

# **2018 Natural Resource Symposium**

## **Stalking Elephants in Nevada, the Pilbara and ...**

**Presented by John Kaiser**

**July 17, 2018**

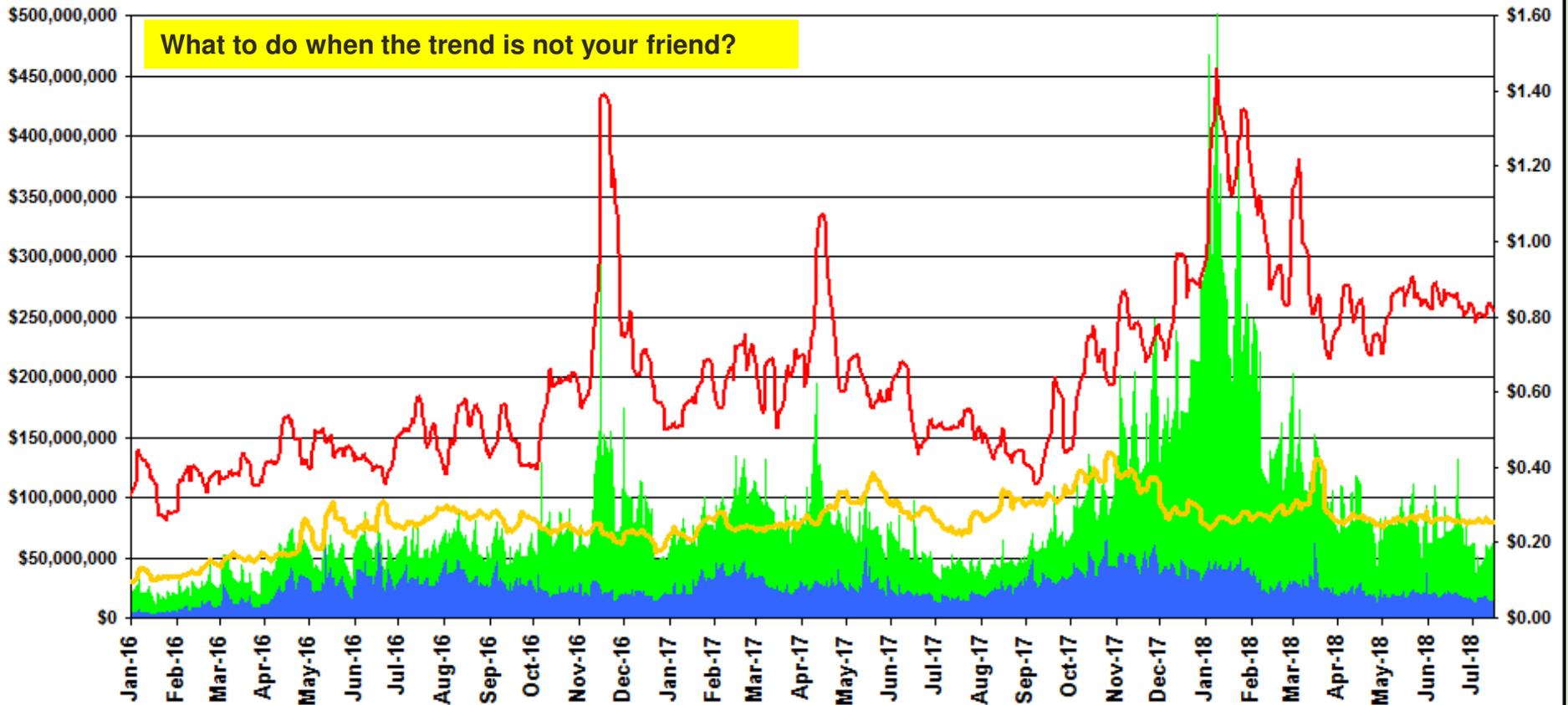
**Vancouver, Canada**



## Daily TSXV Resource Sector Value & Average Price Traded

July 16, 2018

- Non-Resource Traded Value
- TSXV Resource Sector Traded Value
- Average Non-Resource TSXV Traded Share Price (5 day MA)
- Average Resource Sector Traded Price (5 day MA)

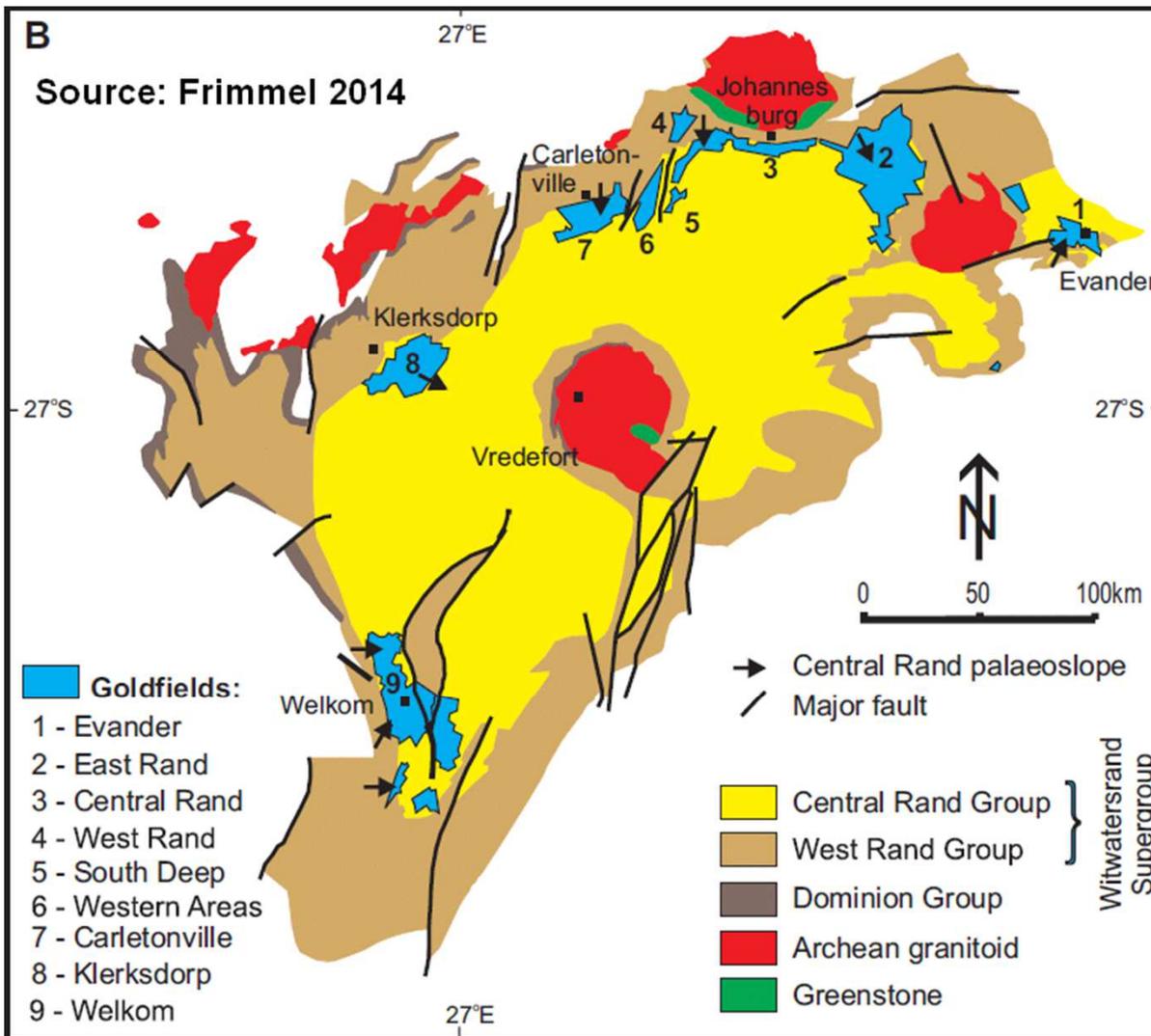




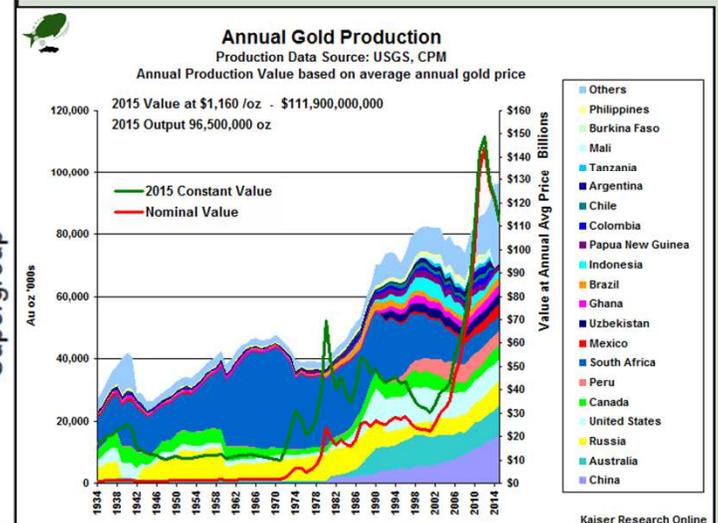
A year ago there was great hope that Wits 2.0 had been found in Australia's Pilbara.

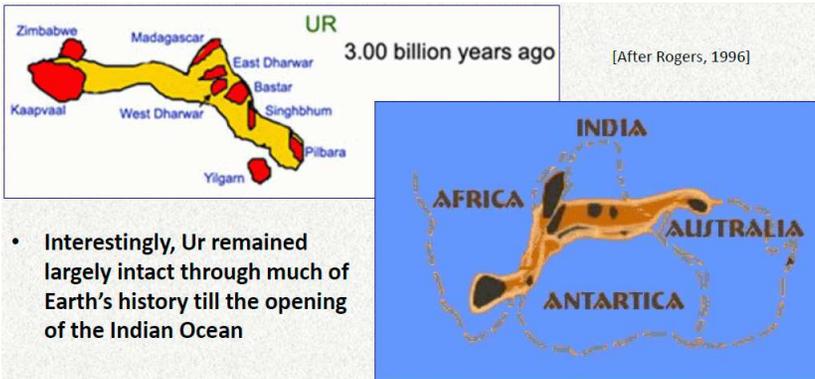
It would be the biggest gold discovery in a century, one controlled by juniors. It would be the Bre-X Redemption.

But will it ever be more than a playground for Backhoe Bobs and detectorists?



Wits 1.0 has yielded 1.6 billion oz gold with at least 1 billion oz left from thin but laterally extensive quartz pebble conglomerate reefs at 10 g/t gold consisting of 100 micron sized detrital gold grains. The origin of so much gold is controversial.





