru (100%), $12.5 million net in cash and a 16.9% equity stake in Southern Legacy Minerals Inc (LCY-V). Lupaka’s primary asset is the Crucero gold project in Peru located within an orogenic gold belt that is also host to Minera IRL’s (IRL-T) Ollachea gold development project.

**Project: Crucero Gold Property**
- **Ownership:** 100% subject to a variable rate NSR up to 5% on the concession areas which hold the Company’s current NI 43-101-compliant resource.
- **Location:** Department of Puno, Province of Carabaya, Peru
- **Exploration Target:** Structurally controlled hosted in sediments, orogenic gold occurring as saddle reefs with sulphide-rich bands (pyrite-pyrrhotite-arsenopyrite +/- stibnite). The property package spans 5,500 hectares and has favorable infrastructure: road access, power within 8 km of site and some water is available.
- **Historical Work:** Historical work conducted by CEDMIN between 1996 and 2003 included regional exploration, sampling, mapping, geophysics, core drilling (1,767 metres in 7 holes) and preliminary metallurgical testwork. Since acquiring the project in 2009, Lupaka has completed additional geophysics and mapping, plus core drilling: 12 holes / 3,621 metres in 2009, 20 holes / 4,609 metres in 2010, 20 holes / 6,451 metres in 2011 and 20 holes / 8,258 metres in 2012. The current March 2012 resource is based on 15,000 metres in 54 core holes drilled through to December 2011. Drill results from 2012 confirm the continuity of the A-1 Zone to the southeast and at depth in the northeast with grades exceeding the current resource grade (Indicated grades of 1.03 g/t Au).
- **Preliminary metallurgical test work has provided recoveries of greater than 80% with gravity and cyanidation.**
- **2013 Work Program:** Drilling will re-commence in May 2013 on the Crucero project with 10,000m planned for the 2013 season. The Company hopes to increase the resource at the A-1 Zone to over 2.0 Moz in its next resource update (Q1/13).
- **Resources / Reserves:** Indicated resources of 1.1 Moz Au (34.6 Mt grading 1.03 g/t Au) and Inferred resources of 0.6 Moz Au (29.0 Mt grading 0.70 g/t Au) based on a 0.4 g/t cut-off.

**Financial Position**
- **Cash:** $10.7 million as of December 31st, 2012
- **Debt:** Nil
- **Last Financing:** IPO in April 2011: $20 M through issue of 13.3 M units at $1.5 per unit comprised of 1 share plus ½ warrant at $2.25 expiring in June 2014.
Macusani Yellowcake Inc. (YEL-V, $0.14)

Company Description: In April 2012, Macusani Yellowcake completed a merger with Southern Andes Corporation, consolidating a major land position in the Macusani Plateau uranium district, in southeastern Peru. The Company is focused on exploring the major uranium concession, which now covers more than 90,000 hectares. Infrastructure is readily available in the area, with access to labour, water, power, and a well-developed transport network. Macusani holds a 99.5% interest in all projects, with the remaining 0.5% held by a Peruvian individual recommended by the Ministry of Energy and Mines.

Project #1: Kihitian Project

- **Ownership:** 99.5%
- **Location:** Province of Carabay, Department of Puno, southeastern Peru
- **Exploration Target:** Macusani’s concession area is situated in the relatively flat Altiplano of the Andes mountain range, with elevations ranging between 4.3 and 4.6 kilometres above sea level. The Interoceanic Highway passes 11 kilometres to the east of the property, with an untarred road connecting the project area to the highway. Kihitian is situated east of the Company’s other assets (Corachapi, Colibri 2 and 3, and Tupuramani) on the Plateau.

- **Historical Work:** 2012 was an important year for the company as it delivered the maiden NI 43-101 compliant resource estimate for Kihitian and completed mineral processing and metallurgical testing. To date, a total of 4,511 metres of drilling has been completed on the Quebrada Blanca anomaly.

- **2013 Work Program:** Currently, the Company is operating five diamond drill rigs on the Macusani Plateau. Three rigs are at the Kihitian Project (one drill at Quebrada Blanca and two drills at Chilcuno Chico) with the remainder at the Tupuramani anomaly to test the western extension of Colibri 2 and 3. The Company has stated an exploration goal of growing the resource base to 55-60 Mlb of uranium by year-end.

- **Resources / Reserves (100% basis):** Kihitian hosts a National Instrument 43-101 compliant resource estimate of 12.0 Mlb U₃O₈ at 0.05% U₃O₈. Including Corachapi and Colibri 2 and 3, Macusani Yellowcake hosts a global National Instrument 43-101 compliant resource estimate of 39.4 Mlb U₃O₈ grading 0.03% U₃O₈.

Financial Position

- **Cash:** $6 million (December 2012)
- **Debt:** Nil
- **Last Financing:** $14.4 million in March 2011 (24.0 million units at $0.60 per share, each unit consisting of one common share and one ½ common share purchase warrant at a price of $0.85 per share for a period of 24 months from closing)
Marathon Gold Corporation (MOZ-T, $0.58)

**Company Description:** Marathon Gold is an advanced-exploration to development company in low-geopolitical-risk jurisdictions. The Company has three main projects, located in Newfoundland, Idaho, and Oregon. Marathon Gold’s flagship project is the wholly owned Valentine Lake project in Newfoundland, with a recently released global resource of 827 koz grading 2.23 g/t Au at its Leprechaun gold deposit. Marathon has also released an initial resource estimate on the Golden Chest Mine, Idaho, consisting of measured and indicated (M&I) 147,000 oz Au @ 1.47 g/t Au, Inferred 233,300 oz Au @ 1.46 g/t Au. The Golden Chest Mine is a 50/50 JV with New Jersey Mining, the operator, and a revised resource estimate is expected in the first quarter of 2013.

**Project #1: Valentine Lake Project**

- **Ownership:** 100%
- **Location:** Newfoundland, Canada
- **Exploration Target:** Situated at the south-western end of the Valentine Lake Project, the Leprechaun Gold Deposit is the most developed zone at the property with a recently updated M&I resource estimate (November 2012). Marathon made another discovery 1.5 km southwest from the southern end of the current Leprechaun Gold Deposit boundary. Named the J. Frank Zone, this will be another focus along with the Leprechaun Gold Deposit.
- **Historical Work:** Initial exploration was conducted in the 1960s, with soil sampling and geophysical work conducted through the 1980s. The Leprechaun Pond area was drilled by BP Canada Inc., returning results of ~4.5 g/t Au in the late 1980s. Mountain Lake Resources acquired the property from Richmont and carried out a drill program in 2009.
- **2013 Work Program:** A 10,000 metre drill program is planned for 2013, focusing on upgrading the resources below the pit and expanding along the strike. Management expects to continue exploration work on new targets, including the J. Frank Zone, Sprite and Valentine East and gage economic viability at these mineral deposits. A new resource based on the 2013 winter drilling is expected in the second quarter of 2013. The Company expects to be conducting internal economic studies in 2013.
- **Resources / Reserves (100% basis):** Valentine Lake project: M&I 682 koz Au @ 2.22 g/t Au, Inferred 145 koz Au @ 2.30 g/t Au (November 2012 estimate).

