



How can Quebec Exploration Juniors recover a Lost Audience?

Presented by John Kaiser
October 23, 2019
Montreal, Canada

Structural Problems for all Venture Listings

- Suitability rule for 55+ clients
- Fee based asset management vs full service in an age of online discount trading – the broker as advisor is history – robo advisory future
- Algo trading & short-selling on a down-tick
- Multiple trading platforms that violate price discovery principle of first come first serve
- Accredited Investor Rule for Financing too restrictive

Problems Unique to Resource Juniors

- Internet information: instant & ubiquitous – death of the rumour mill
- General ignorance about how to value a resource project, weak management grasp of economic geology
- 43-101 restrictions on forward looking statements, long time and expense between 43-101 « events »
- Difficulty assessing the size of the prize and placing intelligent outcome oriented bets
- The intrinsic quantifiable upside limit for any resource project makes it hard to compete with momentum based bubble stories

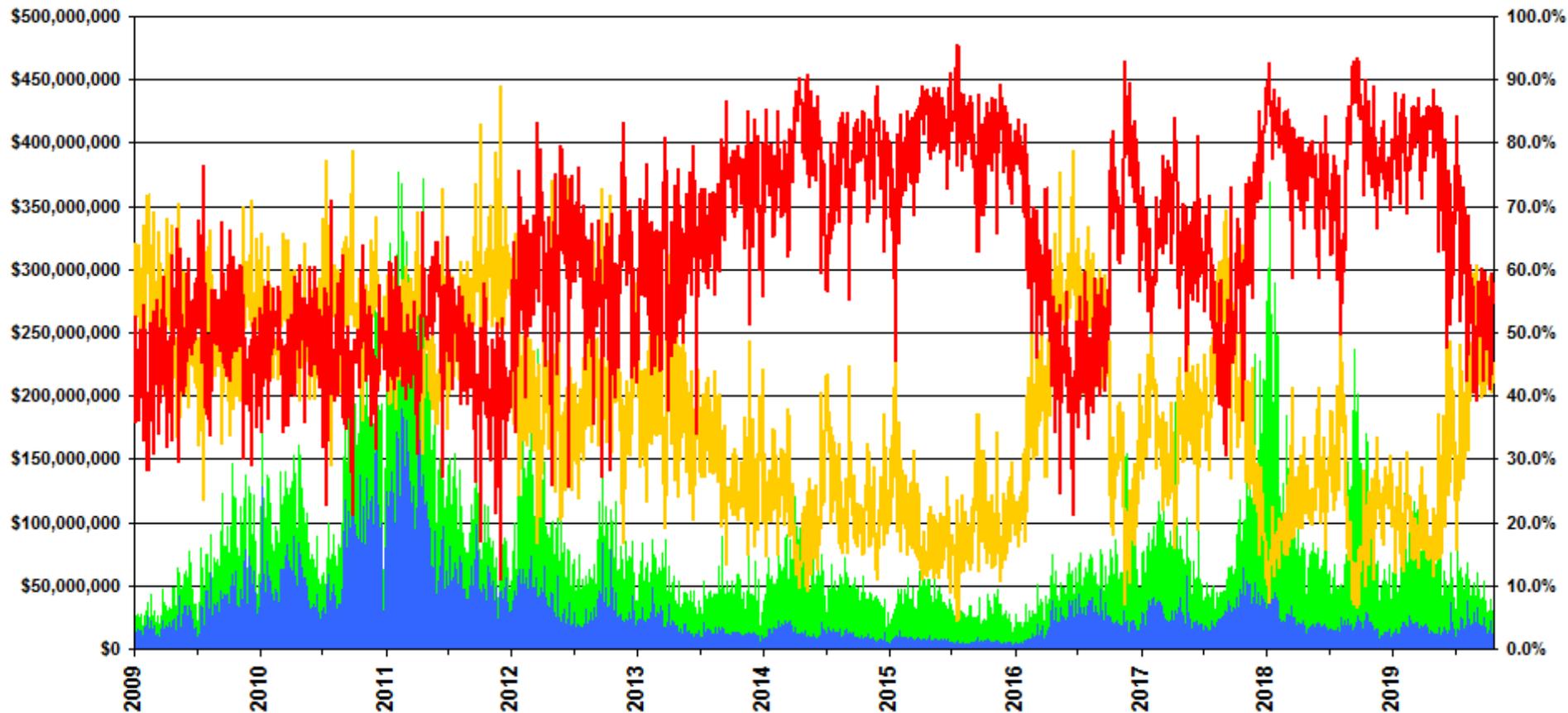
And yet none of this prevented a cannabis bubble from forming!



