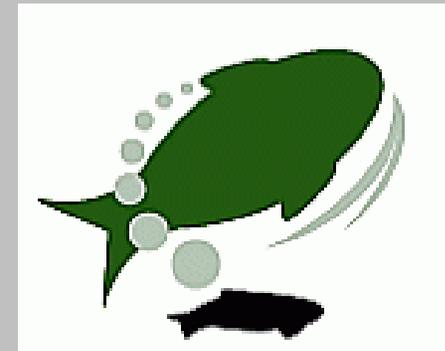


Toronto Resource Investment Conference 2013

Toronto, Canada

September 13, 2013

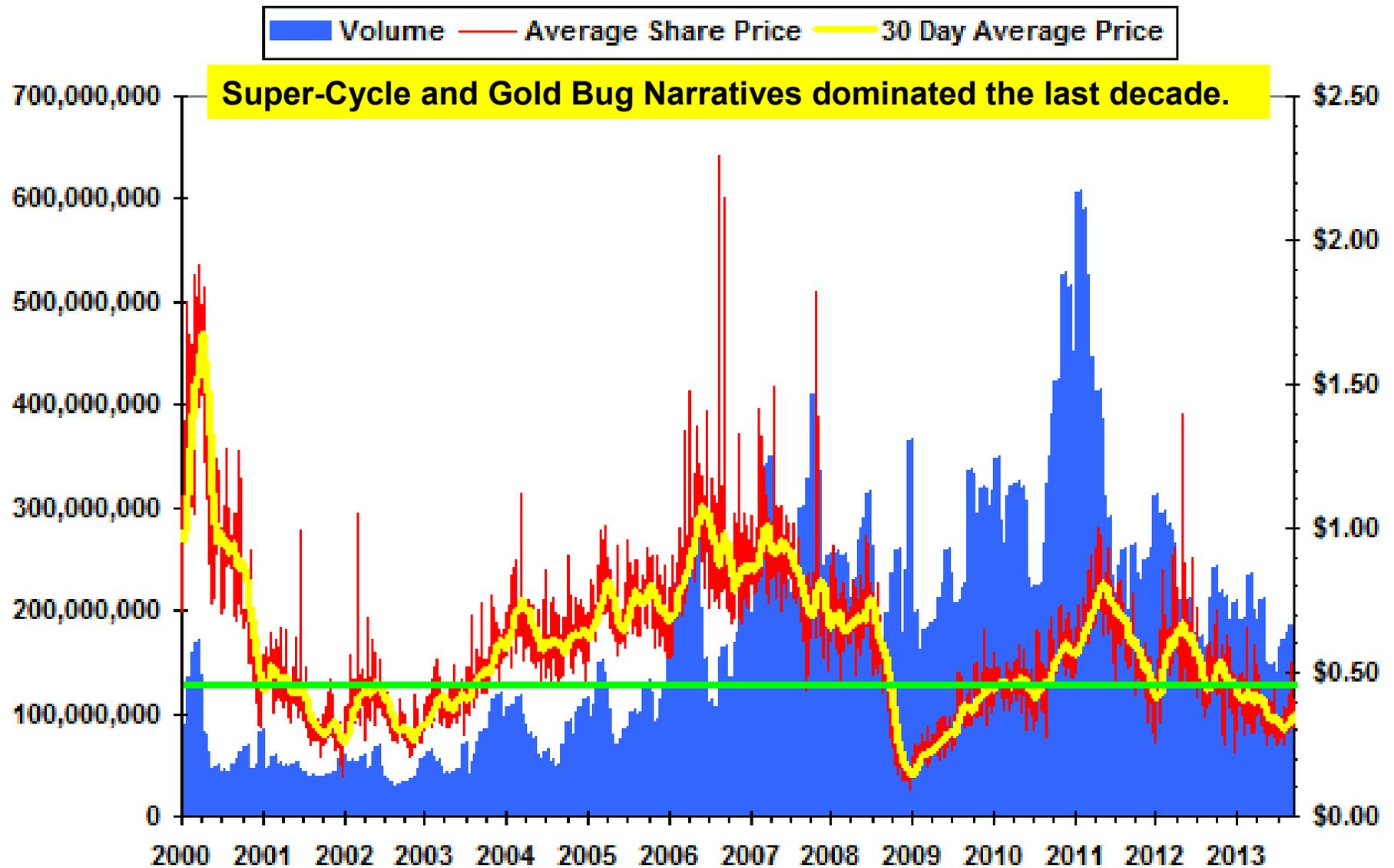
Presented by John Kaiser



**Keynote: What will Drive Bear
Market Survivors?**

www.KaiserResearch.com

Daily TSXV Volume and Average Traded Share Price



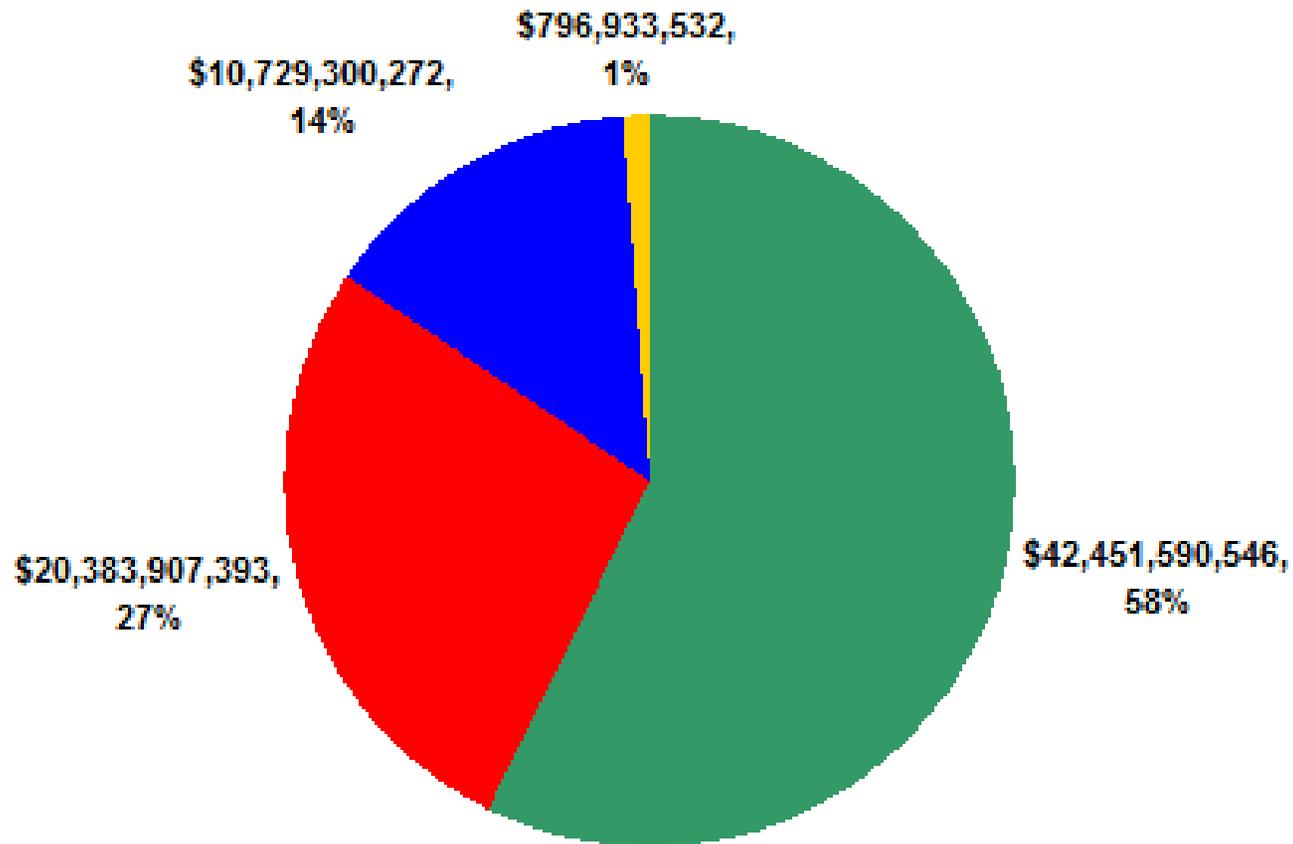
Mine Exploration & Development Cycle

Stage	Exploration Cycle Stage	Objective	Time Required
1	Grassroots	Conceptual, land acquisition	1 year
2	Target Generation & Drilling	Filtering for drill targets	1-2 years
3	Discovery Delineation	Defining the limits of a discovery & producing initial 43-101 resource estimate	1-2 years
4	Infill Drilling	Upgrading resource estimate from inferred category	1-2 years
5	Preliminary Economic Assessment (PEA) & Metallurgy	Evaluating recoveries and optimal processing method, initial economic analysis with 30%-35% error margin	1 year
6	Prefeasibility (PFS)	Produce a mineable reserve, detailed engineering for mining plan and associated costs, 15-20% error margin	1-2 years
7	Permitting, Marketing & Feasibility (FS)	Securing approval, negotiate offtake, production decision, 8-12% error margin	1-3 years
8	Construction	Building the mine	1-3 years
9	Production	Mining cash flow	10-40 years

TSXV Financing Activity 2002-2013

Total: \$74,361,731,743

■ Resource ■ Energy ■ Non-Resource ■ Shells



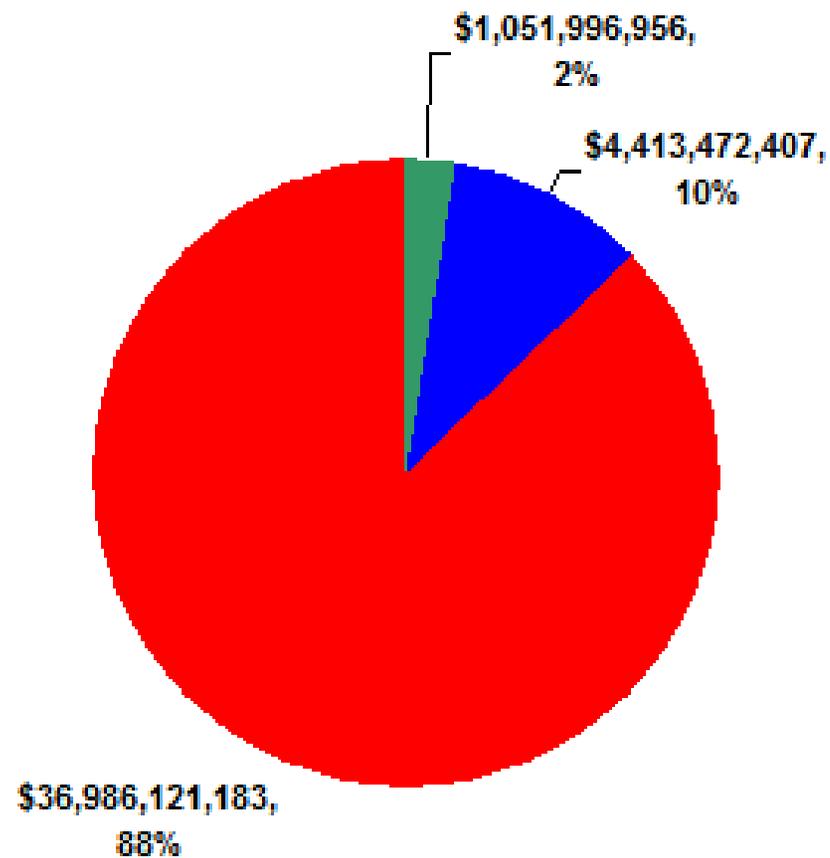
TSXV Resource Financing Activity by Type 2002-2013

Total: \$42,451,590,54

■ IPO

■ SOM

■ PP



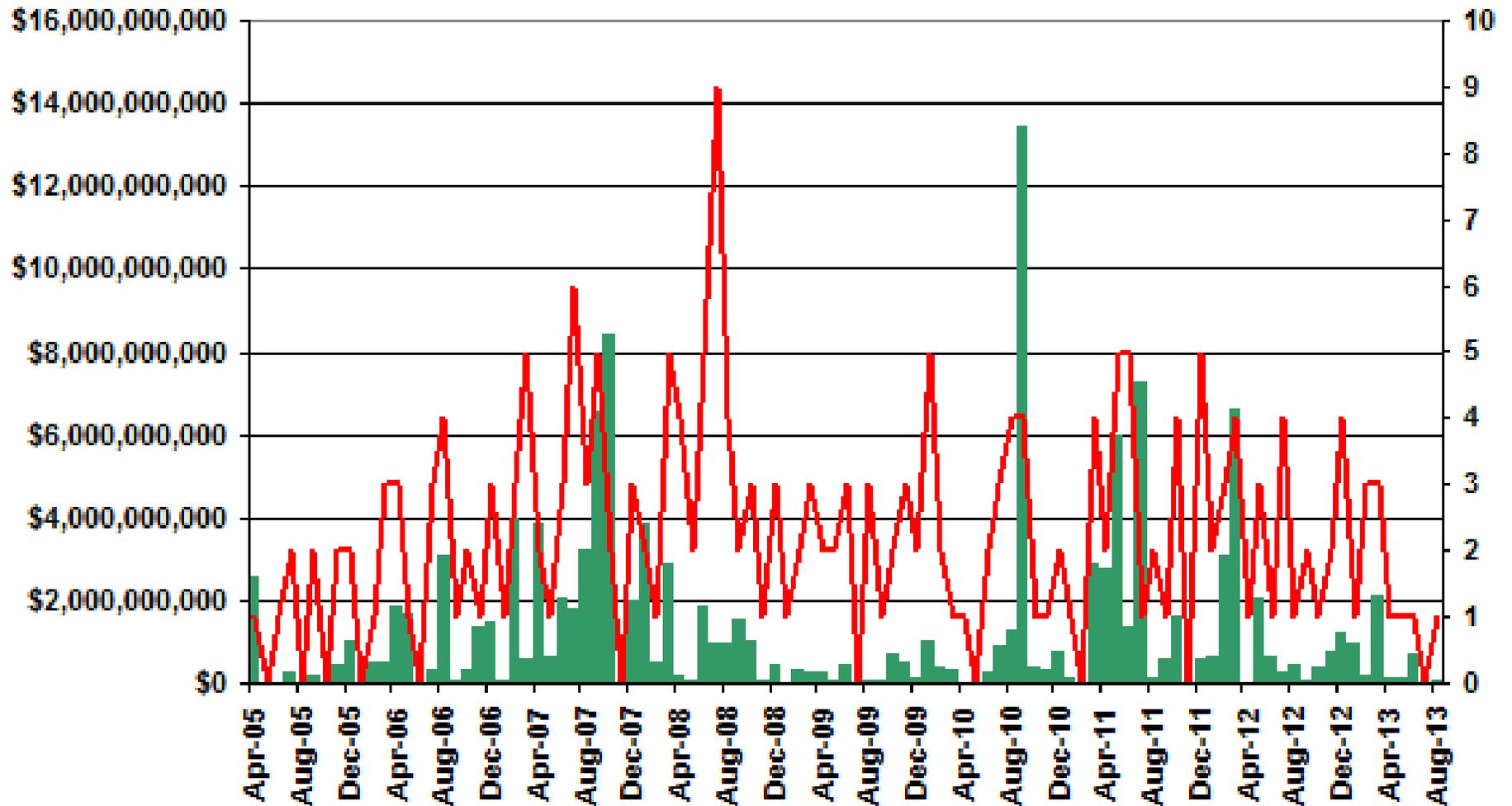
Monthly Value TSX/TSXV Resource Junior Takeover Bids