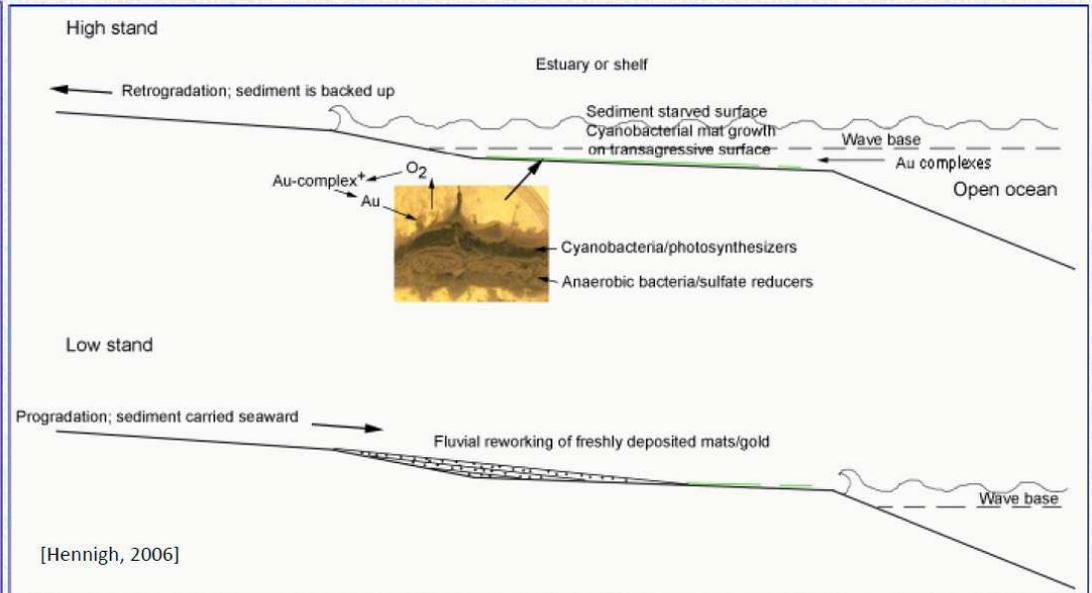
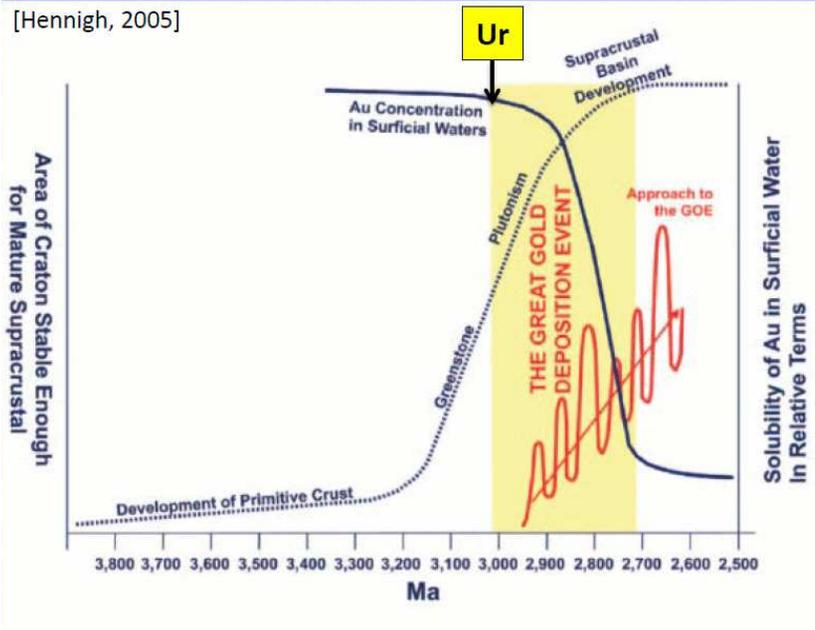
- Interestingly, Ur remained largely intact through much of Earth's history till the opening of the Indian Ocean

The most intellectually compelling theory is one propounded by Quinton Hennigh was that the emergence of photosynthesis precipitated gold out of enriched seawater during the onset of oxygenation.

- Microbial mat mediated ("3M") model for gold deposition
- Microbial mats flourish during high stands. As cyanobacteria generate oxygen, gold complexes break down causing gold to precipitate within the mat

The continent of Ur and the beginning of the crustal gold cycle – Hennigh, Q.T., IGC35, September 1, 2016

[Hennigh, 2005]



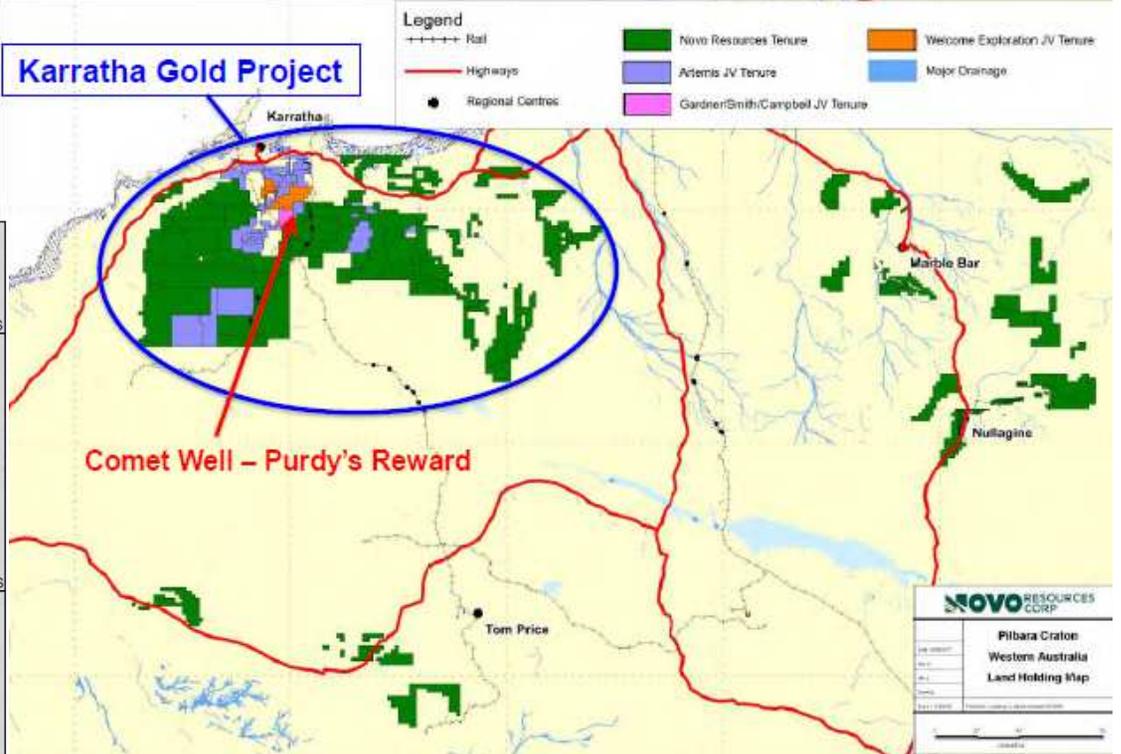
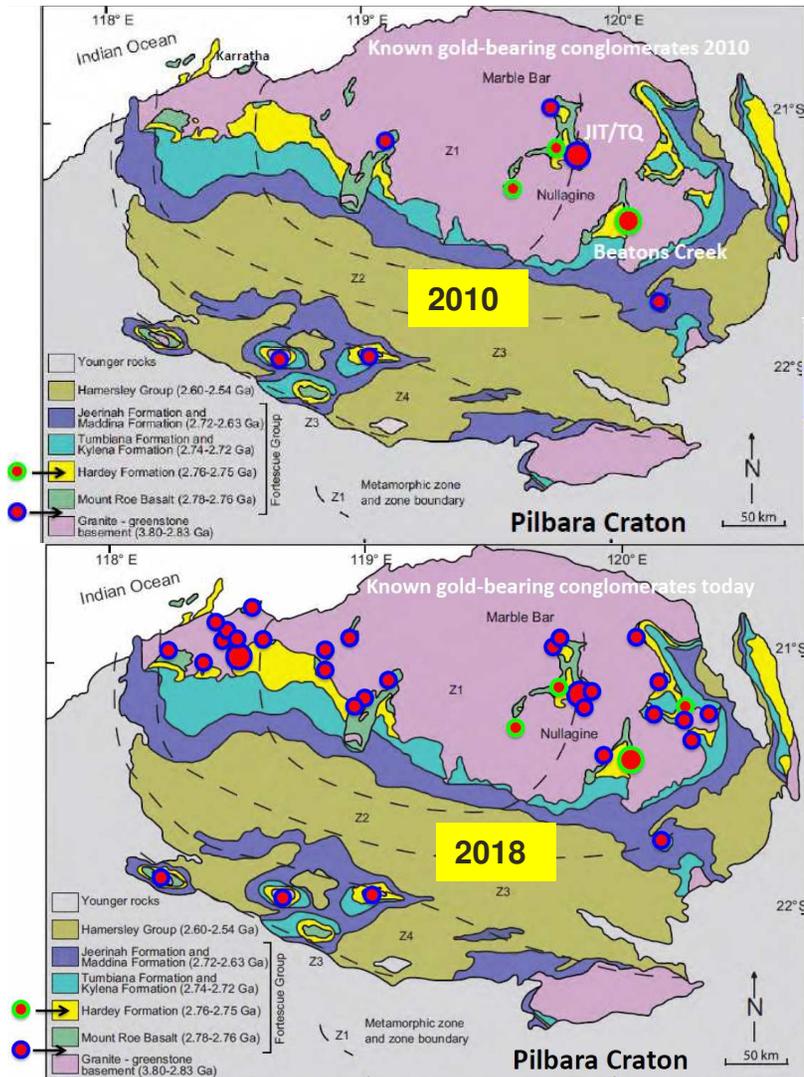
[Hennigh, 2006]

The continent of Ur and the beginning of the crustal gold cycle – Hennigh, Q.T., IGC35, September 1, 2016

**Novo tackled the Wits 2.0 dream in 2010 in the Beatons Creek area but by 2015 it was clear that the gold grade faded away downdip. Then in early 2017 QH got wind of very large nuggets being found in conglomerate bedrock by detectorists 350 km to the northwest in the Karratha region.**



**Novo went on a staking and optioning spree that assembled 10,000 sq km in the northwest of the Pilbara where older basement rocks were not the exposed bedrock. It soon became apparent that nuggets showed up wherever conglomerate sandwiched between Mt Roe basalt and basement was exposed. Was Wits 2.0 bigger than Wits 1.0?**



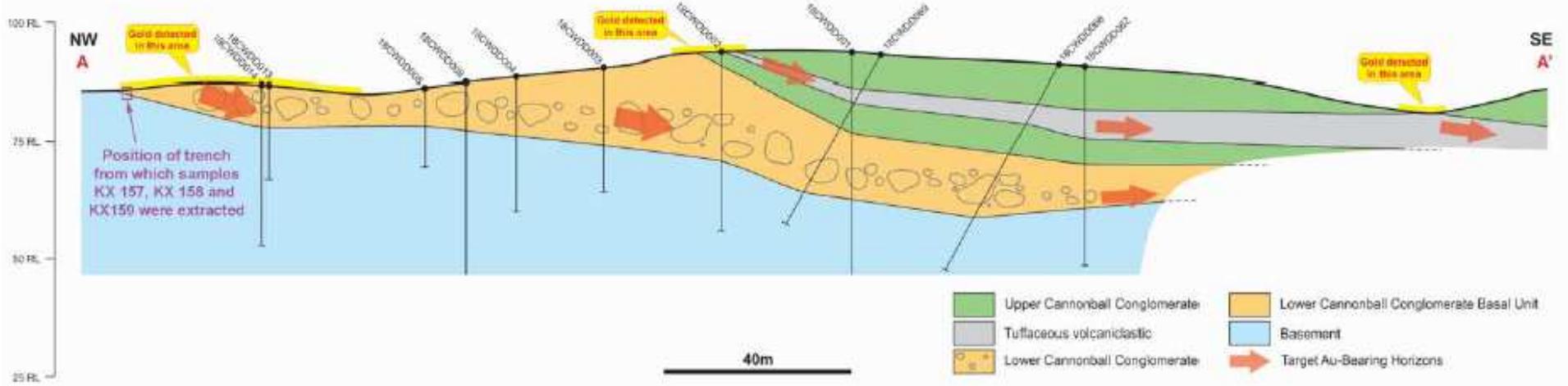
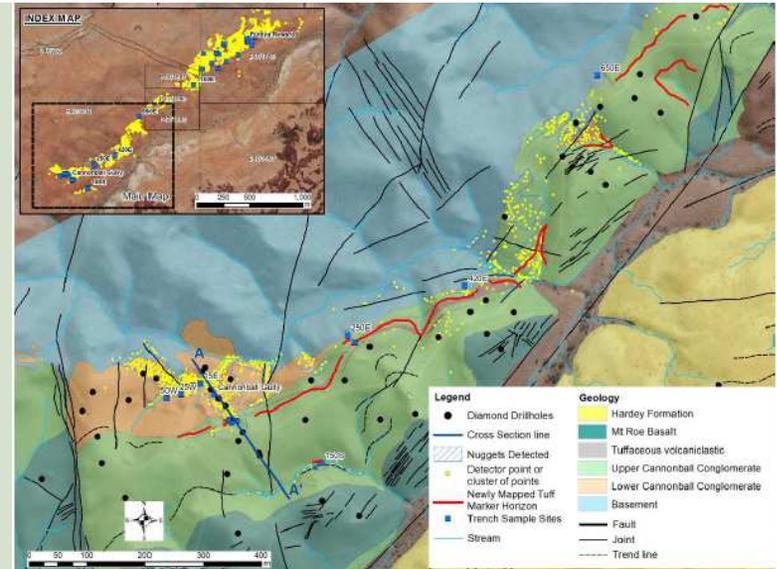
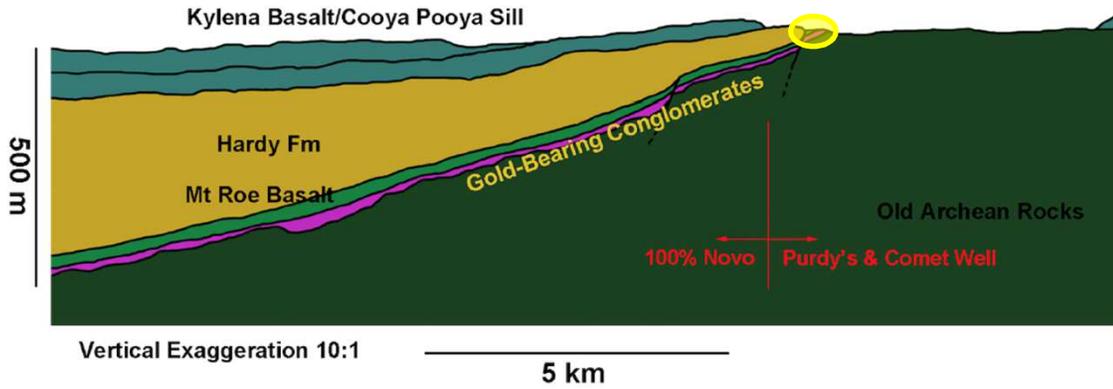