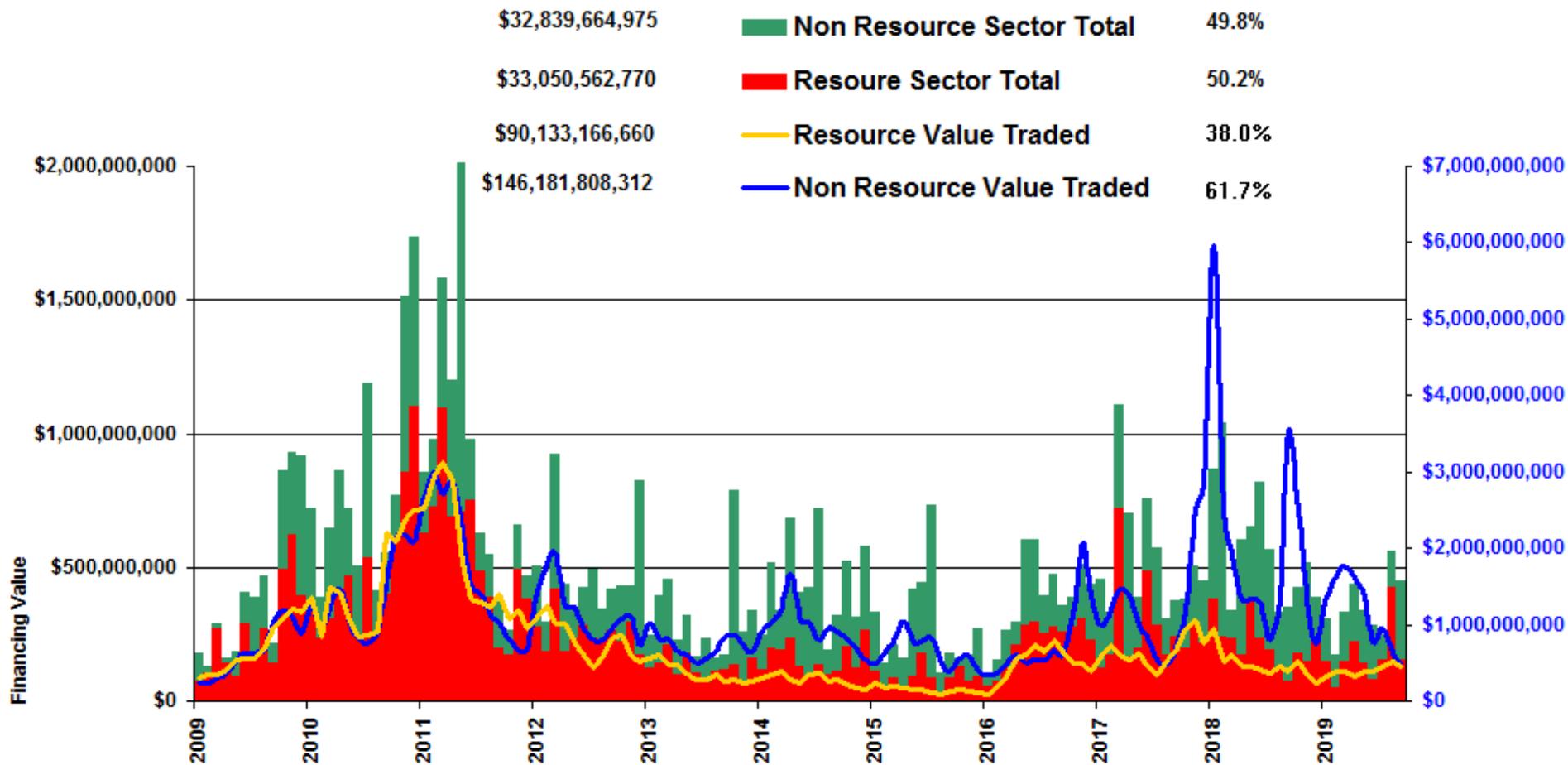
Daily TSXV Resource Sector Value Traded

October 21, 2019

- Non-Resource Traded Value
- TSXV Resource Sector Traded Value
- Non-Resource TSXV Traded Value %
- Resource Sector Traded Value %



Monthly Value of TSXV Financings 2009-2019



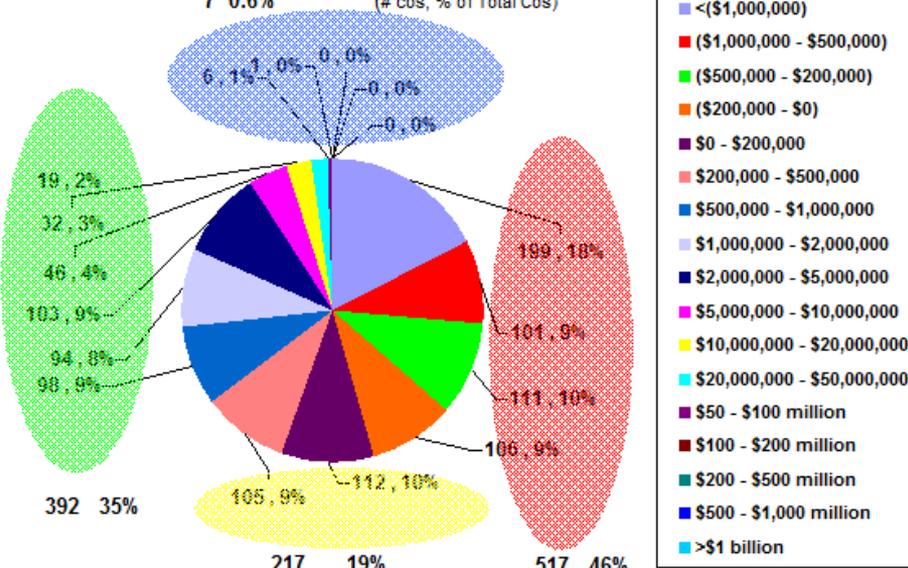
Financial Health of the Junior Resource Sector (Bottom-Fishers Beware!)

\$433,317,299

1,133

Working Capital Range Breakdown

Active KRO TSXV Companies
(# cos, % of Total Cos)

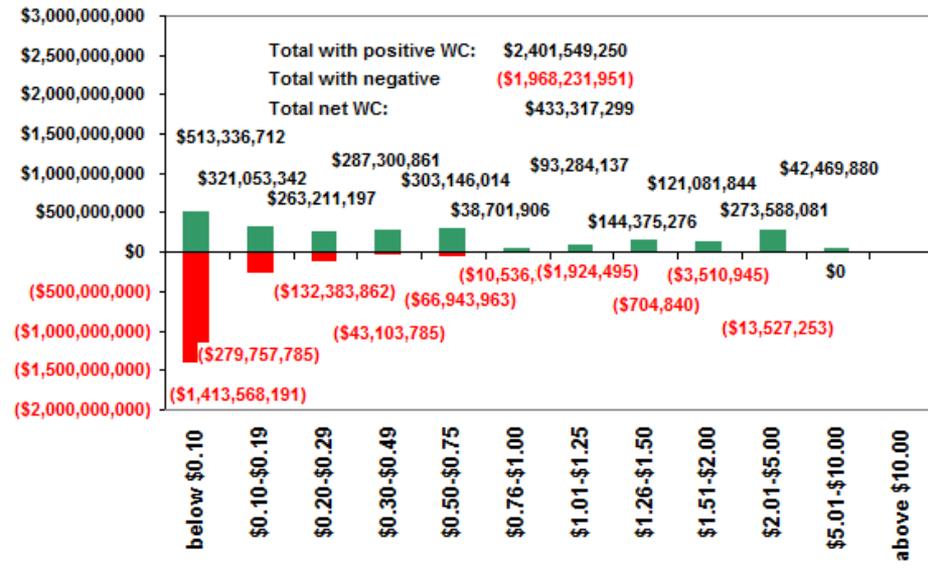


Kaiser Research Online

October 18, 2019

1,133 TSXV KRO Working Capital

(Positive & Negative Working Capital tabulated separately)



Kaiser Research Online

October 18, 2019

Based on last filed financials of trading TSXV resource listings

Universe of companies with a meaningful Quebec Focus

74 – TSXV (6.4% of *TSXV resource listings)