**Financial Position**

- **Cash:** $5 million estimated as of December 30, 2012
- **Debt:** Nil
- **Last Financing:** Private placement of $5.5 million via the sale of 5.5 million units (1 share, ½ warrant with $0.75 strike) at a price of $0.55 each and 3.9 million flow through common shares priced at $0.63 each.
**Marengo Mining Limited (MRN-T, MGO-ASX, C$0.14)**

**Company Description:** Marengo is focused on advancing its 100% owned flagship Yandera copper-molybdenum-gold porphyry project located in the New Guinea Copper-Gold Belt of northeastern Papua New Guinea (PNG). The project is underpinned by a Memorandum of Understanding with China Nonferrous Metal Industry’s Foreign, Engineering and Construction Co. Ltd. (NFC), whereby NFC will enter into a fixed-price engineering, procurement, and construction (EPC) contract with Marengo to build the Yandera project (expected in Q1/13) and provide at least 70% of the necessary project financing (expected to be in place by late 2013), in exchange for copper and molybdenum concentrate off-take. The project is also supported through an Investment and Cooperation Agreement with Petromin PNG Holdings Ltd., a resource and investment company established by the PNG government. Petromin has the one-time option to acquire a 30% participating project interest, and will be required to fund its pro rata share of development costs and reimburse Marengo for the costs incurred on the project to date.

**Project #1: Yandera**

- **Ownership:** 100% (PNG government can elect to acquire a 30% participating project interest)
- **Location:** New Guinea Copper-Gold Belt, PNG
- **Exploration Target:** The Yandera project includes 1,730 km² of exploration tenements and is situated 95 kilometres southwest of Madang (provincial capital and seaport). Significant copper-molybdenum-gold porphyry mineralization has been identified at Yandera Central, but the Company also holds exploration tenements covering 100 kilometres of the prospective Bundi Fault Zone.
- **Historical Work:** Past exploration work includes the completion of more than 174 kilometres of diamond drilling (~550 holes completed to date), and the publication of a resource estimate (see below) in April 2012—focused on the Yandera Central porphyry—specifically six main prospect zones: Mumnnogoi, Omora, Gremi, Imbruminda, Gamagu, and Dimbi. Highlights from the Company’s 2012 work program, which focused on additional infill and resource-delineation diamond drilling, include 165 metres grading 1.08% copper and 0.038% molybdenum, in hole YD485 targeting the Omara Zone. Importantly, Marengo’s 2012 drill program demonstrated the presence of high-grade starter zones (i.e., mineralized intercepts with grades above the current resource) which are expected to enhance the project’s economics.
- **2013 Work Program:** Marengo expects to publish a feasibility study for the Yandera project in Q1/13.
- **Resources / Reserves (100% basis):** Yandera Copper: M&I: 362 Mt grading 0.43% copper (3,422 Mlb). Inferred: 218 Mt grading 0.37% copper (1,778 Mlb). Yandera Molybdenum: M&I: 532 Mt grading 0.012% molybdenum (140 Mlb). Yandera Gold: M&I 199 Mt grading 0.17 g/t gold (1.1 Moz).

**Financial Position**

- **Cash:** A$13 million as of October 31, 2012
- **Debt:** Nil
- **Last Financing:** $20 million brokered offering on July 11, 2012 (133 million shares at $0.15 per share)
NovaCopper Inc. (NCQ-T, $2.04)

**Company Description:** NovaCopper is focused on exploring and developing its 100% owned Ambler project located in the Ambler volcanogenic massive sulphide (VMS) mining district of northwestern Alaska. The Company has formed a formal partnership with the Northwest Alaska Native Association (NANA) to develop the district (~140,500 hectares), whereby NANA will receive an NSR royalty (up to 2.5%) and has the option to participate as a contributing project partner (up to 25% potential ownership).

**Project #1: Ambler**

- **Ownership:** 100% (NANA can acquire up to a 25% project interest)
- **Location:** Ambler mining district, northwestern Alaska
- **Exploration Target:** The Ambler project is host to two flagship deposits—Arctic, a copper-zinc-lead-silver VMS deposit, and Bornite, a high-grade carbonate-hosted copper deposit located 26 kilometres south of Arctic.
- **Historical Work:** Arctic and Bornite were historically worked by Kennecott. That said, the projects were never developed, in part owing to the major’s unwillingness to establish a working agreement with the First Nations. Arctic was the subject of a March 2012 Preliminary Economic Assessment (PEA) headed by SRK that details a 4,000 tpd ramp-accessed underground operation producing 67 Mt of copper and 80 Mt of zinc (plus precious metals credits) over a 25-year mine life. The PEA includes a US$262 million initial capital cost and US$99.32/t milled life of mine (LOM) average on-site operating cost (US$0.88/lb LOM average total copper cash cost net of credits). Key economics are headlined by an after-tax project NAV8% of US$533 million (26% IRR) at US$2.50/lb of copper, US$1.20/lb of zinc, US$1.20/lb of lead, US$1,425/oz of gold, and US$36.00/oz of silver. Results from NovaCopper’s 2011 exploration program culminated in the publication of an initial National Instrument 43-101 compliant resource estimate for the Ruby Creek Zone of the Bornite deposit in July 2012 (see below). Note that the Ruby Creek Zone does not include any part of the highly prospective South Reef Zone, which was the principal target of 2012 drill program ($16.5 million; 17,209 metres). South Reef drilling highlights include combined 77.2 metres in 3 intercepts grading 4.27% copper in hole RC12.
- **2013 Work Program:** NovaCopper expects to publish National Instrument 43-101 compliant resource estimates for the South Reef Zone of the Bornite deposit in Q1/13 and for the Sunshine deposit in Q2/13. The Company is continuing metallurgical test work at Bornite, and will undertake an additional 2013 drill program. We note that Alaska’s 2013 budget includes $8.5 million earmarked for the ~$400 million / 110 mile Ambler Mining District Road, which will provide access via the Dalton Highway.
- **Resources / Reserves (100% basis):** Arctic: Indicated: 19.4 Mt grading 4.05% copper, 3.47% zinc, 0.64 g/t gold, and 46.75 g/t silver. Inferred: 11.4 Mt grading 3.47% copper, 4.84% zinc, 0.64 g/t gold, and 46.75 g/t silver. Bornite: Indicated: 6.8 Mt grading 1.19% copper. Inferred: 7.7 Mt grading 0.84% copper.