**From jack-hammering cowboys to Karratha Live at the Denver Gold Show Quinton Hennigh put on quite a show, helping Novo achieve a valuation approaching \$2 billion and raise over \$80 million.**

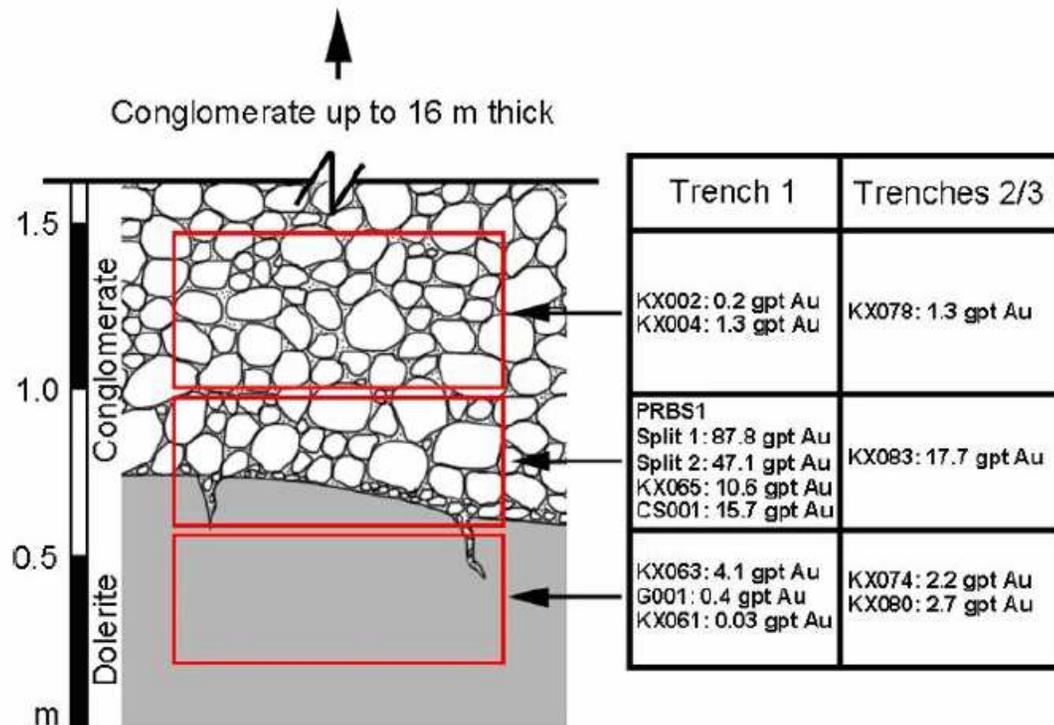


Schematic Section  
Looking SW

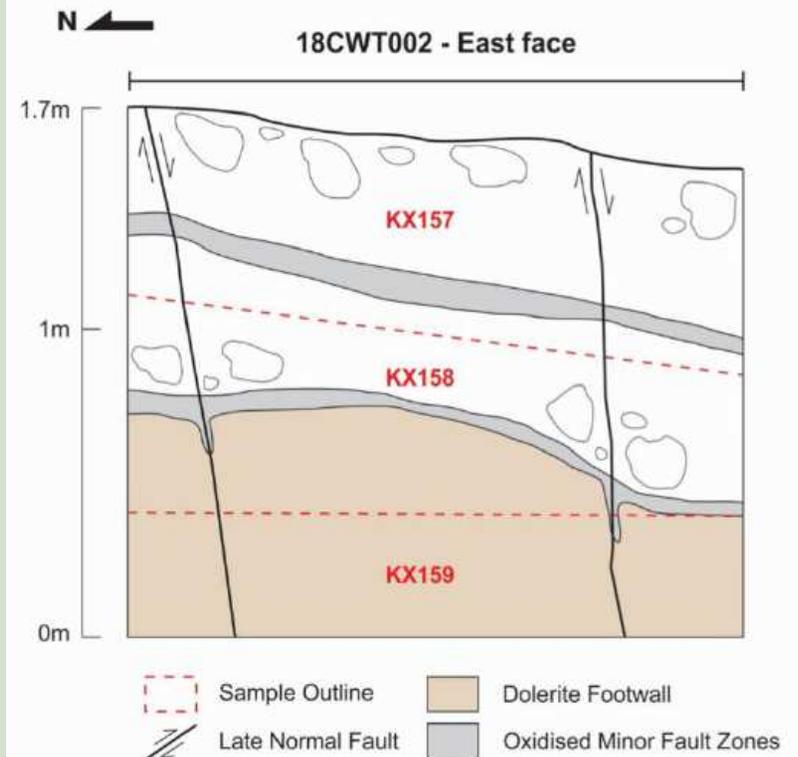
The Thin Edge of the Wedge

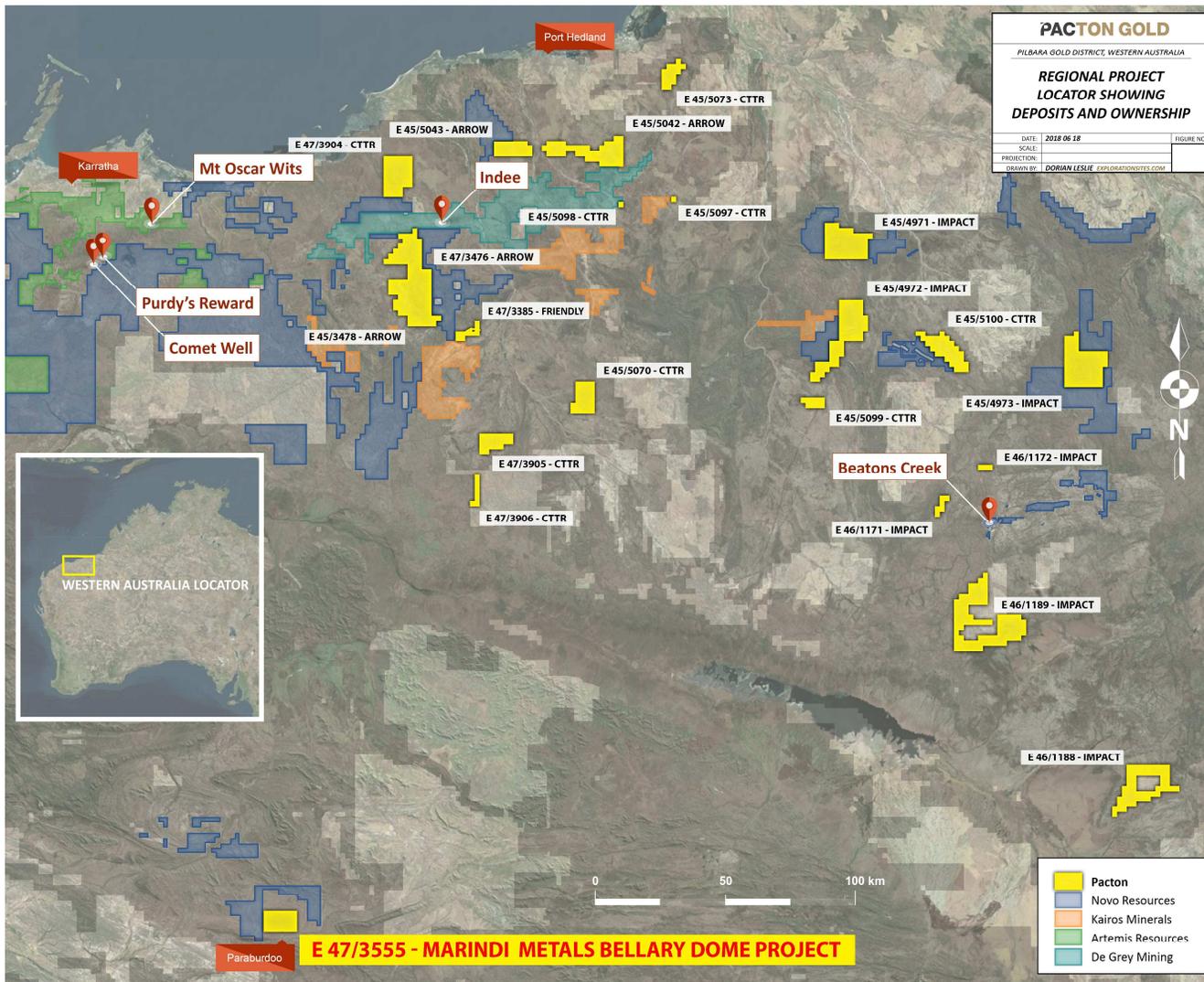


At Purdy's Reward in what is now called the Upper Cannonball conglomerate the gold nuggets appeared to concentrate within a horizon 40 cm above basement rock. No news since Feb 14, 2018. Still waiting for 3 samples 5-7 tonnes taken in December.

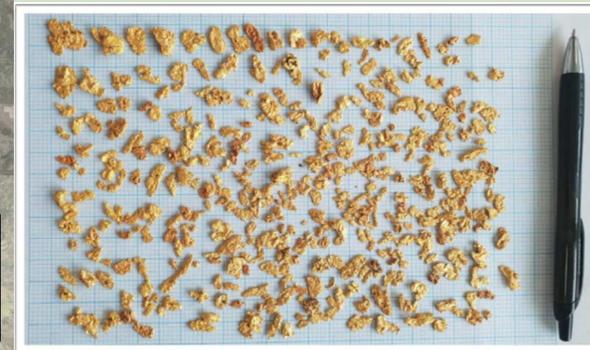


At Comet Well in the Lower Cannonball KX157 averaged 10.4 g/t gold and KX158 only 1.5 g/t. No news since May 31, 2018. One data point does not make a resource.