Total \$128,712,837,86

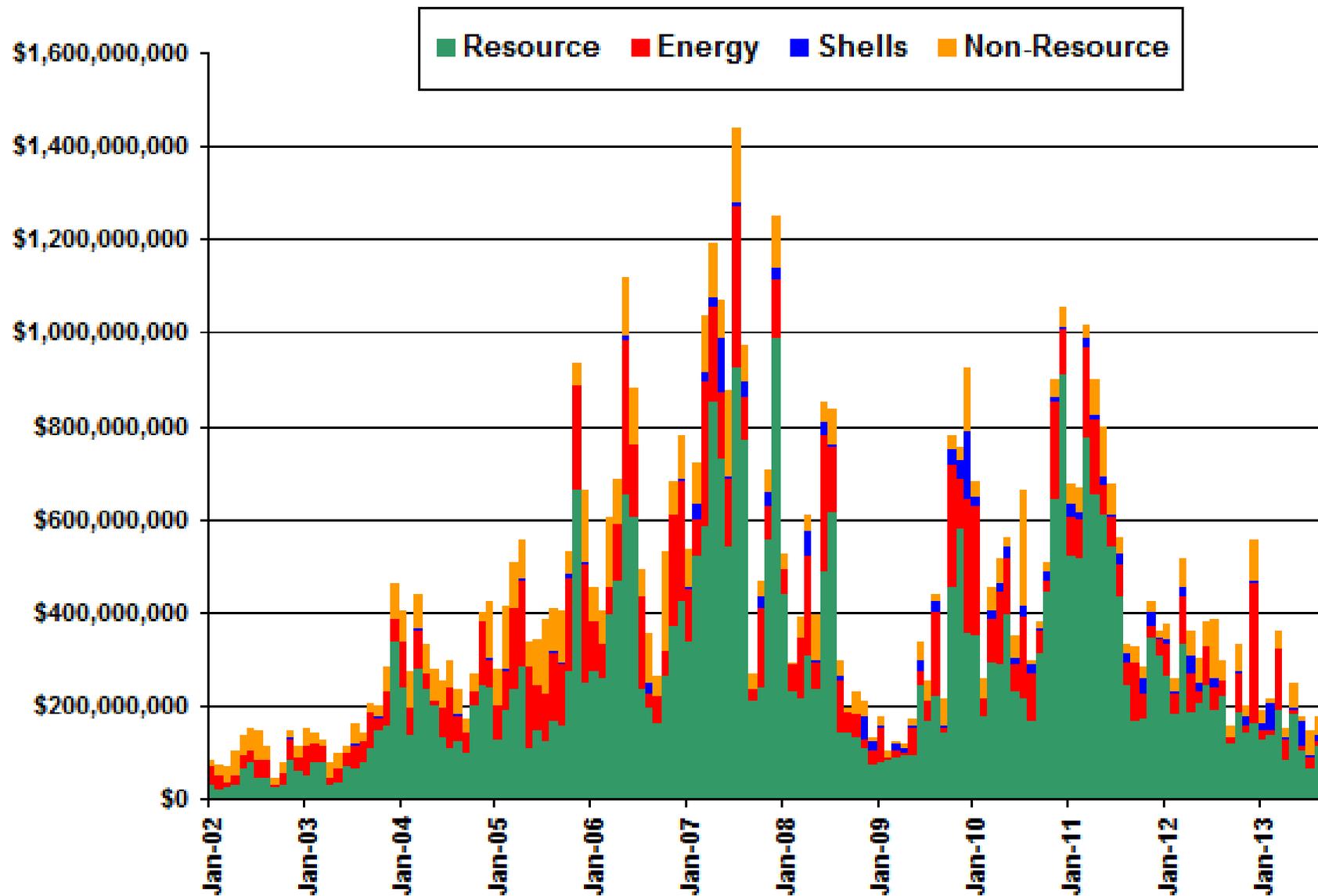
Value

Total #: 226

Number



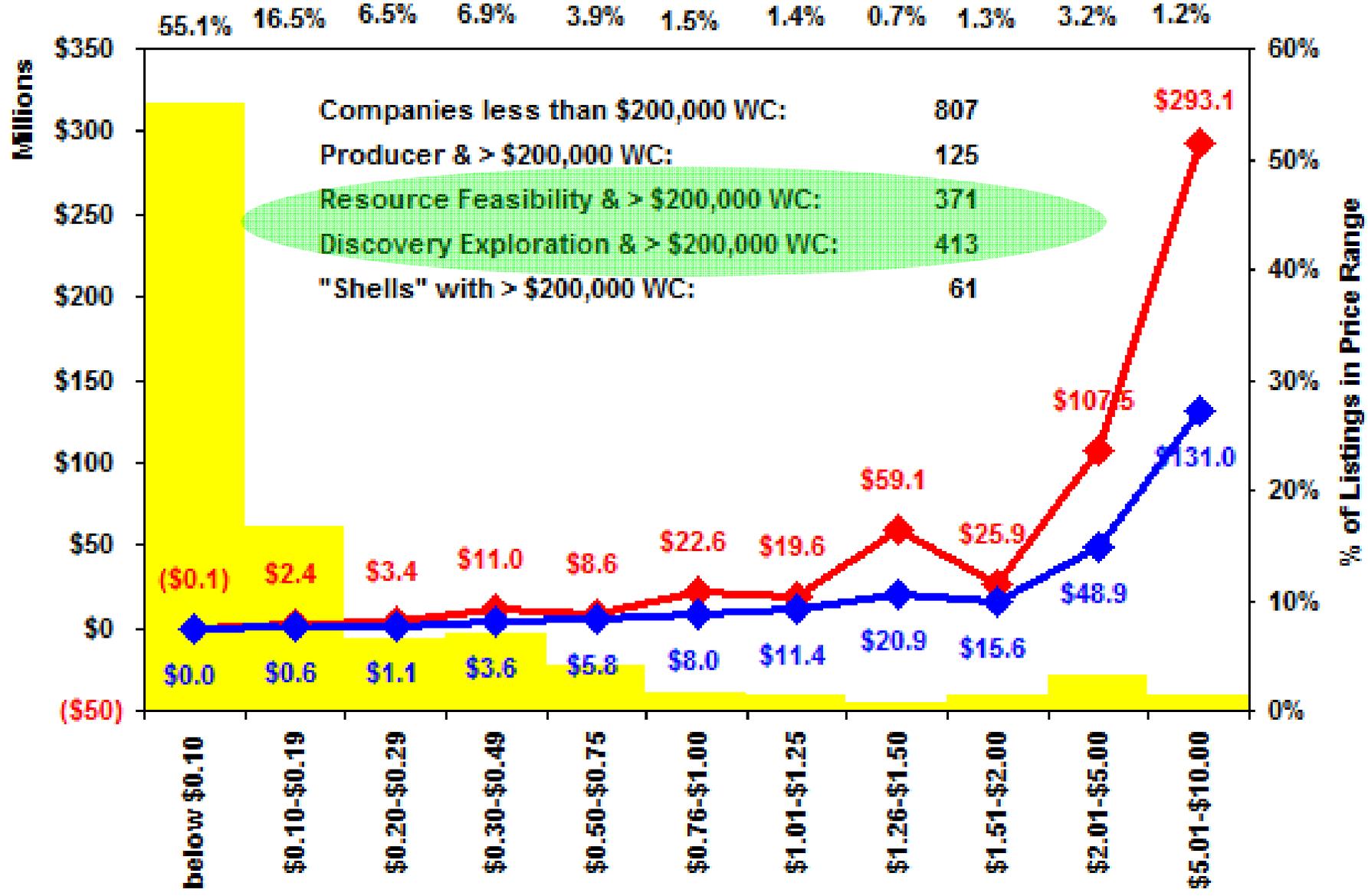
Monthly Value of TSXV Private Placement Financings



KRO Price Range - Working Capital Distribution

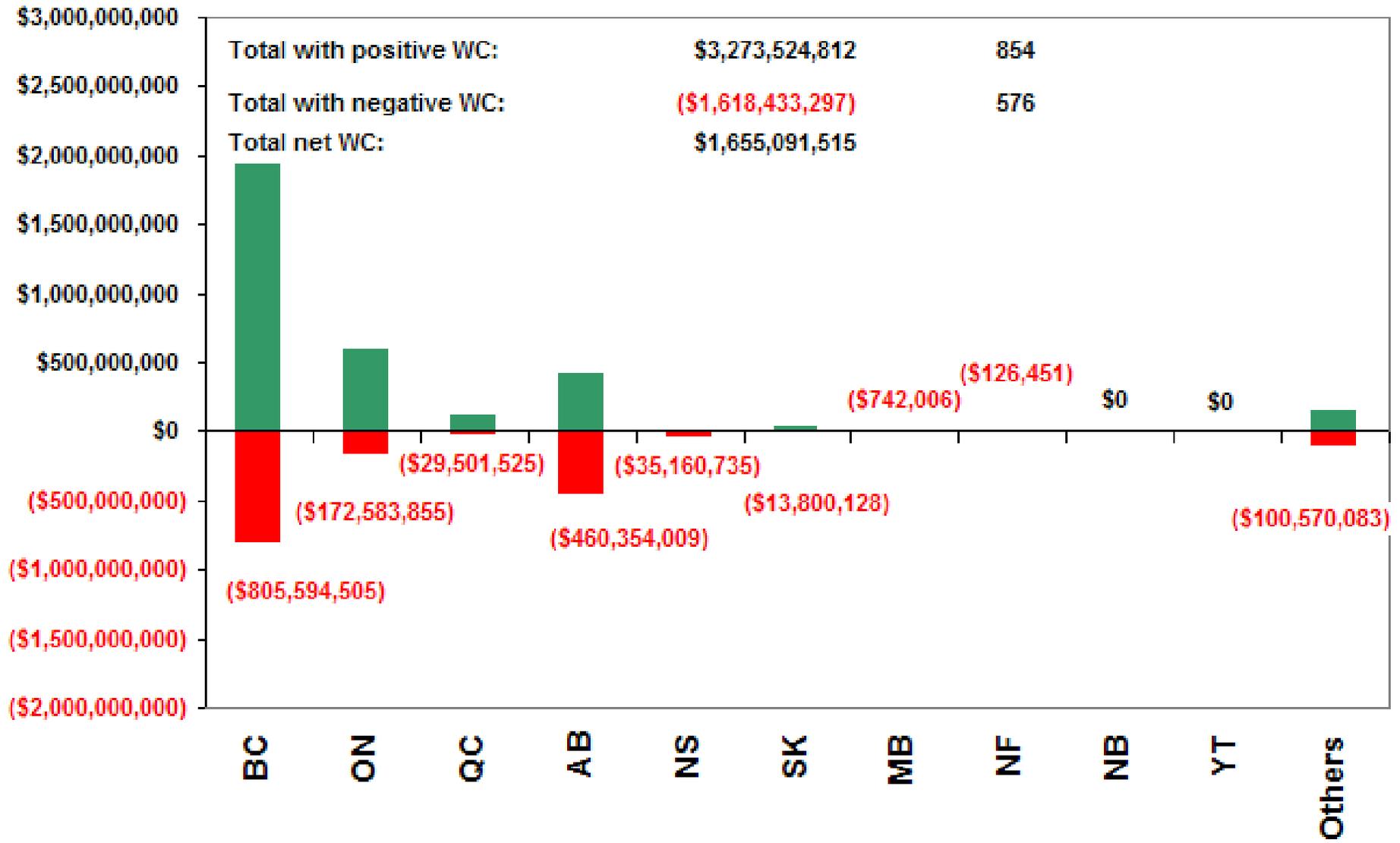
1,777 All Companies as of September 10, 2013

■ % of Listings
◆ Avg Working Capital
◆ Median Working Capital



Companies less than \$200,000 WC:	807
Producer & > \$200,000 WC:	125
Resource Feasibility & > \$200,000 WC:	371
Discovery Exploration & > \$200,000 WC:	413
"Shells" with > \$200,000 WC:	61

1,430 TSXV KRO Working Capital as of latest filing
 (Positive & Negative Working Capital tabulated separately)

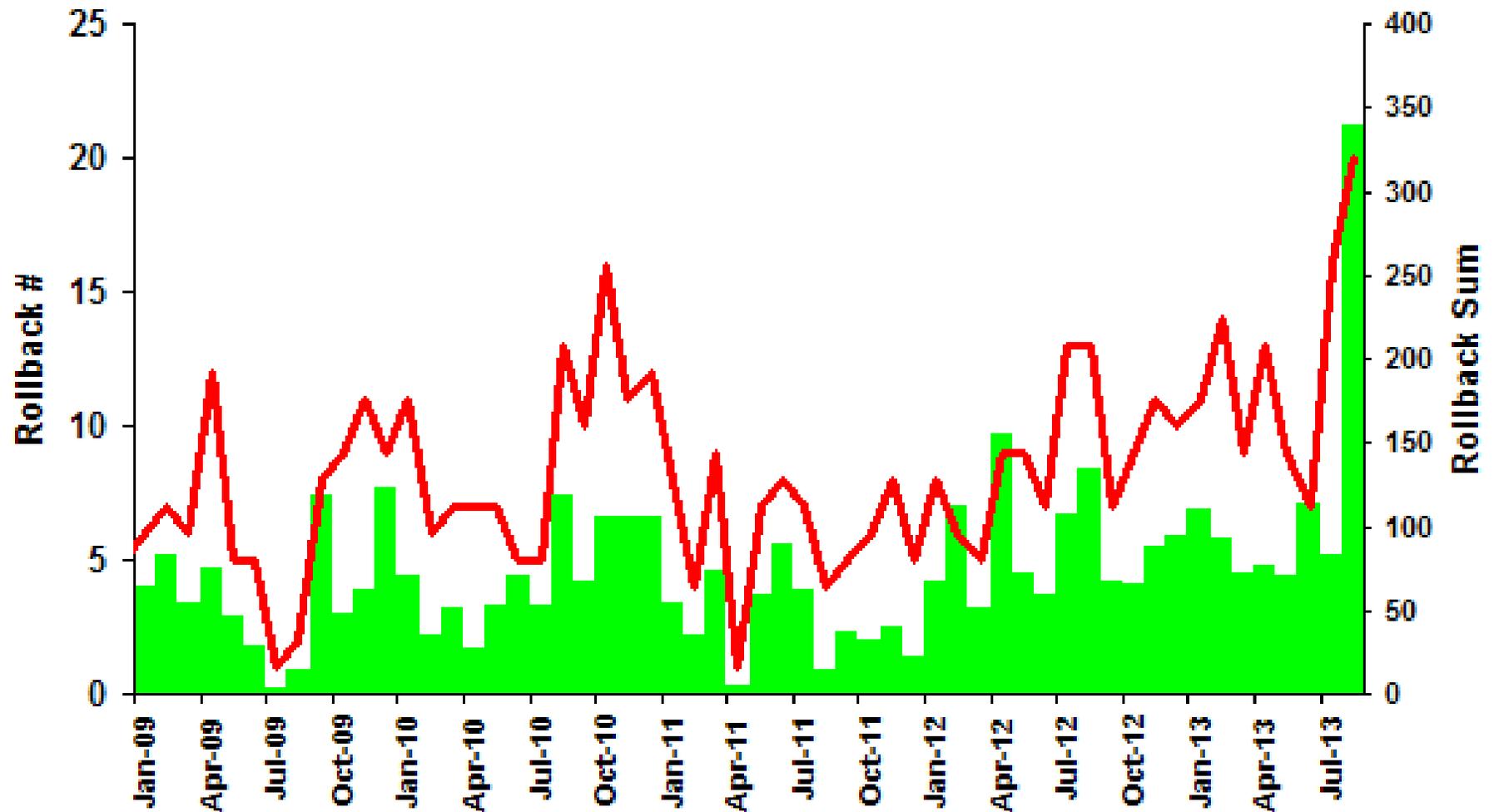


Non-Cyclical Challenges for the Resource Juniors

- **Accessing Capital:** Brokers as a gateway between investor capital and corporate treasuries are disappearing through regulatory changes such as the “client relationship model” and a banking establishment shift to “asset management” which discourage individual stock trading due to the resulting “suitability” firewall. The accredited investor threshold of \$1 million net worth not including net equity in primary residential real estate shrinks the pool of eligible places to a level that threatens the juniors.
- **Algorithmic and Proprietary Trading:** The arrival of computer assisted trading and the facilitation of proprietary day trading by individuals coupled with the elimination of the up-tick rule for short-selling and minimal borrowing requirements for short term positions has turned the TSXV into a capital stripping mechanism for traders that undermines the market as a price discovery mechanism.