**Financial Position**

- **Cash:** ~US$24 million as of December, 2012
- **Debt:** Nil
- **Last Financing:** $40 million initial capitalization following spinout from NovaGold (NG-T) completed in May 2012

NovaCopper Inc. (TSX:NCQ)

- **Shares I/O (M):** 52
- **Shares F/D (M):** 63
- **Market Cap (CSM):** $106
- **52 Week High/Low:** $5.16 / $1.62
- **3 Month Performance:** 6%
- **Current Cash Est. (US$M):** ~$12
- **Company CEO:** Richard van Nieuwenhuyse

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**Catalysts**

- Ambler: assay results from Sunshine (Q1/13), metallurgical test work at Bornite-South Reef (Q1/13), resource estimate for Bornite-South Reef (Q1/13), resource estimate for Sunshine (Q2/13).
Papillon Resources Ltd. (PIR-ASX, A$1.58)

Company Description: Papillon Resources is a gold exploration company focused on its Fekola gold project in Mali, West Africa. The Fekola project is located in southwestern Mali near Randgold’s Loulo-Gounkoto Complex (7.4 Moz attributable reserves at 4.89 g/t gold and in excess of 450,000 ounces of gold production annually on 100% basis). In November 2012, Papillon announced the appointment of Mr. Mark Connelly, formerly Managing Director (MD) and Chief Executive Officer (CEO) of Endeavour Mining Corporation, as MD and CEO.

Project #1: Fekola

- **Ownership:** 80% (reflects 20% carried interest for Mali government)
- **Location:** Senegal-Malian Shear Zone, Mali
- **Exploration Target:** At Fekola, Papillon controls, or has applications, covering 25 kilometres of strike along the same structural corridor that contains Randgold’s Loulo-Gounkoto Complex (50 kilometres north of Fekola) and a number of other high-profile projects, which combined host 40 Moz of gold within 150 kilometres of the shear zone. Fekola is characterized by thick high-grade intercepts, with highlights from drilling in 2011 and 2012 including 98 metres at 5.4 g/t gold, 94 metres at 4.6 g/t gold, and 75 metres at 4.1 g/t gold.
- **Historical Work:** Papillon discovered Fekola in early 2011 and defined a maiden resource within 18 months based on 24,500 metres of drilling covering a strike length of approximately 2 kilometres, to a maximum depth of 250 metres. The resource remains open at depth and along strike, and represents only a small portion of the strike extent of the highly prospective Fekola Corridor, which is believed to extend for 11 kilometres. With a number of drill intercepts ending in mineralization and the neighbouring Gounkoto Complex hosting resources to vertical extents of 800 metres, there remains significant potential to expand Fekola at depth. Management believes that Fekola is comparable to Gounkoto, which now hosts total resources of 5.6 Moz of gold at depths in excess of 750 metres and along a strike length of 1.9 kilometres, indicating significant potential for resource growth at Fekola. Metallurgical testing at Fekola has returned 93.3% average recoveries, with encouraging leach kinetics and potential for meaningful gravity recovery. During 2012, Papillon published a maiden resource and a scoping study for Fekola, which outlined an operation with average annual gold production of 231,000 ounces at an operating cost of $596/oz over a 11-year mine life. Initial capital costs are estimated at $298 M.
- **2013 Work Program:** Papillon started additional drilling in Q4/12 to upgrade and expand the resource, with management targeting a 100,000-metre program through to Q2/13. A prefeasibility study is targeted for completion by mid-2013 and will include more detailed metallurgical testing and geotechnical, project infrastructure and power studies.
- **Resources / Reserves (100% basis):** A maiden resource at Fekola was issued in July 2012. Indicated resources: 10.5 Mt grading 2.75 g/t gold (0.93 Moz of gold). Inferred resources: 30.0 Mt grading 2.3 g/t gold (2.21 Moz of gold).

Financial Position

- **Cash:** A$14.8 million as of September 30, 2012,
- **Debt:** Nil
- **Last Financing:** A$16 million in February 2012 (21.0 million shares at A$0.76/share)
Probe Mines Limited (PRB-V, $2.18)

**Company Description:** Probe Mines Limited is advancing its Borden Gold Project, a multimillion-ounce gold discovery hosting near-surface mineralization amenable to open-pit mining in the low-political-risk jurisdiction of northwestern Ontario and has 100% interest in the Black Creek chromite deposit located in northern Ontario.

**Project #1: Borden Gold**

- **Ownership:** 100%
- **Location:** Northwestern Ontario
- **Exploration Target:** The mineralization is hosted by previously overlooked units of Temiskaming-age metasediments within the Kapuskasing Structural Zone, similar to those associated with gold operations in Timmins, Kirkland Lake, and Red Lake. We believe the high-grade zone may be critical in the future development of the project.
- **Historical Work:** Since the acquisition of the Borden project in March 2010, and subsequent confirmation of significant gold mineralization in November 2010, 313 holes representing 94,000 metres of drilling have tested an area with a 2.1 km strike length with widths of up to 200 metres and vertical depths down to 500 metres. The results from drilling will be included in an updated resource anticipated in mid-January 2013. The previous resource estimate (159 drill holes), published in April 2012, represented a 44% increase in the total contained ounces from the maiden resource estimate (August 2011), while maintaining a similar overall average grade and with almost 70% contained in the indicated category. Initial metallurgical test work (Nov 2011) has indicated that the gold is not refractory, with recoveries of 90% to 92% via gravity-flotation-leach.
- **2013 Work Program:** The 2013 exploration program will focus on improving the understanding of the deposit and the exploration targets identified during the 2012 program. In addition to focusing on the high grade zone discovered to the south east, which returned 51m averaging 10 g/t, the program will expand the existing gold zone to depth, identify new mineralization to the hanging wall side (northeast) of the main zone, confirm the main zone through infill drilling and commence exploration on recent acquisitions of over 350 km² of unexplored ground within the Borden and associated Belts which represent high potential for new discoveries. De-risking of the project will occur via the updated resource estimate in January 2013, followed by the results from metallurgical test work which will be incorporated in the Preliminary Economic Assessment (PEA) later in Q1/13.
- **Resources / Reserves (100% basis):** Global Indicated resources of 4.1 Moz gold plus silver (177.0 Mt grading 0.71 g/t Au) and Inferred resources of 1.8 Moz gold plus silver (90.8 Mt grading 0.62 g/t Au) at a 0.3 g/t Au cut-off. A pit constrained Indicated resource of 2.7 Moz gold plus silver (81.9 Mt grading 1.04 g/t Au) and Inferred resource of 0.7 Moz gold plus silver (22.9 Mt grading 0.93 g/t Au) at a 0.6 g/t Au cut-off.