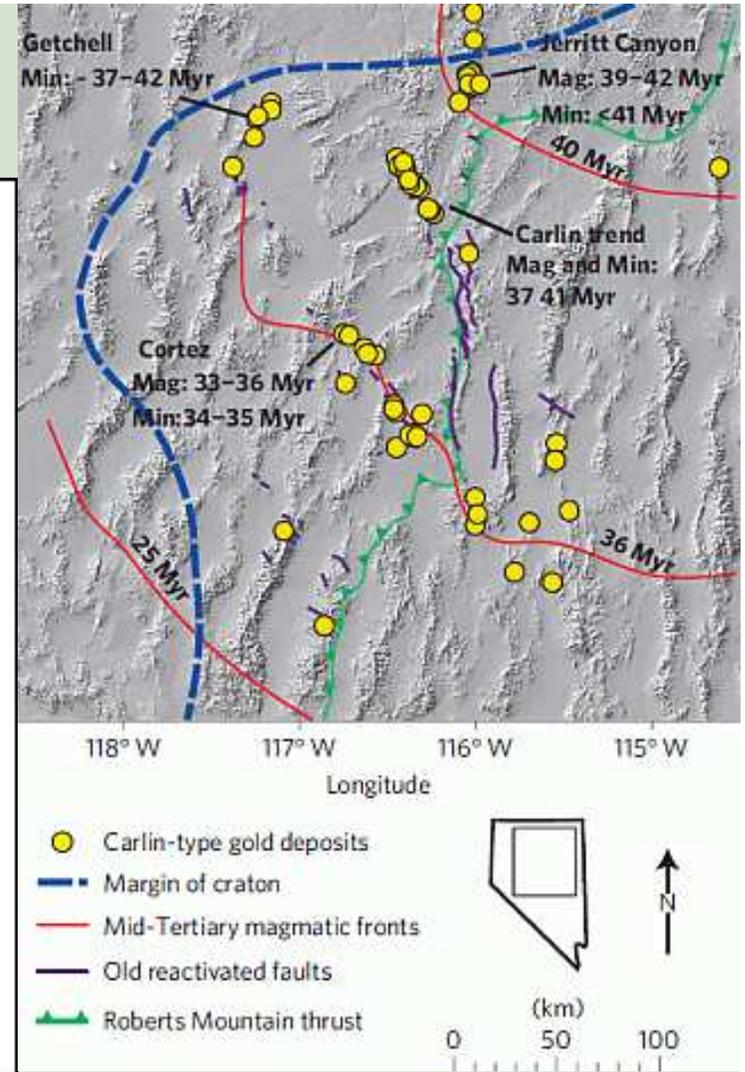
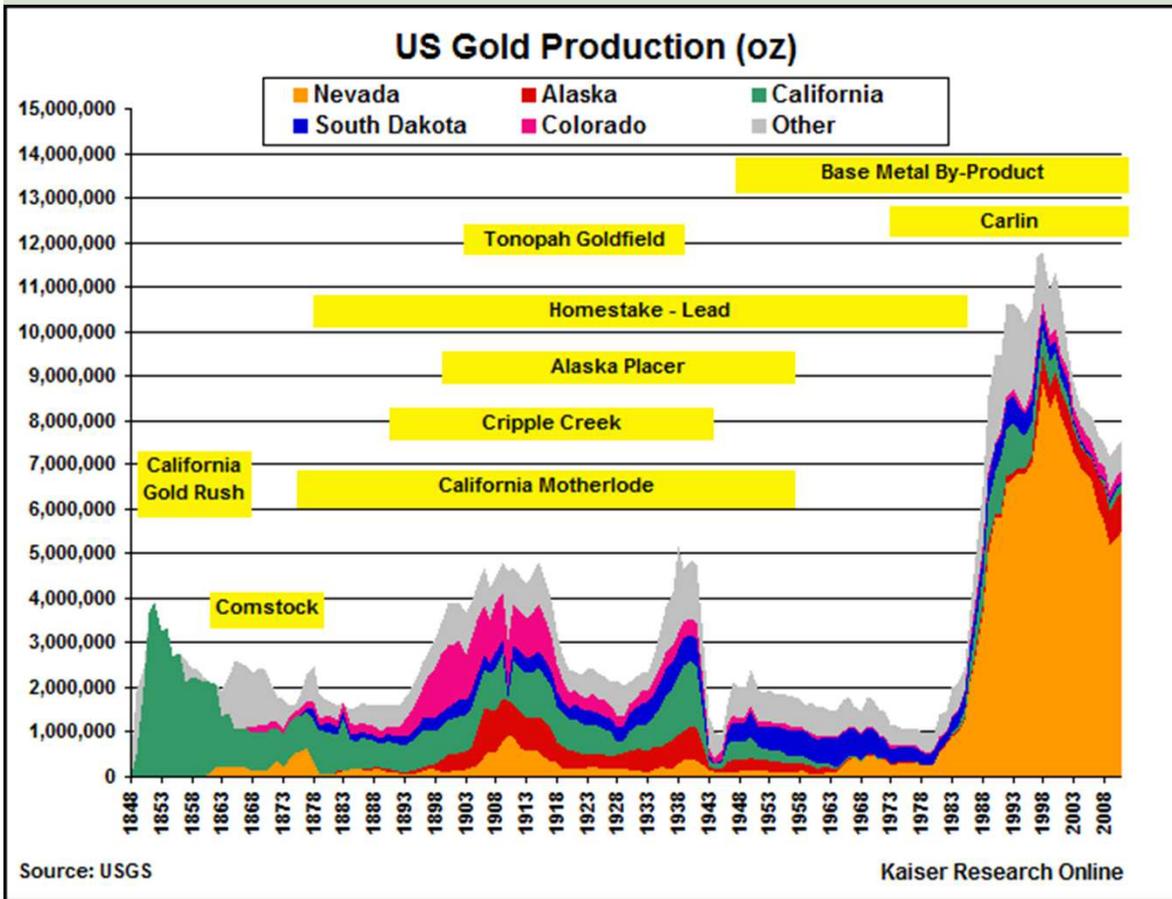




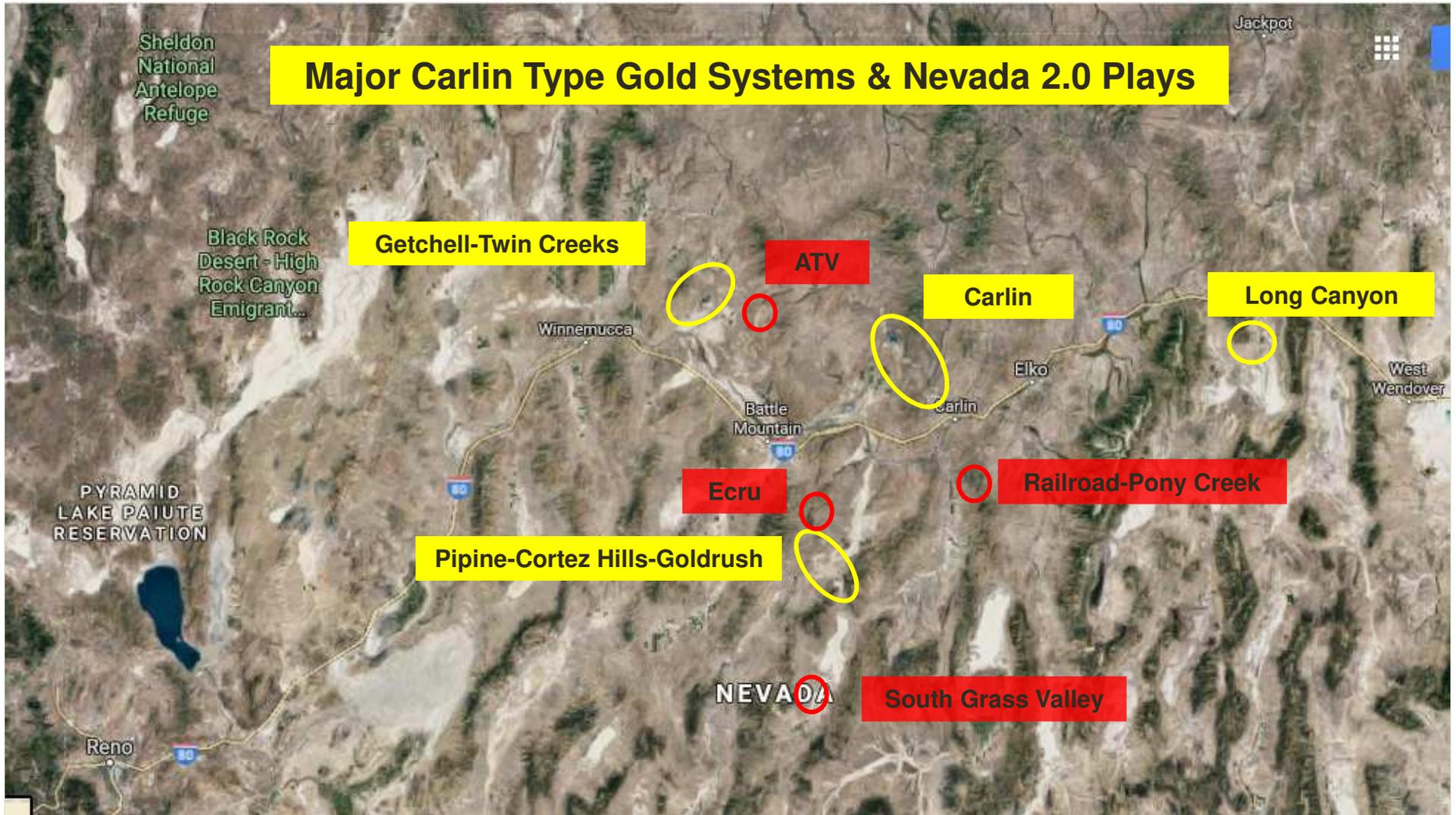
**Pacton Gold the new Canadian landholder in Pilbara targeting the thin edge of the wedge. Pacton has 10% of Novo's valuation.**

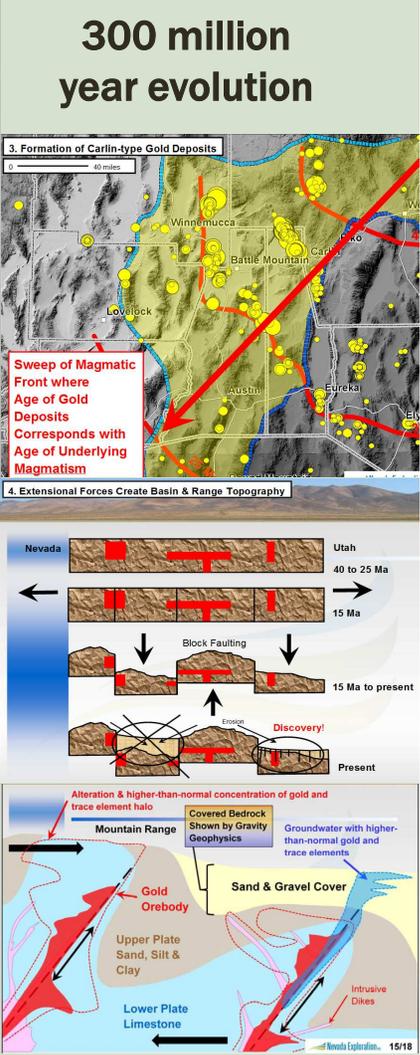
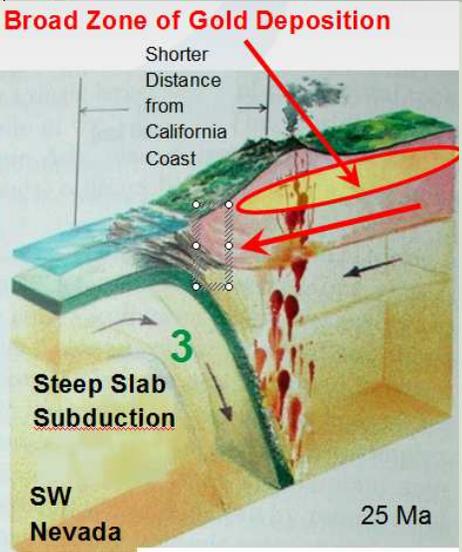
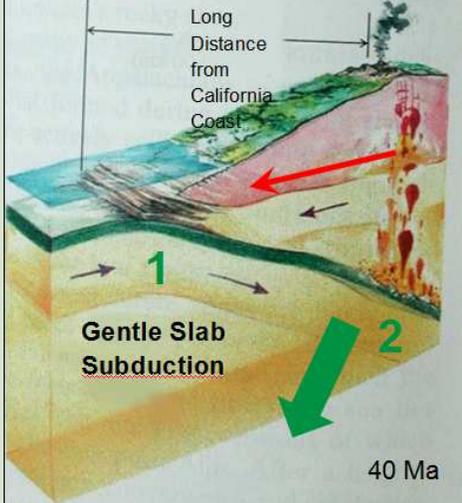
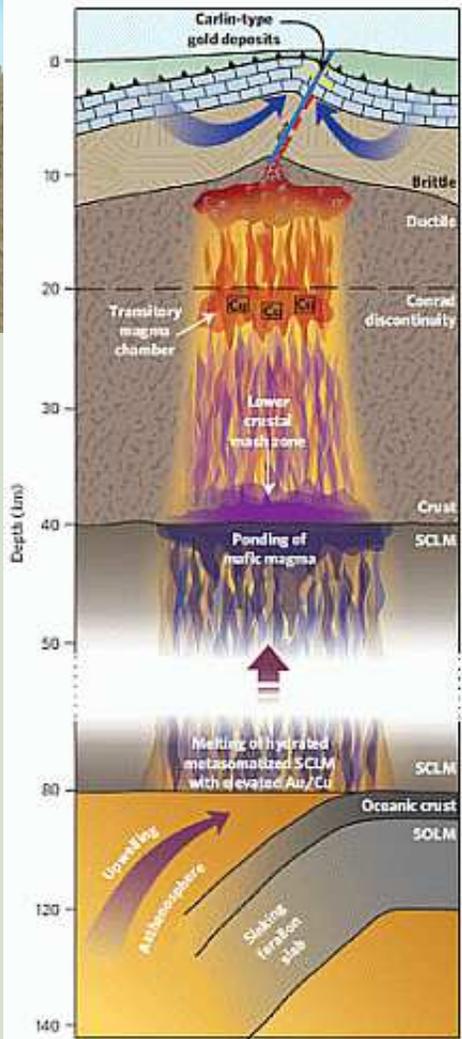
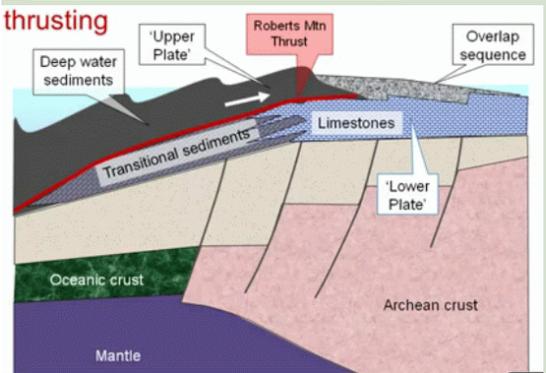
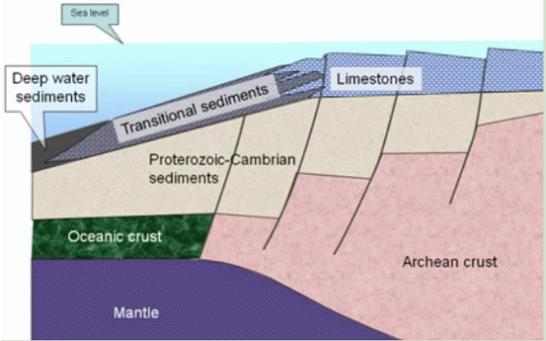