20 – TSX & NYSE

4 – CSE

4 – ASX

- * Abitibi Royalties Inc (RZZ-V)
- Agnico-Eagle Mines Ltd (AEM-T)
- * Albert Mining Inc (AIIM-V)
- * Alto Ventures Ltd (ATV-V)
- * Amex Exploration Inc (AMX-V)
- * Arienne Phosphate Inc (DAN-V)
- * Azimut Exploration Inc (AZM-V)
- Balmoral Resources Ltd (BAR-T)
- * Beauce Gold Fields Inc (BGF-V)
- * BonTerra Resources Inc (BTR-V)
- * Canada Carbon Inc (CCB-V)
- Canadian Metals Inc (CME-CSE)
- Cartier Iron Corp (CFE-CSE)
- * Cartier Resources Inc (ECR-V)
- Century Global Commodities Corp (CNT-T)
- Champion Iron Ltd (CIA-T)
- * Chibougamau Independent Mines Inc (CBG-V)
- * Commerce Resources Corp (CCE-V)
- * Critical Elements Lithium Corp (CRE-V)
- * Delta Resources Ltd (DLTA-V)
- * Dios Explorations Inc (DOS-V)
- * Dixie Gold Inc (DG-V)
- Eastmain Resources Inc (ER-T)
- Eldorado Gold Corp (ELD-T)
- * Falco Resources Ltd (FPC-V)
- * Fancamp Exploration Ltd (FNC-V)

- * Focus Graphite Inc (FMS-V)
- * Gaia Metals Corp (GMC-V)
- Galaxy Resources Ltd (GYX-ASX)
- * Galway Metals Inc (GWM-V)
- * Genesis Metals Corp (GIS-V)
- * Geomega Resources Inc (GMA-V)
- * Gespeg Resources Ltd (GCR-V)
- Globex Mining Enterprises Ltd (GMX-T)
- * Golden Valley Mines Ltd (GZZ-V)
- * Granada Gold Mine Inc (GGM-V)
- * Harfang Exploration Inc (HAR-V)
- Hecla Mining Company (HL-N)
- HPQ-Silicon Resources Inc (HPQ-V)
- IAMGOLD Corporation (IMG-T)
- * Imperial Mining Group Ltd (IPG-V)
- * Jourdan Resources Inc (JOR-V)
- * Kintavar Exploration Inc (KTR-V)
- * Lomiko Metals Inc (LMR-V)
- * Manganese X Energy Corp (MN-V)
- * Maple Gold Mines Ltd (MGM-V)
- * Mason Graphite Inc (LLG-V)
- Metals Australia Ltd (MLS-ASX)
- MetalsTech Limited (MTC-ASX)
- * Midland Exploration Inc (MD-V)
- Monarque Gold Corp (MQR-T)
- Nemaska Lithium Inc (NMX-T)

- * New Millennium Iron Corp (NML-V)
- Newmont Goldcorp Corp (NEM-N)
- * Nickel North Exploration Corp (NNX-V)
- * NioBay Metals Inc (NBV-V)
- * Niocan Inc (NIO-V)
- * Nippon Dragon Resources Inc (NIP-V)
- * Northern Shield Resources Inc (NRN-V)
- * Northern Superior Resources Inc (SUP-V)
- * Nouveau Monde Graphite Inc (NOU-V)
- * O3 Mining Inc (OIII-V)
- * Oceanic Iron Ore Corp (FEO-V)
- * Opawica Explorations Inc (OPW-V)
- * Opus One Resources Inc (OOR-V)
- * Orford Mining Corp (ORM-V)
- Osisko Gold Royalties Ltd (OR-T)
- Osisko Mining Inc (OSK-T)
- * Pasofino Gold Ltd (VEIN-V)
- * Pershimex Resources Corp (PRO-V)
- * Powerore Inc (PORE-V)
- * Probe Metals Inc (PRB-V)
- * Quebec Precious Metals Corp (CJC-V)
- * QMX Gold Corp (QMX-V)
- * Quinto Resources Inc (QIT-V)
- * Radisson Mining Resources Inc (RDS-V)
- Renforth Resources Inc (RFR-CSE)
- Royal Nickel Corp (RNX-T)

- * Saville Resources Inc (SRE-V)
- Sayona Mining Ltd (SYA-ASX)
- Seahawk Ventures Inc (SHV-CSE)
- * Secova Metals Corp (SEK-V)
- * Sirios Resources Inc (SOI-V)
- * Sphinx Resources Ltd (SFX-V)
- * Stelmine Canada Ltd (STH-V)
- * Stria Lithium Inc (SRA-V)
- * Tarku Resources Ltd (TKU-V)
- * TomaGold Corporation (LOT-V)
- * Tres-Or Resources Ltd (TRS-V)
- Troilus Gold Corp (TLG-T)
- * Typhoon Exploration Inc (TYP-V)
- * Vanadium One Iron Corp (VONE-V)
- * Vanadiumcorp Resource Inc (VRB-V)
- * Vanstar Mining Resources Inc (VSR-V)
- * Vantex Resources Ltd (VAX-V)
- * Vertical Exploration Inc (VERT-V)
- * Vior Inc (VIO-V)
- * Visible Gold Mines Inc (VGD-V)
- Wallbridge Mining Co Ltd (WM-T)
- Wesdome Gold Mines Ltd (WDO-T)
- Yamana Gold Inc (YRI-T)
- Yorbeau Resources Inc (YRB-T)