**Financial Position**

- **Cash:** $35 million estimated as of December 31, 2012
- **Debt:** Nil
- **Last Financing:** Gross proceeds of $15.19M via the issuance of 6.2M common shares on a flow-through basis at $2.45/share (Nov. 8, 2011)
Reservoir Minerals Inc. (RMC-V, $2.23)

**Company Description:** Reservoir’s key asset is the Timok copper-gold project located within the Timok Magmatic Complex of eastern Serbia. The Company holds five exploration permits covering an area of ~350 km²—three of the exploration permits (~245 km² area) are underpinned by a joint venture (JV) agreement with Freeport-McMoRan (FCX-N), whereby Freeport can earn a 75% project interest following the completion of a bankable feasibility study (BFS). In August 2012, Freeport completed its 55% project interest earn-in and became the operator by spending US$3 million at the project. Under the terms of the JV agreement, Reservoir will be free-carried through to the completion of a BFS. The Company is actively exploring for other deposits in Serbia, Romania, Macedonia, Cameroon, and Gabon. Reservoir has budgeted ~$4 million to advance its exploration portfolio in 2013.

**Project #1: Timok**

- **Ownership:** 45% (will reduce to 25% after full option exercise by Freeport)
- **Location:** Timok Magmatic Complex in eastern Serbia
- **Exploration Target:** High-sulphidation massive sulphide copper and gold mineralization underlain by a potential large-tonnage/low-grade copper-gold porphyry deposit. Management believes that the deposit will be amenable to a large-scale, mechanized, underground block caving operation, noting that Timok’s mineralization occurs under ~400 metres of sedimentary cover. The nearby Bor mine (owned/operated by the Serbian government) is believed to be analogous to Reservoir’s Timok discovery. Historical mining activities at Bor (1902 to 2001) have produced ~150 Mt of high-sulphidation ore, and in situ mineralization delineated below the historical open pit includes ~200 Mt of high-sulphidation ore and ~600 Mt of porphyry ore (non-National Instrument 43-101 compliant; note mineralization has been traced to a depth of ~1.5 km).
- **Historical Work:** Historical metals production at the nearby Bor-Majdanpek mining and smelting complex totals approximately 6 Mt of copper and 9.65 Moz of gold. The Bor-Majdanpek complex, which represents a key piece of established regional infrastructure, is estimated to have processed 11.4 Mt of ore in 2011—producing 27,600 tonnes of copper in concentrate and 28,000 tonnes of copper cathode (note, the smelting facility imports copper concentrates from foreign sources).
- **2013 Work Program:** Four diamond-drill rigs capable of drilling as deep as 2 kilometres are currently operating on-site, and ten holes have been completed to date ( assay results have been received from 6 holes). Highlights include 160 metres grading 6.92% copper and 5.40 g/t gold, including 70 metres grading 11.56% copper and 7.03 g/t gold in hole FMTC 1213, and 100 metres grading 3.17% copper and 1.91 g/t gold in hole FMTC 1217. Holes have been drilled on wide 200-metre centres, as Freeport/Reservoir tries to determine the boundaries of the high-sulphidation system. As a result, we caution that future drill results may not feature headline figures that are as splashy as seen in FMTC 1213.

**Financial Position**
- **Cash:** $20 million as of December 2012
- **Debt:** Nil
- **Last Financing:** ~$14 million from forced early conversion of warrants (~15.2 million warrants converted at $0.90 on/before October 4, 2012)
Reunion Gold Corporation (R GD-V, $0.32)

Company Description: Reunion Gold is focused on exploring its Matthews Ridge manganese project, for which it acquired the rights in October 2010 and began exploring one month later. In March of the following year, the Company signed a Mineral Agreement with the Government of Guyana covering fiscal terms, exploration conditions, development, and exploitation of the deposit. The Company also possesses Lely Mountain, a small gold exploration property in Suriname.

Project #1: Matthews Ridge Project

- **Ownership:** 100%
- **Location:** Guyana, South America
- **Exploration Target:** The Matthews Ridge manganese project comprises part of four exploration permits (EPs) in northwest Guyana. The EPs cover an area of 45,729 acres, and are included within larger Prospecting Permits (PPs) also held by the Company (PPs cover ~40,000 square miles). The Matthews Ridge project represents the site of a former mining operation (1962 to 1968) that was operated by Union Carbide Corporation and produced > 1.7 Mt of manganese concentrate (~37% manganese) that was transported by rail to Port Kaituma and barged to Trinidad.
- **Historical Work:** The Matthews Ridge trenching program on Hills 1 to 9 began in November for a total of 126 trenches covering 12,429 metres, and has since been completed. Drilling commenced in March 2011, utilizing four diamond-drill rigs and one reverse circulation (RC) rig, for a total of 1,018 drill holes and 64,931 metres. The recently completed 2012 drill program totaled 47,570 metres of diamond drilling (735 holes) and 17,361 metres or RC (238 holes). Drilling continued to indicate excellent correlation with trench intersections, confirming that mineralization persists throughout.
- **2013 Work Program:** 2013 is expected to be a transitional year for Reunion Gold as the Company is expected to publish its initial resource estimate on the Matthews Ridge Project early in the year, followed by a Preliminary Economic Assessment. The Company intends to define resources in the saprolitic, detrital and tailings material, amenable to basic earth-moving extraction.
- **Resources / Reserves (100% basis):** There is currently no National Instrument 43-101 compliant resource on the Matthews Ridge manganese project, but there was a historical estimate during its period of operation from 1962 to 1968.

Financial Position

- **Cash:** $7 million (estimated as of December 2012)
- **Debt:** Nil
- **Last Financing:** $40.25 million in April 2011 (23.0 million shares at $1.75 per share)
Ridgemont Iron Ore Corp (RDG-V, $0.10)

**Company Description:** Ridgemont is focused on the exploration and development of its Lac Virot iron ore project located in the Labrador Trough. The Company also holds a 100%-interest in the Maguse River iron ore project in southern Nunavut. Ridgemont recently terminated the option agreement with Logan Resources to acquire between 50-75% of the Redford property in British Columbia, instead choosing to focus on the development of the Lac Virot project.

### Project #1: Lac Virot Project
- **Ownership:** 100%
- **Location:** Labrador West region of Labrador and Newfoundland, Canada
- **Exploration Target:** Lac Virot is located in the southern portion of the Labrador Trough, within 20km of four operating mines and 5km of the Bloom Lake railway which connects to the QNS&L railway. Airborne surveys outlined three priority magnetic trends (Neal Lake, Emma Lake & Sunday Lake) up to 5km long. The 2012 drill program focused on these high priority targets for a total of 11,713 metres in 42 holes. The Lac Virot Property consists of three Map Staked Licenses with a combined 521 claims covering a total area of 130.25 km².
- **Historical Work:** Ridgemont acquired the Lac Virot Project through the acquisition of IronOne in 2012 and completed an 11,713 metre drill program. Highlights of the 2012 drill program included 106.6 metres grading 25.6% Fe and 101.8 metres grading 24.6% Fe. The program conducted at Lac Virot in 2012 was the first time the project had been drilled. In 2011, IronOne’s exploration work included initial geological reconnaissance, prospecting site visits and an airborne geophysical survey.
- **2013 Work Program:** Ridgemont will continue to drill the Lac Virot Project in 2013 as it works towards an initial resource estimate in Q4’2013. The size and budget of the program has yet to be finalized as management continues to review 2012 drill results.
- **Resources / Reserves (100% basis):** There is currently no NI 43-101 compliant resource estimate on the project. Ridgemont expects to publish an initial resource estimate in Q4’2013, following the 2013 drilling program.