KRO - TSXV/TSX Rollback Activity

Rollback Sum
Rollbacks per month



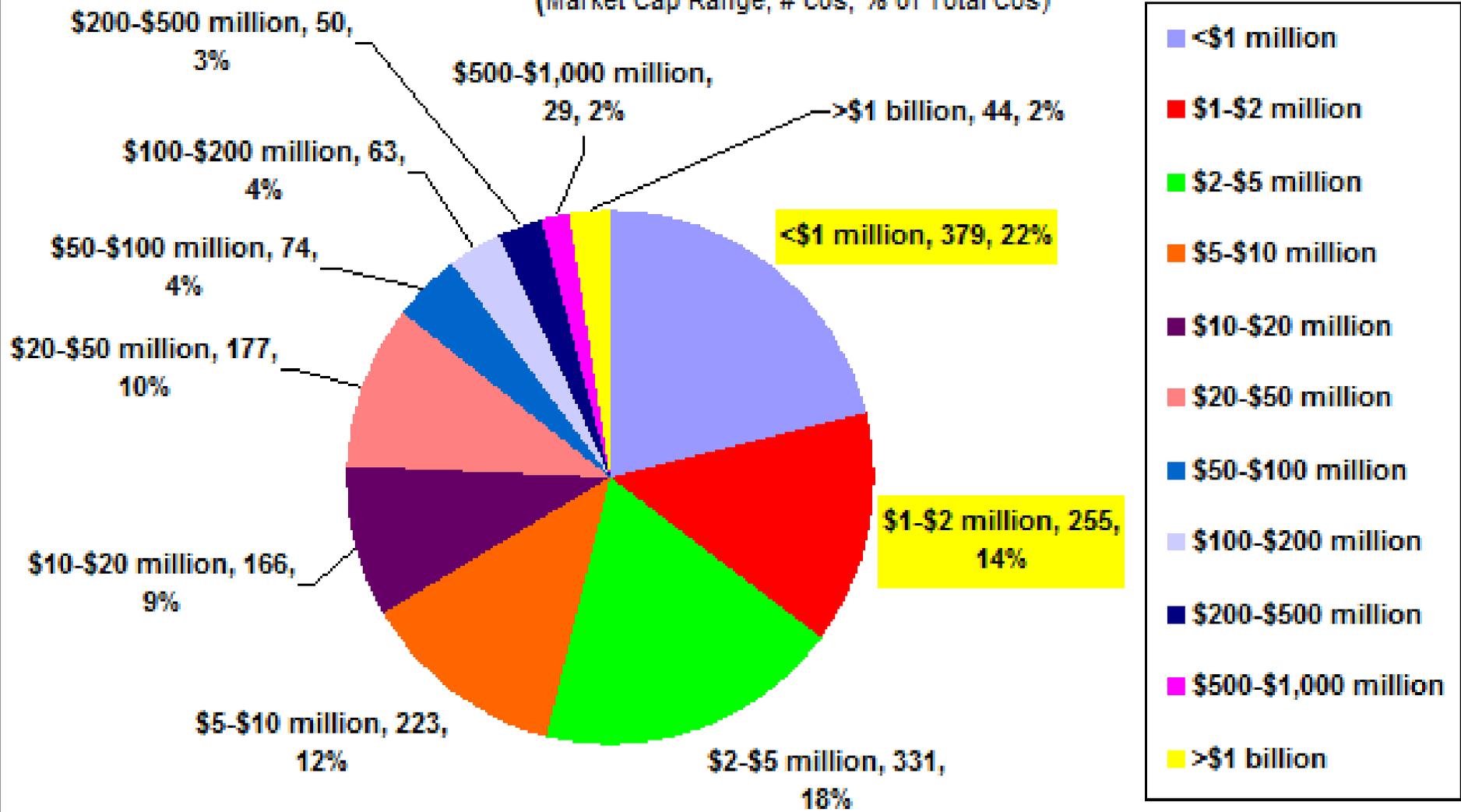
\$563,793,150,041

1791

Market Cap Range Breakdown

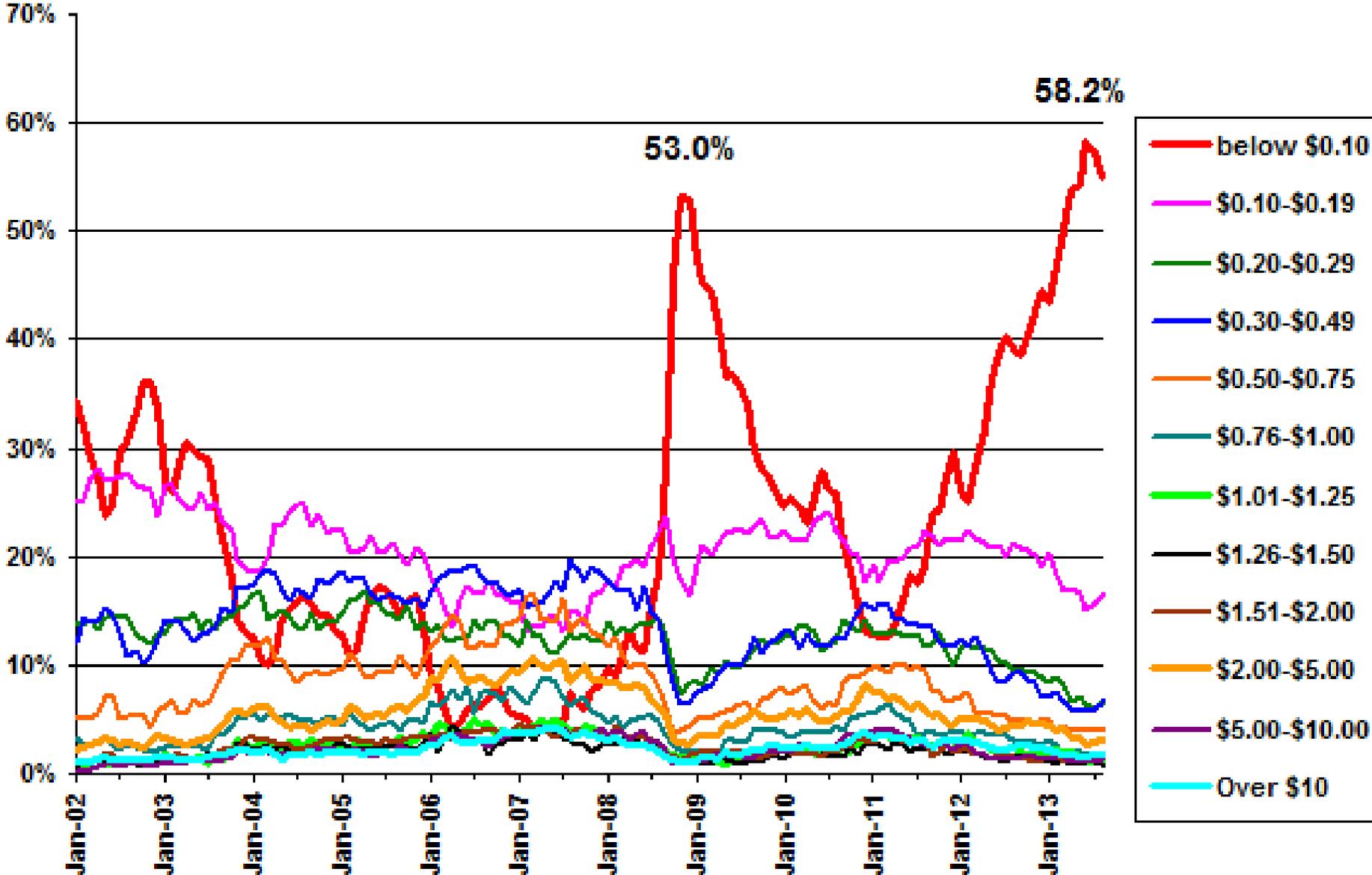
Active KRO Companies

(Market Cap Range, # cos, % of Total Cos)



KRO Price Range Distribution

1,777 Companies as of 9/10/2013



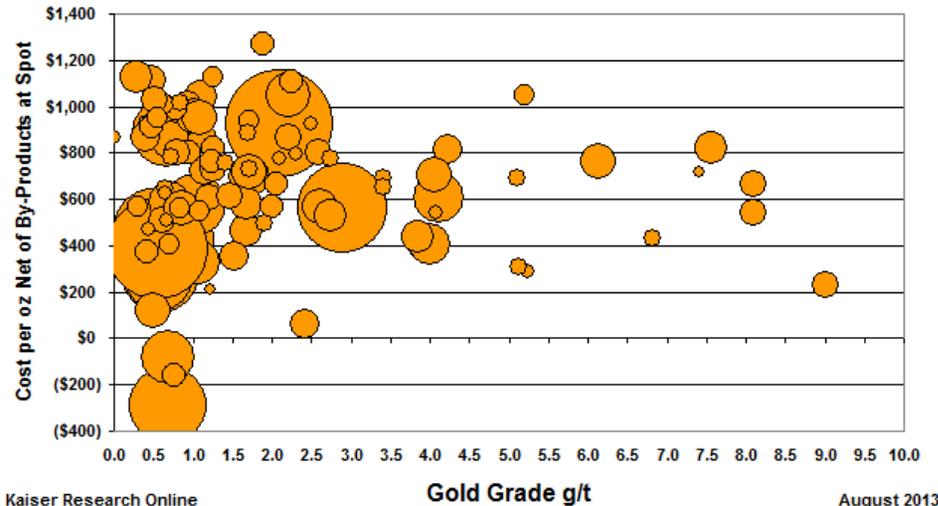
Gold \$/oz (London PM Fix)



All-In Cost vs Grade for Undeveloped Gold Deposits

105 deposits for which PEA, PFS or BFS has been done since 2007 (min 100,000 oz/y)

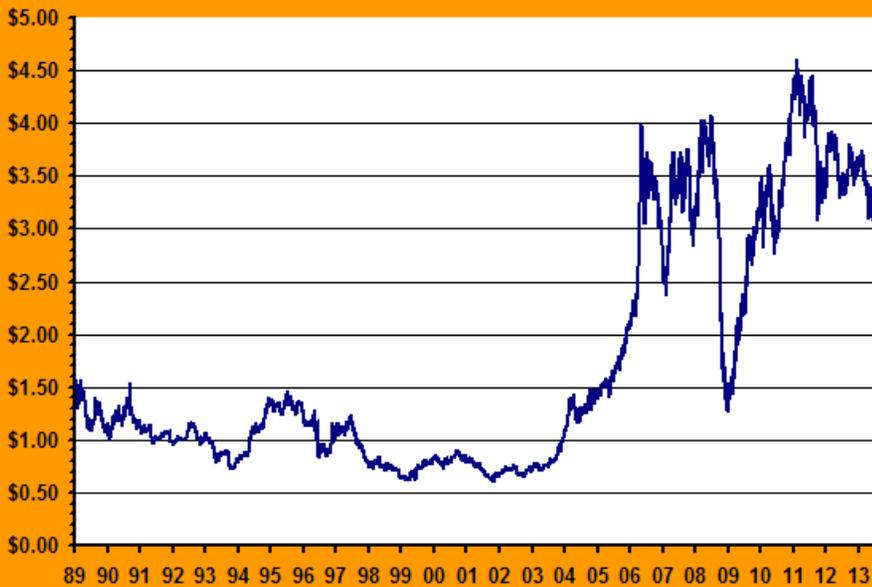
Additional Potential LOM Production	13,042	tonnes Au
Additional Potential Annual Production	840	tonnes Au
(Bubble sizes 100,000 to 1,000,000 oz per year)	81%	cost < \$900/oz



Kaiser Research Online

August 2013

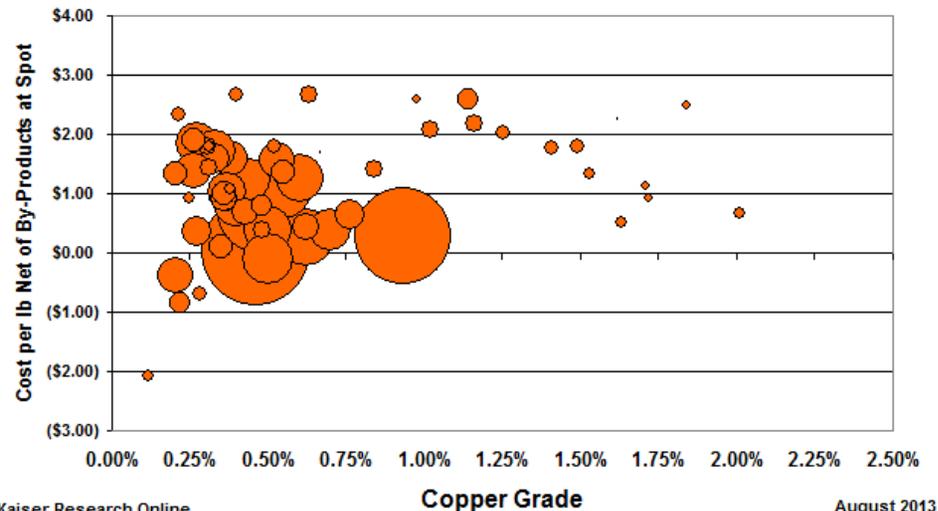
LME Copper \$/lb



All-In Cost vs Grade for Undeveloped Copper Deposits

68 deposits for which PEA, PFS or BFS has been done since 2007

Additional Potential LOM Production	102,781,276	tonnes Cu
Additional Potential Annual Production	4,886,734	tonnes Cu
(Bubble sizes range 10 M lbs to 1.9 B lbs per year)	80%	cost < \$1.50/lb

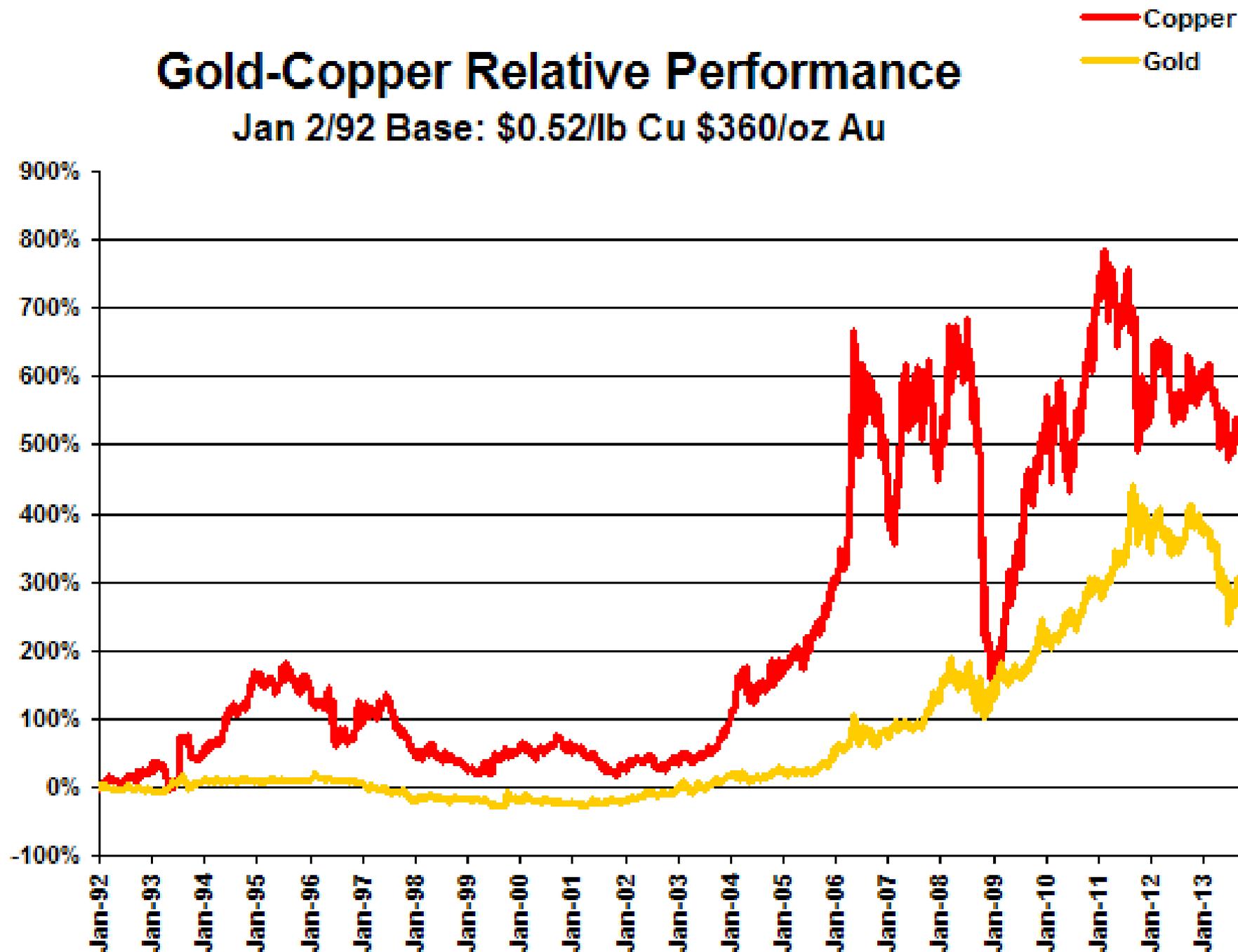


Kaiser Research Online

August 2013

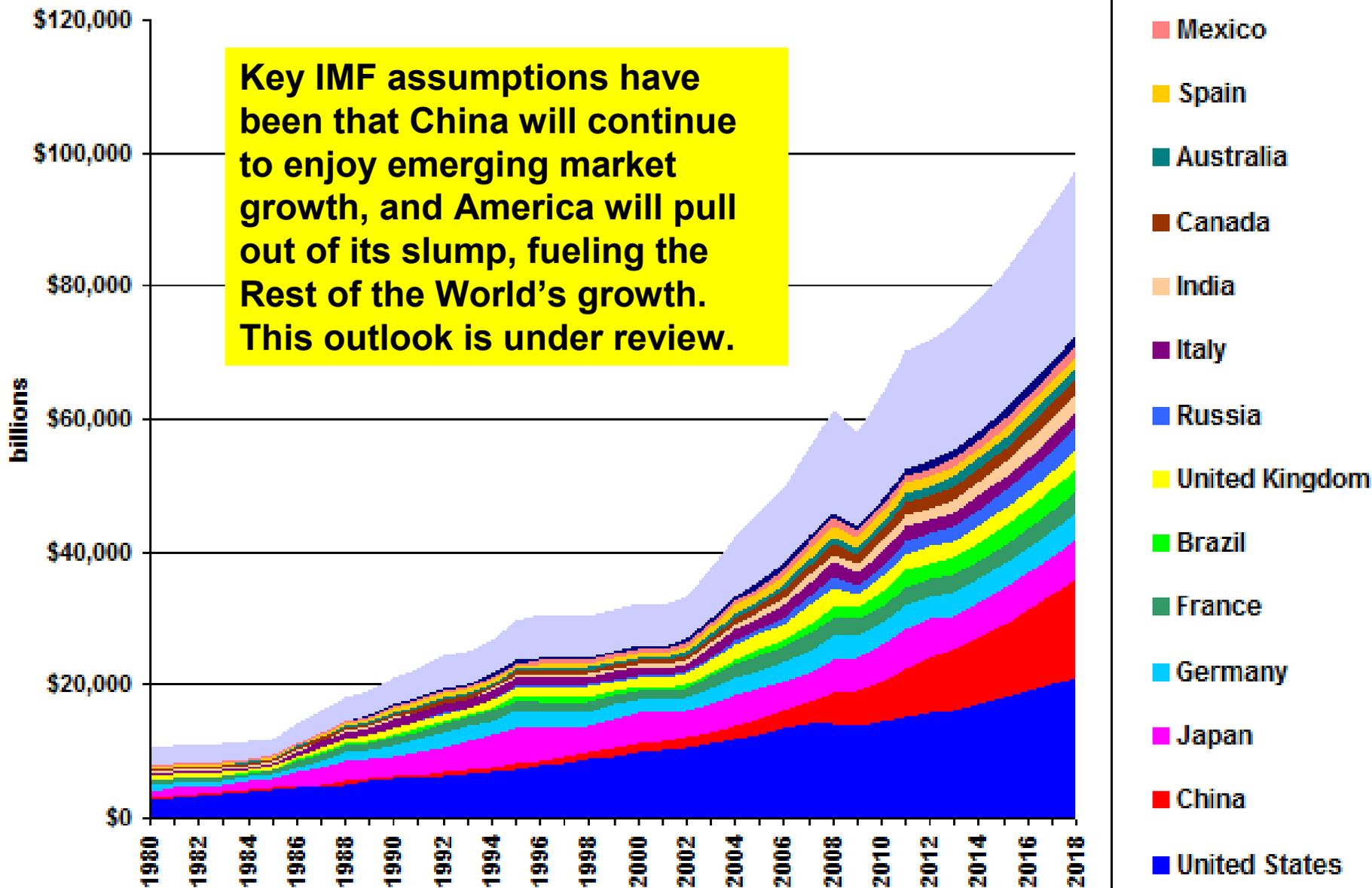
Gold-Copper Relative Performance

Jan 2/92 Base: \$0.52/lb Cu \$360/oz Au



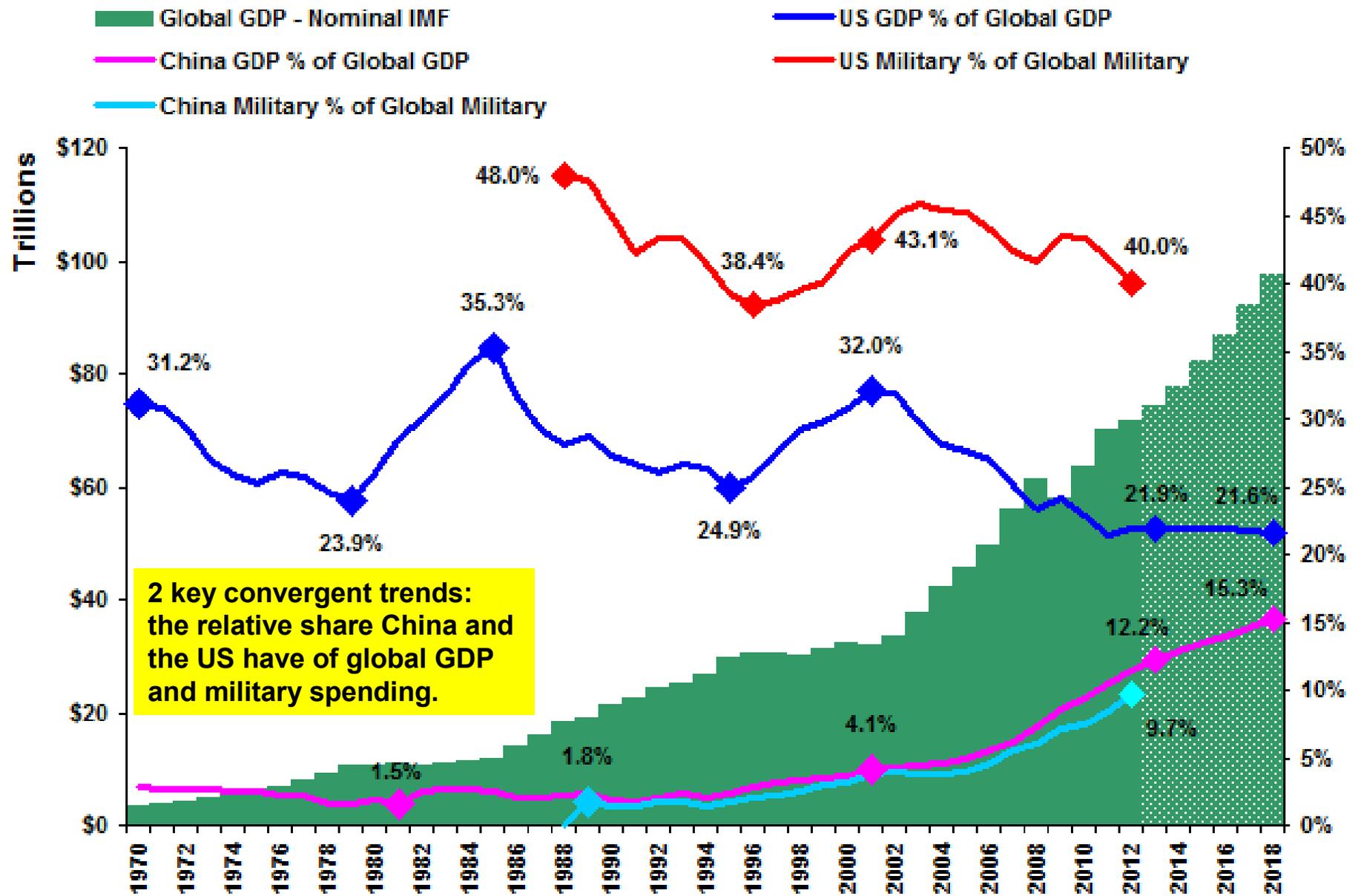
Global GDP Current Dollars

IMF forecasts 2013-2018 (April 2013 WEO)