Featured on the KRO Quebec Resource Center



Daily TSXV Resource Sector Value & Percent Traded

October 21, 2019

\$85,164,783,741

TSXV Non Quebec Traded Value

TSXV Quebec Traded Value

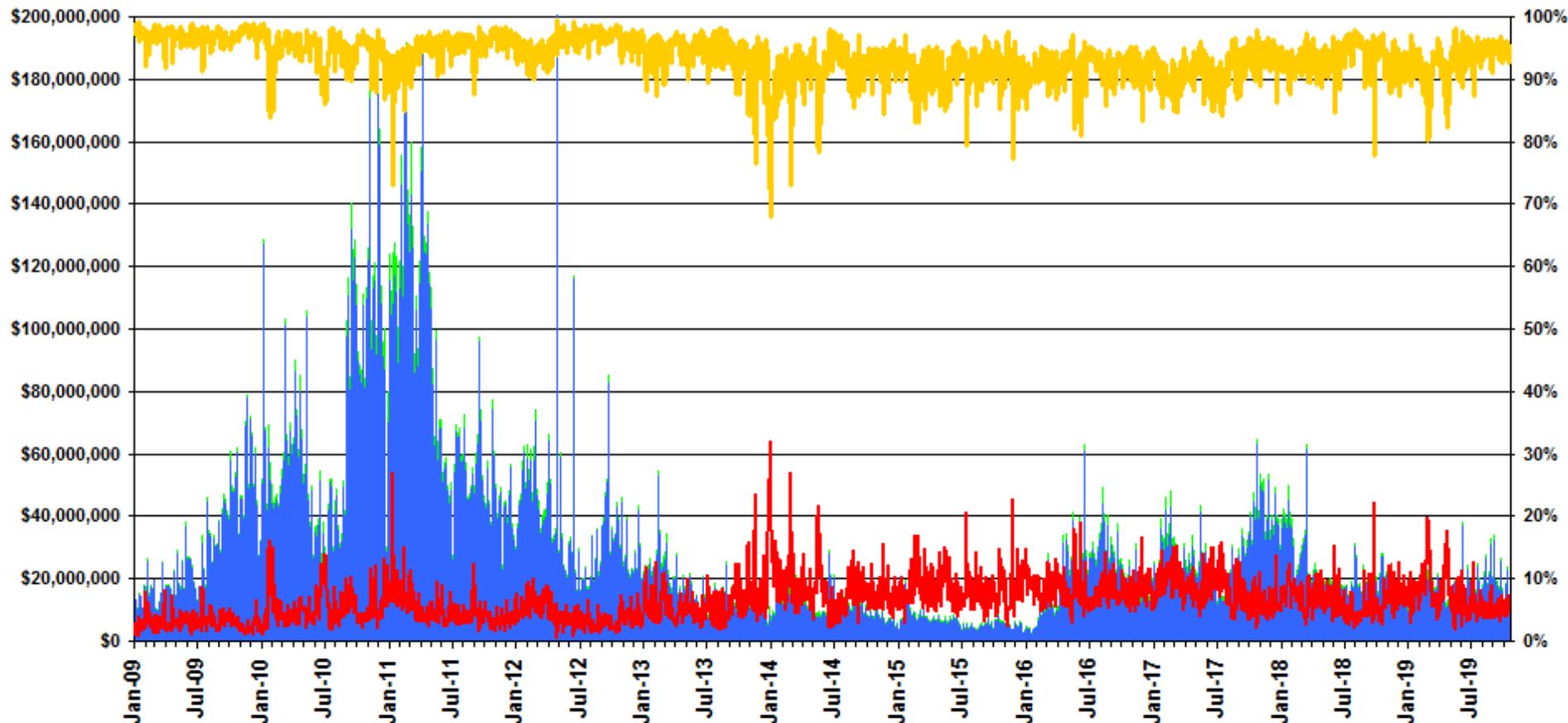
\$5,158,607,906

94.3%

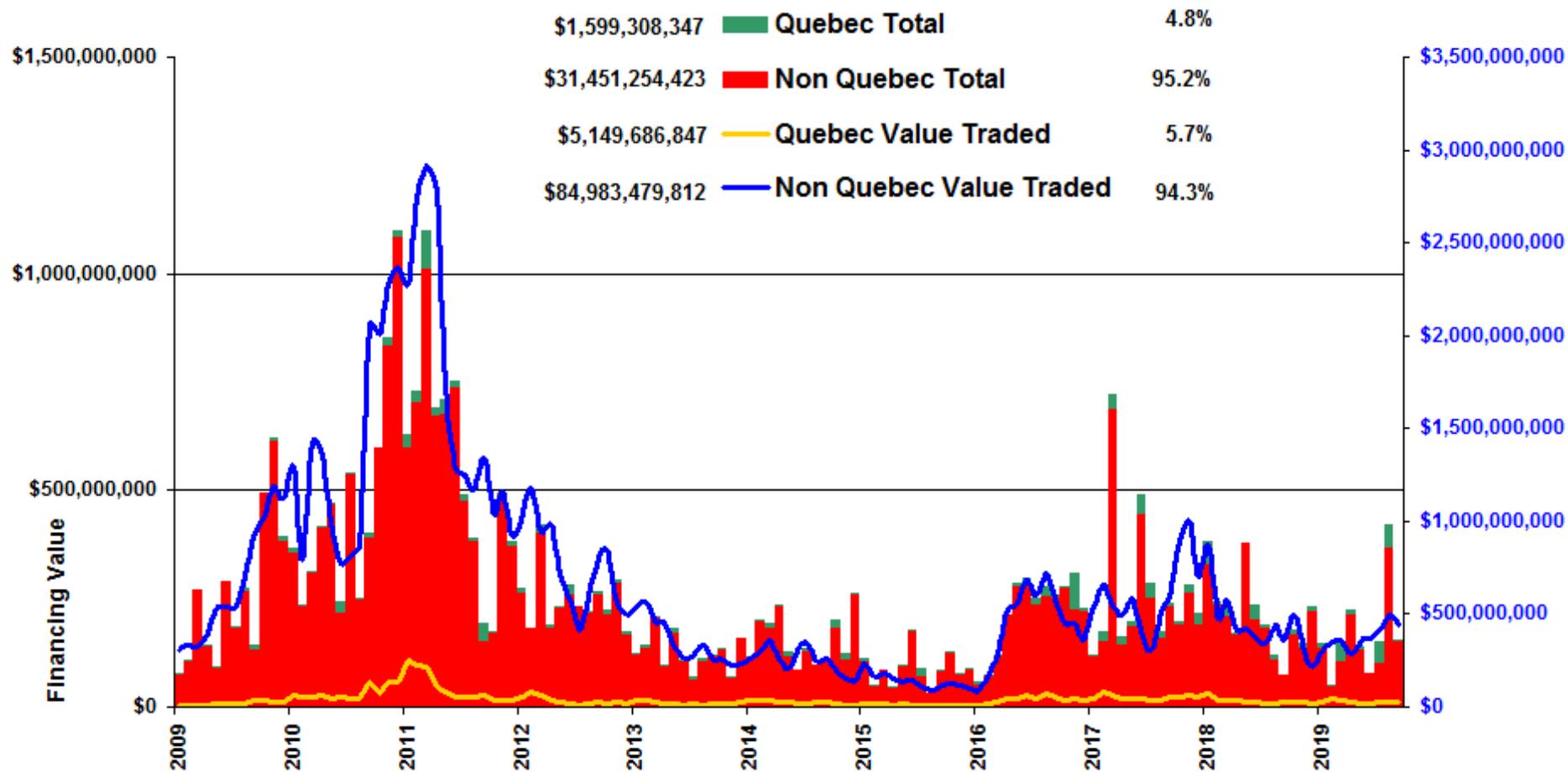
TSXV Non Quebec Traded %

TSXV Non Quebec Traded %

5.7%



Monthly Value of Resource Sector TSXV Financings 2009-2019

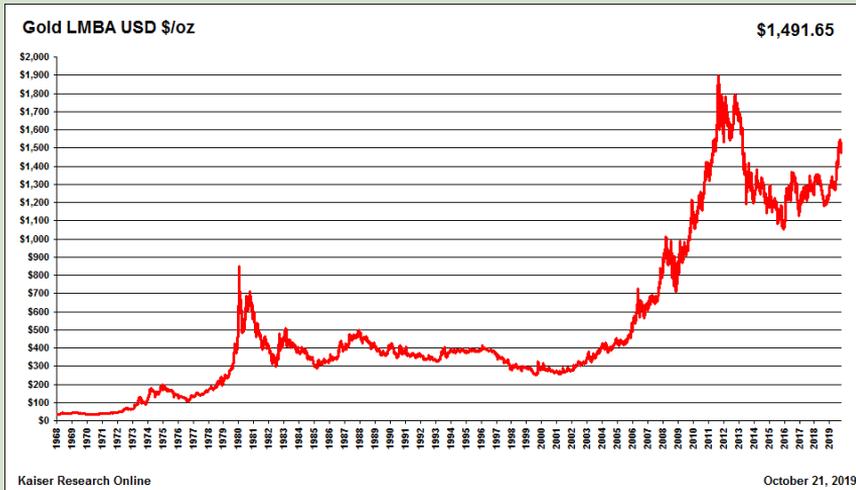


Why have resource juniors been marginalized by other speculative sectors?

