

**Metals Investor Forum  
November 2017**

**What does a sudden low tide mean?**

**Presented by John Kaiser**

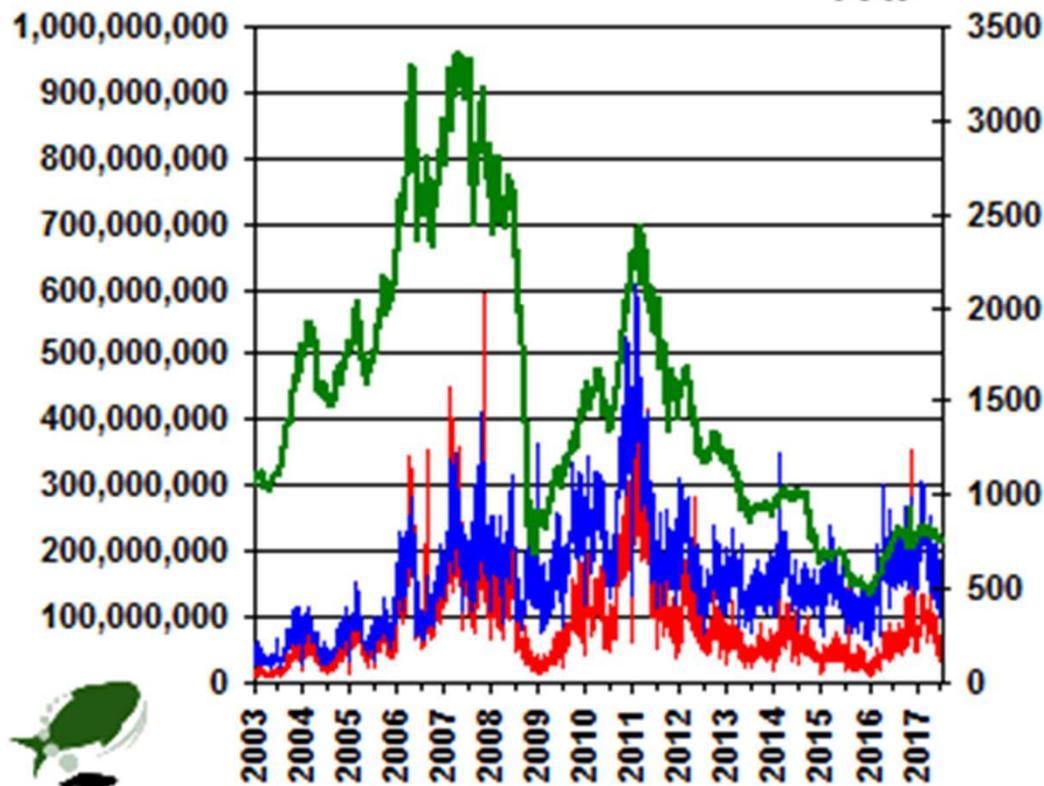
**November 10, 2017**

**Vancouver, Canada**

### Daily TSXV Volume & Value Traded

— Value — Volume — TSXV Index

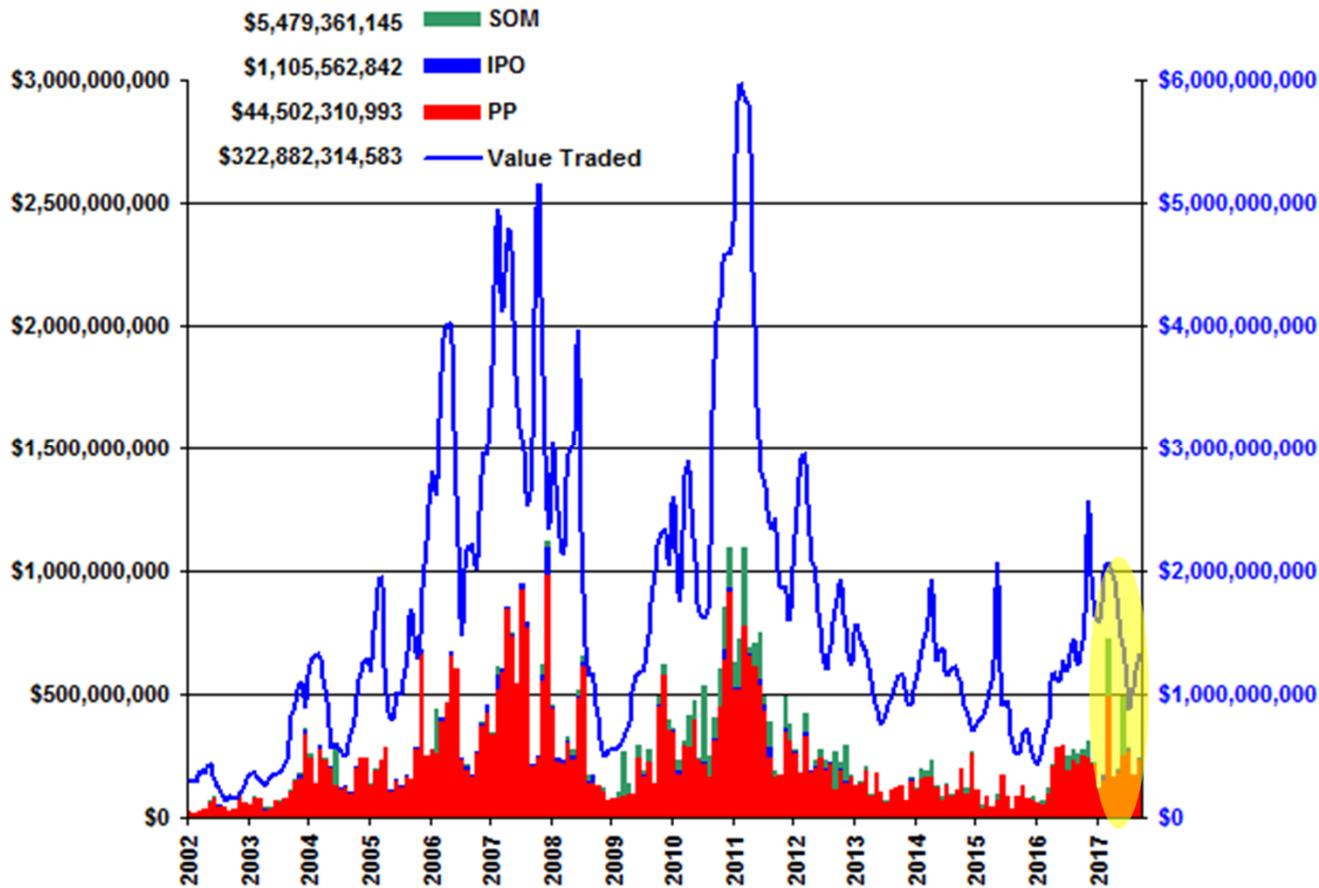
November 9, 2017



The bear market that began in 2011 and had a respite in 2016 reasserted itself after a strong Q1 in 2017 despite stronger overall metal prices. Senior equity markets are at a record, bitcoin and cannabis are bubbling, VIX is low, bond yields are rising slowly, and risk appetite is growing.

Why is the resource sector so feeble?