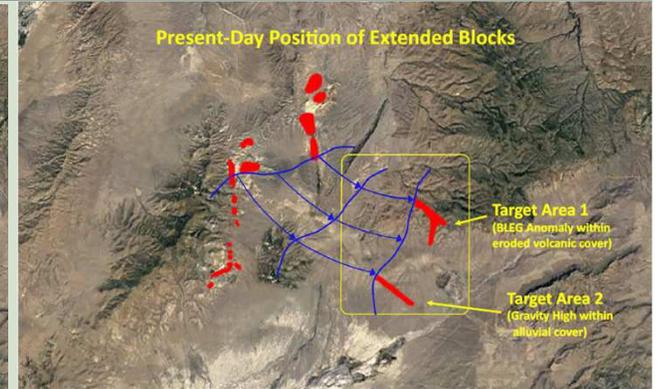
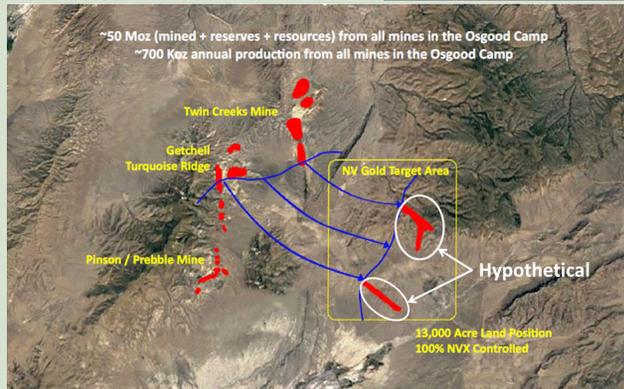
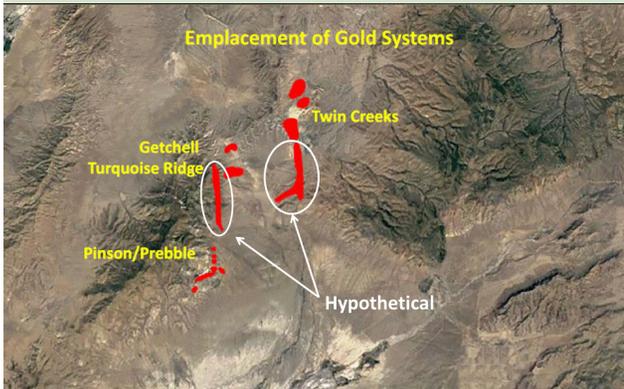
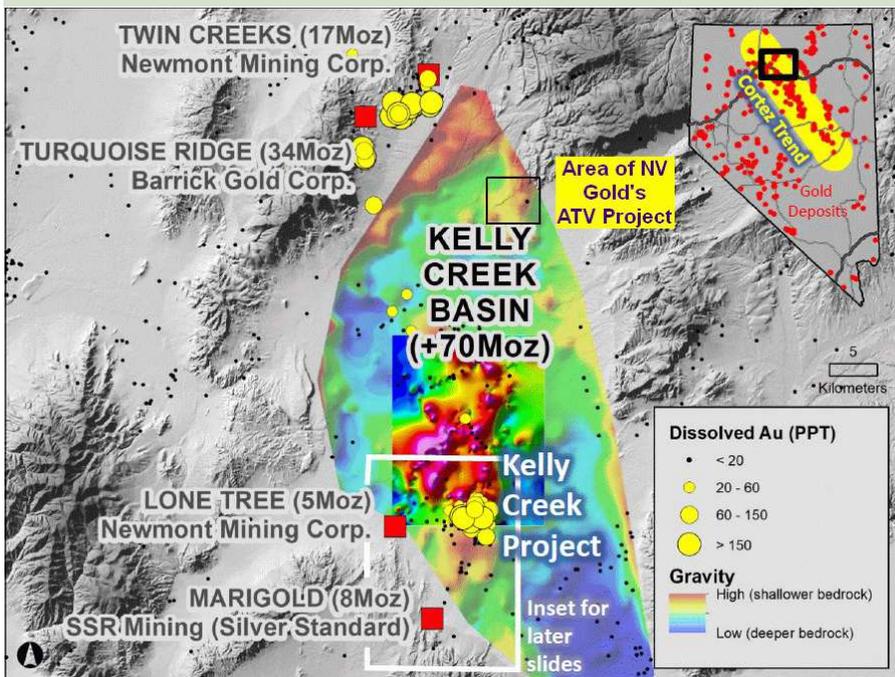
# Back to America: Nevada 2.0

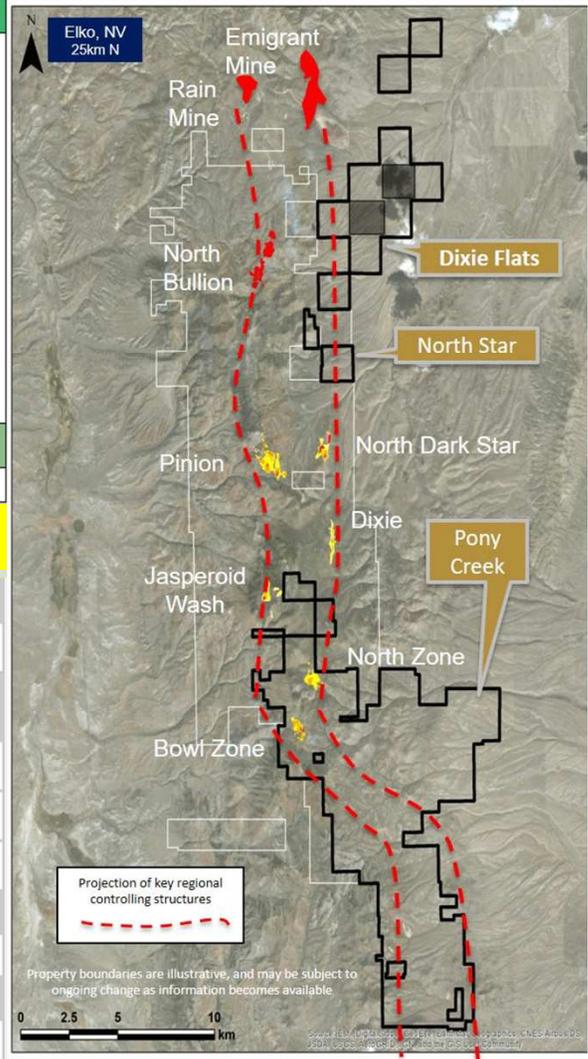


# Major Carlin Type Gold Systems & Nevada 2.0 Plays









## Chasing the Trend: Nevada 1.0 vs Nevada 2.0

### Project Resource Estimate - Pinion

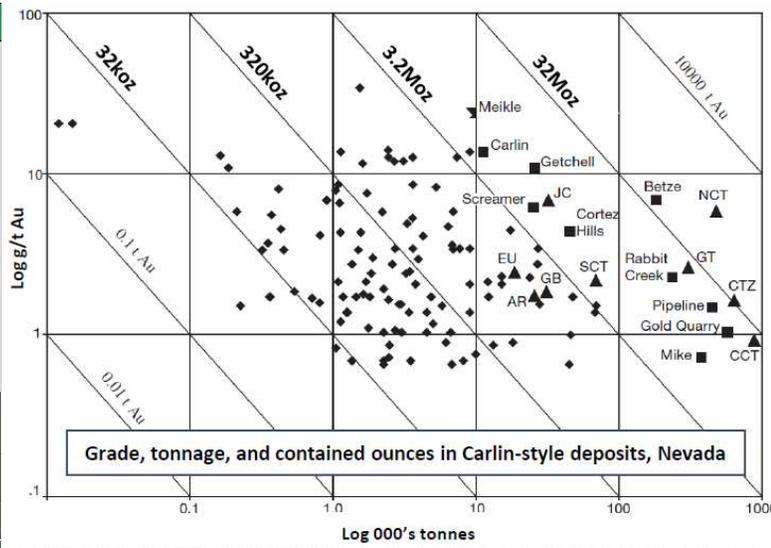
Mar 15, 2016	NI 43-101	Steven Nicholls, MAIG, and Michael Dufresne, PGeol, PGeo, of Apex Geoscience Ltd.					Cutoff: 0.14 g/t Au
Resource Category	Tonnage	Total Rock Value	Metal	Grade	Recovery	Contained Metal	% of GMV
Indicated Resources	31,610,000	\$25/t	Gold	0.62 g/t	100.0%	630,106 oz	100%
Inferred Mineral Resources	61,080,000	\$24/t	Gold	0.55 g/t	100.0%	1,080,089 oz	91%
<b>All Categories Spot</b>	<b>92,690,000</b>	<b>\$24/t</b>	<b>Gold</b>	<b>0.57 g/t</b>		<b>1,710,195 oz</b>	<b>94%</b>
			<b>Silver</b>	<b>2.74 g/t</b>		<b>8,169,398 oz</b>	<b>6%</b>
Spot Gross Metal Value		Market Cap as % of Net GMV		Spot Prices Used			
\$2,251,681,400		22.3%		Gold \$1,241.10/oz, Silver \$15.81/oz			



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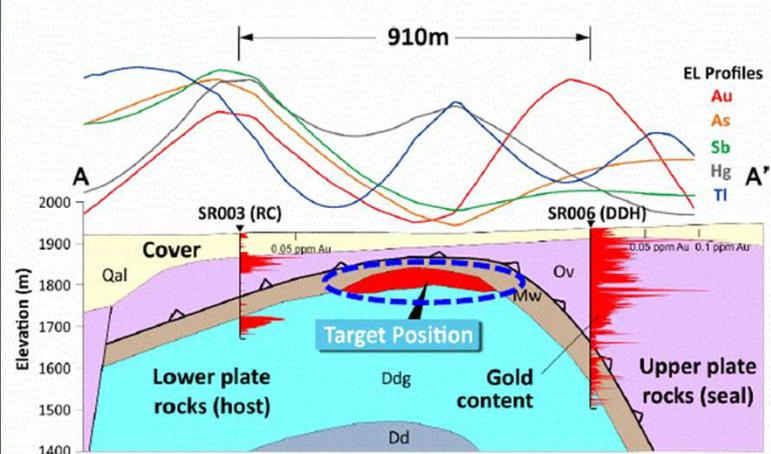
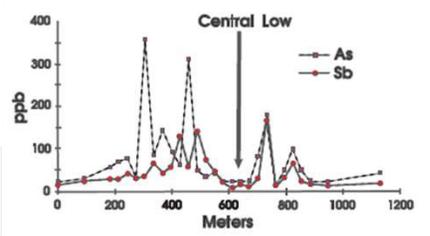