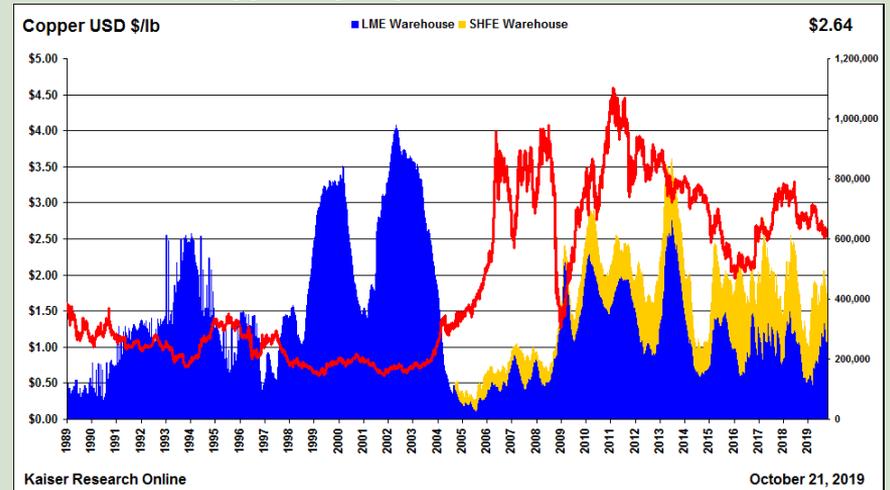
- **Emerging Sector:** winner take all dynamic within a « sky is the limit » context – cannabis, technology, biotech but not mining
- **Metal Price Optionality:** price uptrends driven by supply-demand imbalances arising from macroeconomic growth (ie super-cycle), supply disruptions (rare earths, cobalt), innovative uses (electric vehicles), fashion shifts (gold) – none of which the resource junior controls
- **Discovery:** adding profitable new supply that will not upset the market

Since 2011 metal price trends have been sideways or shortlived and world class discoveries with replication implications have not happened.

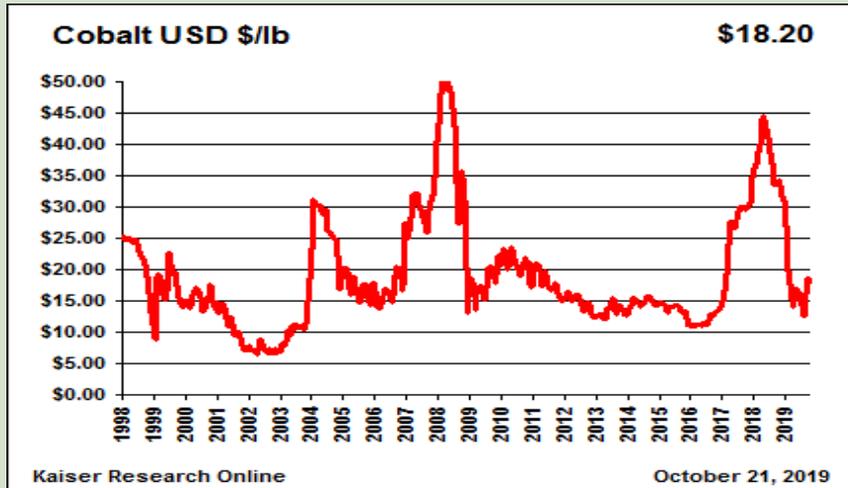
Gold: a proxy for uncertainty



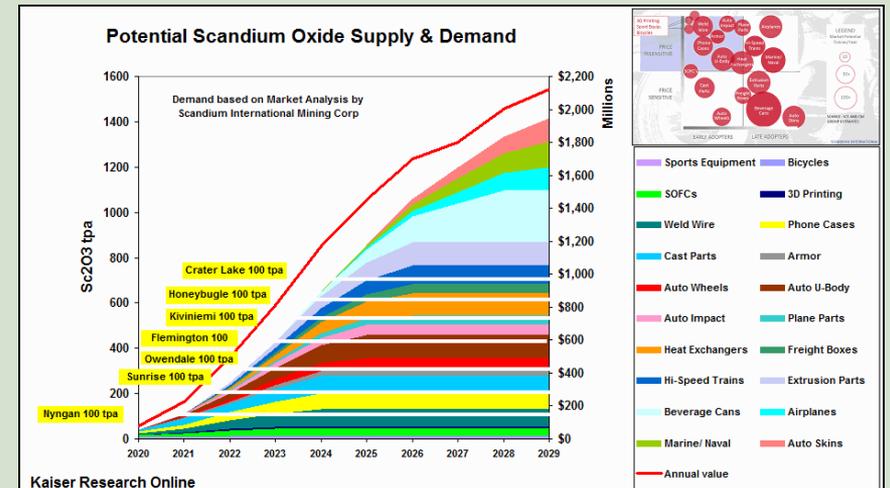
Copper: a proxy for macro-economics



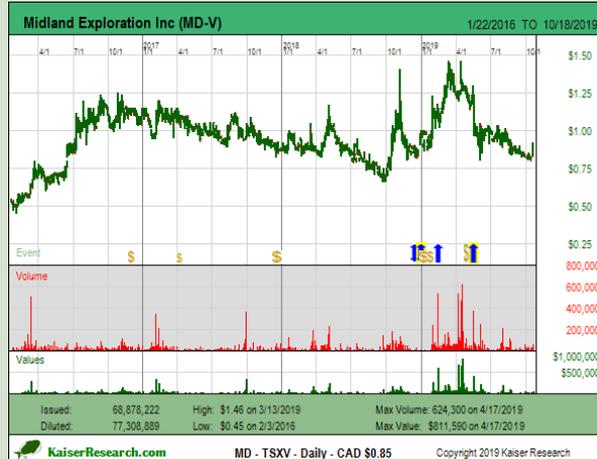
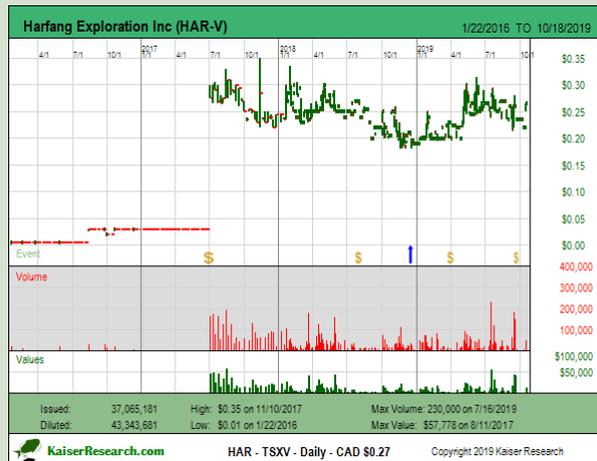
Cobalt: a proxy for new demand & supply disruption



Scandium: a winner take all dynamic?