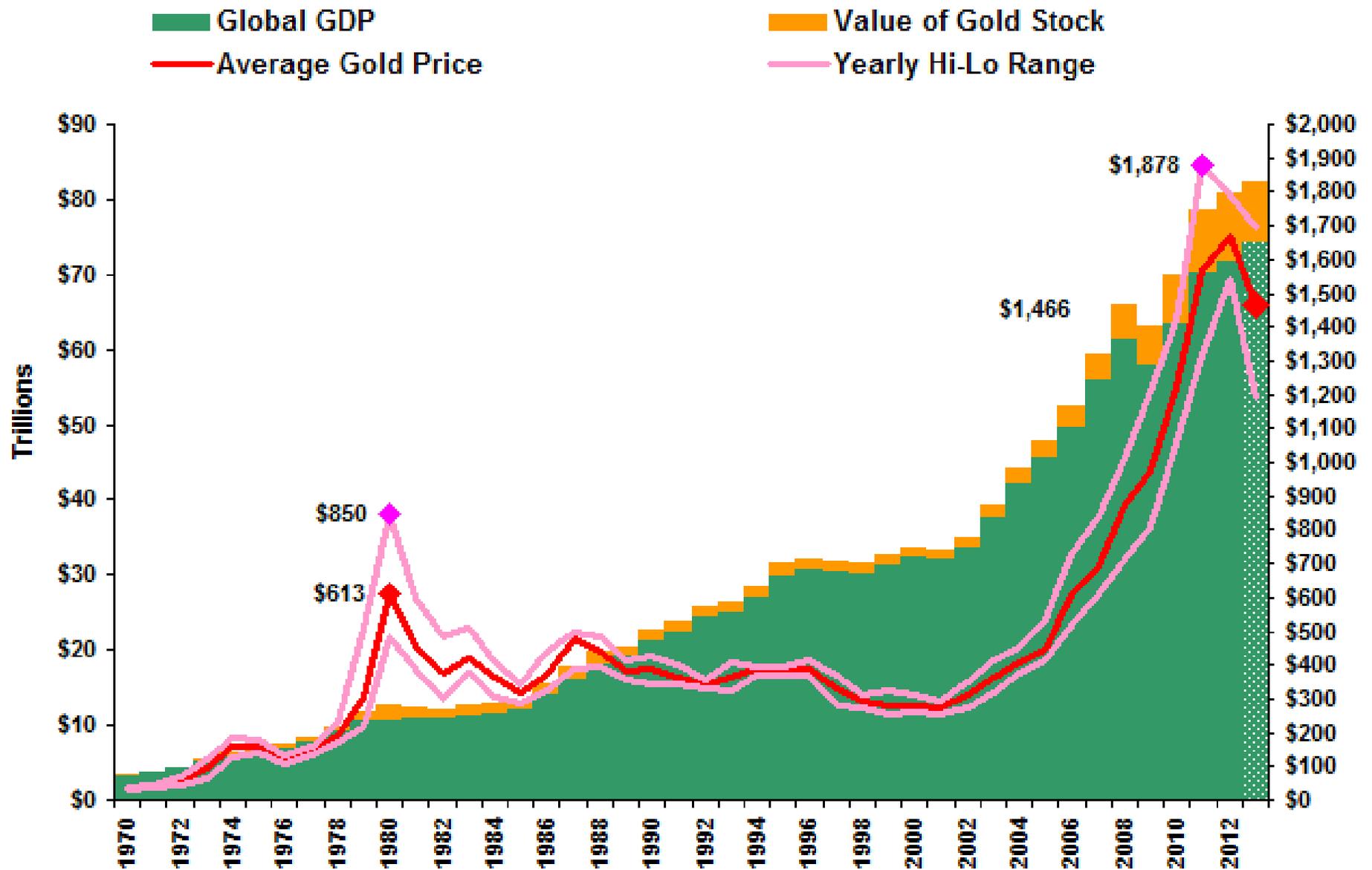
US & China Relative Percentage of Global GDP & Military Spending

(2013-2016 GDP estimates by IMF)



2 key convergent trends:
the relative share China and
the US have of global GDP
and military spending.

Relationship between Global GDP and Value of Existing Gold Stock (2013 onwards GDP & Mine Supply estimated)



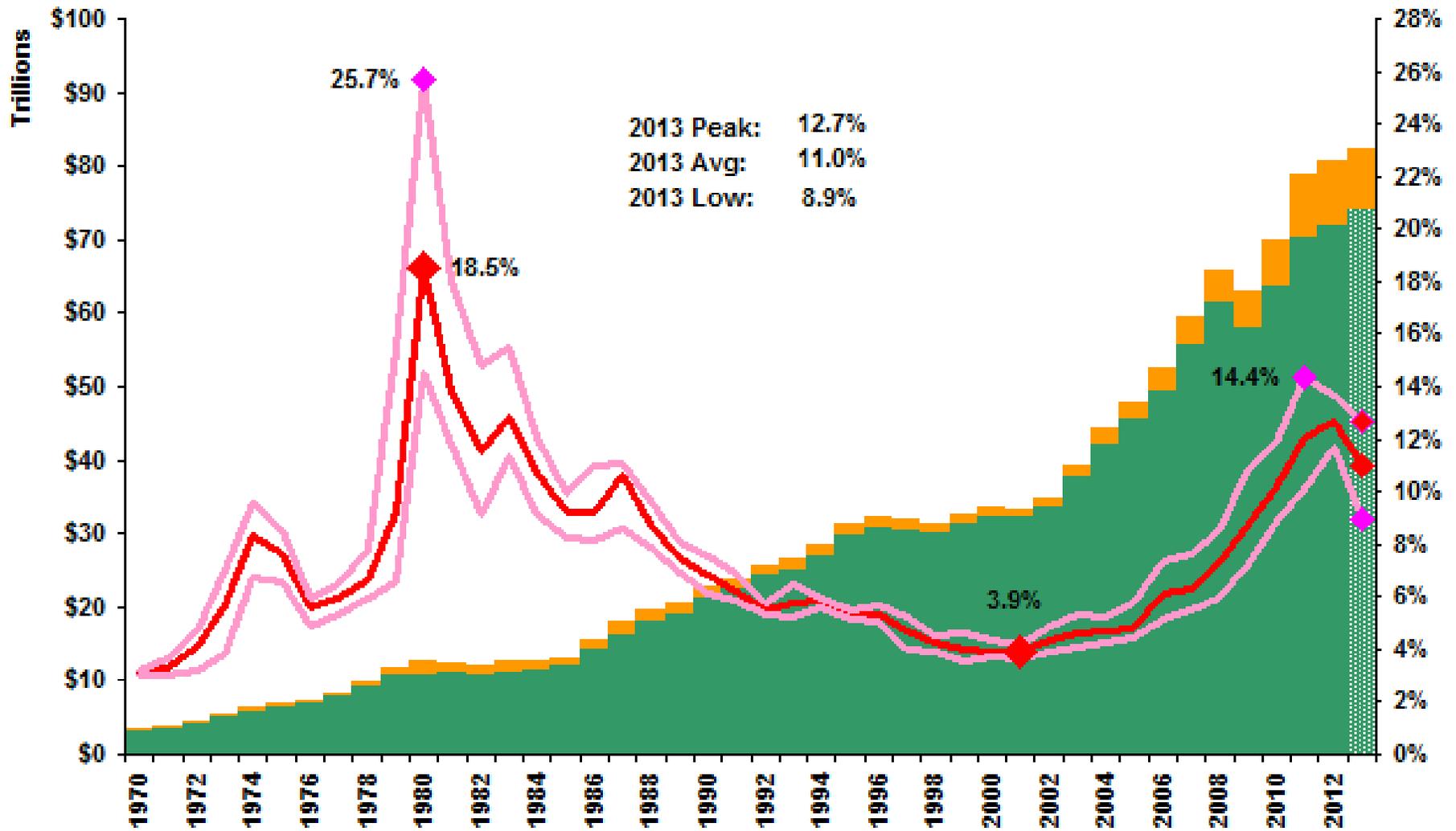
Source: CPM, IMF, World

September 2013

Kaiser Research Online

Relationship between Global GDP and Value of Existing Gold & Silver Stock (2013 onwards GDP & Mine Supply estimated)

■ Global GDP
 ■ Value of Gold Stock
 — Gold Stock Value as % of GDP
 — Gold % of GDP Hi-Lo Range

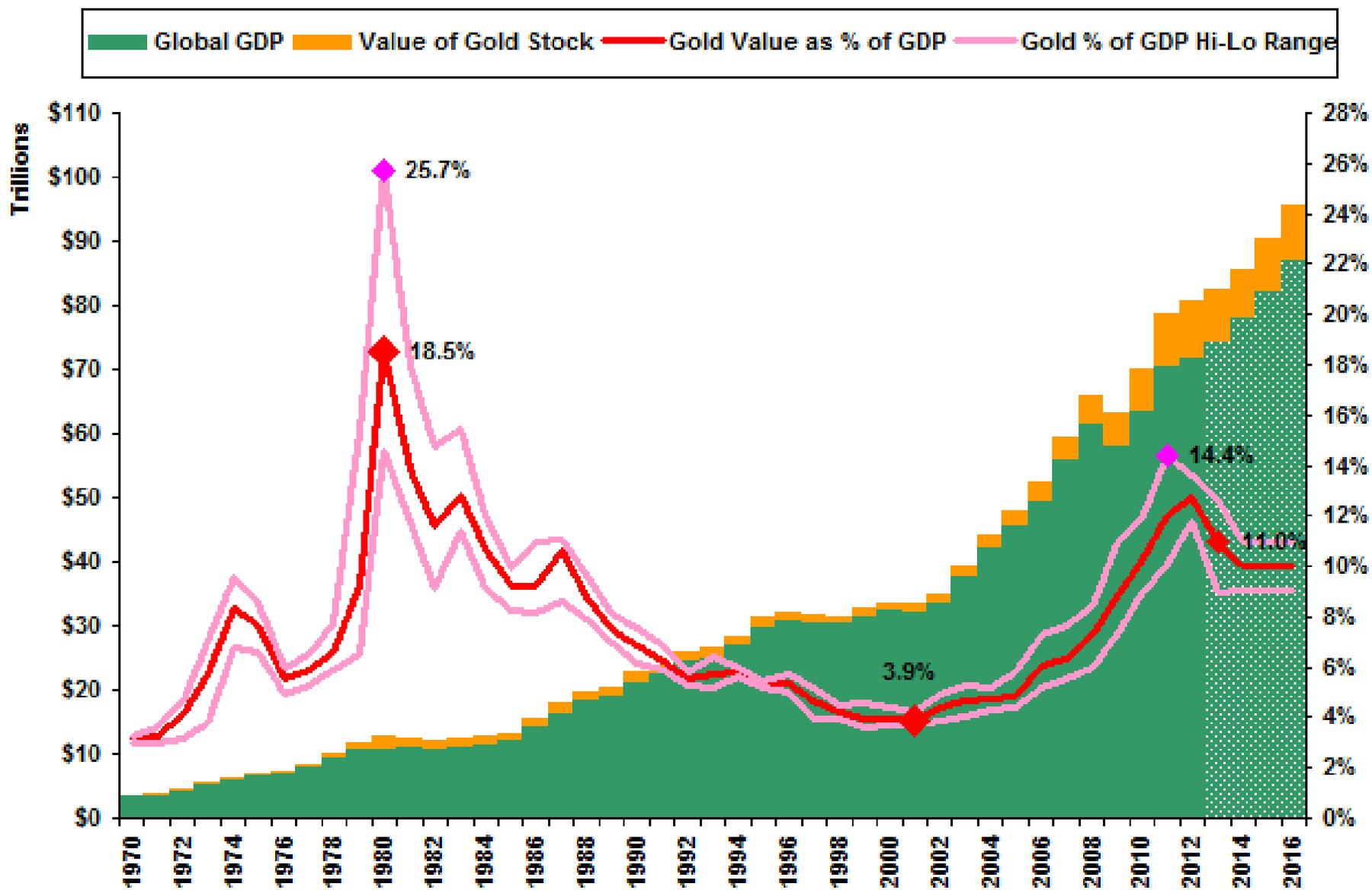


Source: CPM, IMF, World Bank

September 2013

Kaiser Research Online

Relationship between Global GDP and Value of Existing Gold & Silver Stock (2013 onwards GDP & Mine Supply estimated)



Source: CPM, IMF, World Bank

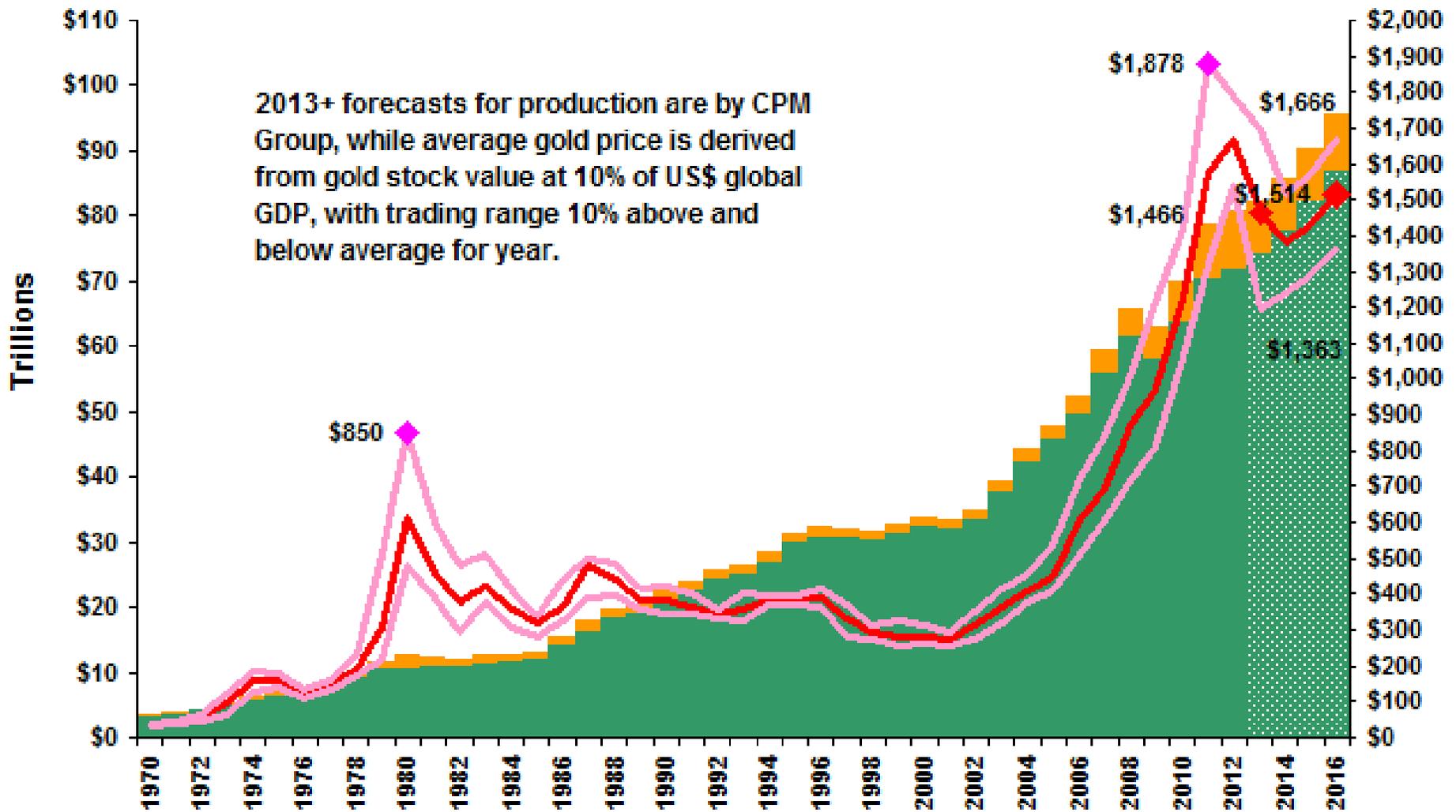
September 2013

Kaiser Research Online

Relationship between Global GDP and Value of Existing Gold Stock

(2013 onwards GDP & Mine Supply estimated)