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Grade, tonnage, and contained ounces in Carlin-style deposits, Nevada

Nevada 2.0:  
enzyme leach,  
MMI, mercury  
gas sniffing



Two drillholes with anomalous gold define folded sequence of favourable carbonates beneath upper plate rocks & pediment, with good geochem response

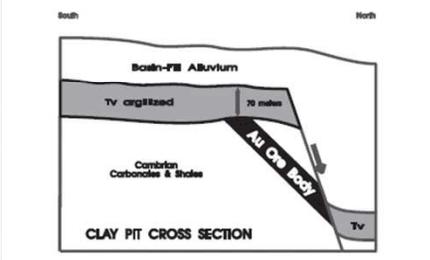
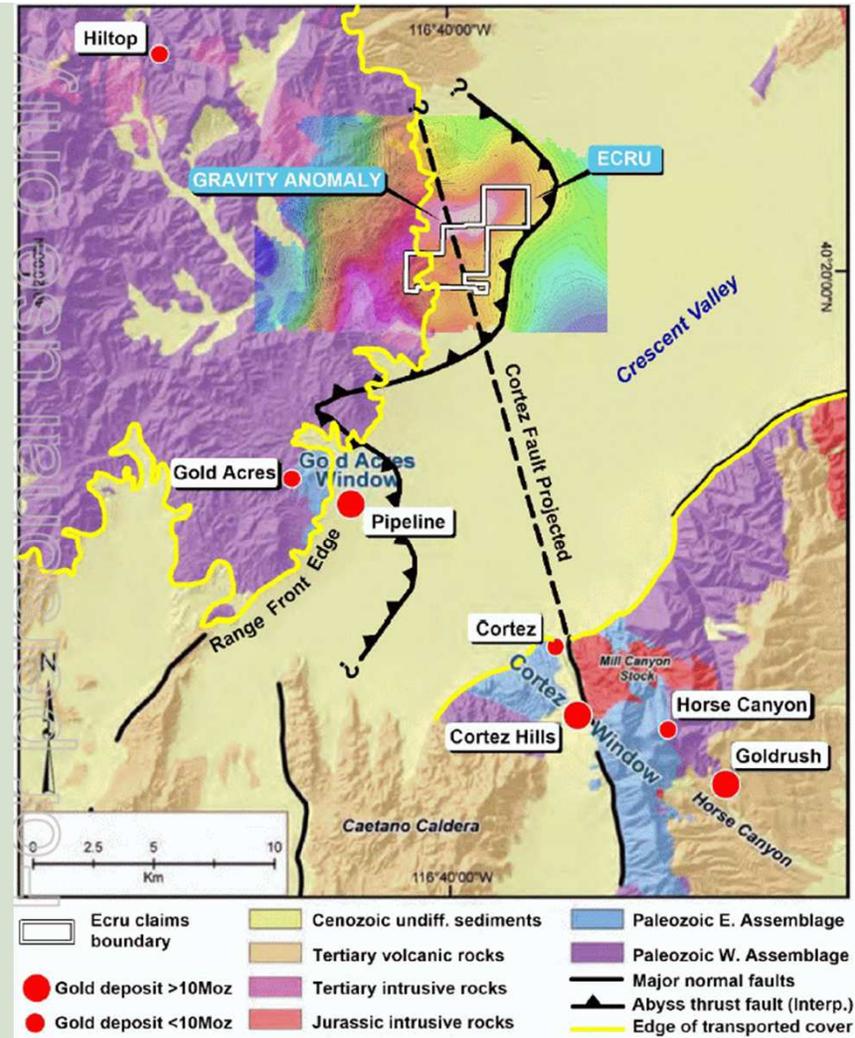
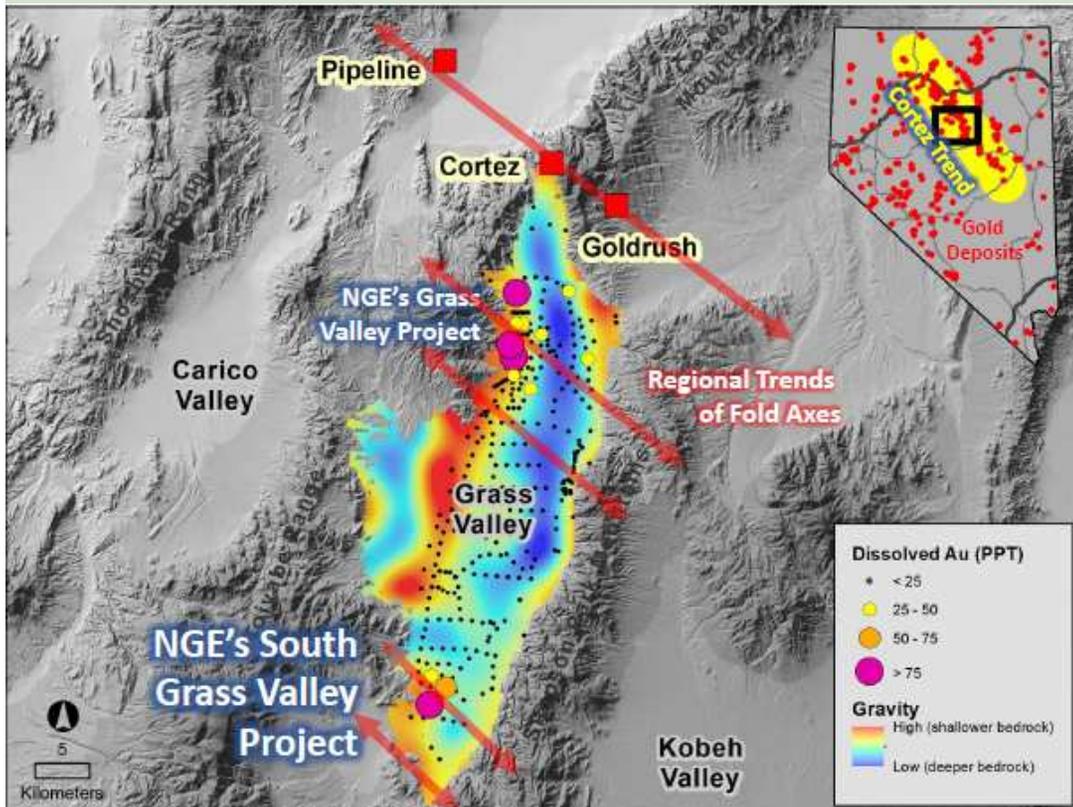


Figure 1: Typical Enzyme Leach oxidation halo over the Clay Pit deposit, an epithermal gold ore body in the Getchell Trend, Nevada. The central low directly overlies the upper end of the mineralized body. The deposit is capped by seventy meters of argillized Tertiary volcanic rock and eighty meters of basin-fill alluvium.

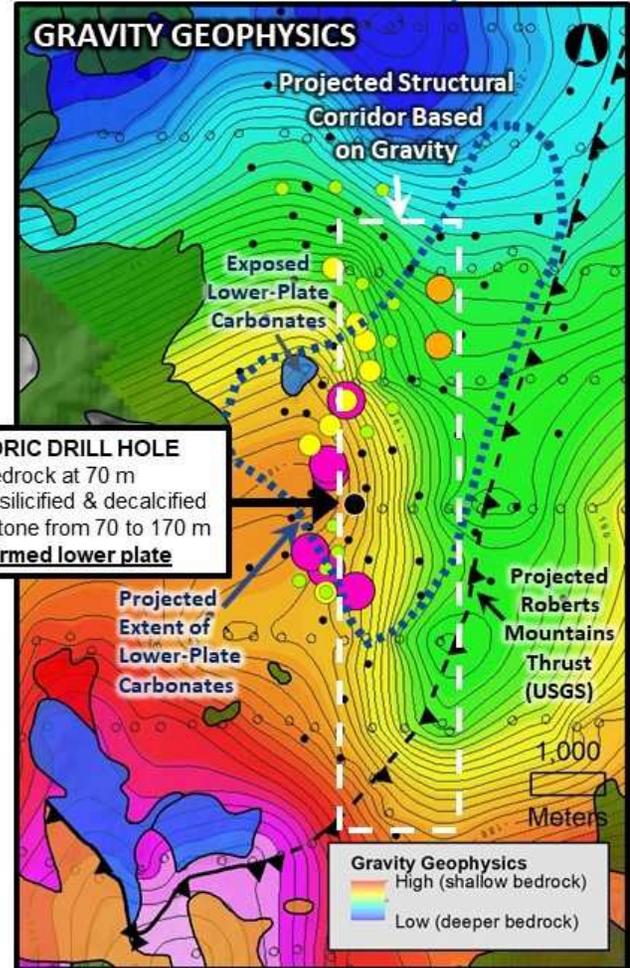
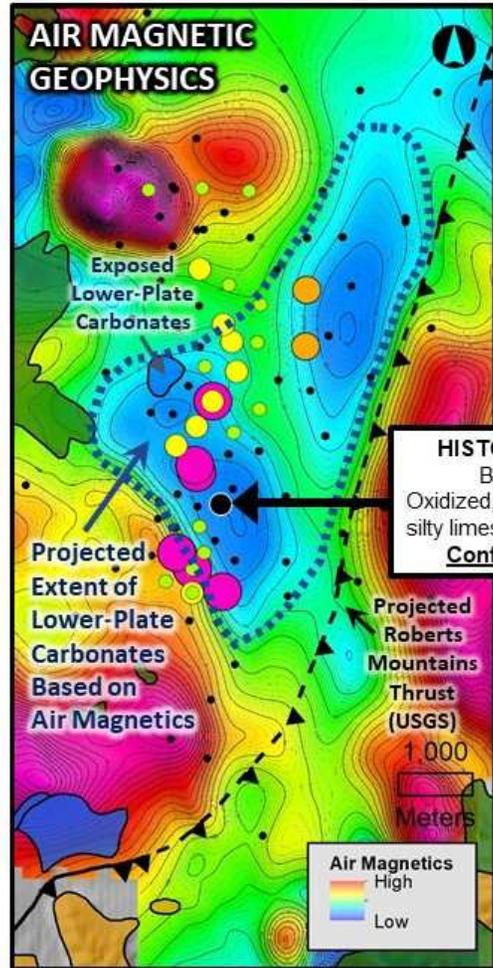
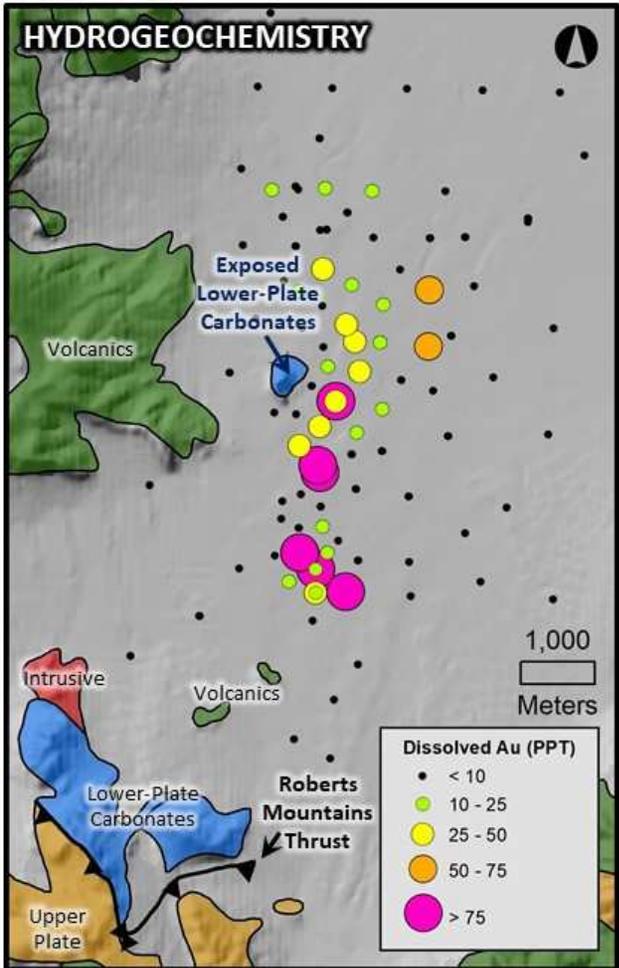
Source: Innovative Enzyme Leach Provides Cost-Effective Overburden Bedrock Penetration - 1997 - Clark et al