### Monthly Value of Resource Sector TSXV Financings 2002-2017



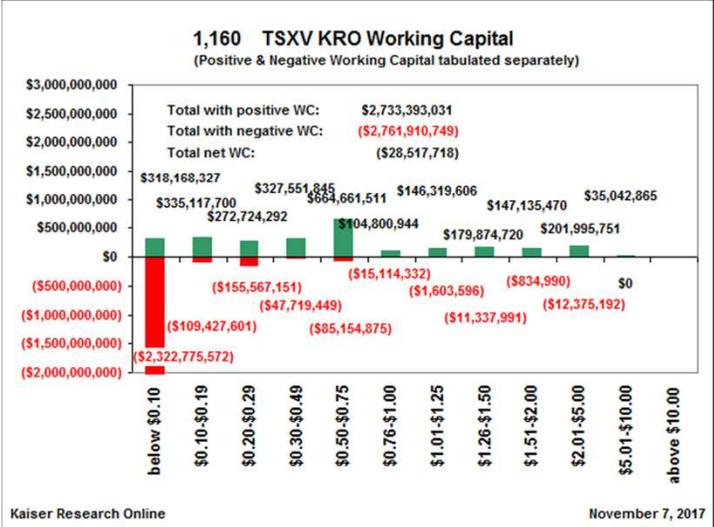
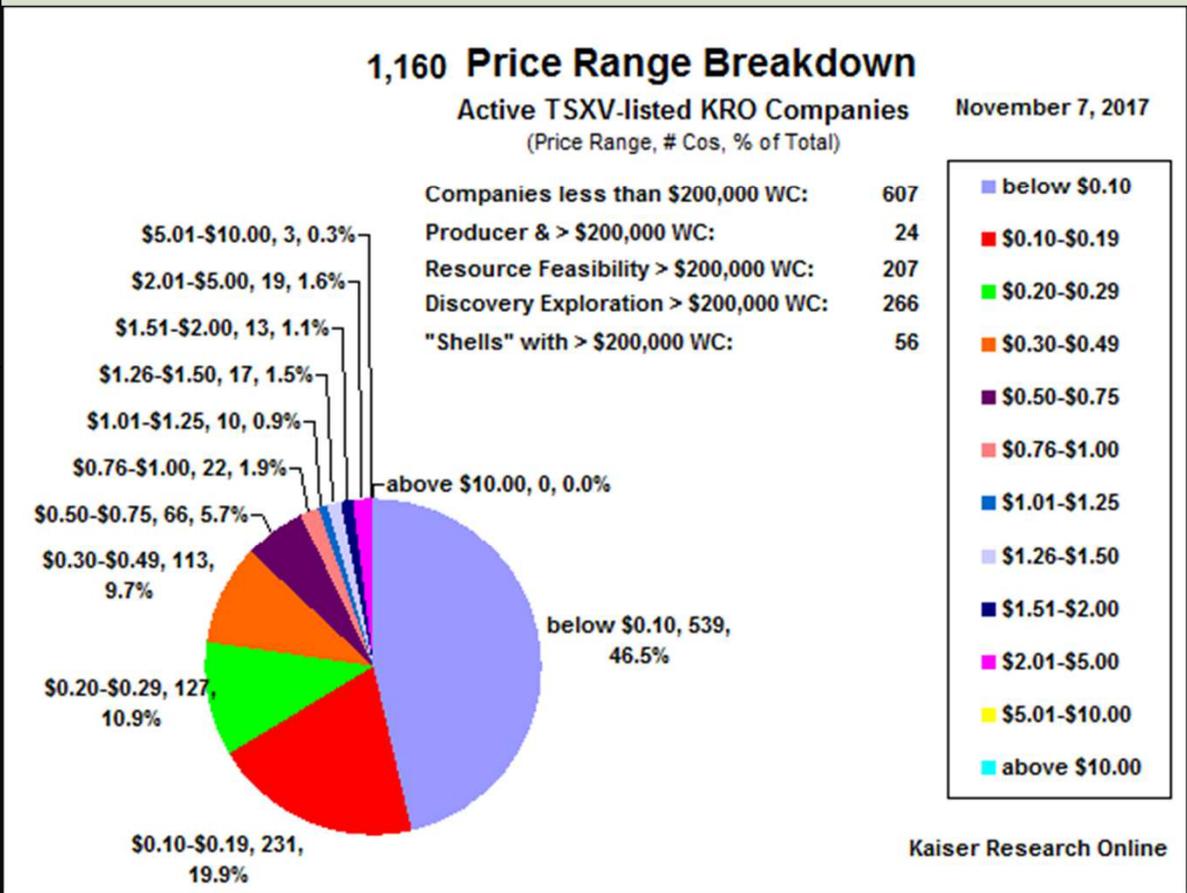
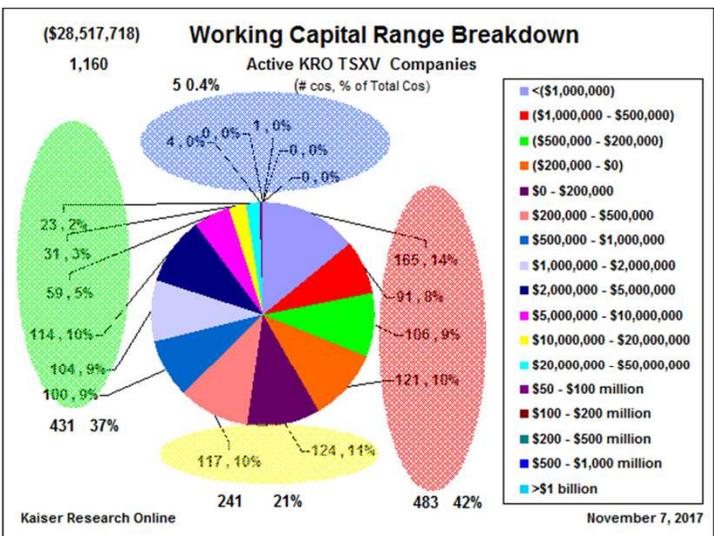
Kaiser Research Online

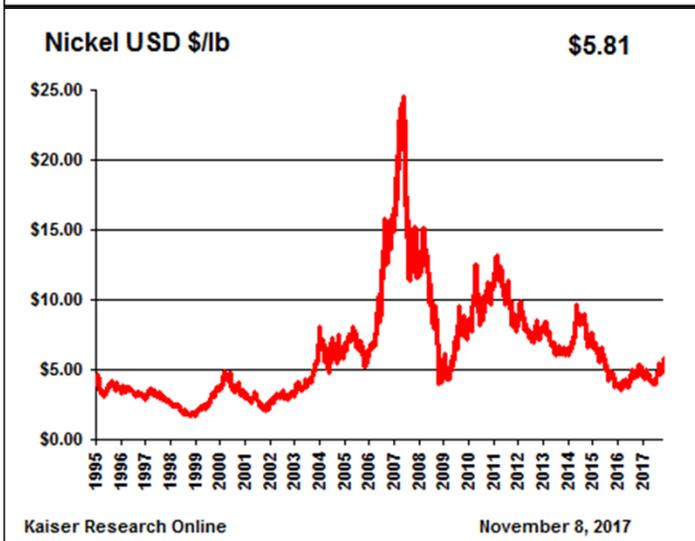
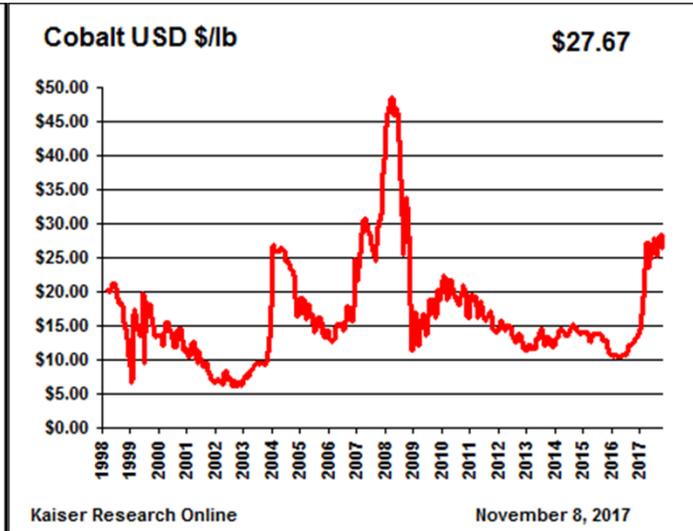
*(Traded value includes non-resource issuers)*

September 30, 2017

Trading value collapsed in 2017 after a good start in Q1, rebounded in Q3 but failed again in early Q4. Resource sector financing \$2.7 billion as of Sept 2017 compared to \$2.6 billion for all of 2016. Still a far cry from 2006-2007 & 2010-2011.

Financing activity has been selective. 37% of TSXV resource juniors have more than \$500,000 working capital as of last filing. The rest remain in bad shape. Only \$2.7 billion in 677 resource juniors, neg \$2.8 billion in the rest.