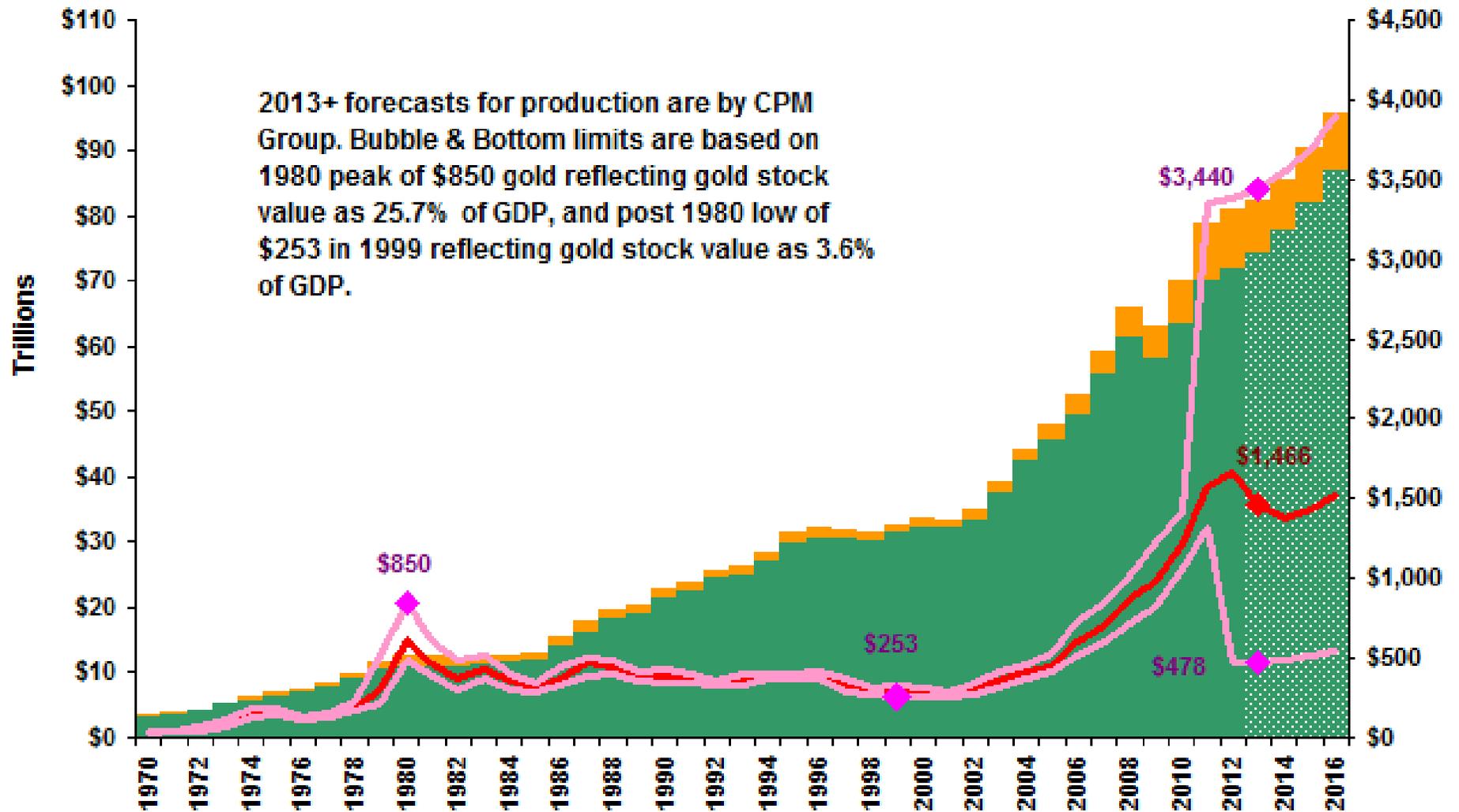
- Global GDP
- Value of Gold Stock
- Average Gold Price
- Yearly Hi-Lo Range



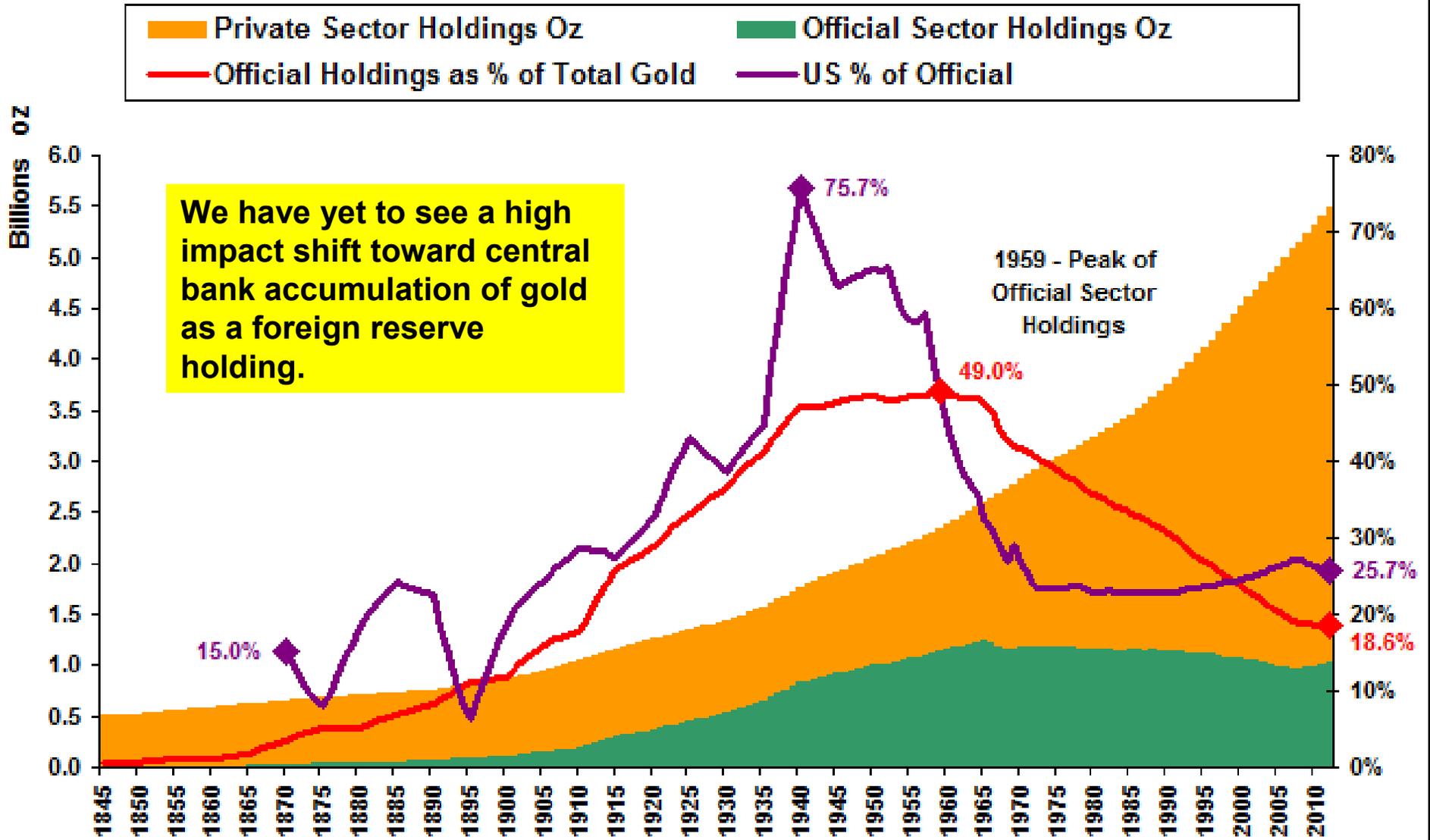
Past Peak & Bottom Based Bubble & Bear Limits for Gold

(2013 onwards GDP & Mine Supply estimated)

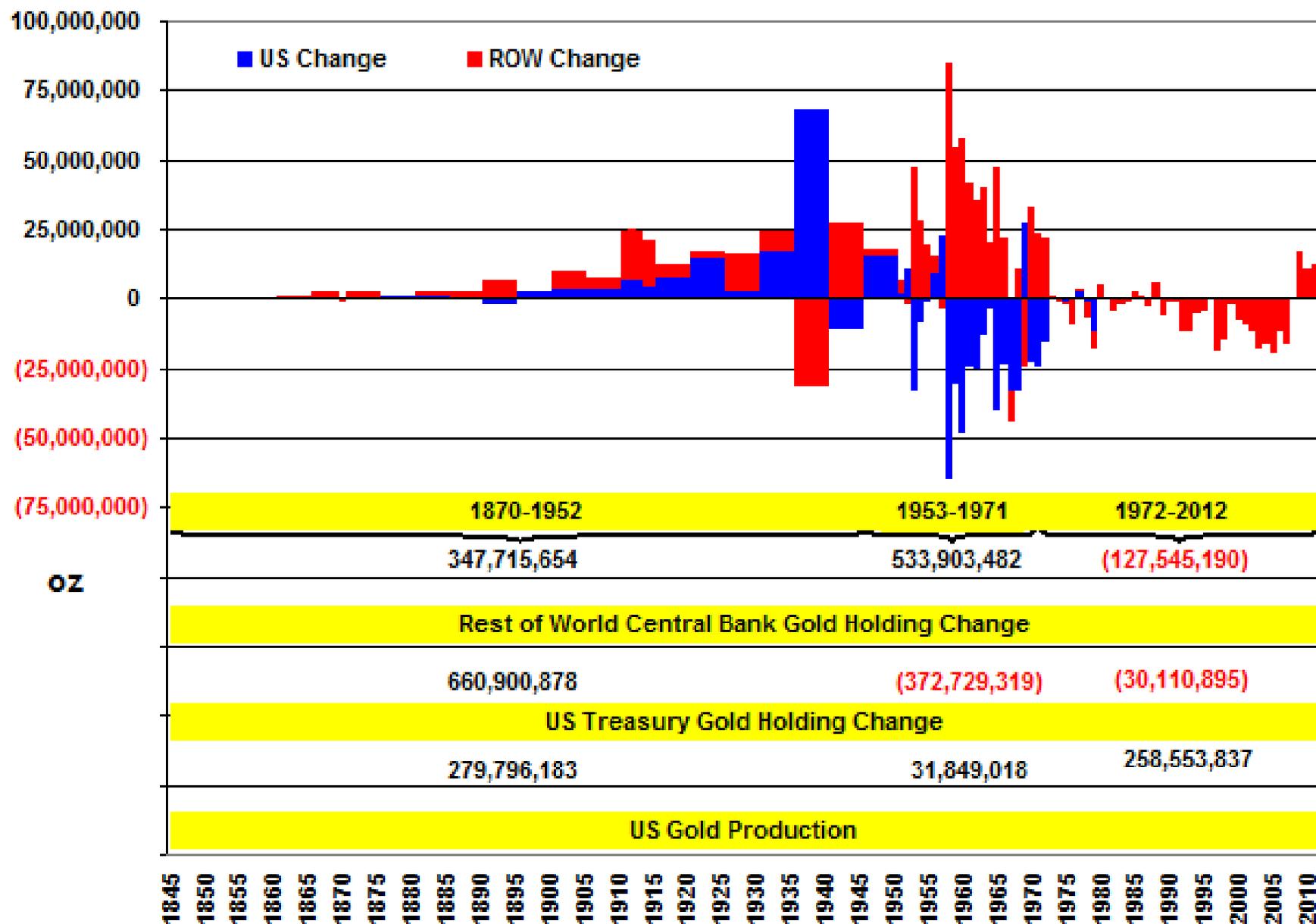
- Global GDP
- Value of Gold Stock
- Average Gold Price
- Yearly Hi-Lo Range



Trends in Official & Private Sector Gold Holdings



Annual Change in Official Sector Gold Holdings (Oz)

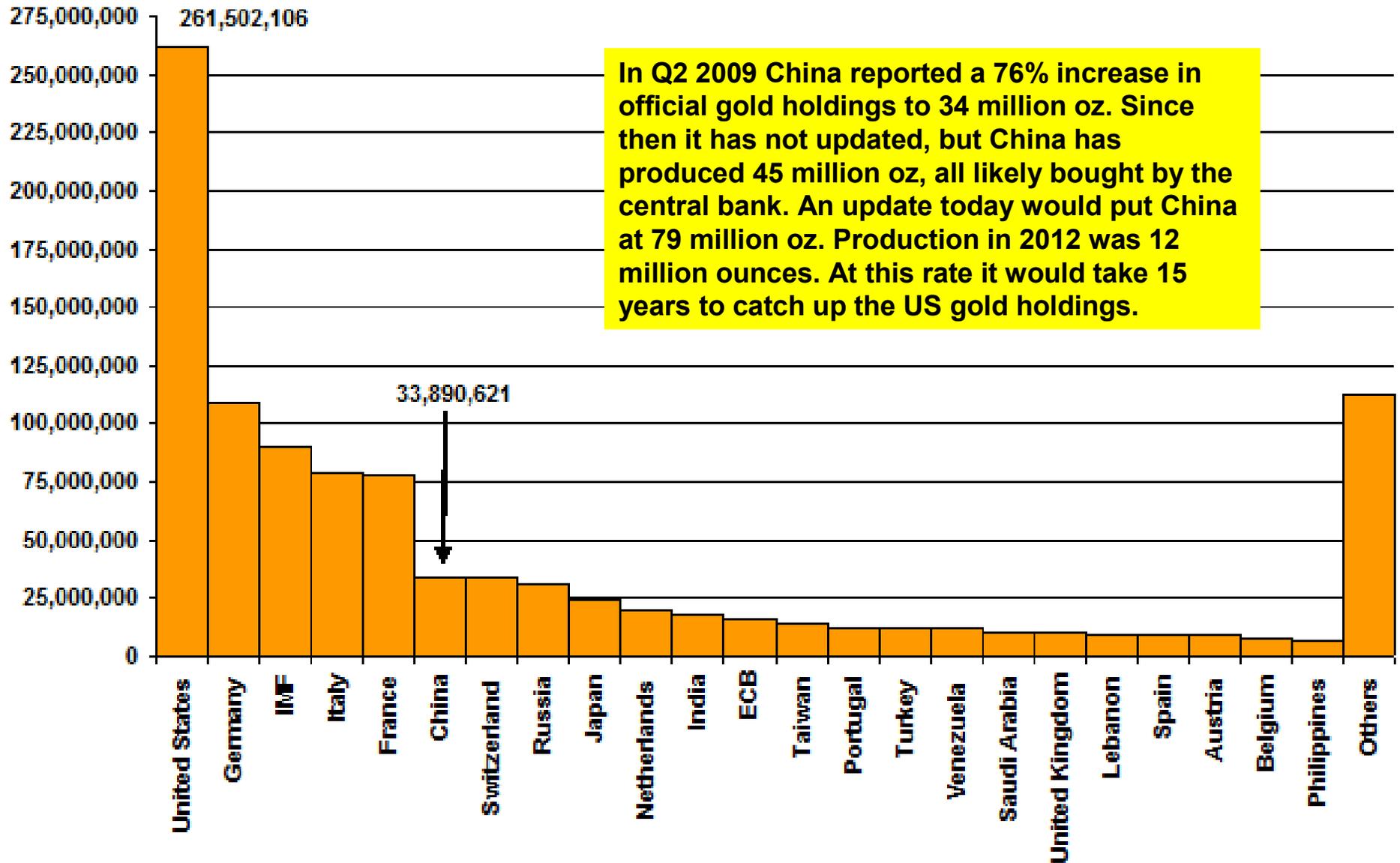


Source: World Gold Council

Kaiser Research Online

Official Gold Holdings - Apr 2013

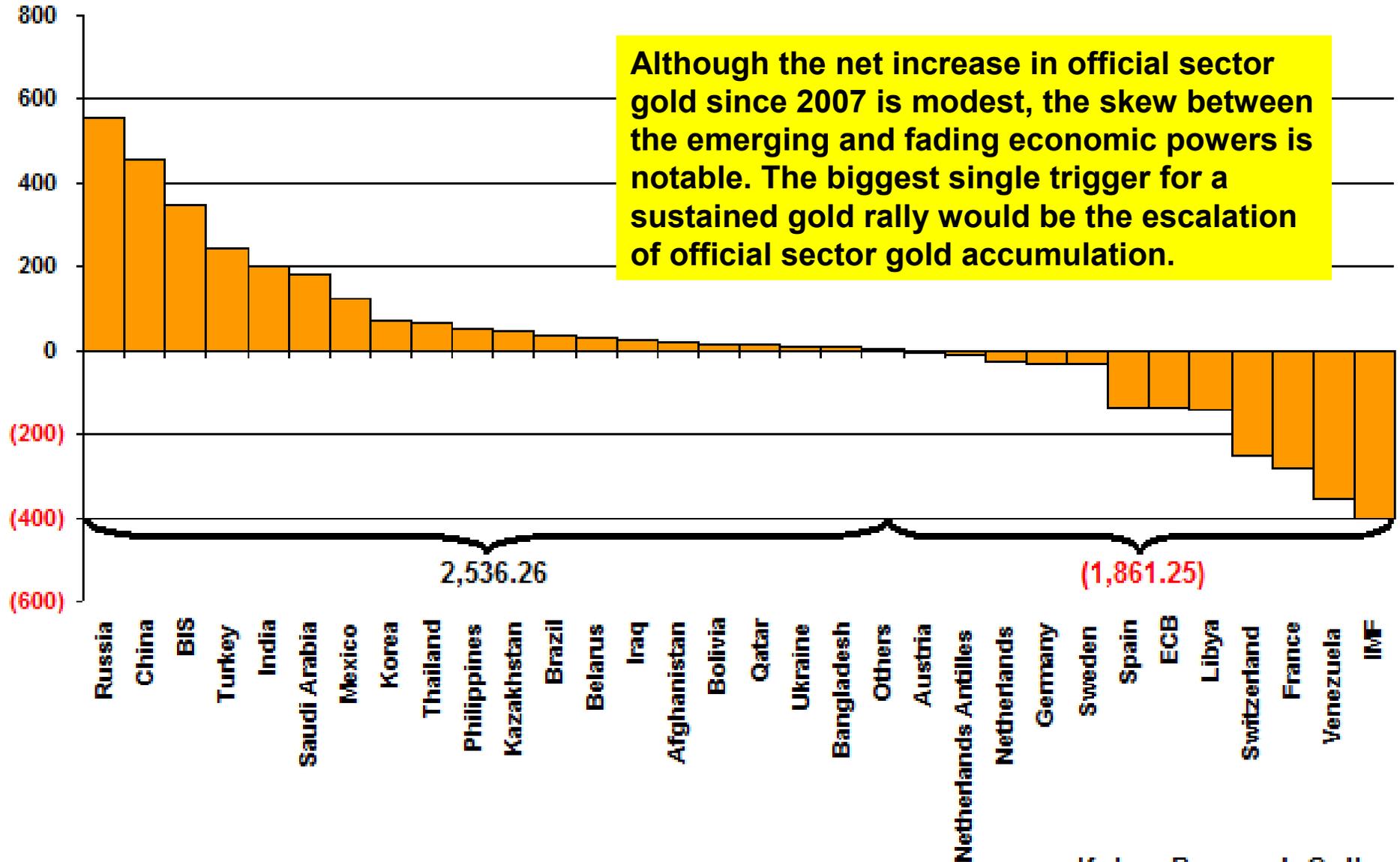
1,019 million ounces



In Q2 2009 China reported a 76% increase in official gold holdings to 34 million oz. Since then it has not updated, but China has produced 45 million oz, all likely bought by the central bank. An update today would put China at 79 million oz. Production in 2012 was 12 million ounces. At this rate it would take 15 years to catch up the US gold holdings.