# Hydrogeochemistry: a regional target generation tool ideally suited for Nevada's basins

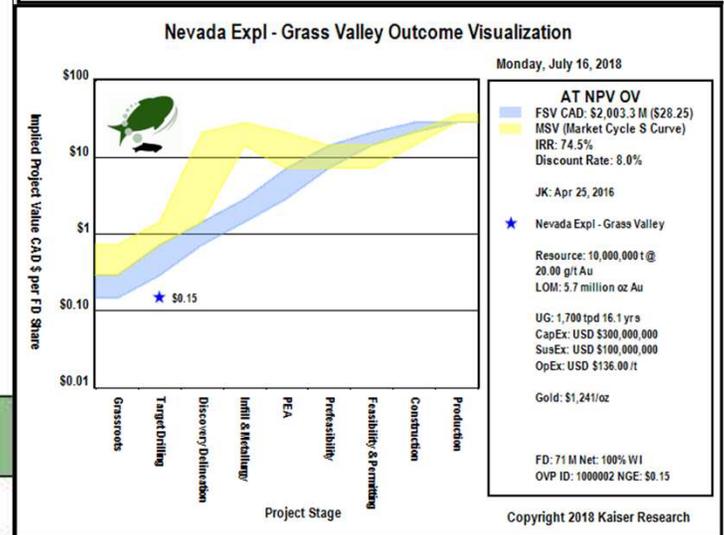
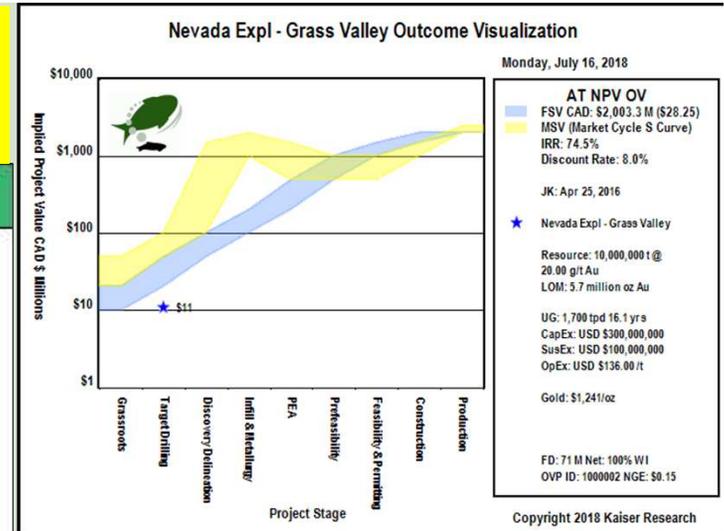


# South Grass Valley: Updated Exploration Model (June 2018)

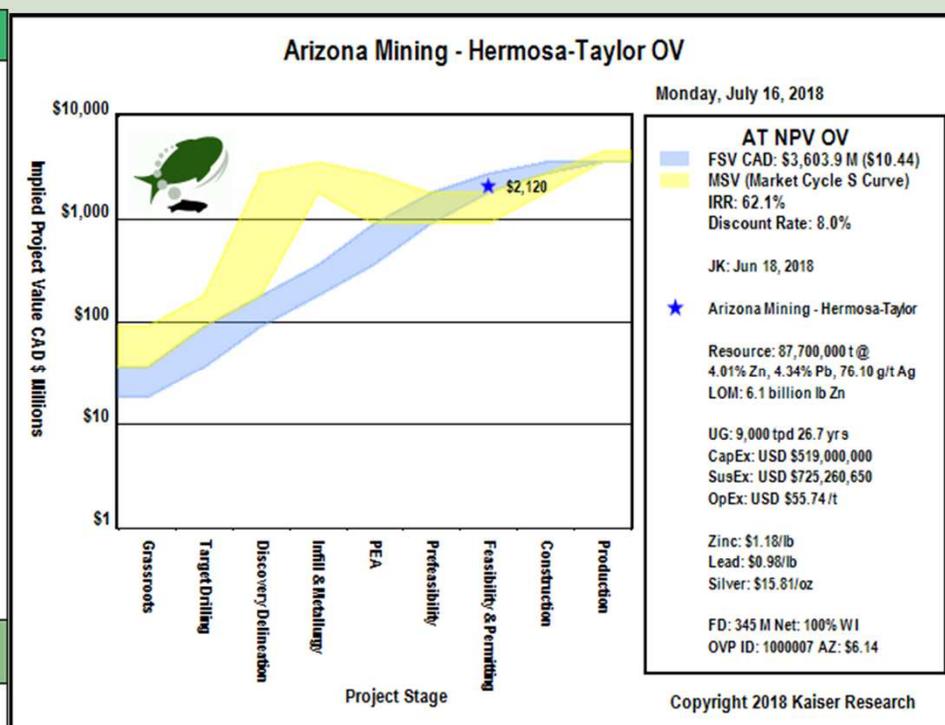


**HISTORIC DRILL HOLE**  
 Bedrock at 70 m  
 Oxidized, silicified & decalcified silty limestone from 70 to 170 m  
Confirmed lower plate

# What if another Cortez Hills is found?

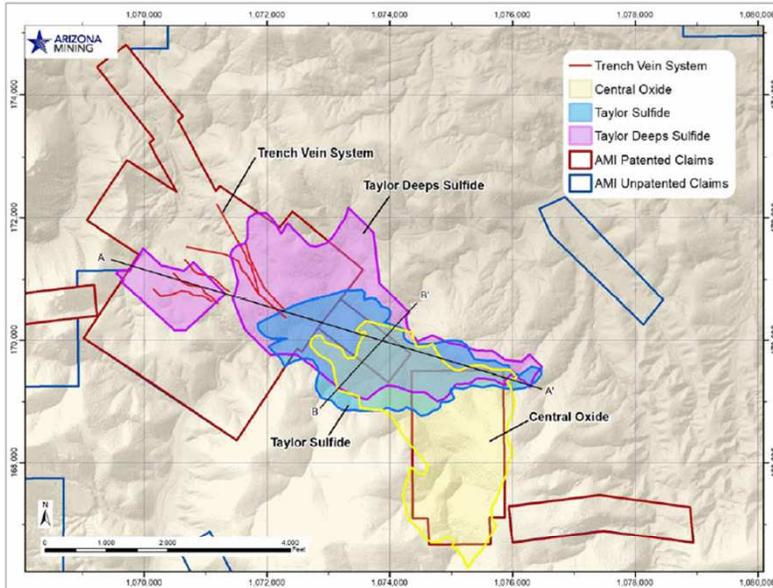
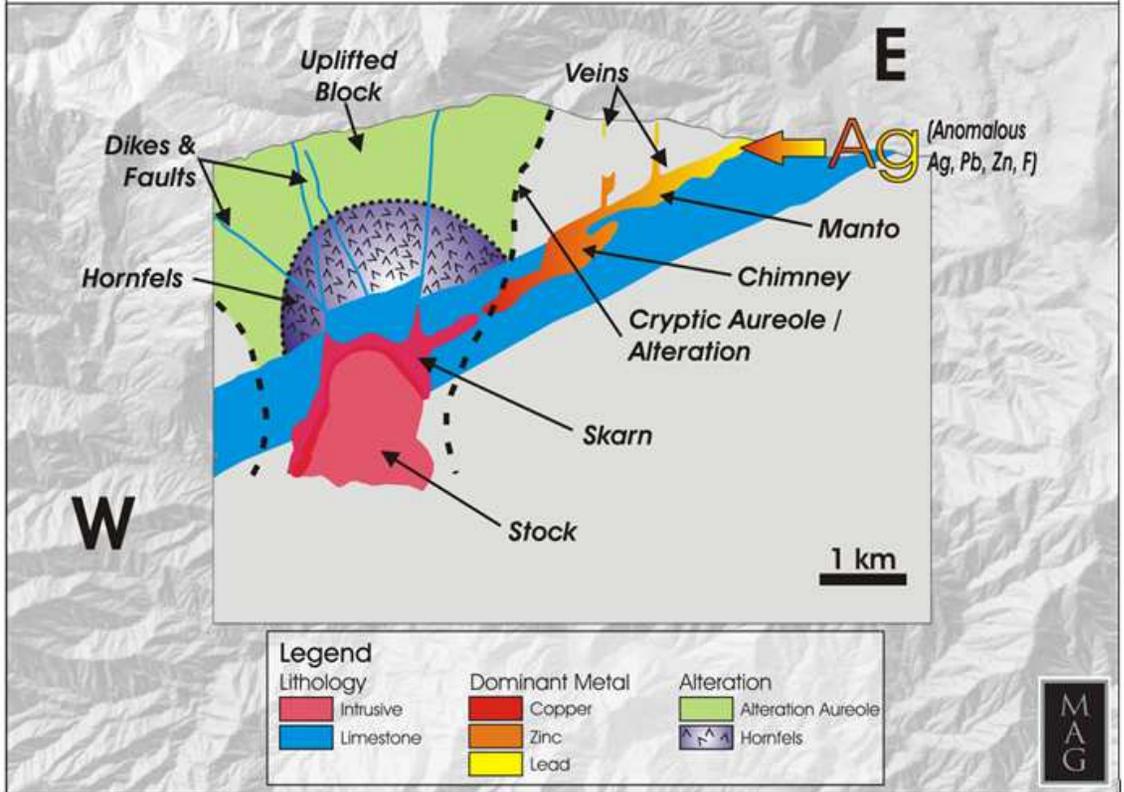


**Hermosa-Taylor: \$2.1 billion buyout of Arizona Mining Inc at \$6.20 by South32 to own the biggest recent discovery in America. Closing late August.**

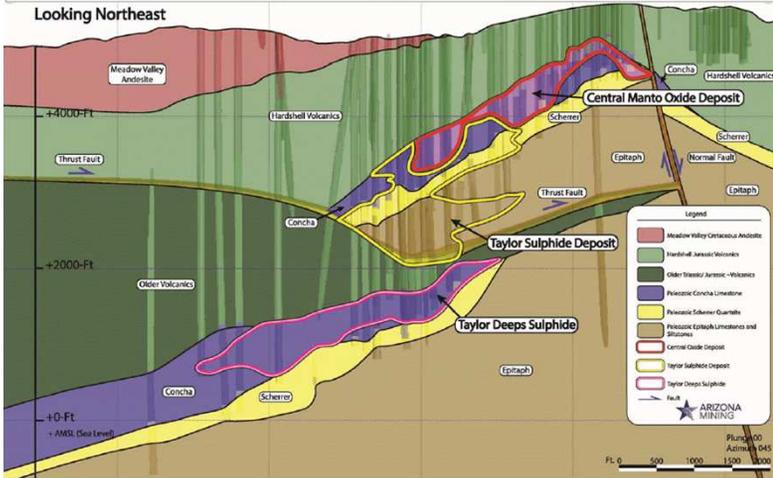


**Carbonate Replacement Systems yield high grade big value discoveries.**

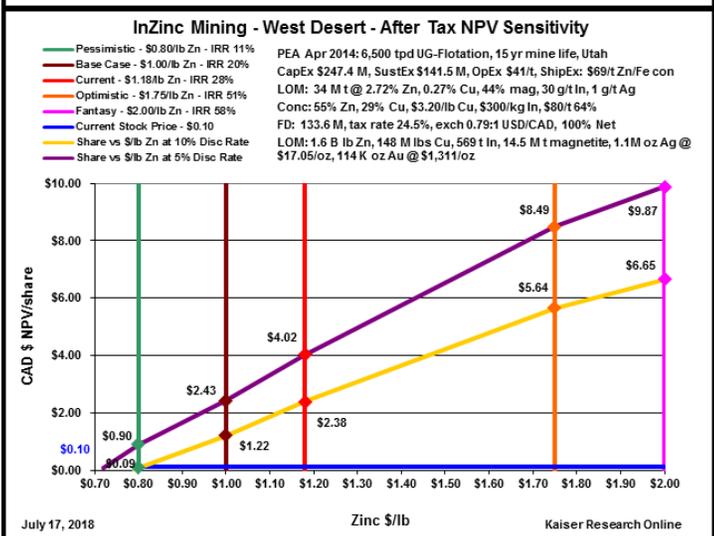
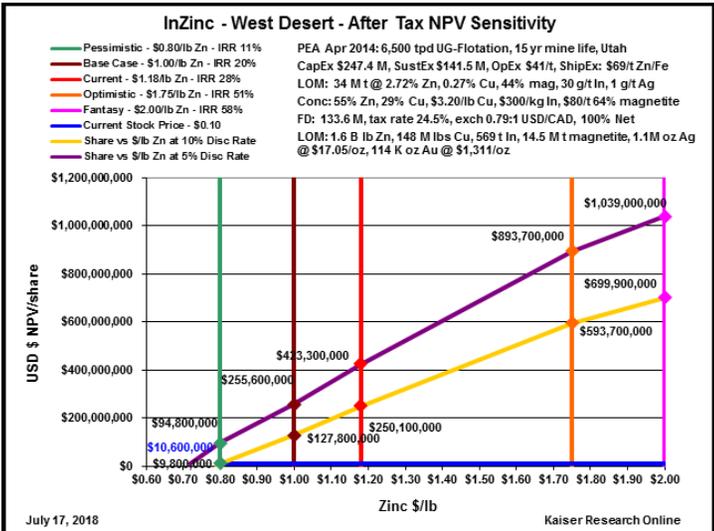
**CRD EXPLORATION MODEL**