### Financial Position
- **Cash:** $5 million as of December 2012
- **Debt:** Nil
- **Last Financing:** In June 2012, Ridgemont completed a $9.1 million financing (18,992,500 flow-through units @ $0.40 and 3,967,900 units @ $0.38).
Seafield Resources Ltd. (SFF-V, $0.12)

**Company Description:** Seafield Resources is moving from advanced exploration towards becoming a development-stage gold company as it progresses with its Miraflores breccia deposit on its extensive land package (6,757 ha), which also includes the Dosquebradas gold-copper porphyry target. The project lies within Colombia’s 300 km long, north-south-trending Middle Cauca Belt, a metallogenic belt that hosts the Marmato mesothermal to epithermal deposit located about 20 km northeast from the Seafield-Quinchía property. Miraflores is 100% interest and the La Colosa porphyry gold deposit (24 Moz grading < 1.0 g/t gold), AngloGold Ashanti (AU-N). The Company’s land package envelopes that of Batero Gold (BAT-V).

**Project: Miraflores**

- **Ownership:** 100%
- **Location:** Quinchía District, Department of Risaralda, Colombia
- **Exploration Target:** The property package lies in the southern part of the Mid-Cauca belt that is prospective for both gold-rich porphyries and epithermal gold. In June 2012, the Company released an intersection of 195 metres grading 1.6 g/t gold (QM-DH32A) from its 5,000-metre infill drilling program. The gold mineralization is associated with quartz infilling a diatreme breccia and higher grade structures associated with base metals.
- **Historical Work:** An April 2012 PEA outlined a combined open-pit and underground mining operations with an initial 8-year production profile of 71 Koz of gold annually at a cash cost of US$525 per ounce. The study was based on a minable resource of 7.0 Mt grading 1.4 g/t Au at a strip ratio of 2:1 from the open pit and an underground resource of 5.0 Mt grading 2.3 g/t Au, with a mill throughput of 4,000 tpd and recoveries of 90%. Assuming US$94 million in pre-production CAPEX the project generated a pre-tax NPV8% of US$249 million, IRR of 50%, and payback of 1.8 years at US$1,500 / oz Au.
- **2013 Work Program:** The completion of an 8,000 metre drill program consisting of 1,500 metres of underground drilling to test the high-grade vein system within the breccia pipe and 6,500 of infill drilling from surface. Results from the 8,000 metre drill program will be incorporated into an updated resource and PEA in Q2/13, followed by a feasibility study in Q4/13. An Environmental Impact Assessment (EIA) is scheduled to be submitted to the Colombian authorities by year-end (Q4/13). In addition, a 1,500 metre exploration drill program at the Tesorito target is underway.
- **Resources / Reserves:** The Miraflores deposit is host to M&I resources of 1.9 Moz Au (77.8 Mt grading 0.8 g/t Au) plus Inferred resources of 0.1 Moz Au (5.5 Mt grading 0.6 g/t Au) at a 0.3 g/t cut-off. The Dosquebradas is host to an Inferred resource totalising 0.9 Moz gold plus copper (57.8 Mt grading 0.5 g/t Au and 0.04% Cu) at a 0.3 g/t cut-off.

**Financial Position**

- **Cash:** $3.5 million as of December 31, 2012
- **Debt:** Nil
- **Last Financing:** Private placement of 21.6M units (1 share, 1 warrant - $0.20 strike) at $0.13 each, for gross proceeds of $2.8 million (November 2012)
Solotoro Ltd. (SOL-V, $0.56)

Company Description: Solotoro is a junior silver-focused exploration company with assets in Mexico. The Company’s primary asset is the wholly owned El Rayo project in Jalisco State, Mexico. Coeur d’Alene Mines (CDM-T) ranks as a significant shareholder at 7.6% (4.5 million-share private placement at $1.00 in July 2011). Of note, Solotoro holds approximately 6.8 million shares of Argentum Silver (ASL-V), representing ~15% of outstanding shares, which it acquired when it optioned out a 100% interest in the Coyote and Victoria projects. In May 2012, Gold Reserve Inc. optioned Solotoro’s La Tortuga property for $3.65 million in property expenditures and payments to the Company.

Project #1: El Rayo

- **Ownership:** Both the El Rayo and Guachinango 1 concessions are wholly owned. However, there is a 2% net smelter return (NSR) on the Guachinango 1 concession (reducible to a 0.5% NSR for US$1.5 million).
- **Location:** Jalisco, Mexico, about 110 kilometres west-northwest of the capital city Guadalajara.
- **Exploration Target:** The project comprises two concessions covering a total of 10,036 hectares; namely, the 3,848-hectare El Rayo concession and the 6,188-hectare Guachinango 1 concession. There are four main mineralized trends within the El Rayo project, which include at least fourteen mineralized zones. The four main trends are the Aguacero-Highway Zone-Matachines-Las Bolas (2.7-kilometre-long northeast-trending structure), Catarina-El Rayo (2.5-kilometre-long northwest-trending structure), La Soledad (600-metre-long east-west-trending structure), and El Ocote-Nueva Suerte (3.0-kilometre-long east-west-trending structure).
- **Historical Work:** Approximately 28,720 metres of diamond drilling in 149 holes and 22,477 metres of reverse circulation (RC) drilling in 157 holes have been completed by Solotoro in the general area of the El Rayo property through to the end of 2011. The El Rayo resource is based on ~13,341 metres of diamond drilling in 73 holes and ~14,120 metres of RC drilling in 104 holes in the Las Bolas, La Soledad, Highway Zone, and El Rayo areas. Completed 13,000 metres of a 20,000-metre 2012 drill program aimed at drill testing extensions to known deposits and newly identified mineralized zones.
- **2013 Work Program:** Planned 1,000 metres to investigate gold potential north west of El Rayo mine on El Rayo structure, 1,000 metres at Las Bolas to test the mineralization at depth, plus 500 metres north of the Soledad deposit to test the western oreshoot. An additional 1,500 – 2,500 metres are tentatively planned for Bolas North East once permits have been received.
- **Resources / Reserves (100% basis):** The El Rayo project is host to two resource estimates. The Las Bolas-Highway Zone–La Soledad is host to a M&I in-pit silver resource of 77.4 Moz (42.2 Mt grading 58 g/t silver) and an inferred silver resource of 1.2 Moz (0.6 Mt grading 66 g/t silver). The El Rayo North gold resource totals 22.6 Koz of M&I (0.4 Mt grading 1.85 g/t gold) and 18.9 Koz in inferred (0.4 Mt grading 1.61 g/t gold).