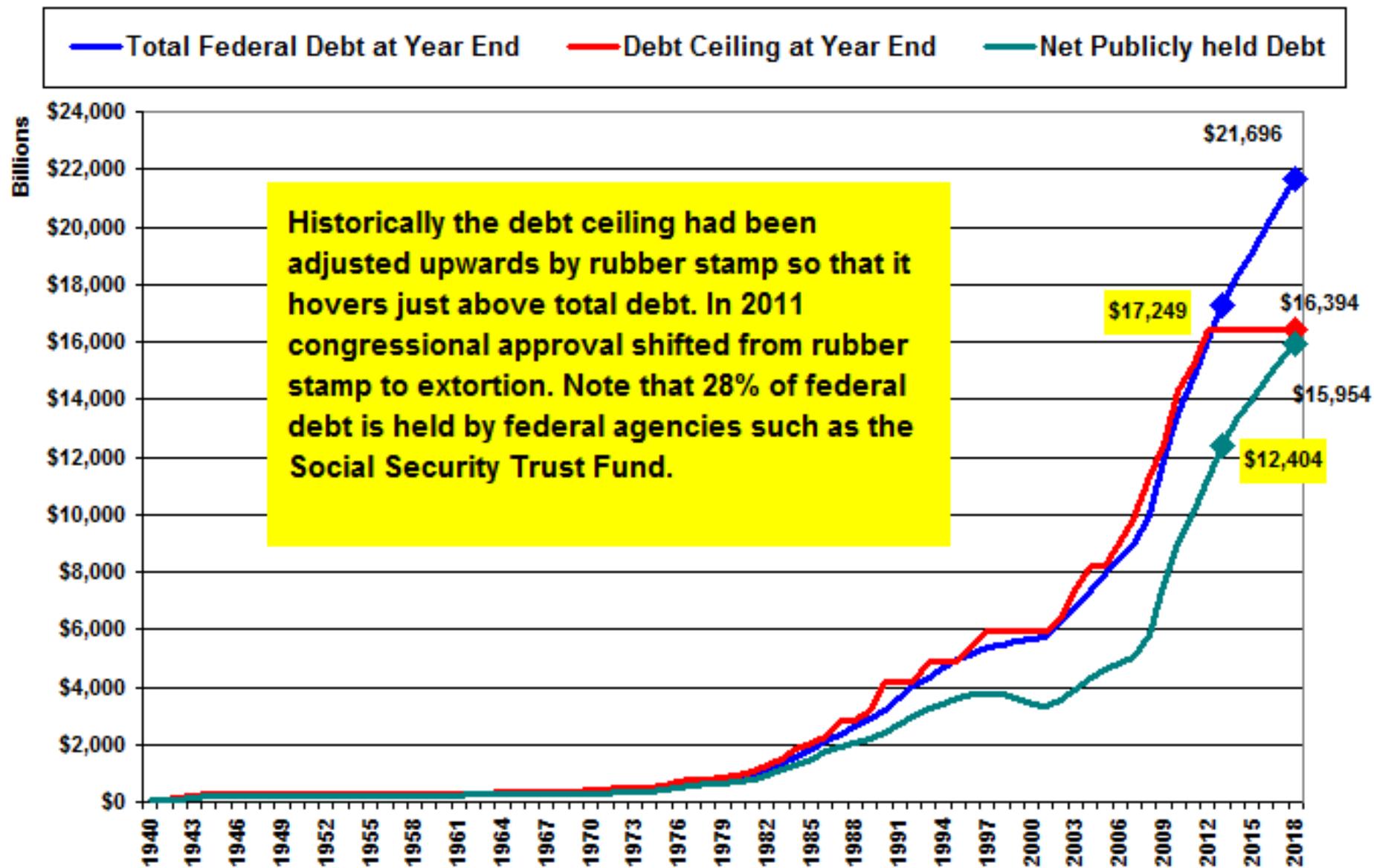
Official Sector Gold Holding Change since 2007

+ 675 tonnes or 31,347,225 ounces as of Q4 2012



Federal Debt subject to Statutory Limit (The Debt Ceiling)

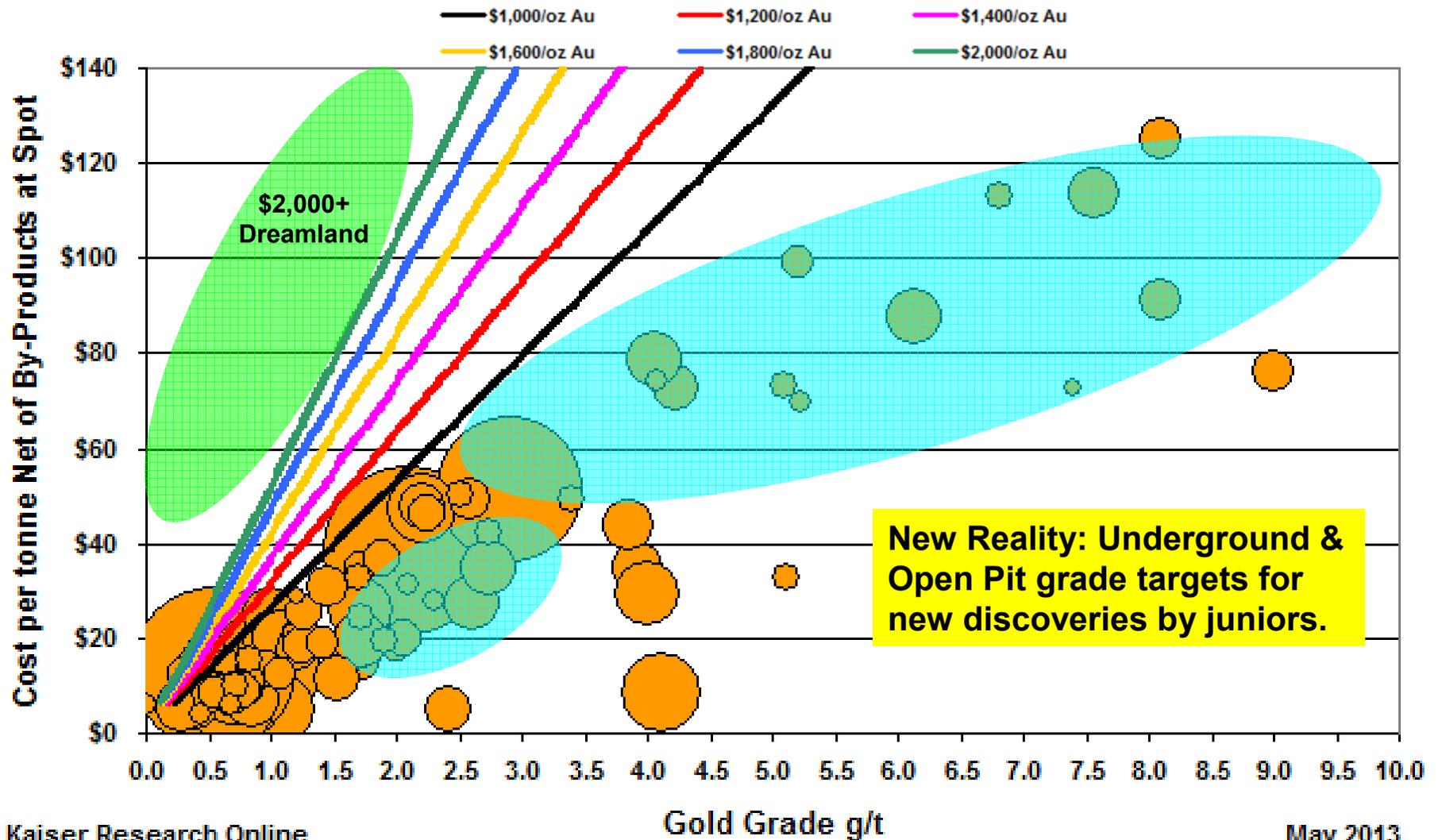
(2013-2018 debt figures are OMB estimates)



All-In Cost vs Grade for Undeveloped Gold Deposits

105 deposits for which PEA, PFS or BFS has been done since 2007

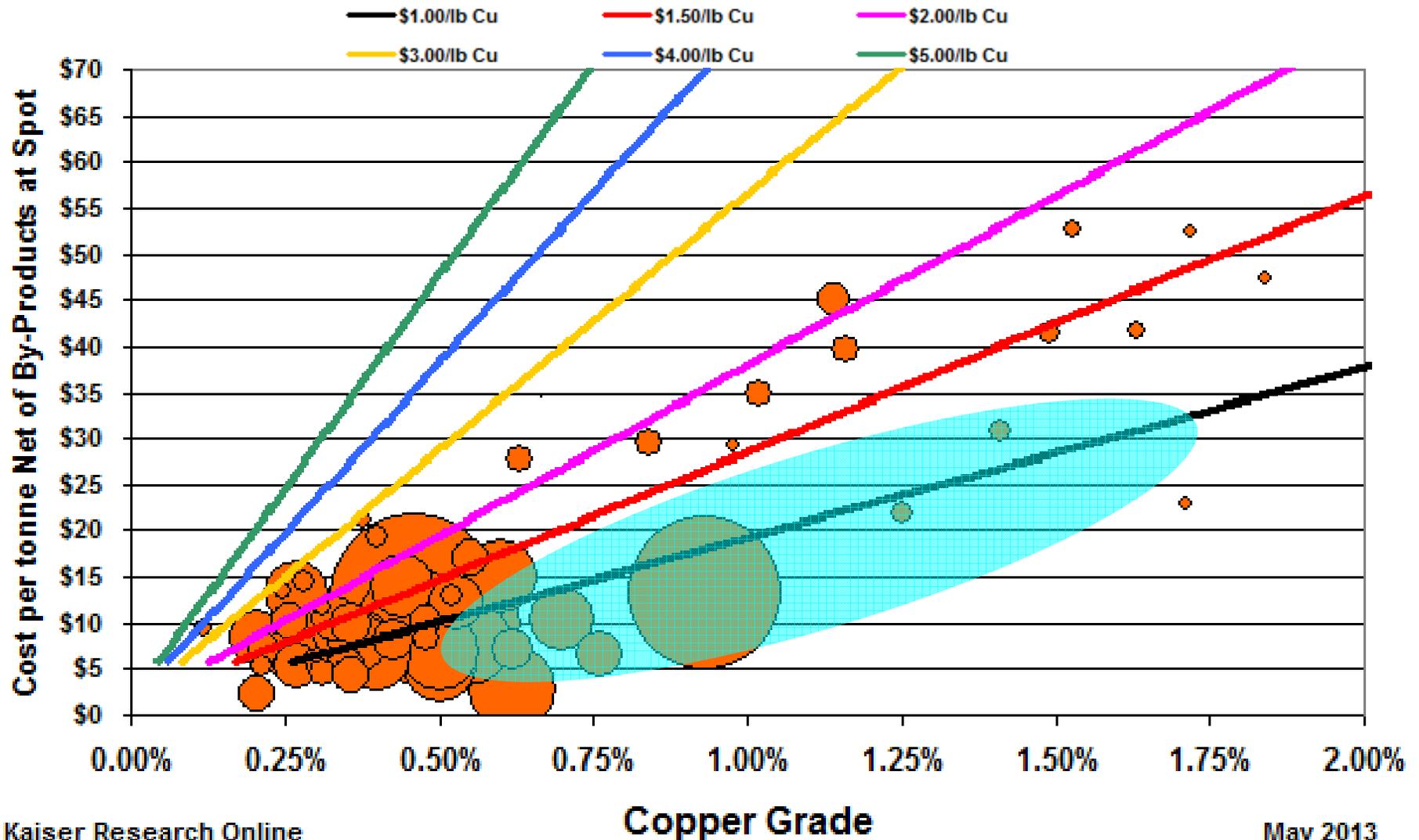
Additional Potential Annual Production 13,042 tonnes Au
(Bubble sizes 100,000 to 1,000,000 oz per year) 81% cost < \$900/oz



All-In Cost vs Grade for Undeveloped Copper Deposits

68 deposits for which PEA, PFS or BFS has been done since 2007

Additional Potential Annual Production 4,724,433 tonnes Cu
(Bubble sizes range 10 M lbs to 1.9 B lbs per year) 80% cost < \$1.50/lb



Midas Gold Corp

12/17/2009 TO 9/12/2013



Issued: 127,534,136

High: \$4.90 on 1/16/2012

Max Volume: 1,542,400 on 1/12/2012

Diluted: 141,307,480

Low: \$0.66 on 5/17/2013

Max Value: \$6,786,560 on 1/12/2012



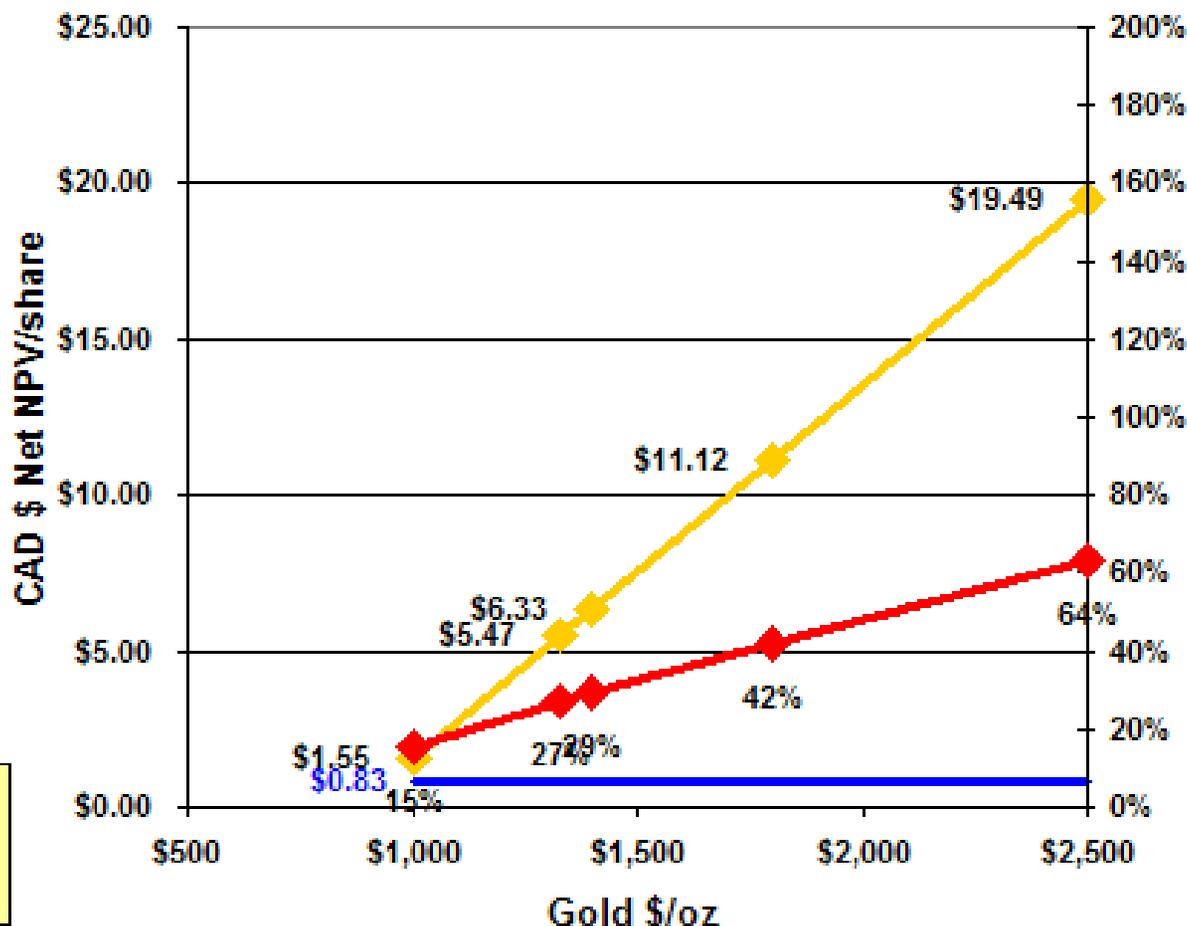
Midas Gold - Golden Meadows: After-Tax Sensitivity

100% After-Tax Net Present Value

Pessimistic:	\$1,000/oz	\$218,818,660
Base Case:	\$1,400/oz	\$894,854,968
Spot:	\$1,328/oz	\$773,168,433
Optimistic:	\$1,800/oz	\$1,570,891,276
Fantasy:	\$2,500/oz	\$2,753,954,815

- Current Stock Price
- Net NPV/SH vs \$/oz Au
- Internal Rate of Return

Net Present Value based on life of mine averages, by-products use spot prices.