**Global GDP growth has been strong despite concerns about Donald Trump's proclamation that America is no longer great and his America First promise to collapse global trade.**

**China is moving aggressively to fill the vacuum, crowning Xi Jinping as the new Mao Zedong, ramping up pollution control, embracing the electric vehicle, and expanding its military footprint.**

**Why the complacency about Trump?**



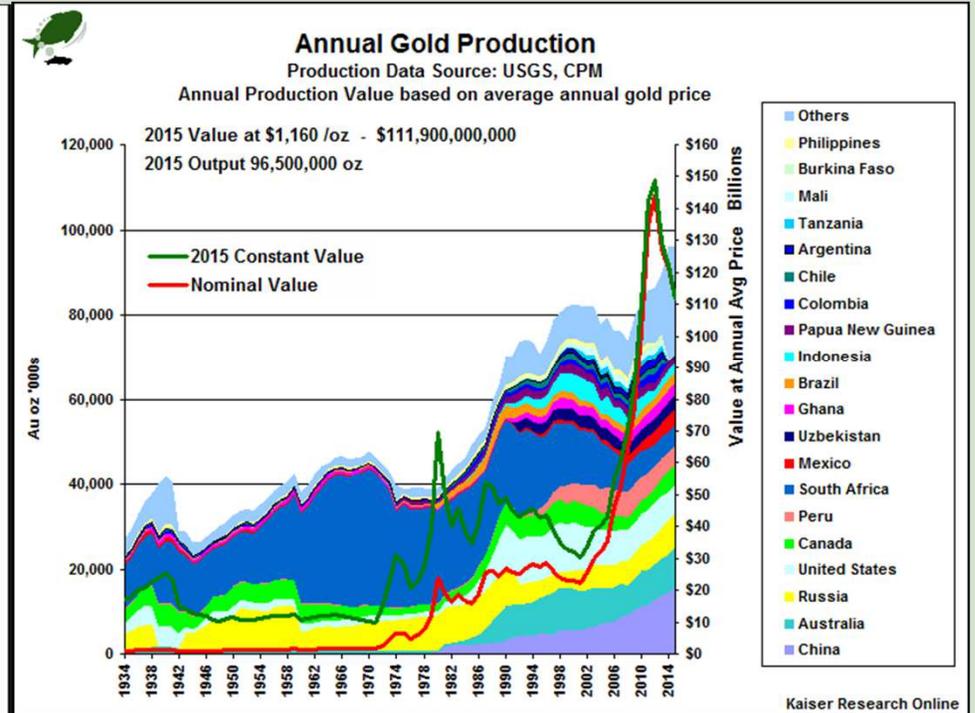
**What  
greatness  
does one  
have that the  
other does  
not?**

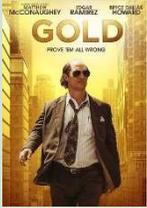
- All call him Dear Leader
- A no nonsense haircut
- A wall nobody crosses
- No immigrants
- An excellent judicial system
- No fake news
- No argument about guns or butter
- Only one obese citizen
- No trade deficit
- Nobody frets about his business affairs
- No environmental opposition
- Universal health care
- Nobody teaches critical thinking
- No ban on assassination
- Knows more about the other
- Calling him a moron does not earn you a Tweet firing squad
- Respects science which among other things warns not to look at the sun during an eclipse



- Gold barely above \$400 in 1980 inflation adjusted to present
- Inflation & currency decline do not change economics of marginal gold deposit
- Optionality play requires real price gain – what will drive it?
- Chinese ambition to replace America as global hegemon is a gold demand driver

- Confirmation of Wits 2.0 Hypothesis would stimulate interest in gold while dampening price rise
- Companies with exposure to Pilbara conglomerate gold potential will become proxies for gold
- Inflow of capital will create profits that get reinvested in other discovery exploration plays
- This year's sudden low tide is the start of a tsunami





# The Bre-X Redemption Tsunami thanks to Novo Resources Corp, Quinton Hennigh, and the Wits 2.0 Hypothesis



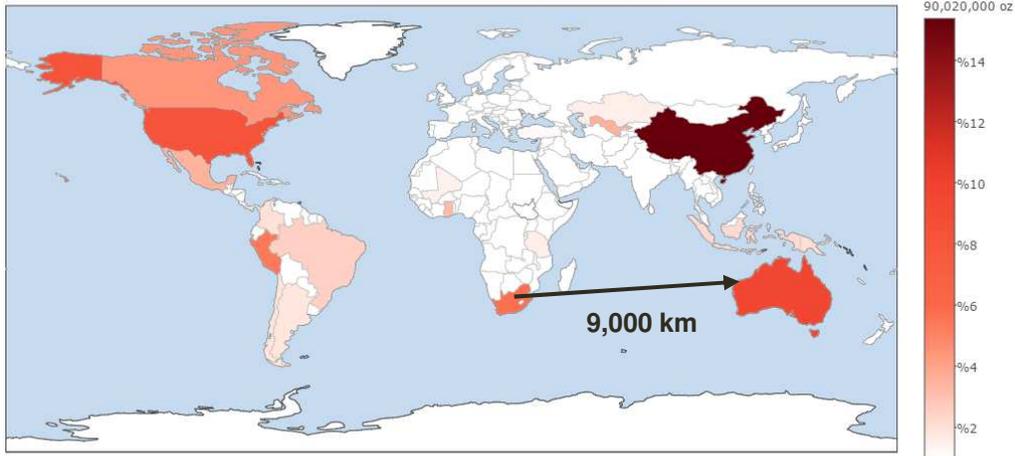
## What is the Wits 2.0 Hypothesis?

- The gold in the Pilbara conglomerate beds will average a grade at 5.0 g/t gold or higher
- A cost effective and reliable protocol for measuring the grade of the conglomerate beds no matter how deep will be developed
- The gold in the conglomerate beds have a synbiogenic origin and consequently will be laterally and down slope extensive wherever seawater and oxygen generating biomass were present during the critical window of high gold solubility
- The preservation of the near-shore environment of the basin that formed on the Pilbara Craton represents a gold endowment an order of magnitude greater than the 2.6 billion ounce endowment of Wits 1.0

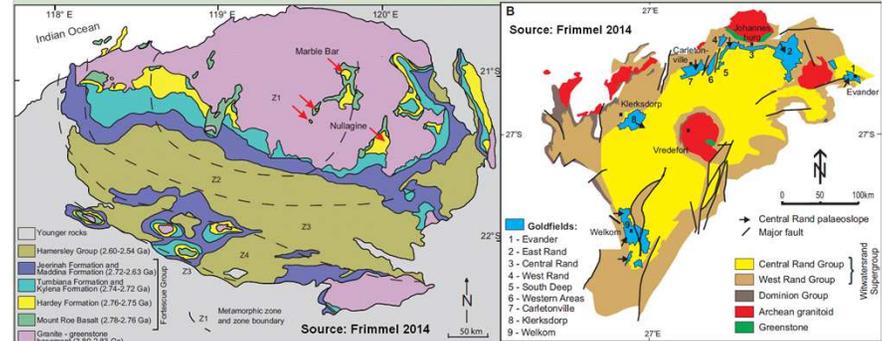
## Why will it create the biggest Gold Rush ever?

- Except for the 7,000 sq km of open land applied for by Novo, most of the remaining 100,000 sq km of Pilbara Craton covered by Fortescue rocks is already owned by a wide range of companies including giant iron producers for reasons other than Wits 2.0 gold.
- If the Wits 2.0 Hypothesis is correct discovery exploration will be akin to a giant real estate development play where the payout glass is more than half full until proven otherwise

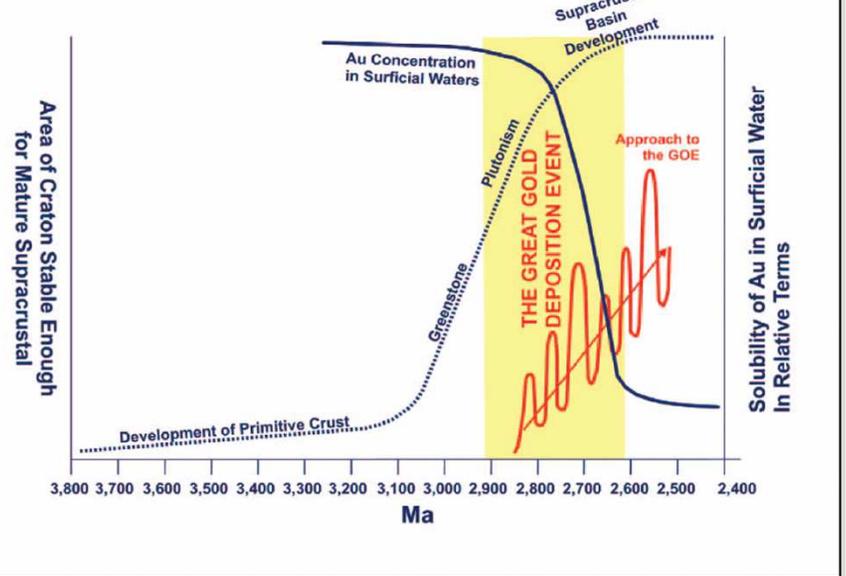
2015 Global Gold Production  
Source: USGS & Kaiser Research