Financial Position

- **Cash:** $2.8 million in cash as of December 31, 2012
- **Debt:** Nil
- **Last Financing:** $4.5 M in July 2011 (4.5 million shares at $1.00)
Source: Capital IQ and Haywood Securities

Temex Resources Corp. (TME-V, $0.27)

Company Description: Temex is a junior explorer with a portfolio of properties in northeastern Ontario. Its 60% owned Whitney property is located along a 4-kilometre section of the Porcupine-Destor Fault. The 100%-owned Juby gold project is located central to the Young-Davidson mine (owned by AuRico Gold) and the Côté Lake deposit (purchased by IAMGOLD from Trelawney Mining for ~$585 million in June 2012), with mineralization extending over 3.5 kilometres along the southwestern extension of the Larder Lake–Cadillac Fault Zone. In June 2012, Temex bolstered its Board of Directors with the appointment of Greg Gibson, most recently President and CEO of Trelawney, and Ronald Goldsack, former Vice Chairman and Director of Gordon Capital, GMP, and formerly a Director of Goldcorp Canada. In November 2012, Temex entered into an agreement with Goldeye Explorations to acquire significant landholdings in the Tyrrell Township, in northeastern Ontario. As a result of the acquisition, Temex increased its 100% ownership in the area by over ten-fold from 1,343 acres to 14,423 acres. The landholdings include a large block of claims in which Goldeye owns a 100% interest, as well as Goldeye’s 40% interest in the claims comprising the Juby JV Property in which Temex holds a 60% interest.

Project #1: Whitney Gold Project

- **Ownership:** Temex holds a 60% interest and is the operator, with Goldcorp holding the remaining 40% interest.
- **Location:** Timmins Gold Camp in northeastern Ontario.
- **Exploration Target:** The Whitney property has historically produced from three mines (Hallnor, Broulan Reef, and Bonetal). Mesothermal gold mineralization is hosted in several styles of vein structures. TME is targeting resources of 1 Moz each on several targets.
- **Historical Work:** Temex drilled 247 diamond holes (70,000 metres) between 2005 and 2012. 85 holes (24,000 metres) drilled by Temex and 2,991 holes (101,300 metres) drilled by previous operators were used to calculate the September 2012 initial NI 43-101 resource estimate.
- **2013 Work Program:** Temex will continue to diamond drill near-surface target areas, with a ~30,000-metre drill program to expand the Upper Hallnor mine open pit resource towards the Broulan Reef mine 1.5 kilometres to the west. Two rigs are currently drilling to expand the Juby Main Zone both at depth and along strike to the west trending onto the Golden Lake Property; a third rig will be added in early 2013 to test some priority exploration targets further along strike. In total, Temex plans to drill about 45,000 metres in 2013 at Timmins and at Juby.
- **Resources / Reserves (100% basis):** Whitney (Upper Hallnor): M&I of 790,200 oz (11.7 Mt grading 2.09 g/t) and inferred of 241,000 oz (4.1 Mt grading 1.82 g/t). Juby Main Zone: Indicated of 934,645 oz (22.3 Mt grading 1.30 g/t) and inferred of 905,621 oz (28.2 Mt grading 1.00 g/t).

Financial Position

- **Cash:** $9 million as of January 2013.
- **Debt:** Nil.
- **Last Financing:** $8.9 million private placement in October 2012.
Terraco Gold Corp. (TEN-V, $0.17)

Company Description: The Company is focused on advancing its wholly owned advanced-stage Nutmeg Mountain / Almaden gold project in Idaho, while prospecting on its wholly owned Moonlight project (35 km²) in Nevada, north of the Spring Valley JV between Barrick Gold (ABX-T) and Midway Gold (MDW-V). In addition, Terraco controls and/or owns significant royalty coverage on Barrick/Midway's Spring Valley JV.

Project: Almaden (Nutmeg Mountain)

- **Ownership:** 100%
- **Location:** Idaho

**Exploration Target:** The Almaden low-sulphidation epithermal gold property (1,320 ha) in Western Idaho is centred on Nutmeg Mountain, with gold mineralization partially oxidized to 100 metres depth, within units that have been subjected to multiple phases of hydrothermal alteration and brecciation/veining. The current resource based on ~66,000 metres of drilling (887 holes) is largely within the Main Zone (1,000 m strike, 75% of the resource), North Zone (1,000 m strike), and the underexplored Stinking Water Zone. The resource is relatively flat lying with higher grade zones (>1.4 g/t Au) within a halo of lower grade (>0.74 g/t Au) material.

**Historical Work:** The project has seen significant exploration and small scale production since its discovery in the late 1930’s, including over 60,900 metres of historic drilling in 887 holes. Since acquiring the project, Terraco has completed two phases of drilling. A Phase I core drill program completed in 2011, comprised of 5,492 metres in 16 holes, was designed to confirm near-surface mineralization (within ~90 metres) and to test for potential at depth (down to ~550 metres). A subsequent Phase II core drill program was completed in 2012, comprised of 2,462 metres in 28 holes plus 299 meters in 4 holes for metallurgical testing. The 2012 drill program included infill drilling to test for continuity and confirm grades, in addition to exploring for high grade feeder zones both laterally and at depth.

**2013 Work Program:** The 2013 work program will include completion of ongoing metallurgical testwork (Q1/13) leading to a possible updated resource estimate and Preliminary Economic Assessment (PEA) in Q2/13 as well as additional drilling.

**Resources / Reserves:** M&I resources of 864 Koz Au (39.1 Mt grading 0.69 g/t Au) and Inferred resources of 84 Koz Au (4.8 Mt grading 0.55 g/t Au).

**Royalty Portfolio:** Terraco has an option to purchase a 2.5% NSR on gold production over 500 Koz on a significant portion of the Spring Valley gold project (Midway/Barrick JV) for US$12.5 million by December 2016. In addition, the Company holds a 0.5% NSR on an adjoining portion of the Spring Valley project with an option to purchase an additional 0.5% NSR for US$1.0 million. Terraco also has a ROFR (right of first refusal) on a 1% perimeter royalty outside the Spring Valley JV core group of claims.

**Financial Position**

- **Cash:** $1.5M estimated as of December 31, 2012
- **Debt:** Nil
- **Last Financing:** Gross proceeds of US$5.0 million from issuing a 1% NSR on the Moonlight project and a 0.5% NSR on the Almaden gold project plus 1.0 million warrants at C$0.35/sh.
Treasury Metals Incorporated (TML-T, $0.90)

**Company Description:** Treasury Metals is a gold-focused exploration and development company advancing its 100%-owned Goliath project in Northwestern Ontario. The Goliath property spans 50 square kilometres, with a prospective strike defined over 6 kilometres, and encompasses the historic Teck/Corona/Laramide Thunder Lake gold deposit. Treasury Metals is managed by the former executive team of Aquiline Resources, which was acquired by Pan American Silver Corp. for $626 million in 2009.