Discovery: it's all about the fundamental outcome!



Why do people speculate, or should we say “gamble”?

To make lots of money – and why do they think they will?

- they feel lucky
- they feel smarter than others – ahead of the curve
- they feel they have an inside edge
- they feel they have worked harder than others to identify the best bet
- They feel the trend is their friend

To be entertained

- experiencing the adrenaline rush of being right
- the pleasure of the quest
- the perception that one is influencing the outcome
- participating in an ongoing discourse

Which applies to the junior resource sector?

Selling the Story: Push versus Pull

Push Marketing

- Old school broker as network hub
- Investor Relations firms
- Presentation lunches
- Conferences - presentations
- Mass broadcast – mail, email & Twitter blasts
- Online Media Hubs: BNN, INN, Kitco
- Newsletter writers – sponsored, bribed, independent
- Social Media – ad placement
- Social Media – influencers

Pull Marketing

- Conference – exhibit booths
- Stock Forums – Stockhouse, Hot Copper, CEO.ca
- Private Clubs
- Corporate Web Site
- One on One engagement

How do you achieve “stickiness” in the form of a longer term shareholder betting on a fundamental outcome rather than a short term move?

Resource Project Valuation: Discounted Cash Flow Model (DCF) Curse or Saving Grace for the Resource Juniors?

$$\sum_{n=1}^m \frac{\text{Annual Cash Flow}}{(1 + \text{Discount Rate})^n} - \text{Minus Capital Cost} = \text{Net Present Value}$$

n = year of cash
m = mine life (years)

	Annual Revenue
less	Operating Costs
=	Pre-Tax Cash Flow
less	Taxes
=	After Tax Cash Flow

Note: if n=0 then the capital cost can be included as an initial negative value in the cash flow series because anything to the power of 0 =1. VBA functions start with n-1.

Rational Speculation Model – Uncertainty Ladder for Metal Projects

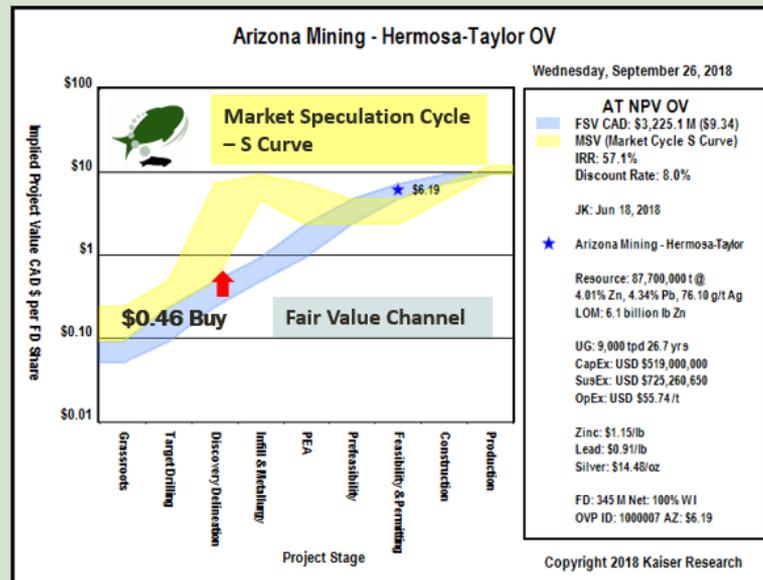
Exploration Cycle Stages	Success Probability		Outcome Target Fair Value Channels (\$ Millions)		
	Certainty	Leverage	\$100	\$500	\$2,000
1 Grassroots	0.5-1%	100-200	<\$1	\$2.5-5	\$10-20
2 Target Drilling	1-2.5%	40-100	\$1-2.5	\$5-12.5	\$20-50
3 Discovery Delineation	2.5-5%	20-40	\$2.5-5	\$12.5-25	\$50-100
4 Infill Drilling & Metallurgy	5-10%	10-20	\$5-10	\$25-50	\$100-200
5 PEA	10-25%	4-10	\$10-25	\$50-125	\$200-500
6 Feasibility	25-50%	2-4	\$25-50	\$125-250	\$500-1,000
7 Permitting, Feasibility, Marketing &	50-75%	1.3-2	\$50-75	\$250-375	\$1,000-1,500
8 Construction	75-100%	1	\$75-100	\$375-500	\$1,500-2,000
9 Production	100%		\$100	\$500	\$2,000

Note: the fair value range in each exploration stage row for each outcome target column is calculated by multiplying the target value by the success chance. ie stage 4 target \$500: 0.05 x \$500 = \$25, 0.1 x \$500 = \$50

Economic Geology: the Size of the Prize

Key Concepts

- Discounted Cash Flow Model
- Fair Value: Certainty times Prize
- Uncertainty Ladder for Resource Projects



The Share Collective

Projects
Recent projects

JohnKaiser

Hotspots

Original seed backer
Andy Greig, former
head of Bechtel's
global mining unit

My Portfolios

My Outcome Visualisations

Company / Project Lookup

My Profile

Help

Currently an expensive
outcome visualization tool,
but imagine what it could be!

share collective

Companies

COMPANY	CODE	FLAGSHIP PROJECT	METALS	MARKET CAPITAL (USD)	PROJECTS	CV
1111 Gold Corp	AIMRV	Tha North	Ag Au	13.6M	1	0.0
27C Metals Inc	BULL CSL	East End	Ag Au Ni Cu	10.9M	1	0.0
30 Resources Ltd	DDG ASX	Holly Creek	Ag Au Ni Cu Pb Zn	2.0M	2	0.0
Alkerm Mining & Expl Corp	AMEX V	Alton	Ag Au Ni Cu	3.88M	1	0.0
Alkerm Mines Inc	AMEX V	Elbow	Ag Au Ni Cu	21.8M	1	0.0
Alkon Resources Ltd	SRVLY	Palmer Hill	Ag Au Ni Cu	10.7M	1	0.0
Alkerm Resources Inc	RZT V	Melanie Hill	Ag Au Ni Cu	10.9M	1	0.0
Alkerm Resources Corp	AIMR V	Diablos	Ag Au Ni Cu Pb Zn	7.64M	2	0.0
Academy Metals Inc	AMV V	Mills Crossing	Ag Au Ni Cu	4.82M	1	0.0
Al Cap Energy Ltd	ACR ASX	Lakebarina	Ag Au Ni Cu	21.9M	1	0.0
Academica Resources Ltd	AKR ASX	Mc Braid	Ag Au Ni Cu Pb Zn	2.98M	1	0.0
Alkerm Resources M	AKS ASX	Magnetic Range	Ag Au Ni Cu Pb Zn	9.0M	1	0.0