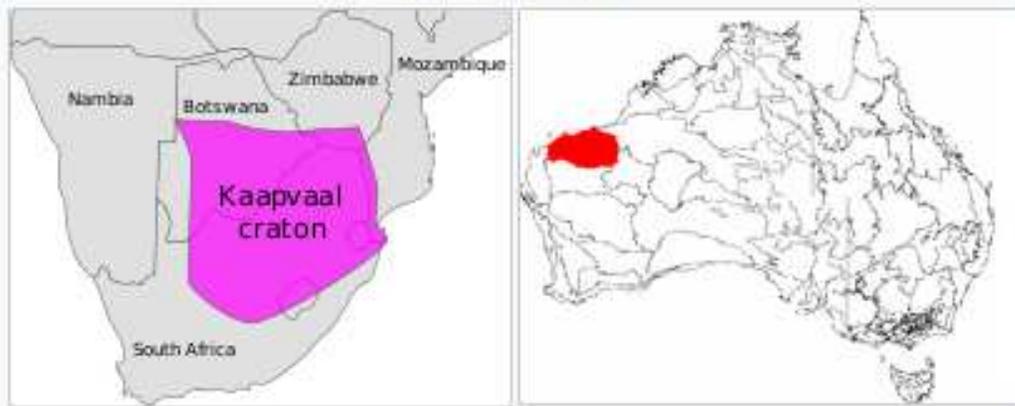
Vaalbara was the earliest super-continent that formed 3.6 billion years ago. Both formed basins 2.9-2.7 Ga.



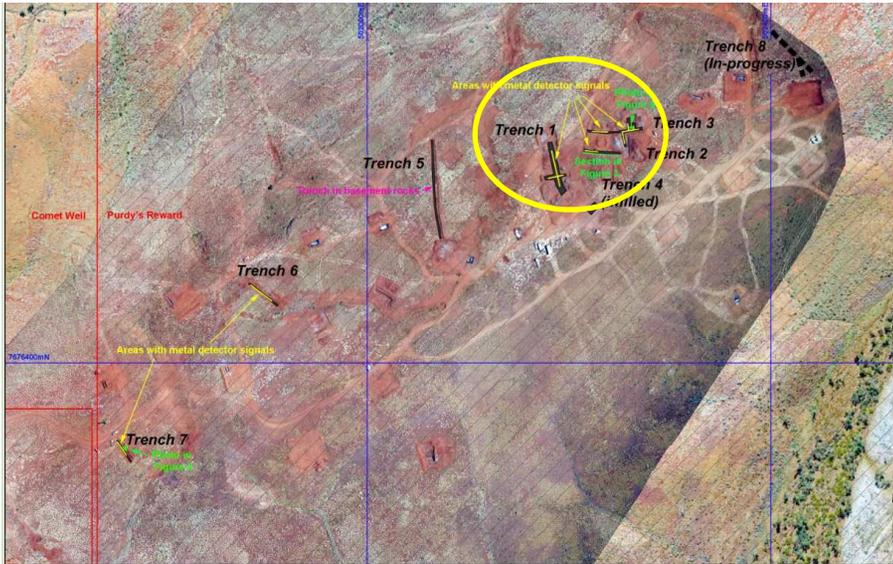
Source: Horscroft et al 2011



Vaalbara today



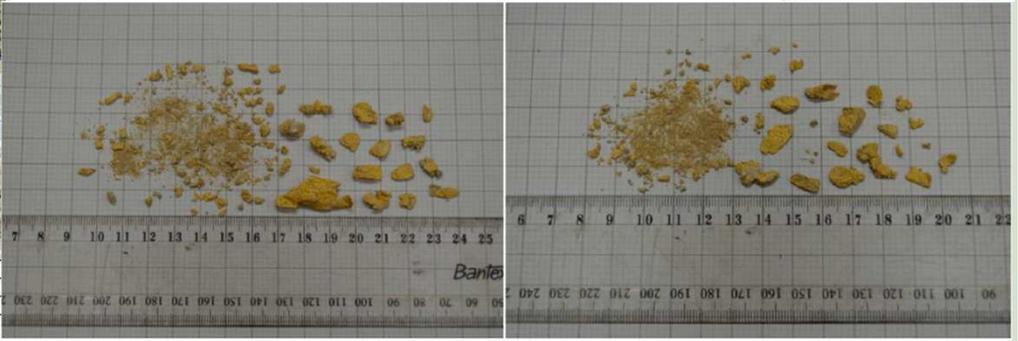
Current locations of Kaapvaal and Pilbara cratons



Subsample ID	Subsample Dry Weight (kg)	Sorted Concentrate Weight as % of Total Weight	Calculated Head Grade of Subsample (Au gpt)	% Contribution of Gold in the Sorted Concentrate to the Calculated Head Grade of the Subsample	% Contribution of Gold in the Sorted Tailings to the Calculated Head Grade of the Subsample
#1	272.8	2.15%	87.76	83.12%	12.53%
#2	269.5	1.82%	46.14	81.99%	15.63%



(Figure 1: 550 T working machine.)



(Figure 4: Coarse Gold Concentrate after acid wash. Subsample #1 on the left, and Subsample #2 on the right.)