**Project #1: Goliath**

- **Ownership:** 100%. 0.7% royalty payable on approximately 1/3 of the current resource inventory.
- **Location:** Kenora mining district, northwestern Ontario
- **Exploration Target:** Goliath is located within the Eagle-Wabigous-Manitou greenstone belt, which hosts multi-million ounce deposits including Hammond Reef and Rainy River. Mineralization is contained in a 100 - 150 metre wide central zone composed of intensely altered felsic metavolcanics with minor metasedimentary rocks. The current resource extends over a strike length of 2.3 kilometres and to a depth of 600 metres. Goliath has good potential for resource expansion along strike, to depth, along parallel structures and regionally. The project has excellent infrastructure, including road access, skilled labour, as well as power, gas and water supply.
- **Historical Work:** Treasury Metals completed a 50,000 metre drill program at Goliath in 2011. In 2012, Treasury Metals completed a 16,000 metre drill program, which targeted down-dip projections of shallow mineralization, drilling along strike and drilling the northeast strike extension. Notable 2012 drill results included 7.35 m @ 1.39 g/t Au in drill hole TL12-267, 17.1 m @ 5.9 g/t Au (including 5.2 m @ 18.6 g/t Au) in drill hole TL164-12RE (re-entered hole drilled by Teck) and 7.00 m @ 3.44 g/t Au in drill hole TL12-268. A July 2012 Preliminary Economic Assessment outlined annual gold production of 80,000 ounces from underground/open-pit operations over an initial mine life of over 10 years at a total cash cost of ~US$700/oz of gold, based on gold recoveries of +95% and a 9.3:1 strip ratio. Initial capital expenditures are estimated at US$92M and total life-of-mine capital expenditures are US$200 million, resulting in an IRR of 39.3% at a gold price of US$1,375 per ounce.
- **2013 Work Program:** Treasury Metals budgeted $20 million for a 2012/2013 exploration program, and spent ~ $10 million in 2012. In November 2012, the Company commenced a 20,000 metre drill program, which is expected to be completed in mid-2013. Treasury Metals will update the resource in H2/13 (2Moz targeted) which will increase the confidence and size of the Main Zone and C Zone resources.
- **Resources / Reserves (100% basis):** Indicated resources of 9.1 Mt grading 2.6 g/t gold (0.76 Moz) and inferred resources of 15.9 Mt grading 1.7 g/t gold (0.87 Moz) at cut-off grades of 0.3 g/t and 1.5 g/t for open-pit and underground ore respectively.

**Financial Position**

- **Cash:** ~$4M at the end of December 2012
- **Debt:** Nil
- **Last Financing:** $6M financing in September 2012. 5.625M flow-through shares at $0.80 per share. 2M units at $0.75 per share. Each unit includes 1 share and ½ common share purchase warrant exercisable at $1.00 for 24 months.

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<td>2013 Estimated Burn (C$M)</td>
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**Company CEO:** Martin Walter

**Location:** Kenora mining district, northwestern Ontario

- **-Drill results from a 20,000 metre exploration program**
- **-Updated resource (2Moz target) -Q3/13**
- **-Permitting progress - ongoing**
- **-Further delineation of the C Zone discovery**
- **-Additional property consolidation**

**Goldcliff Project, Ontario**

- **-Results from 1,000 m drilling program - early 2013**
- **-Additional exploration**

* Net of > US$750,000 annual proceeds from an NSR on the Cerro Colorado gold mine in Mexico

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**Source:** Capital IQ and Haywood Securities
Volta Resources Inc. (VTR-T, $0.52)

**Company Description:** Volta Resources is a gold exploration company focused on its Kiaka gold project in Burkina Faso, West Africa. The Kiaka project is located in south-central Burkina Faso near Orezone’s Bombore exploration project (total resources of 5.6 Moz of gold). The closest operation is Endeavour’s Youga mine (total resources of 1.4 Moz of gold). Volta also has the Gaoua (copper-gold) project in Burkina Faso, and a number of exploration projects in Ghana.

**Project #1: Kiaka**

- **Ownership:** 81% (reflects 9% local company and 10% government interests)
- **Location:** Tenkodogo Belt, Burkina Faso
- **Exploration Target:** Volta’s Kiaka project is located 149 kilometres southeast of the capital of Burkina Faso and is accessed by good-quality gravel roads. The property covers nearly 185 km². The primary focus to date for drilling has been the Central area, which comprises the majority of the existing resource. As a result of encouraging geophysics, Volta began drilling the Kiaka South area in 2011, intersecting high grades at the target, which is approximately 700 metres southwest of the Central area. Mineralization in this area occurs from surface and is characterized by high-grade intercepts, with single-metre intervals regularly exceeding 10 g/t gold. Volta published an initial resource for Kiaka South in late September 2012 which outlined total resources of 123 Koz gold at grades nearly double that at Kiaka Central. In addition, Volta has also identified other targets within a 3-kilometre radius of the currently defined deposit and is advancing several regional targets on the larger 185 km² package and began scout drilling at these targets in 2012.

- **Historical Work:** Volta acquired Kiaka in 2009 from Randgold, which had spent more than US$6 million starting in June 2004 carrying out early geology (geochemistry, geophysics, and mapping), with only limited drilling. Volta has since drilled in excess of 110,000 metres, and in May 2012, completed a prefeasibility study that outlined an operation with average production of 340 koz at an operating cost of $671/oz over a 10-year mine life. The project generates an NPV under the base case ($1,372/oz gold, 8% discount rate) of $548 M and a 23.2% internal rate of return (IRR; on a pre-tax, 100% basis).

- **2013 Work Program:** After completing an updated resource in early 2013 based off 60,000 metre drill program completed in 2012, Volta’s immediate focus is completing a Feasibility Study by Q3/13. The study will now be based on a phased development scenario utilizing a 6.0 million tonne per year plant to process high grade for five years before being scaled up to 12 million tonnes per year for the remainder of the life of mine. To support this study additional metallurgical, geotechnical, hydrological and waste rock characterization studies are underway. Volta will also shift its focus to exploration drilling (from delineation drilling) in 2013 and test some of the other regional targets identified by both Volta and Randgold.

- **Resources / Reserves (100% basis):** Volta issued a resource update at Kiaka in January 2013. M&I resources: 153.3 Mt grading 0.99 g/t gold (4.9 Moz of gold). Inferred resources: 33.7 Mt grading 0.93 g/t gold (1.0 Moz of gold).