Looking Northeast



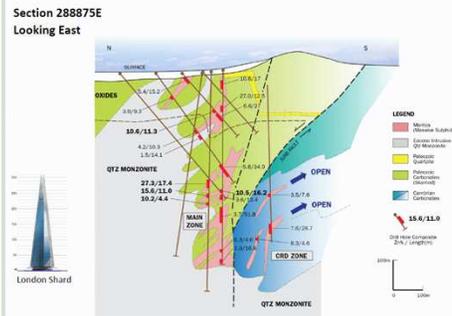
# West Desert: already in the money with exploration potential testing underway.



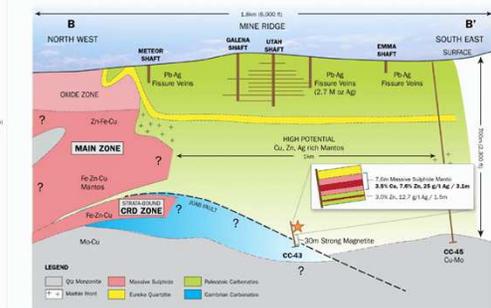
**West Desert & Bingham Canyon Comparison – Same Scale**



**Simplified Geological Cross Section**

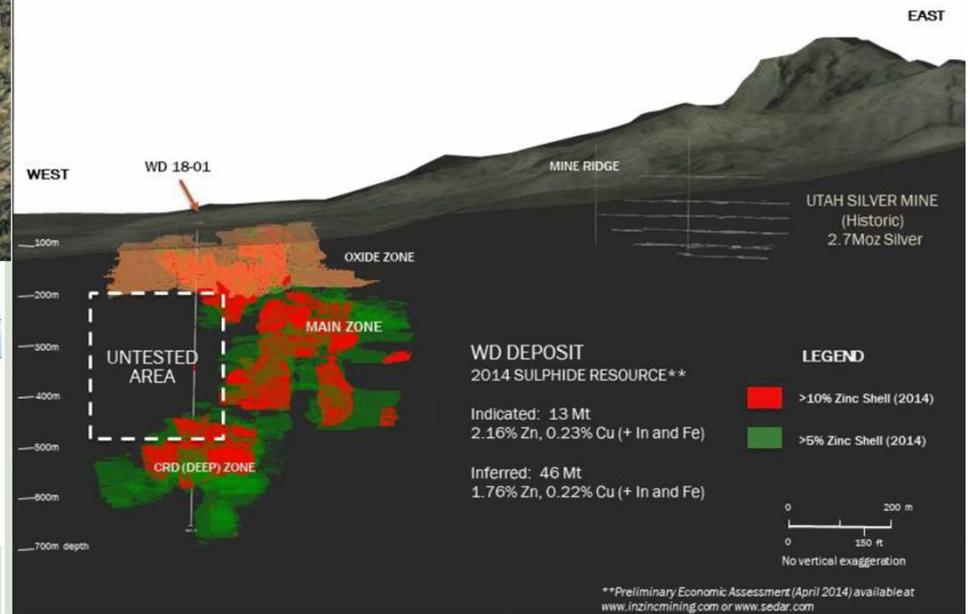


**District Scale Zoning of Mineralization Schematic Long Section**



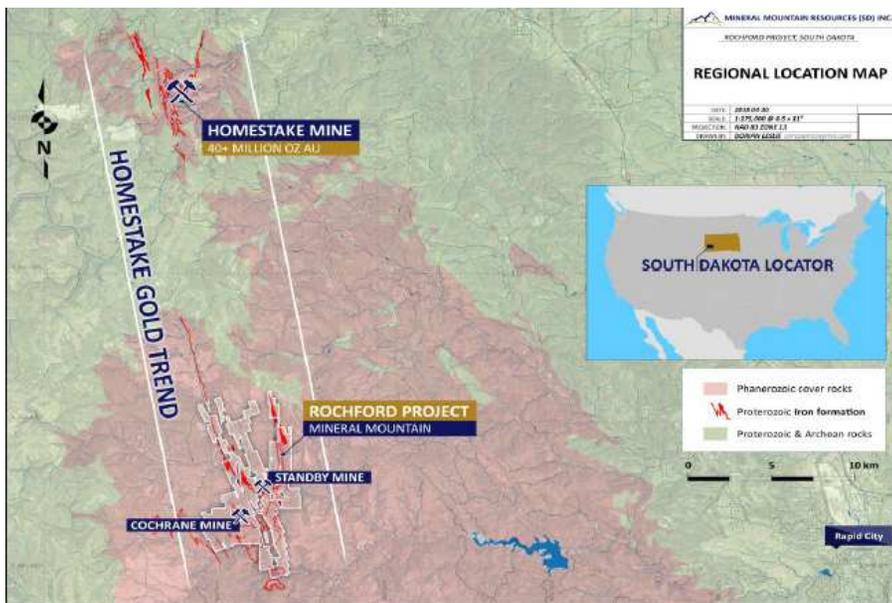
**Are there more Bingham Canyon scale deposits to be found in Utah?**

**WEST DESERT 2018 DRILL PROGRAM – LONGITUDINAL VIEW  
Drill Hole WD18-01 – Near Surface Expansion Potential**

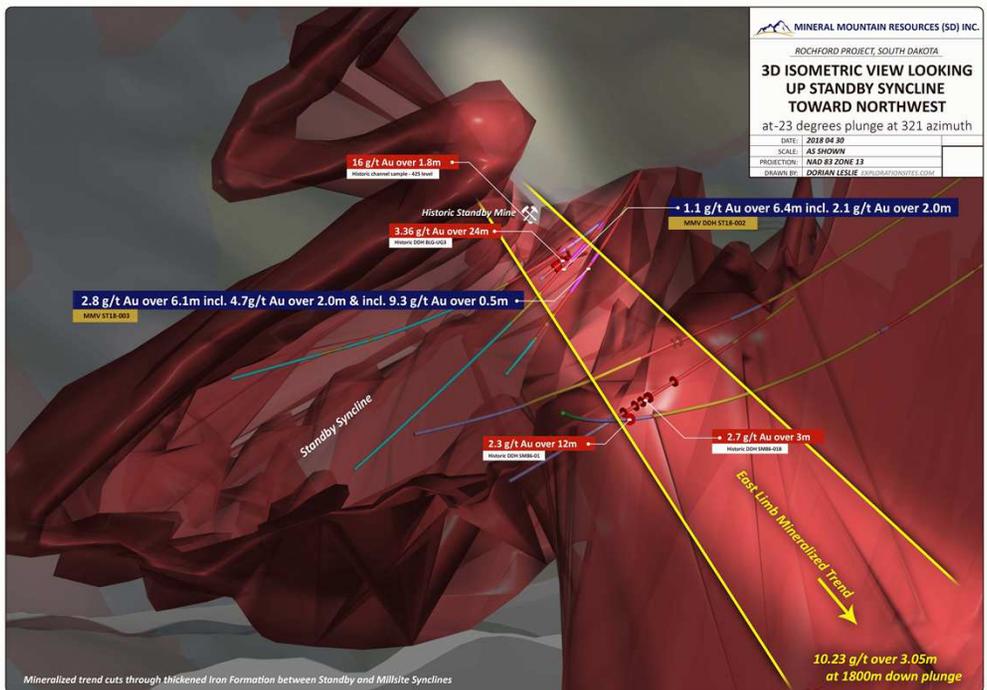
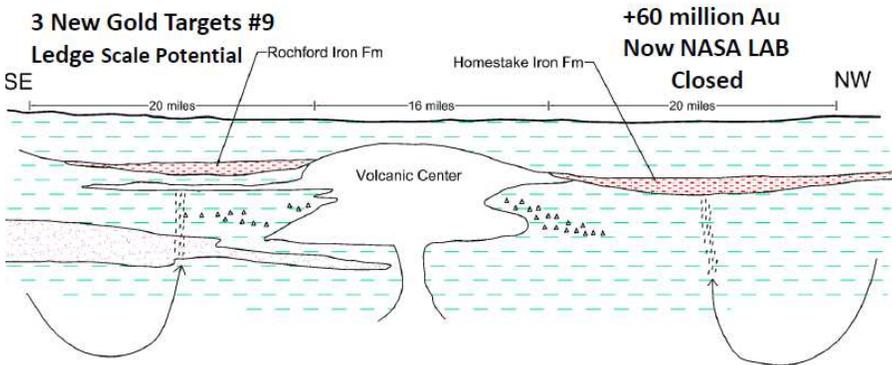




Maybe the Back to America trade war push will not have the desired consequences, but one unavoidable consequence will be the need for domestic metal and gold supply.



Homestake District World's Richest BIF Hosted Gold Belt



# Kaiser Research Online

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The screenshot shows a Slack channel named "#scandium". The channel header includes a search bar, a star icon, a group icon with "79" members, a lock icon, and an "Add a topic" button. The date "Friday, June 29th" is displayed. Two messages are visible:

- A message from "Montréalblob" at 6:18 AM: "Q: is there enough Scandium in general for potential market demand? Or, does it always remain a niche market? because there's not enough globally? In other words, Beer can talk is just nonsense. And one to five end users will want/have it all. Is there a there - there?"
- A message from "JK" at 9:12 AM: "The best example is niobium, which really couldn't be used by the steel industry on a systemic basis because it came from coltan deposits in Nigeria, Congo and other wonderful parts of the world. And those were from alluvial or skinny vein deposits. In bigger bedrock deposits which usually had niobium and tantalum the grade was very low and the cracking cost high. It was only when the Araxa carbonatite in Brazil, which is the focus of a hot spring on which a big hotel was built, was recognized as 500 million tonnes of 2.5% niobium that offtake growth became a reality. That was 10 times higher grade than known niobium deposits. The CBMM family had a tough time convincing steel users to start relying on niobium during the sixties because they feared reliance on a single supplier. CBMM had to find a price high enough to allow lower grade deposits elsewhere in the world to come on stream, such as the Niobec carbonatite in Quebec which IAMGold developed. There is another deposit bigger and richer than Araxa in Brazil, but it is in a very remote part of the Amazon jungle. If it were in another country it would get developed. Aluminum users haven't had the luck of a niobium equivalent breakthrough, but those deposits in New South Wales are 5-10 times higher grade than what has been historically known for scandium "deposits". Today niobium is a \$2-3 billion annual market that feeds the steel industry. These Australian deposits are a new class of scandium enriched deposits, probably unique to eastern Australia. They will be what starts developing the offtake market, which could be far bigger than 1,000 tpa if you got the scandium price low enough. But it can't happen that way because these grades are a tenth of Araxa's"

The bottom of the screenshot shows a message input field with a plus icon, a text box containing "Message #scandium", and icons for mentions and emojis.

**New Membership Fee in  
2019, current cost is USD  
\$800 all access pro-rated to  
end of 2018.**