Plan Notes

Financial Outcome

Annual	
Discount Rate (Calc)	8.0%
NPV (Calc)	\$1,964,553,392 USD
IRR (Calc)	85.0%
Exchange Rate Used	1 USD = 1.30 CAD
Diluted Stock	96,648,701
Current Stock Price	\$0.385 CAD
NPV Based Future Stock Price (Calc)	\$26.41 CAD
Potential Stock Price Gain (Calc)	6,760%

Project Stage

Project Stage	Fair Project Value Range	Fair Stock Price Range
Grassroots	\$9.82 - \$19.6 M USD	\$0.130 - \$0.265
Target Drilling	\$19.6 - \$49.1 M USD	\$0.265 - \$0.660
Discovery Delineation	\$49.1 - \$98.2 M USD	\$0.660 - \$1.32
Infill & Metallurgy	\$98.2 - \$196 M USD	\$1.32 - \$2.64
PEA	\$196 - \$491 M USD	\$2.64 - \$6.60
Prefeasibility	\$491 - \$982 M USD	\$6.60 - \$13.2
Permitting & Feasibility	\$982 - \$1.45 B USD	\$13.2 - \$19.5
Construction	\$1.45 - \$1.96 B USD	\$19.5 - \$26.4
Production	\$1.96 B USD	\$26.4 CAD

Mine Info Assumptions

Mine Info Assumptions	Annual	Life of Mine
Mine Life		16.12
Mining Rate tpd = 1,700		
Strip Ratio = 0		
Mined Ore (tonnes)	620,500	10,000,000

Mineral Revenue (Gold)

Mineral Revenue (Gold)	Annual	Life of Mine
Gold (Spot Price)	Grade = 20 g/t Recovery = 90% Payable = 99% Spot Price = 1,229.95 \$/oz	

Recoverable Metal (Calc)	359,095 oz	5,787,180 oz
Payable Metal (Calc)	355,504 oz	5,729,308 oz
Metal Net Value (Calc)	\$437,251,621	\$7,046,762,621
Metal Concentrate Tonnage (Calc)	0	0
Metal Concentrate Transport Cost (Calc)	\$0	\$0

Risk Factor

Risk Factor	Risk Level	Risk Weighting
Environmental Risk	Low	1.0
Social Risk	Very Low	0.5
Title Risk	Very Low	0.5
Tax Risk	Low	1.0
Geopolitical Risk	Very Low	0.5
Infrastructure Risk	Very Low	0.5
Technical Risk	Very Low	1.0
Management Risk	Low	1.5
Financial Risk	High	1.5
Discount Rate (Calc)		8.0%

the underground portion of the Cortez Hills deposit which despite its depth is oxidized. The costs are borrowed from Barrick's reporting. The deposit tonnage and grade are entirely arbitrary since the target is under gravel cover. It is intended as a "what if" scenario for a project on which exploration drilling began in October 2018 consisting of an initial 6 scout holes on a 1,000 m spaced grid over a gold-in-groundwater anomaly with Carlin pathfinder element support.

Current Stock Price	Net Interest	NPV Based Future Stock Price	Difference	Potential Stock Price Gain
\$0.385 CAD	100%	\$26.4 CAD	\$26.015 CAD	+ 6,759.88%



Outcome Visualisation NPV	IRR	Discount Rate
\$1,964,553,392 USD	85.0%	8.0%

Revenue + Costs	Per Tonne	Annual	Life of Mine
Capital Expenditure			\$300,000,000
Gross Payable Revenue (Calc)		\$437,251,621	\$7,046,762,621
Smelter/Transport Costs (Calc)		\$0	\$0
Royalties (Calc)	0%	\$0	\$0
Net Payable Revenue (Calc)		\$437,251,621	\$7,046,762,621
Mining Cost (Rock)	\$120		
Mining Cost (Ore)	\$120	\$74,460,000	\$1,200,000,000
Processing Cost	\$25	\$15,512,500	\$250,000,000
Other Cost	\$5	\$3,102,500	\$50,000,000
Total Mining Cost (Calc)	\$150		
Sustaining Cost		\$6,205,000	\$100,000,000
Total Operating Cost (Calc)		\$99,280,000	\$1,600,000,000
Pre-Tax Cash Flow (Calc)		\$337,971,621	\$5,446,762,621
Taxes (Calc)		83,032,721	1,338,158,281
Tax Rate	26%		
After-Tax Cash Flow (Calc)		\$254,938,899	\$4,108,604,339

Notes

Mine Info Comments	
Processing Cost Notes	Assumes oxide ore.
Social Risk Notes	Only ranching activity nearby.
Title Risk Notes	Acquired by staking based on proprietary data collected by the company.
Tax Rate Notes	Federal 21%, Nevada state 5%.
Royalties Notes	No royalties, acquired by staking.
Technical Risk Notes	The assumption is that the orebody is oxidized and thus will not pose any metallurgical challenges.
Financial Risk Notes	This may be exaggerated because if a deposit like this is found there will be no lack of capital to develop. The risk lies with how much exploration is needed to find the deposit and delineate it.