**Financial Position**

- **Cash:** $20.0 million as of December, 2012
- **Debt:** Nil
- **Last Financing:** $40.0 million in July 2011 (issue price of $1.90)
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We, Kerry Smith, Stefan Ioannou, Ben Asuncion, Tara Hassan, Russell Stanley, and 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.

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<td>Ticker</td>
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1. The Analyst(s) preparing this report (or a member of the Analysts’ households) have a financial interest in this company.
2. As of the end of the month immediately preceding this publication either Haywood Securities, Inc., its officers or directors beneficially owned 1% or more of this company.
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5. Haywood Securities, Inc. or an Affiliate has received compensation for investment banking services from this company in the past 12 months.
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7. Haywood Securities, Inc. is restricted on this company at the time of publication.
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- Haywood pro group holdings exceeds 10% of the issued and outstanding shares of Bearing Resources Ltd. (BRZ-V) and International Enexco Ltd. (IEC-V).

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*Each company within analyst’s universe, or group of companies covered, is assigned a rating to represent how the analyst feels the stock will perform in comparison with the other companies, in that specific sector, over the upcoming 12 month period.*

**SECTOR OUTPERFORM** – Haywood’s top rating category. The analyst believes that the security will outperform its sector. Furthermore, the shares are forecast to provide attractive returns measured against alternative investments when considering risk profiles. The rating carries a minimum total return threshold of 15% for equities and 12% for trusts. The rating applies to companies that have tangible underlying assets that give a measure of support to the market valuation. The rating category considers both the absolute and relative values in assigning the highest rating on the security.

**SECTOR PERFORM** – The analyst believes that the security will trade with tight correlation to its underlying sector. Furthermore, the target price (together with any anticipated distributions) is at or above the market price, and forecast risk-adjusted returns are attractive relative to alternative investments.

**SECTOR UNDERPERFORM** – Investors are advised to sell the security or hold alternative securities within the sector. Stocks in this category are expected to underperform relative to their sector. The category also represents stocks with unattractive forecast returns relative to alternative investments.

The above ratings are determined by the analyst at the time of publication. On occasion, total returns may fall outside of the ranges due to market price movements and/or short term volatility. At the discretion of Haywood’s Management, these deviations may be permitted after careful consideration.

**TENDER** – The analyst is recommending that investors tender to a specific offering for the company’s stock.

**RESEARCH COMMENT** – An analyst comment about an issuer event that does not include a rating or recommendation.

**UNDER REVIEW** – Placing a stock Under Review does not revise the current rating or recommendation of the analyst. A stock will be placed Under Review when the relevant company has a significant material event with further information pending or to be announced. An analyst will place a stock Under Review while he/she awaits sufficient information to re-evaluate the company’s financial situation.
COVERAGE DROPPED – Haywood Securities will no longer cover the issuer. Haywood will provide notice to clients whenever coverage of an issuer is discontinued.

Haywood's focus is to search for undervalued companies which analysts believe may achieve attractive risk-adjusted returns. This research coverage on potentially undervalued companies may result in an outweighed percentage of companies rated as Sector Outperform. Management regularly reviews rating and targets in all sectors to ensure fairness and accuracy.

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Risk Profile Parameters

SPECULATIVE: – Investment for risk accounts only. Companies within this category carry greater financial and/or execution risk. All junior/venture companies that carry great financial and/or liquidity risk will be tagged “SPECULATIVE”. A stock indicating a SPECULATIVE risk is determined from sector specific criteria outlined below.

Risk Profile Parameters – Mining and Minerals Sector

Forecast Risk: High – Haywood forecasts are below guidance. The Company has a history of missing targets and/or Haywood expects guidance to be lowered. Limited hedging increases commodity leverage. Forecasts reflect higher commodity prices or production relative to guidance. Moderate – Haywood forecasts are generally in line with guidance. The Company has a history of meeting or exceeding guidance. Forecasts are consistent with current commodity pricing and production guidance. Hedging is in line with peers. Low – Haywood forecasts exceed guidance. The Company has a history of meeting or exceeding guidance. Forecasts allow for modestly lower commodity pricing or production levels. Commodity hedging lowers volatility relative to peers.

Financial Risk: High – The business plan is not fully funded, but requires debt and/or equity financing. The exploration program is funded for two years or less. This categorization does not predict whether the additional funds will be raised. Moderate – The development plan is fully funded, with the exploration program funded for three years or more. The Company’s debt is rated below investment grade. Low – The Company is fully funded. Its debt is rated investment grade and/or the Company has a history of profitability or dividend payments in each of the last three years.

Valuation Risk: High – The current valuation is at the high end of historic levels and/or at a premium to peers. The valuation reflects considerable exploration success and/or commodity appreciation. Where applicable, the current capitalization exceeds the DCF evaluation by more than 50%. Moderate – The current valuation is within historic ranges and generally consistent with peers. The valuation reflects reasonable exploration success and/or commodity appreciation. Where applicable, the current capitalization exceeds the DCF valuation by 15% to 50%. Low – The current valuation is at the low end of historic ranges and at a discount to peer valuations. The valuation reflects limited new exploration success and no commodity appreciation. Where applicable, the current capitalization exceeds the DCF valuation by less than 15% or falls below the current market value.

Political Risk: High – Currently no industry activity or infrastructure exists. Government opposition is significant. Obtaining permits is challenging. Moderate – Industry activity or infrastructure is minimal. Government at national, regional, and local levels is indifferent. Obtaining permits is relatively straightforward. Low – Industry activity and infrastructure exist. Government is supportive. Obtaining permits is facilitated.

Distribution of Ratings (as of January 14, 2013)

Haywood’s current rating structure (outlined above) does not correlate to the 3-tiered BUY, HOLD, SELL structure required by the FINRA. Our ratings of Sector Outperform, Sector Perform and Sector Underperform most closely correspond to Buy, Hold/Neutral and Sell respectively however, as described above, our assigned ratings take into account the relevant sector.

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<th>Distribution of Ratings</th>
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RESEARCH TEAM

**Metals & Mining**

Ben Asuncion  
604-697-6149

Tara Hassan  
416-507-2603

Colin Healey  
604-697-6089

Stefan Ioannou  
416-507-2309

Kerry Smith  
416-507-2306

Russell Stanley  
416-507-2328

Doug Ibbitson  
416-507-2311

Maria Kalbarczyk  
416-507-2437

Ardem Keshishian  
416-507-2419

Ahmad Shaath  
416-507-2790

Alan Spence  
604-697-6030

Evan Young  
416-507-2703

**Oil & Gas**

Robert Cooper  
403-509-1937

Alan Knowles  
403-509-1931

Geoff Ready  
403-509-1938

Steven Clow  
403-509-1810

Nikolaus Kiefer  
403-509-1966

Brandon Stutheit  
403-509-1920

**Special Situations**

Megan MacNeill  
604-697-6142

James Reid  
604-697-6005

email: needtoknow@haywood.com

web site: www.haywood.com