Legend

■ Trenches

□ Trench boundaries

UTM GDA 94 Zone 50

0 100

Meters

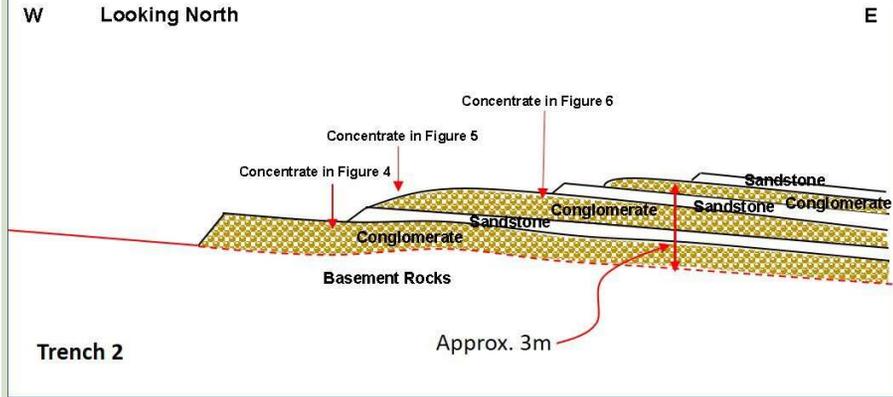
1 cm = 35 meters

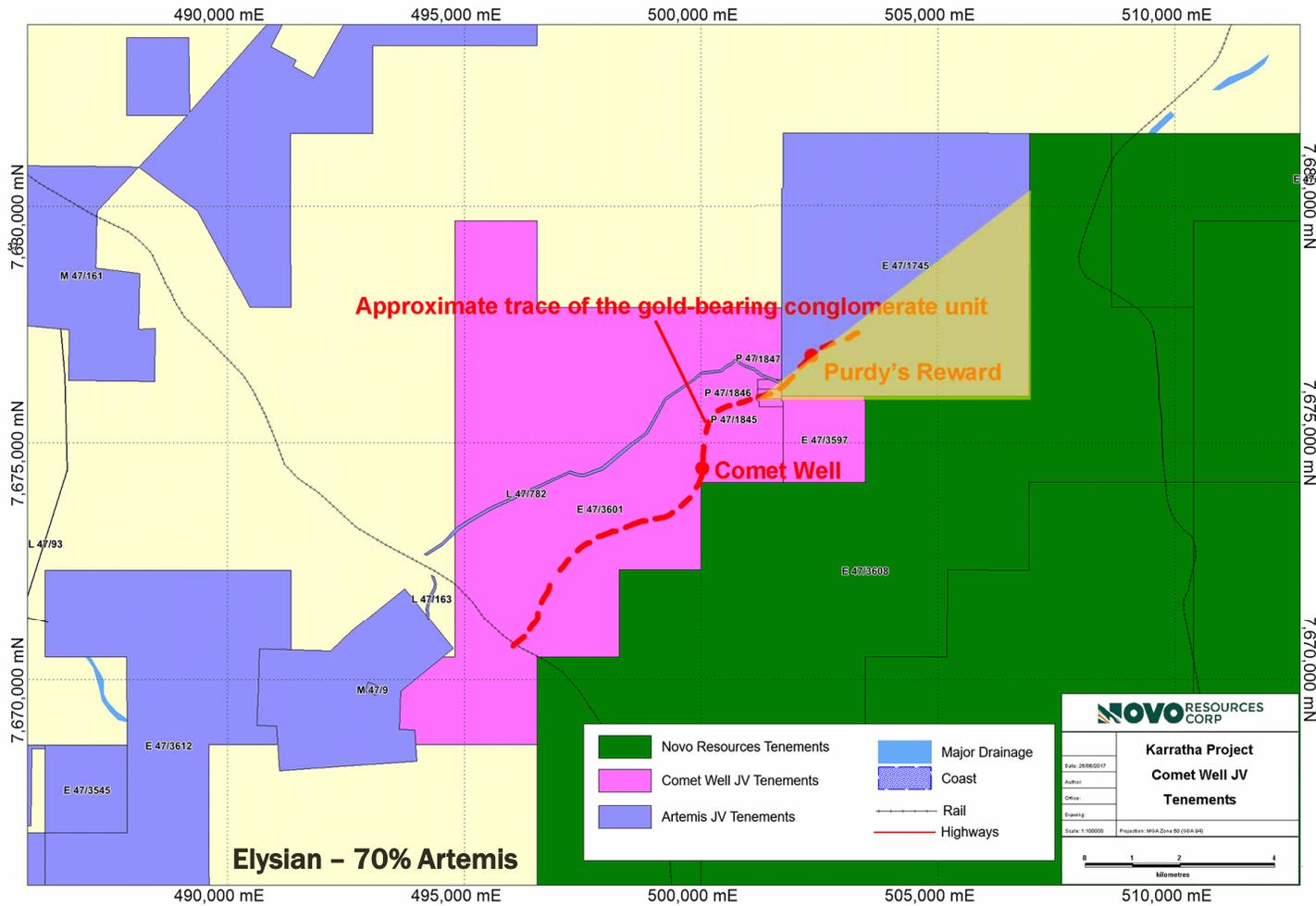
Purdys Reward Trench Work

01 November 2017

**NOVO RESOURCES CORP**

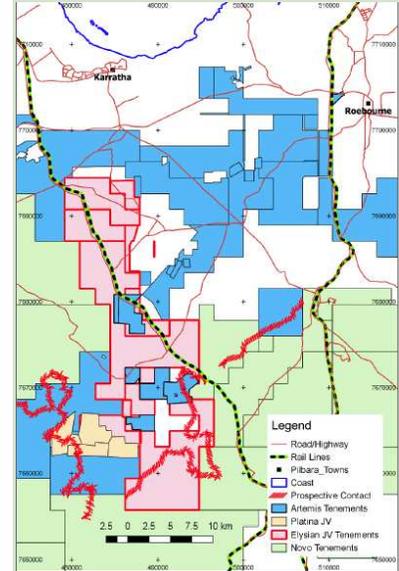
Novo Resources Ltd. is an Australian company. All rights reserved. This document is confidential and for internal use only. It is not to be distributed outside the company.





**Elysian – 70% Artemis**

**Purdy's Reward is the R&D workshop for the Wits 2.0 Hypothesis**



# Artemis Resources Limited

2/13/2014 TO 11/9/2017

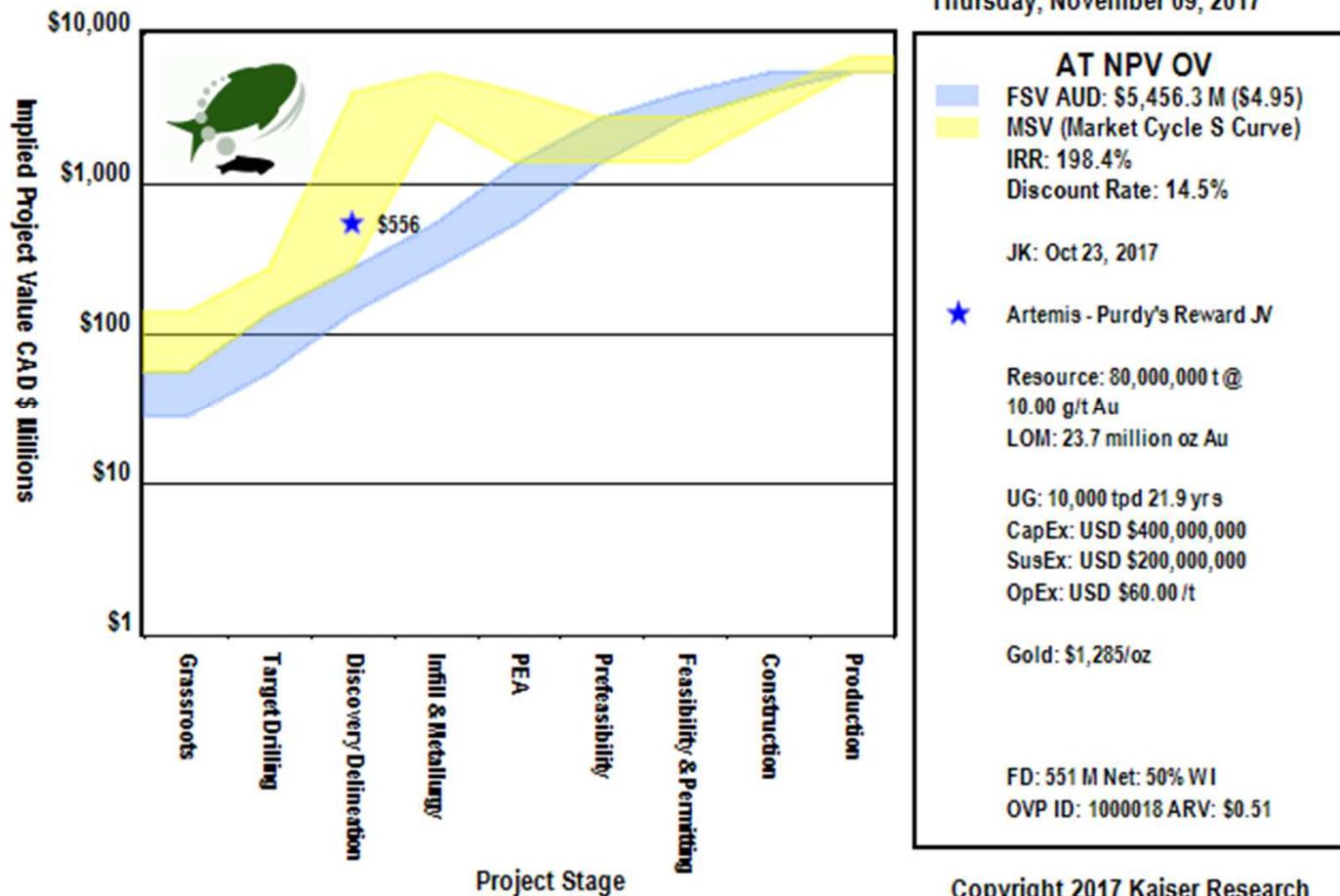
How do you price a Wits 2.0 junior?



Issued:	447,382,685	High: \$0.52 on 11/9/2017	Max Volume: 62,229,746 on 11/4/2016
Diluted:	550,925,825	Low: \$0.00 on 5/29/2015	Max Value: \$8,277,373 on 10/26/2017