The Millennial Opportunity

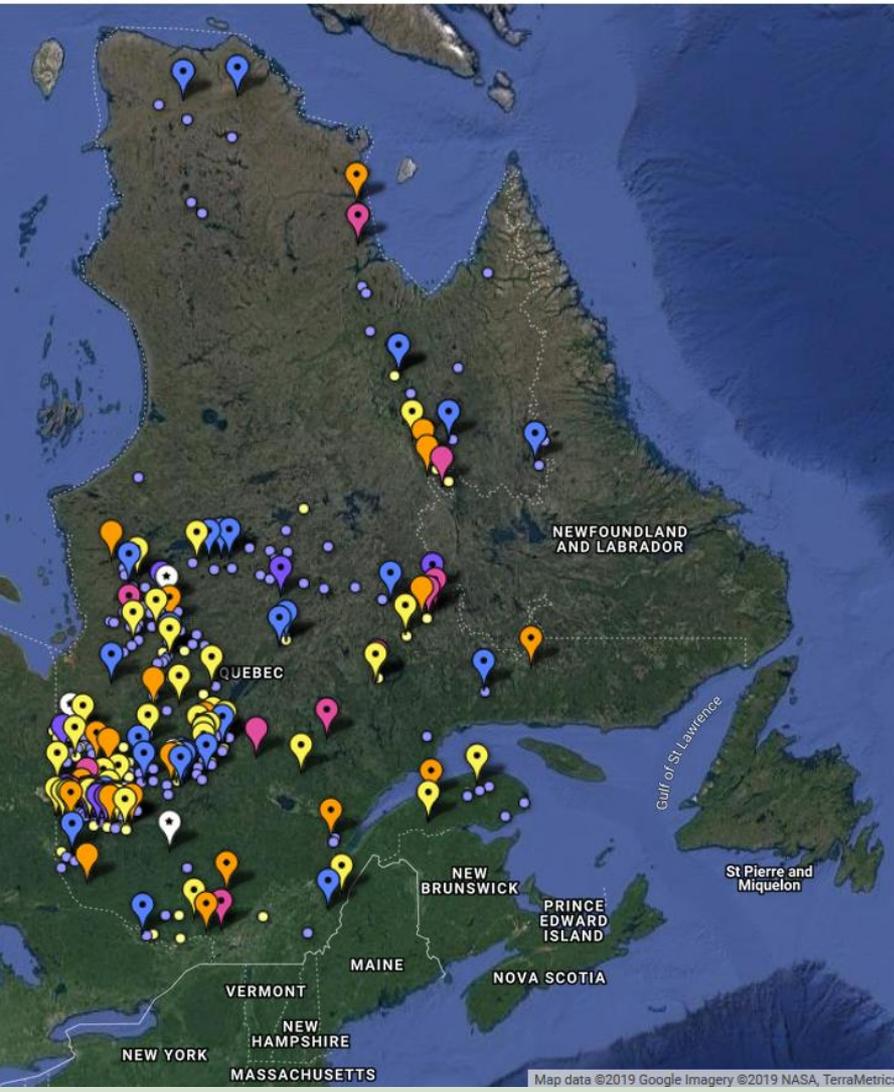
- As millennials shift into family formation mode they will no longer have time for shooter video style online engagement
- They will experience growing aversion to momentum trading loss risk
- They will feel an even greater need to boost income through capital gains
- They will continue to feel a lot smarter than Boomers and Generation X'ers, but they are profoundly ignorant about how the mining-exploration sector works (in other words no worse than most of the rest of us)
- While having children will raise privacy concerns, reducing online visibility, the addiction to being an influencer will not
- The pressure to sustain one's status as a trending influencer will hit the wall
- For entertainment they will seek engagement in longer term, less time consuming « stories »

Imagine what the Share Collective could be,

Click here for overflow seating and complete spectator list

185	183	181	179	177	175	173	171	169	167	165	166	168	170	174	176	178	180	182	184	186
164	162	160	158	156	154	152	150	148	146	144	145	147	149	151	153	155	157	159	161	163
143	141	139	137	135	133	131	129	127	125	123	124	125	127	129	131	133	135	137	139	141
122	120	118	116	114	112	110	108	106	104	102	103	105	107	109	111	113	115	117	119	121
	101	99	97	95	93	91	89	87	85	83	84	86	88	90	92	94	96	98	100	
		82	80	78	76	74	72	70	68	66	67	69	71	73	75	77	79	81		
			64	62	60	58	56	54	52	50	51	53	57	59	61	63	65			
				49	47	45	43	41	39	37	38	40	42	44	46	48				
					36	34	32	30	28	26	27	29	31	33	35					
						25	23	21	19	17	18	20	22	24						
							16	14	12	10	11	13	15							
								9	7	5	6	8								
									4	2	3									
										1										

if it had a stadium where members could see themselves be seen!



Bringing back lost audiences to the Quebec juniors

- Encourage private online communities such as an investment club using a Slack Workspace
- Start with the communities local to an exploration play
- Pray that the Share Collective grows beyond a valuation tool

And the junior resource sector in general!

Slack: private forums ideal for “clubs”

JK
Kaiser Research

Set a status Ctrl+Shift+Y

Profile & account

Preferences

Set yourself to away

Help & feedback

Kaiser Research
kaiserresearchonline.slack.com

Your workspace is currently on the free version of Slack.
[See upgrade options](#)

Total Messages
On the free plan, you can only view 10k most recent messages. 9.5k

Administration >

Invite people

Analytics

Customize Slack

Shared channels NEW

Sign out of **Kaiser Research**

Sign in to another workspace

Open the Slack App

Kaiser Research 🔔

JK

Jump to...

Threads

Channels +

- # base-metals
- # bottom-fish
- # buzz-windrip
- # diamonds
- # discovery-watch
- # errors
- # general
- # golden-triangle
- # james-bay**
- # kro-employees
- # kro-search-engine
- # live-sessions
- # net-giver
- # nevada
- # news-clippings
- # other-metals
- # pilbara
- # precious-metals
- # random
- # rare-earths
- # scandium
- # share-collective
- # svh-picks
- # uranium
- # zombies

Direct Messages +

- Slackbot
- JK (you)

#james-bay

☆ | 39 | 🔒 | Add a topic

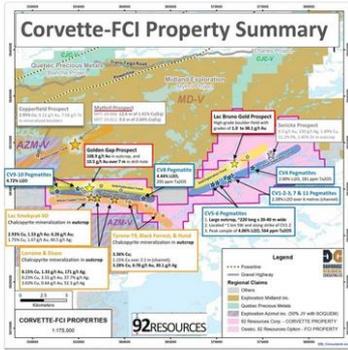
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Unlock unlimited messages for your team

Your workspace is getting close to the 10,000 message limit for free teams. On Slack's paid plans, you can see and search unlimited messages.

[Skip for Now](#) [Learn More](#)

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Corvette-FCI Property Summary

Dara Watts 6:22 PM
Ugh

EBL 4:56 AM
In this market you do not gain attention with grabs and detailing history...
see original: <https://www.midlandexploration.com/2019/10/10/midland-provides-an-updates-on-its-james-bay-gold-projects-and-reports-the-discovery-of-new-gold-occ>
However if there is a team able to generate and get partners, this is one.
<https://www.linkedin.com/pulse/midland-exploration-inc-md-v-update-james-bay-gold-projects-lemieux/>
We hope.

Message #james-bay



Monetarily illuminating a project's fundamental potential in a dynamic, interactive crowd-based eco-system TSC would revolutionize how a very large audience interacts with resource juniors, especially ones at exploration stage.

Questions?

**Please Contact
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