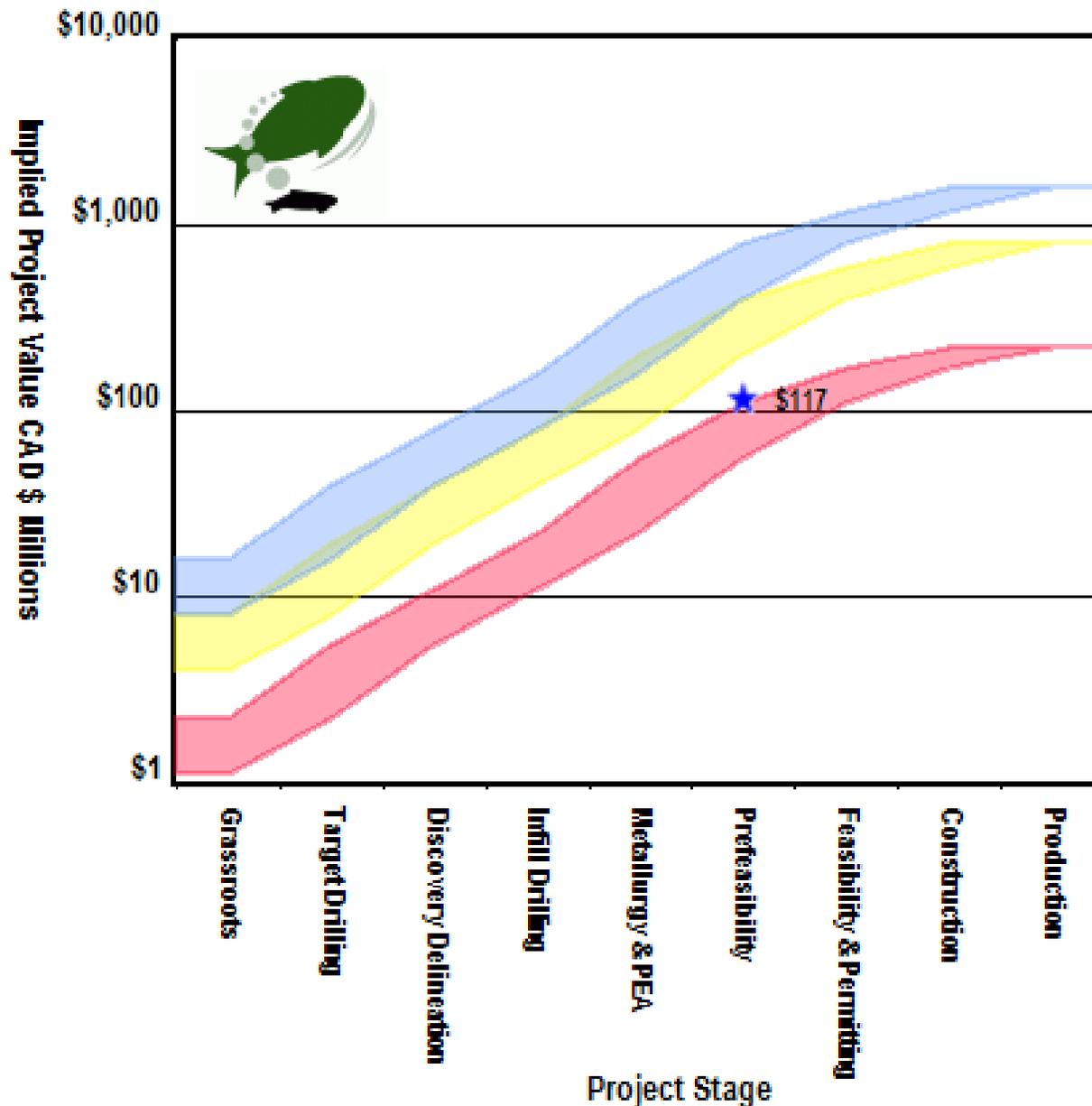


PEA Sep 21, 2012: 20,000 tpd OP, 13.2 yr; CapEx: \$879 M, SusCapEx: \$303 M, OpEx: \$25.86/t; Tax: 30% DDBM
Fully Diluted: 141.3 M, Stock Price: \$0.83; Located: United States - 100% WI, Discount Rate: 10%

LOM Tonnage: 101,000,000 t @ 1.72 g/t Au, 0.45% Sb
LOM Output: 4,922,000 oz Au, 90,600,000 kg Sb
By-Product Spot Prices: Sb \$4.58/kg

Midas Gold - Golden Meadows: Valuations

Thursday, September 12, 2013



After-Tax Net Present Value

- Pessimistic: \$219 million
- Spot: \$773 million
- Optimistic: \$1,571 million

PEA: Sep 21, 2012

★ Midas Gold - Golden Meadows

Primary Metal: Gold

Zero NPV: \$967/oz

Pessimistic: \$1,000/oz

Spot: \$1,328/oz

Optimistic: \$1,800/oz

All-In Cost: \$698/oz Au

LOM Output: 4,922,000 oz

Annual Output: 348,000 oz

OP: 20,000 tpd 14.2 yrs

CapEx: \$879,400,000

OpEx: \$25.86/t

Tonnage: 101,000,000 t

Grade: 1.72 g/t Gold

Location: United States

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Clifton Star Resources Inc

12/17/2009 TO 9/12/2013



**Survivor Strategy #2:
Resource Feasibility
demonstration keyed to
higher real metal prices.**

Event		\$	★	★		★	★		\$	▲		★
Volume												
Values												

Issued:	38,414,390	High:	\$8.25 on 3/5/2010	Max Volume:	2,796,000 on 10/28/2010
Diluted:	40,797,390	Low:	\$0.21 on 8/7/2013	Max Value:	\$11,463,600 on 10/28/2010

Probe Mines Ltd

12/17/2009 TO 9/12/2013



Issued: 74,721,927

High: \$2.85 on 1/26/2012

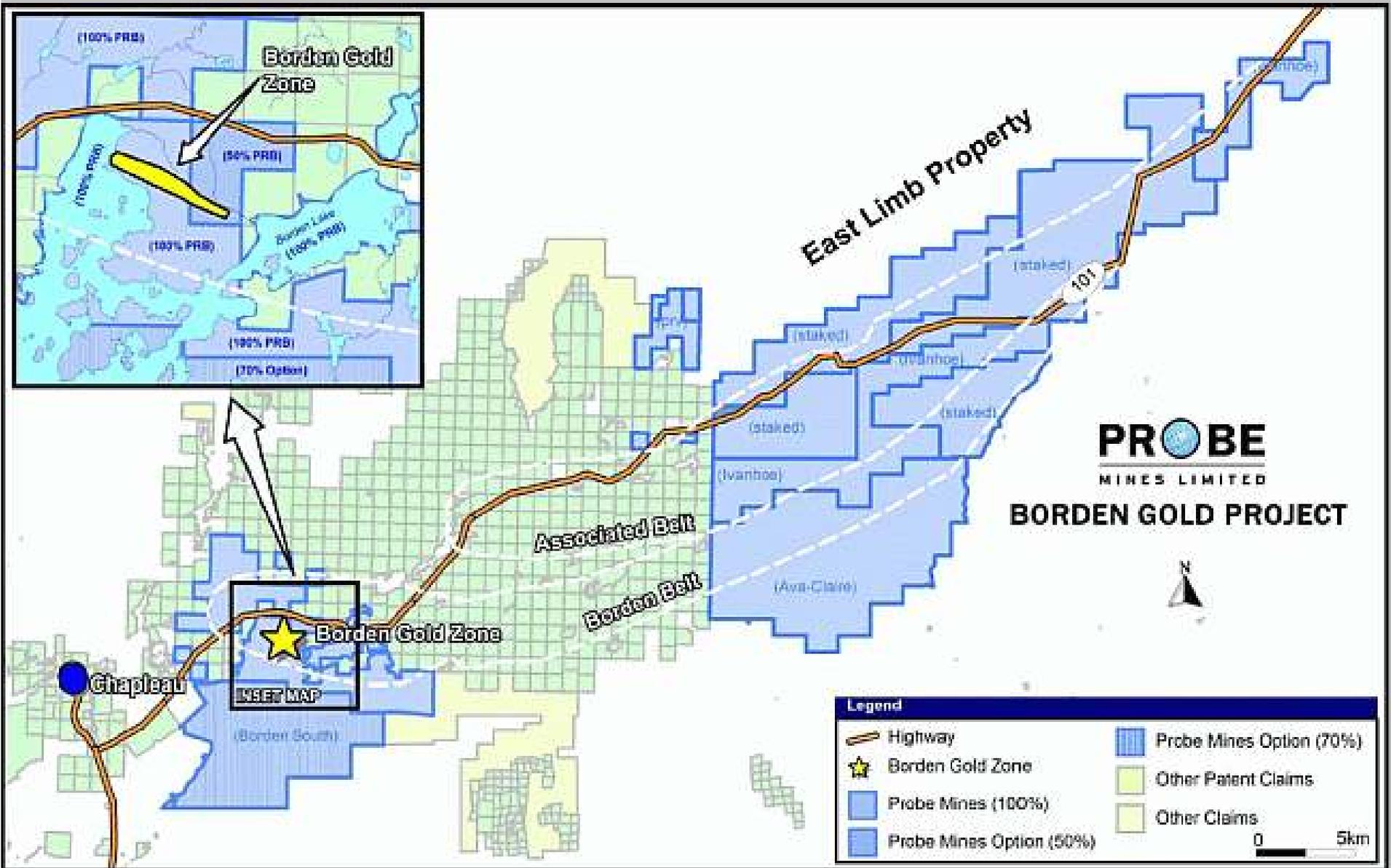
Max Volume: 1,595,400 on 4/19/2012

Diluted: 87,723,027

Low: \$0.27 on 5/21/2010

Max Value: \$2,790,789 on 1/18/2012





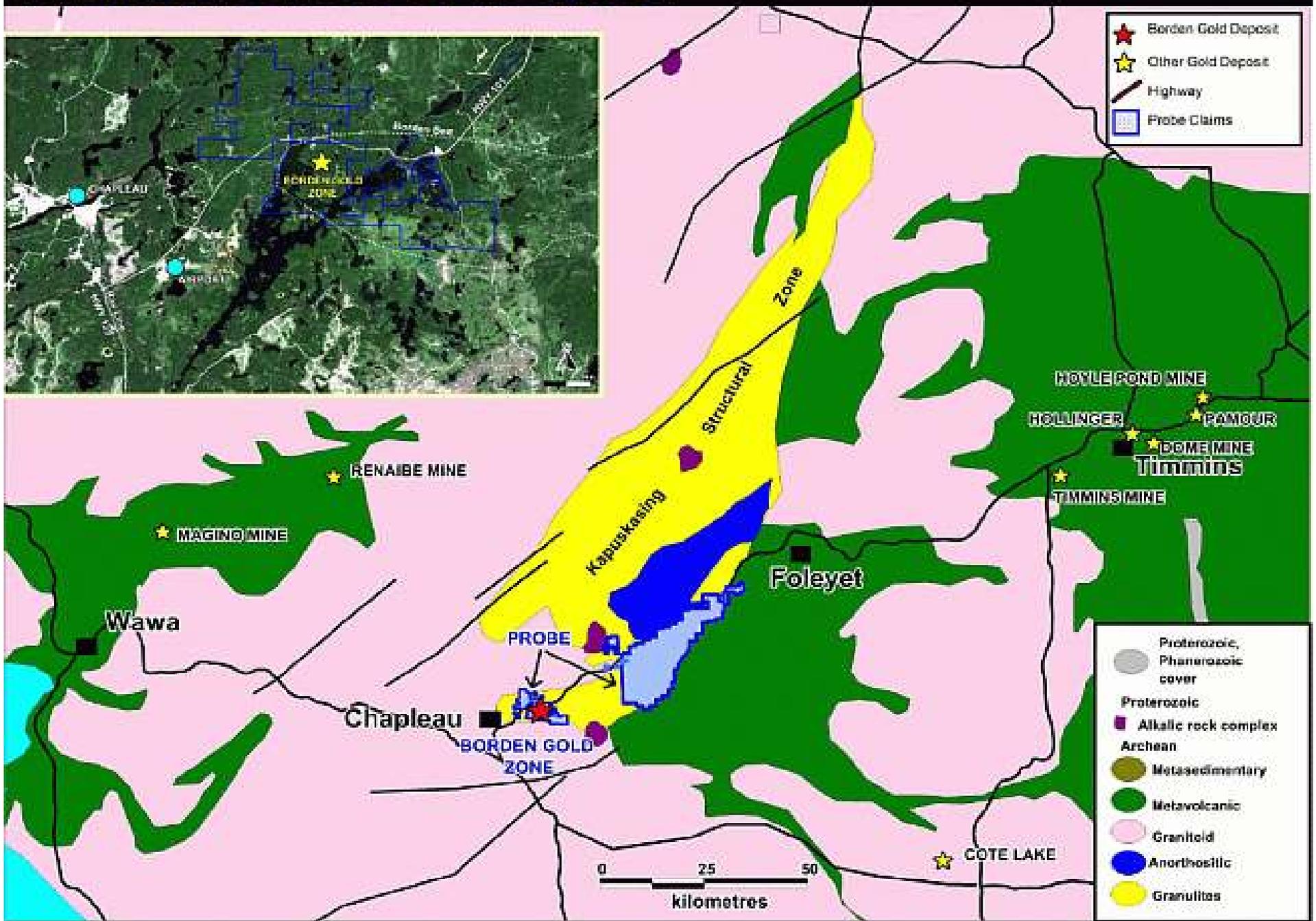
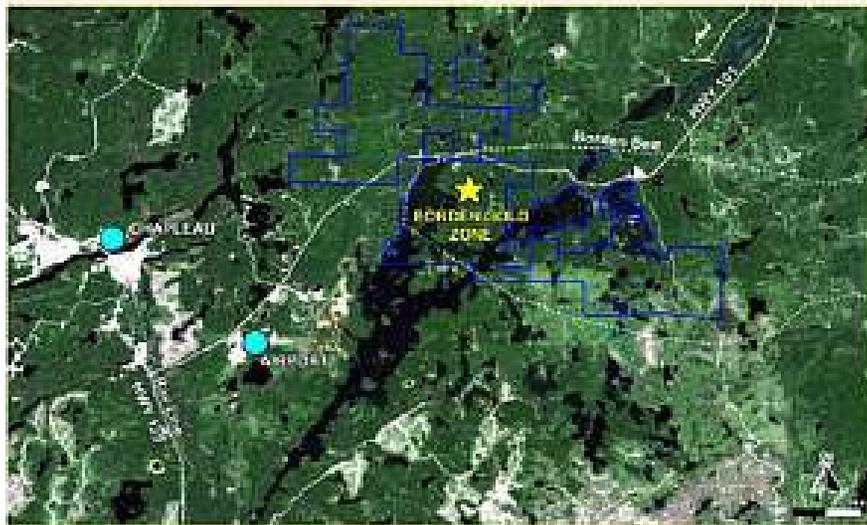
PROBE
MINES LIMITED
BORDEN GOLD PROJECT

Legend

Highway	Probe Mines Option (70%)
Borden Gold Zone	Other Patent Claims
Probe Mines (100%)	Other Claims
Probe Mines Option (50%)	