## Artemis - Purdy's Reward JV Outcome Visualization

Thursday, November 09, 2017

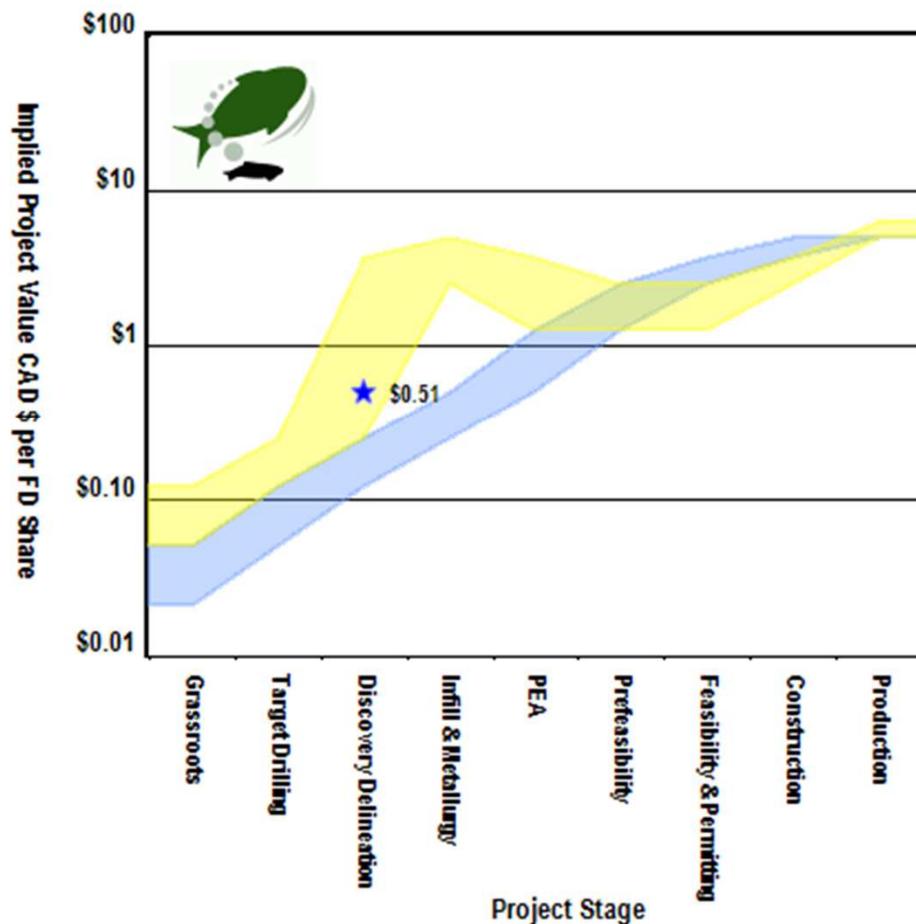


## Fair Speculative Value Ladder

USD OV NPV	AUD OV NPV	Exch Rate	Diluted	Net Interest
\$4,185,528,967	\$5,456,255,562	1.3036	550,925,825	50.00%
Project Stage	Uncertainty Range	AUD FSV Range	AUD FSV per Share Range	AUD MSV per Share Range
Grassroots	0.5% - 1.0%	\$27,281,278 - \$54,562,556	\$0.02 - \$0.05	\$0.05 - \$0.12
Target Drilling	1.0% - 2.5%	\$54,562,556 - \$136,406,389	\$0.05 - \$0.12	\$0.12 - \$0.25
Discovery Delineation	2.5% - 5.0%	\$136,406,389 - \$272,812,778	\$0.12 - \$0.25	\$0.25 - \$3.71
Infill & Metallurgy	5% - 10%	\$272,812,778 - \$545,625,556	\$0.25 - \$0.50	\$2.48 - \$4.95
PEA	10% - 25%	\$545,625,556 - \$1,364,063,890	\$0.50 - \$1.24	\$1.24 - \$3.71
Prefeasibility	25% - 50%	\$1,364,063,890 - \$2,728,127,781	\$1.24 - \$2.48	\$1.24 - \$2.48
Permitting & Feasibility	50% - 75%	\$2,728,127,781 - \$4,092,191,671	\$2.48 - \$3.71	\$1.24 - \$2.48
Construction	75% - 100%	\$4,092,191,671 - \$5,456,255,562	\$3.71 - \$4.95	\$2.48 - \$3.71
Production	100%	\$5,456,255,562	\$4.95	\$4.95 - \$6.19

## Artemis - Purdy's Reward JV Outcome Visualization

Thursday, November 09, 2017



### AT NPV OV

FSV AUD: \$5,456.3 M (\$4.95)

MSV (Market Cycle S Curve)

IRR: 198.4%

Discount Rate: 14.5%

JK: Oct 23, 2017

★ Artemis - Purdy's Reward JV

Resource: 80,000,000 t @

10.00 g/t Au

LOM: 23.7 million oz Au

UG: 10,000 tpd 21.9 yrs

CapEx: USD \$400,000,000

SusEx: USD \$200,000,000

OpEx: USD \$60.00 /t

Gold: \$1,285/oz

FD: 551 M Net: 50% WI

OVP ID: 1000018 ARV: \$0.51

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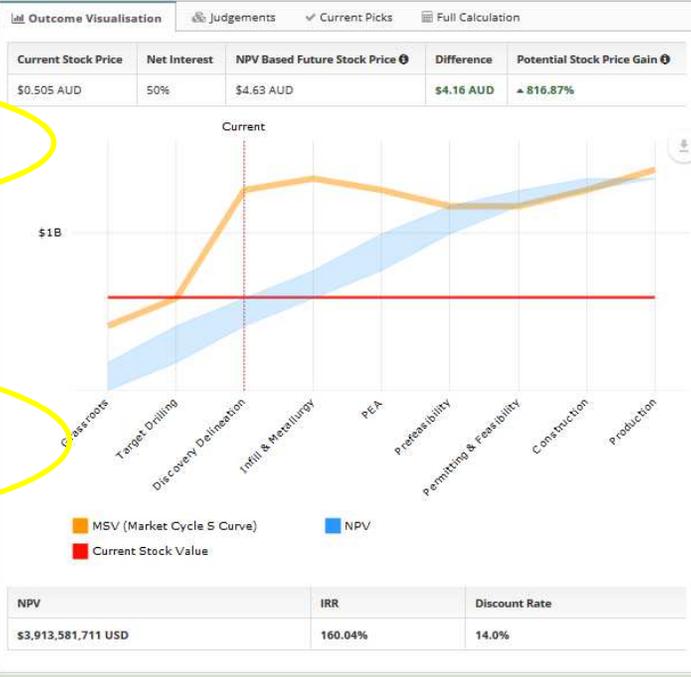
OV Arena    % Top OVs Comparison    All Shared OVs    My OVs    Judgements

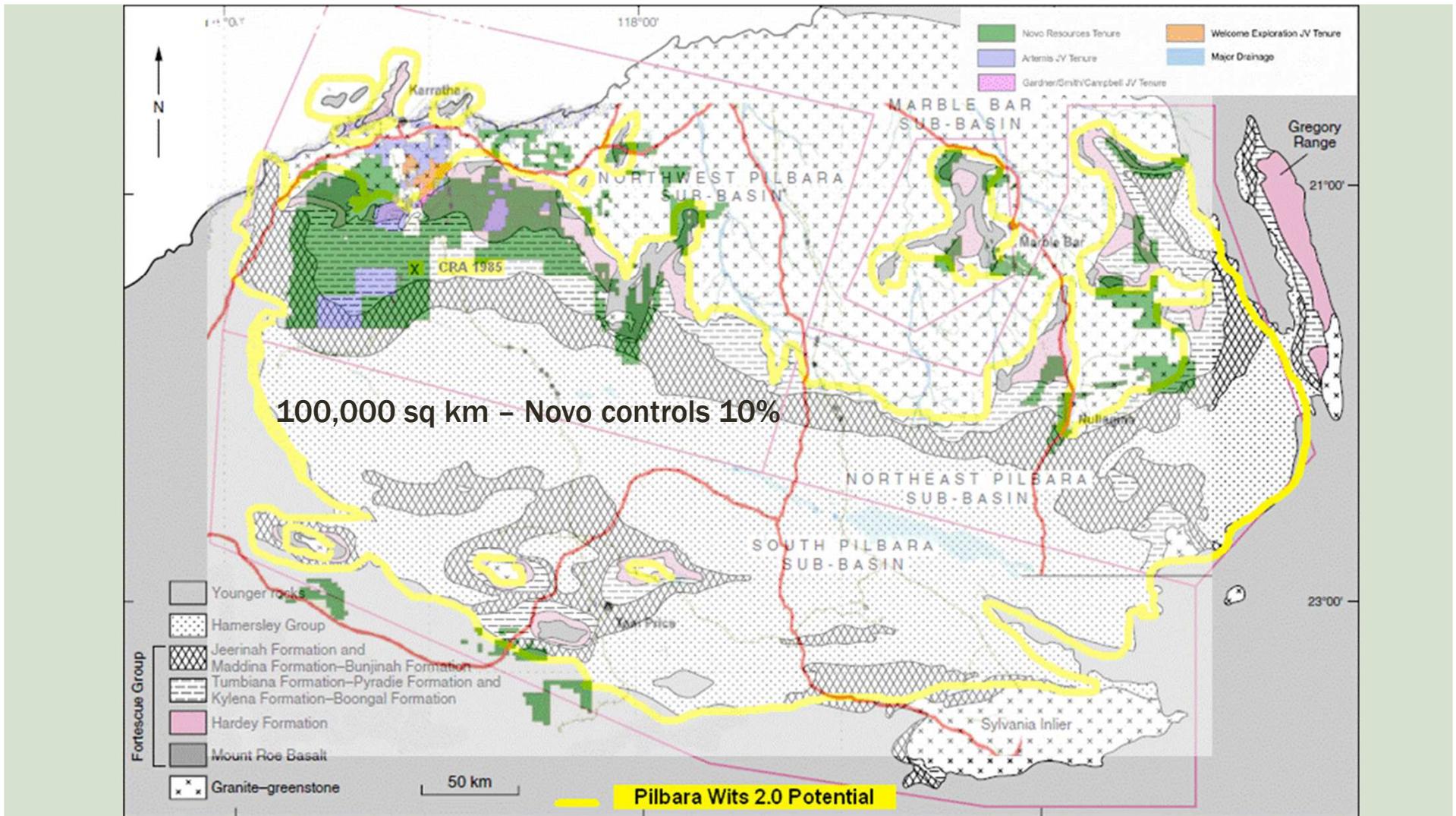
[\\$ Create a New Outcome Visualisation \(OV\)](#)

Select an Outcome Visualisation for more Information

OV Name	Date	Generated By	Reputation	NPV	IRR	Stock Performance
JohnKaiser Underground Scenario with 5 g	30/10/2017	JohnKaiser	0	\$1,292,561,160	62.79%	▲ 202.82%
John Kaiser underground scenario at 2 gt gold	30/10/2017	JohnKaiser	0	\$-282,068,453	0.00%	▼ -100.00%
John kaiser Underground SCeario at 30 gt gold	30/10/2017	JohnKaiser	0	\$14,397,663,915	549.01%	▲ 3,273.08%
JohnKaiser Underground Scenario at 60 gt gold	30/10/2017	JohnKaiser	0	\$30,123,787,221	1,132.47%	▲ 6,957.40%
JohnKaiser Underground Scenario at 20 gt gold	30/10/2017	JohnKaiser	0	\$9,155,622,813	354.52%	▲ 2,044.98%

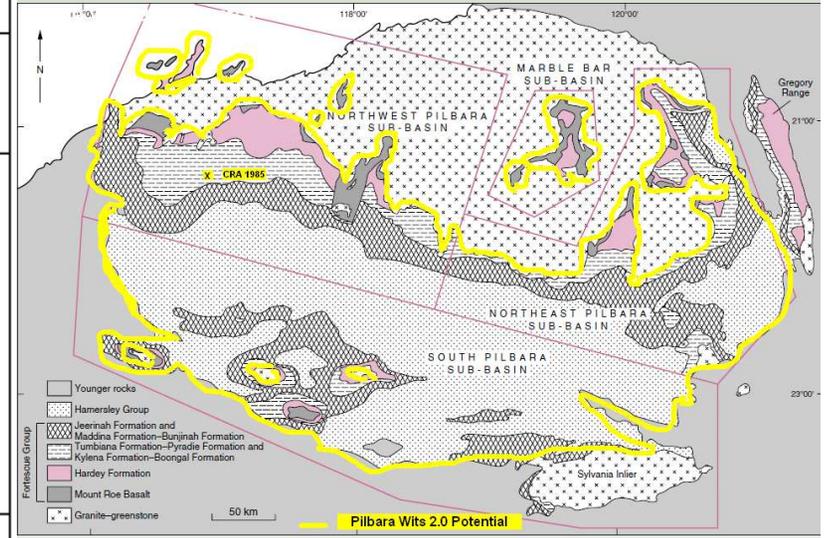
# The Share Collective – why grade is the key factor





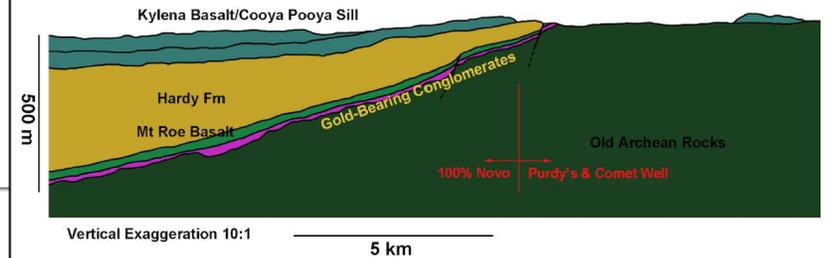
NORTHERN HAMERSLEY BASIN			SOUTHERN HAMERSLEY BASIN	TECTONO-STRATIGRAPHIC SEQUENCES
MARBLE BAR SUB-BASIN	NORTHEAST PILBARA SUB-BASIN (Excluding Gregory Range)	NORTHWEST PILBARA SUB-BASIN	SOUTH PILBARA SUB-BASIN	
	JEERINAH FORMATION Roy Hill Member Warrie Member Woodiana Member	JEERINAH FORMATION Roy Hill Member Nallanaring Member Warrie Member Woodiana Member	JEERINAH FORMATION	SEQUENCE 4
	MADDINA FORMATION Kuruna Member	MADDINA FORMATION	BUNJINAH FORMATION	SEQUENCE 3
	TUMBIANA FORMATION Meentheena Member Mingah Member	TUMBIANA FORMATION	PYRADIE FORMATION	
	KYLENA FORMATION	KYLENA FORMATION Gidley Granophyre	BOONGAL FORMATION	
HARDEY FORMATION	HARDEY FORMATION Bamboo Creek Member	HARDEY FORMATION Cooya Pooya Dolerite Lyre Creek Member	HARDEY FORMATION	SEQUENCE 2
MOUNT ROE BASALT	MOUNT ROE BASALT	MOUNT ROE BASALT	MOUNT ROE BASALT	SEQUENCE 1
GRANITE-GREENSTONE BASEMENT			BELLARY FORMATION	

## Pilbara Wits 2.0 Area Play Potential



### Schematic Section

Looking SW



### KRO Pilbara Wits 2.0 Resource Center

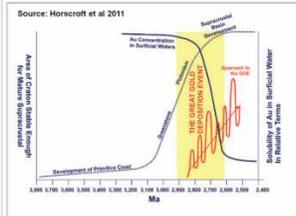
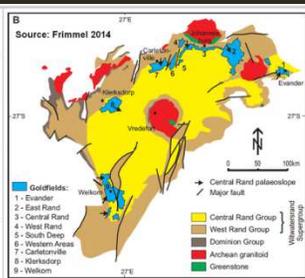
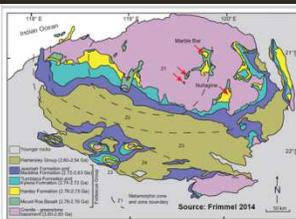
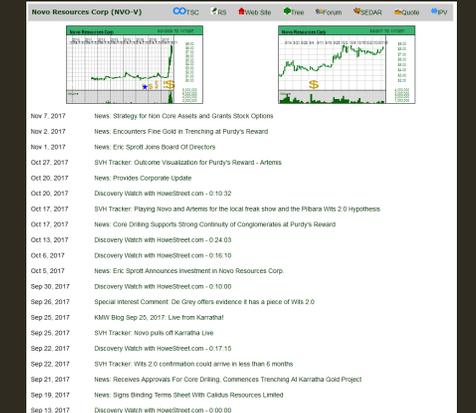
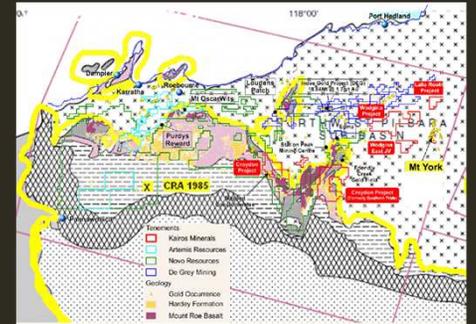
The KRO Pilbara Wits 2.0 Resource Center features public companies that have property on the Pilbara Craton in Australia. The discovery of nugget gold bearing conglomerate beds has raised the possibility that the Pilbara Craton, which is similar in age to the Kaapvaal Craton on which sits the Witwatersrand Basin, may have a similar gold endowment. Since the discovery of gold in 1886 at the edge of the Witwatersrand Basin South Africa has produced 1.6 billion ounces gold, with another 1 billion identified. The Pilbara Craton has been explored for orogenic gold deposits where the older greenstone basement rocks are exposed, and for iron deposits where the older rocks are covered by the Archaean aged rocks of the Hamersley Basin. Past exploration for Witwatersrand style gold and uranium deposits failed. The discovery of gold bearing conglomerate beds near Karratha that daylight below the Mount Roe Basalt suggests that past exploration failed because it did not look at the unconformity between the 3.0 Ga plus aged basement rocks and the overlying Fortescue Group succession of sediments and volcanics because the immature conglomerate beds did not resemble the mature gold bearing ones in the Witwatersrand Basin. As a result all parts of the Pilbara Craton with cover rocks younger than the crystalline basement need to be revisited. This resource center is intended to assist with the challenge of tracking what could become the biggest gold rush in history if Wits 2.0 is confirmed as a reality. **At this stage we are simply listing companies with claims on the Pilbara Craton; as we learn more about the geology we will eliminate those companies with no exposure to Wits 2.0.**