0 5km

REGIONAL GEOLOGY-LOCATION



Colorado Resources Ltd

12/17/2009 TO 9/12/2013



Issued: 40,037,993

High: \$1.74 on 5/21/2013

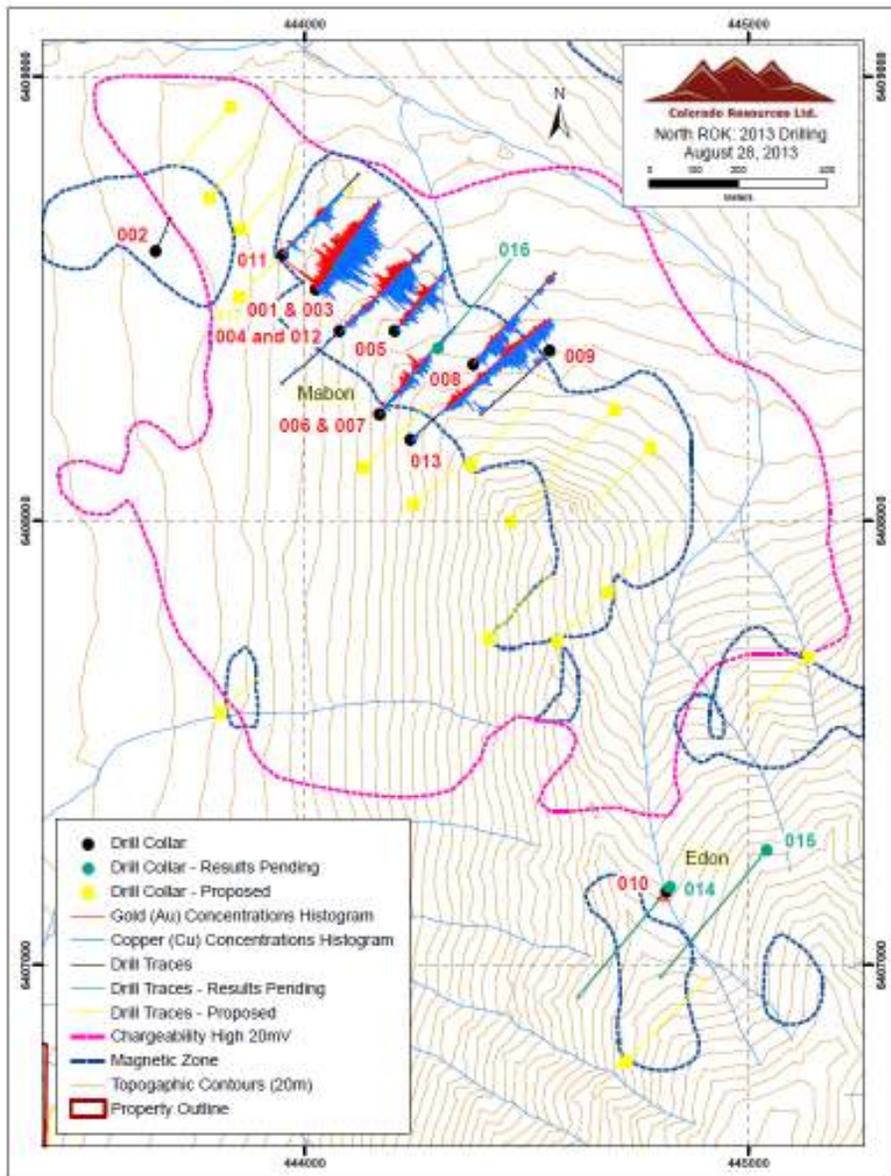
Max Volume: 9,824,900 on 6/6/2013

Diluted: 50,884,526

Low: \$0.14 on 4/18/2013

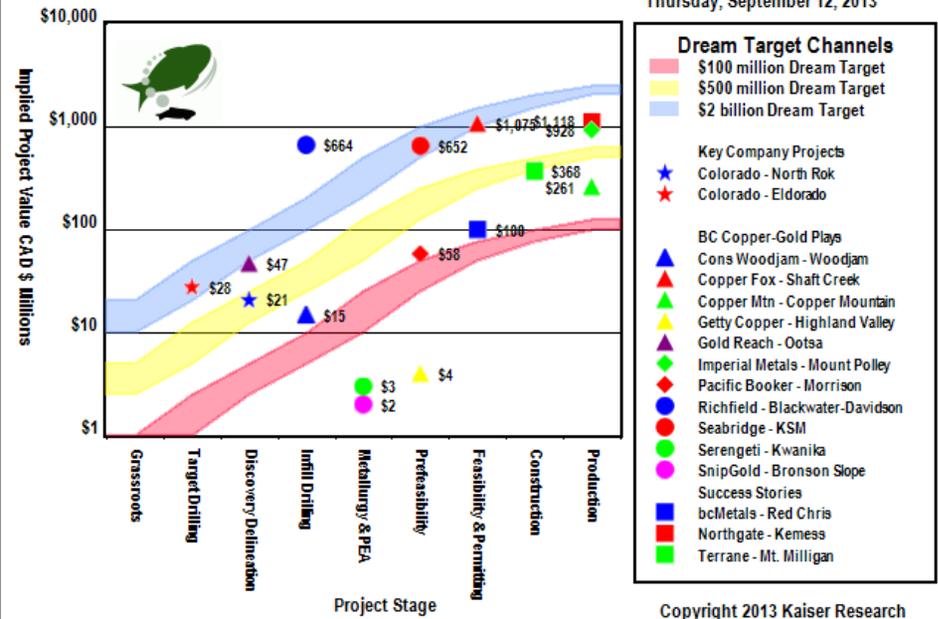
Max Value: \$8,989,784 on 6/6/2013





Colorado Project Valuations

Thursday, September 12, 2013

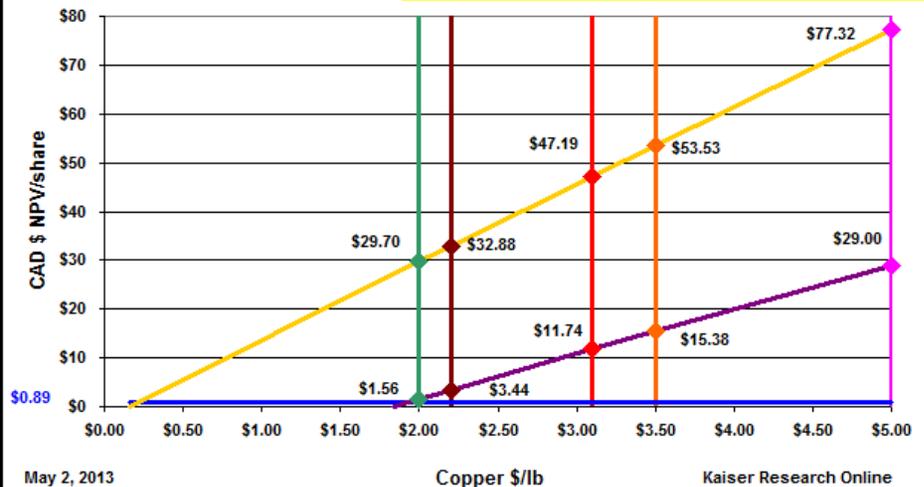


Colorado - North Rok - After Tax NPV Sensitivity at 10%

Spec Outcome Visualization based on Red Chris Mar 2011 FS

30,000 tpd OP, 27% con, rec 87% Cu 49% Au, 28 yr mine life
 Capex \$444 M, SustEx \$238 M, OpEx \$10/t
 Imaginary Hi Grade: 302 M t @ 0.63% Cu 0.85 g/t Au
 Imaginary Lo Grade: 302 M t @ 0.359% Cu 0.274 g/t Au
 FD: 50.4 M, tax rate 25%, exch 1:1 USD/CAD, 100% Net

Note: IRR % reflect Hi Grade Scenario



Nevada Exploration Inc

12/17/2009 TO 9/12/2013



Issued: 128,065,900

High: \$0.19 on 9/25/2012

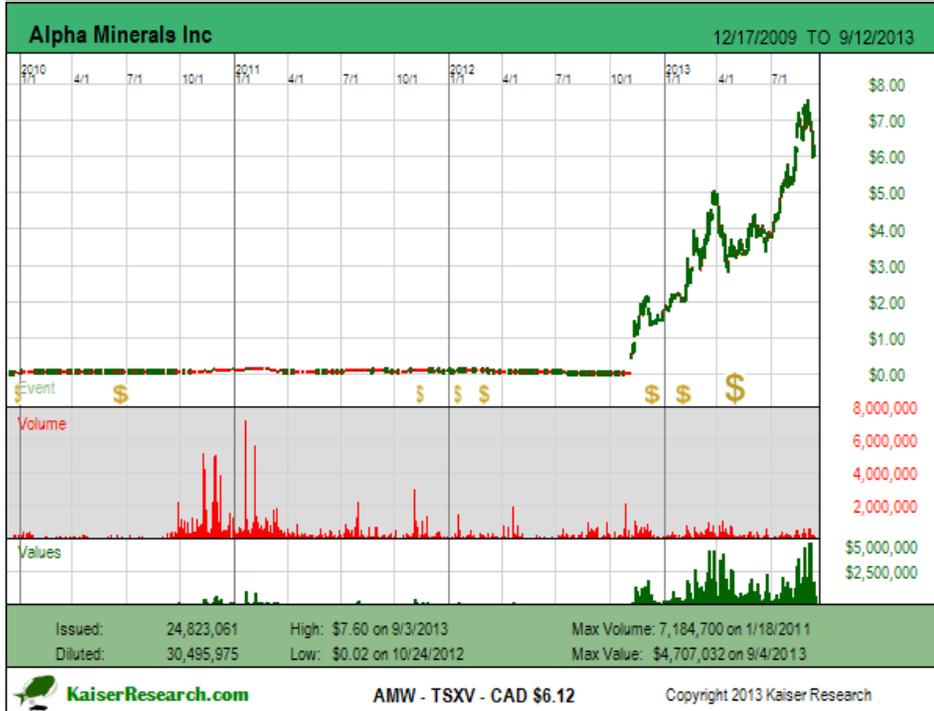
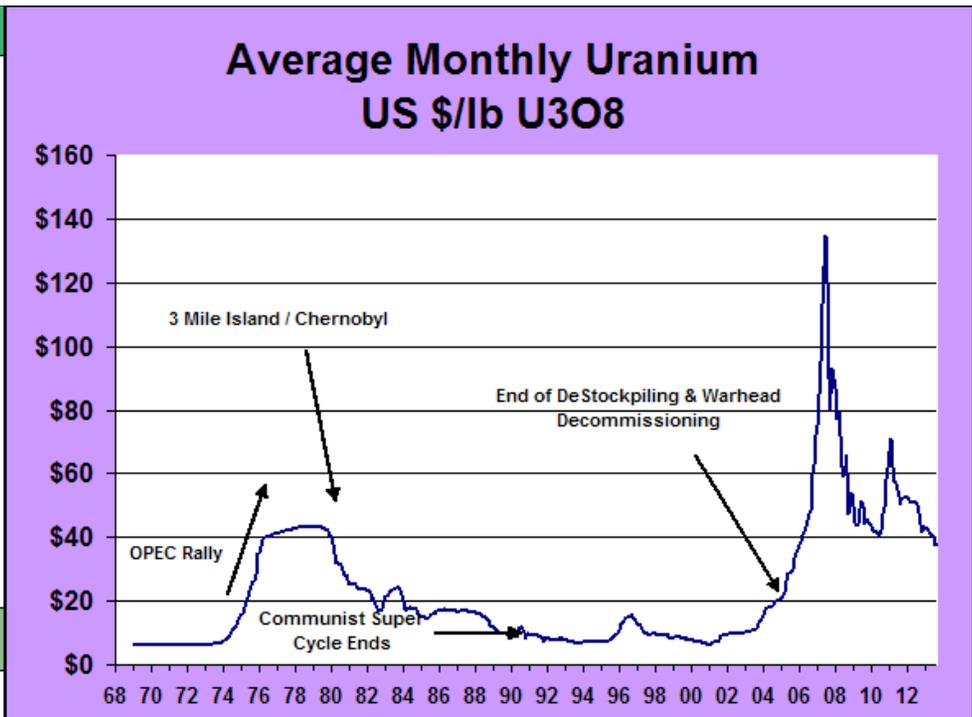
Max Volume: 1,510,900 on 9/25/2012

Diluted: 147,113,100

Low: \$0.06 on 6/2/2010

Max Value: \$245,521 on 9/25/2012





Avrupa Minerals Ltd

12/17/2009 TO 9/12/2013



Survivor Strategy #7: Prospect-Generator Farmout Model targeting new geological models and underexplored regions.

Issued:	28,593,571	High:	\$0.60 on 3/7/2011	Max Volume:	2,052,000 on 8/15/2013
Diluted:	43,312,984	Low:	\$0.04 on 7/2/2013	Max Value:	\$194,940 on 8/15/2013



Diagnos Inc

12/17/2009 TO 9/12/2013



Issued:	77,823,689	High: \$0.52 on 3/30/2010	Max Volume: 1,569,500 on 7/9/2012
Diluted:	83,783,373	Low: \$0.05 on 4/24/2013	Max Value: \$275,609 on 1/14/2010



Peregrine Diamonds Ltd

9/15/2003 TO 9/12/2013



Issued: 139,151,972

High: \$5.01 on 1/20/2006

Max Volume: 25,824,600 on 9/25/2009

Diluted: 160,665,467

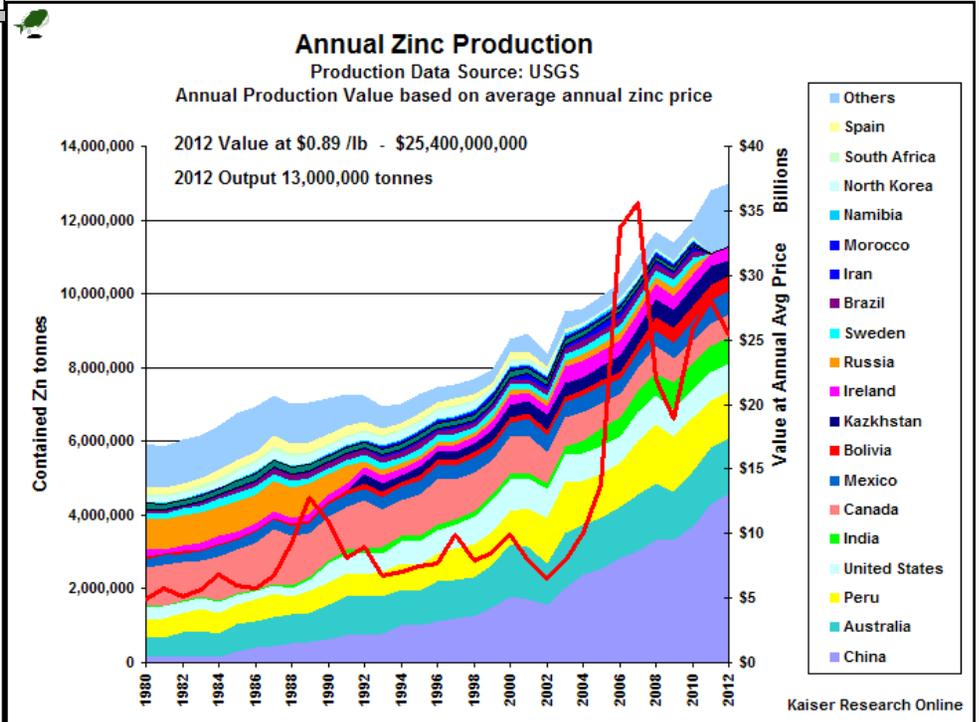
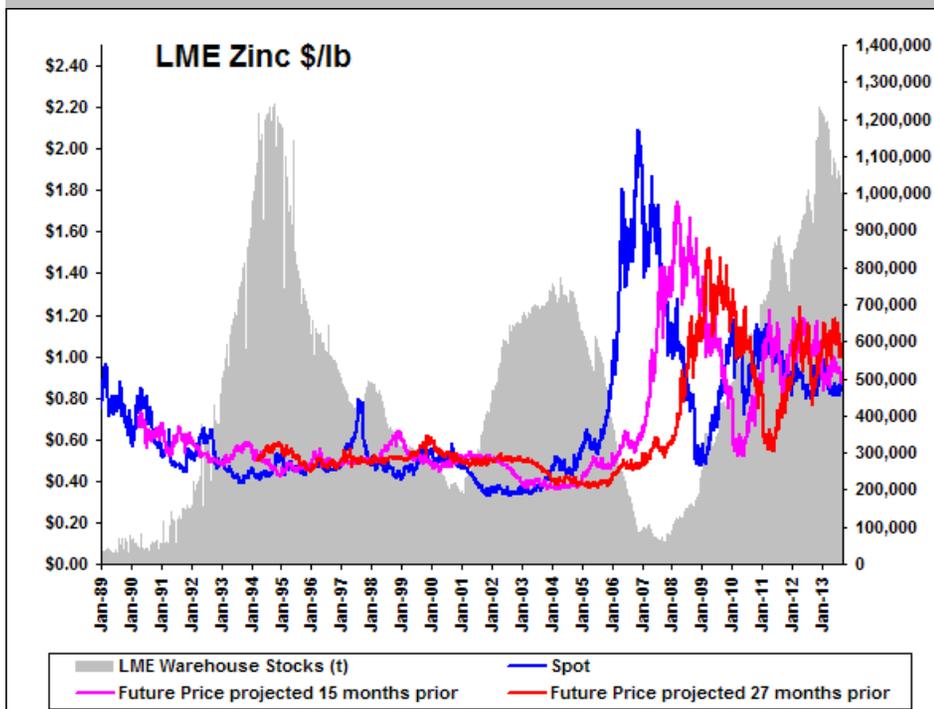
Low: \$0.09 on 9/23/2005

Max Value: \$82,372,026 on 10/2/2009





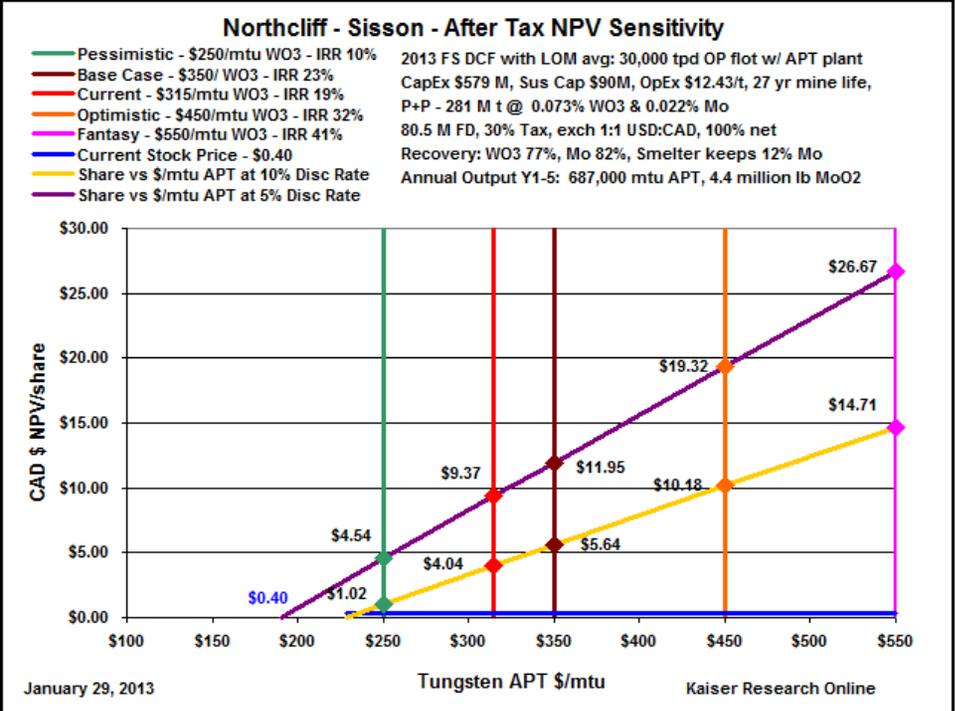
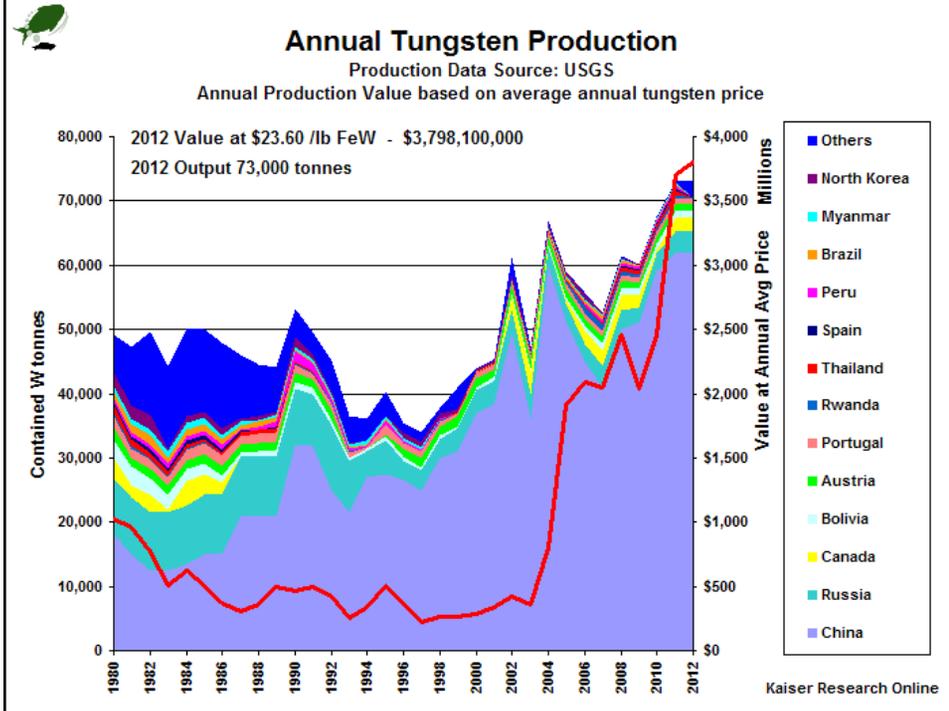
Survivor Strategy #10: focus on zinc, an out of favor commodity for which a supply-demand imbalance is brewing.





Survivor Strategy #12: focus on a metal with a looming security of supply problem like tungsten.

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Maya Gold & Silver Inc

12/17/2009 TO 9/12/2013

Survivor Strategy #12: focus on a country that has not yet had a wave of modern exploration such as Morocco.



Issued: 109,088,759

High: \$0.62 on 12/9/2010

Max Volume: 1,438,100 on 6/18/2010

Diluted: 143,017,759

Low: \$0.18 on 7/31/2013

Max Value: \$370,311 on 6/18/2010



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MYA - TSXV - CAD \$0.23

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