# KaiserResearch.com

## Pilbara Wits 2.0 - Market Activity for November 7, 2017

Company	Volume	Value	High	Low	Close	Chg
<b>Altura Mining Ltd (AJM-ASX)</b>	20,136,677	\$8,759,454	\$0.465	\$0.405	\$0.445	\$0.045
<b>Artemis Resources Ltd (ARV-ASX)</b>	4,546,859	\$1,875,579	\$0.425	\$0.400	\$0.405	(\$0.010)
<b>Boadicea Resources Ltd (BOA-ASX)</b>	0	\$0	\$0.000	\$0.000	\$0.140	\$0.000
<b>Chalice Gold Mines Ltd (CXN-T)</b>	318,300	\$64,456	\$0.210	\$0.195	\$0.205	\$0.005
<b>Coziron Resources Ltd (CZR-ASX)</b>	0	\$0	\$0.000	\$0.000	\$0.032	\$0.000
<b>Cullen Resources Ltd (CUL-ASX)</b>	0	\$0	\$0.000	\$0.000	\$0.001	\$0.000
<b>De Grey Mining Ltd (DEG-ASX)</b>	4,701,559	\$1,457,483	\$0.320	\$0.300	\$0.315	\$0.015
<b>DGO Gold Ltd (DGO-ASX)</b>	42,155	\$78,830	\$1.940	\$1.800	\$1.895	\$0.060
<b>Flinders Mines Ltd (FMS-ASX)</b>	156,340	\$9,615	\$0.062	\$0.061	\$0.061	(\$0.001)
<b>Fortescue Metals Group Ltd (FMG-ASX)</b>	24,469,556	\$121,980,737	\$5.060	\$4.910	\$5.030	\$0.230
<b>Haoma Mining NL (HAO-ASX)</b>	0	\$0	\$0.000	\$0.000	\$0.230	\$0.000
<b>Impact Minerals Ltd (IPT-ASX)</b>	19,762,403	\$484,179	\$0.027	\$0.022	\$0.026	\$0.005
<b>Kailli Resources Ltd (KLR-ASX)</b>	0	\$0	\$0.000	\$0.000	\$0.040	\$0.000
<b>Kairos Minerals Ltd (KAI-ASX)</b>	0	\$0	\$0.000	\$0.000	\$0.082	\$0.000
<b>Kalamazoo Resources Ltd (KZR-ASX)</b>	197,825	\$32,147	\$0.165	\$0.160	\$0.165	\$0.005
<b>Lithium Australia NL (LIT-ASX)</b>	6,969,301	\$1,637,786	\$0.245	\$0.225	\$0.235	\$0.015
<b>Lithium Power International Ltd (LPI-ASX)</b>	1,492,370	\$873,036	\$0.600	\$0.570	\$0.595	\$0.020
<b>MacArthur Minerals Ltd (MMS-V)</b>	1,074,200	\$77,880	\$0.080	\$0.065	\$0.075	(\$0.005)
<b>Marindi Metals Ltd (MZN-ASX)</b>	0	\$0	\$0.000	\$0.000	\$0.011	\$0.000
<b>Metalicity Limited (MCT-ASX)</b>	9,474,777	\$374,254	\$0.042	\$0.037	\$0.040	(\$0.010)
<b>Millennium Minerals Ltd (MOY-ASX)</b>	1,136,418	\$190,350	\$0.170	\$0.165	\$0.165	\$0.000
<b>Novo Resources Corp (NVO-V)</b>	739,700	\$6,087,731	\$8.480	\$7.980	\$8.320	\$0.380
<b>Pilbara Minerals Ltd (PLS-ASX)</b>	12,647,932	\$11,237,688	\$0.917	\$0.860	\$0.890	\$0.010
<b>Pioneer Resources Ltd (PIO-ASX)</b>	48,633,153	\$1,677,844	\$0.036	\$0.033	\$0.033	\$0.002
<b>Platina Resources Ltd (PGM-ASX)</b>	3,023,902	\$653,163	\$0.222	\$0.210	\$0.210	\$0.000
<b>Red Hill Iron Ltd (RHI-ASX)</b>	0	\$0	\$0.000	\$0.000	\$0.635	\$0.000
<b>Rugby Mining Ltd (RUG-V)</b>	500	\$160	\$0.320	\$0.320	\$0.320	\$0.010
<b>Sayona Mining Ltd (SYA-ASX)</b>	10,285,382	\$282,848	\$0.029	\$0.026	\$0.027	(\$0.001)
<b>Segue Resources Ltd (SEG-ASX)</b>	24,665,384	\$2,170,554	\$0.095	\$0.081	\$0.081	(\$0.019)
<b>Southern Hemisphere Mining Ltd (SUH-ASX)</b>	0	\$0	\$0.000	\$0.000	\$0.160	\$0.000
<b>Strategic Elements Ltd (SRG-ASX)</b>	1,036,872	\$93,318	\$0.095	\$0.085	\$0.086	(\$0.009)
<b>Venturex Resources Ltd (VXR-ASX)</b>	11,266,157	\$197,158	\$0.018	\$0.017	\$0.017	(\$0.001)
<b>Venus Metals Corp Ltd (VMC-ASX)</b>	189,729	\$24,665	\$0.130	\$0.130	\$0.130	\$0.000
<b>Winmar Resources Ltd (WFE-ASX)</b>	500,000	\$500	\$0.001	\$0.001	\$0.001	\$0.000
<b>Zenith Minerals Ltd (ZNC-ASX)</b>	70,220	\$8,075	\$0.120	\$0.110	\$0.115	\$0.005



**Key Wits 2.0 Questions**

What is the scale of the distribution of gold bearing conglomerate on the Pilbara Craton?

Is the grade high enough locally to support underground mining?

How can the grade of nugget based gold mineralization be reliably measured?

### Alternative Metal Price Scenarios

	Metal 1	Metal 2	Metal 3	Metal 4
	<b>Gold</b>			
<b>Spot:</b>	\$1,285 /oz			
<b>OV Assigned:</b>	\$1,285 /oz			
<b>Pessimistic:</b>	\$1,000 /oz			
<b>Optimistic:</b>	\$1,600 /oz			
<b>Fantasy:</b>	\$2,500 /oz			

Higher real gold price not necessary for Wits 2.0 if grades average 5.0 g/t or better

**Note:** for Metal 1 pessimistic, optimistic and fantasy price scenarios, OV assigned prices are used for Metals 2-4

### Economic Outcomes with Alternative Metal Price Scenarios

	USD PT NPV	USD PT IRR	USD AT NPV	USD AT IRR	AT Payback yrs
<b>Spot:</b>	\$6,084,360,453	281.5%	\$4,185,528,967	198.4%	0.5
<b>OV Assigned:</b>	\$6,084,360,453	281.5%	\$4,185,528,967	198.4%	0.5
<b>Pessimistic:</b>	\$4,369,335,294	206.5%	\$2,985,011,356	145.9%	0.7
<b>Optimistic:</b>	\$7,982,450,096	364.6%	\$5,514,191,717	256.6%	0.4
<b>Fantasy:</b>	\$13,402,122,299	601.7%	\$9,307,962,259	422.6%	0.2

## Metal Endowment and Discovery Exploration



## Discovering new deposits that work with the metal prices we have



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**Precipitation Theory Smoking Gun?**

***When members of a crowd with a conflict of interest and the goal of influencing the market and each other connect the dots and share the result in an untrusted, competitive environment, what is the collective result?***