

What is that Exploration Junior Worth and Why

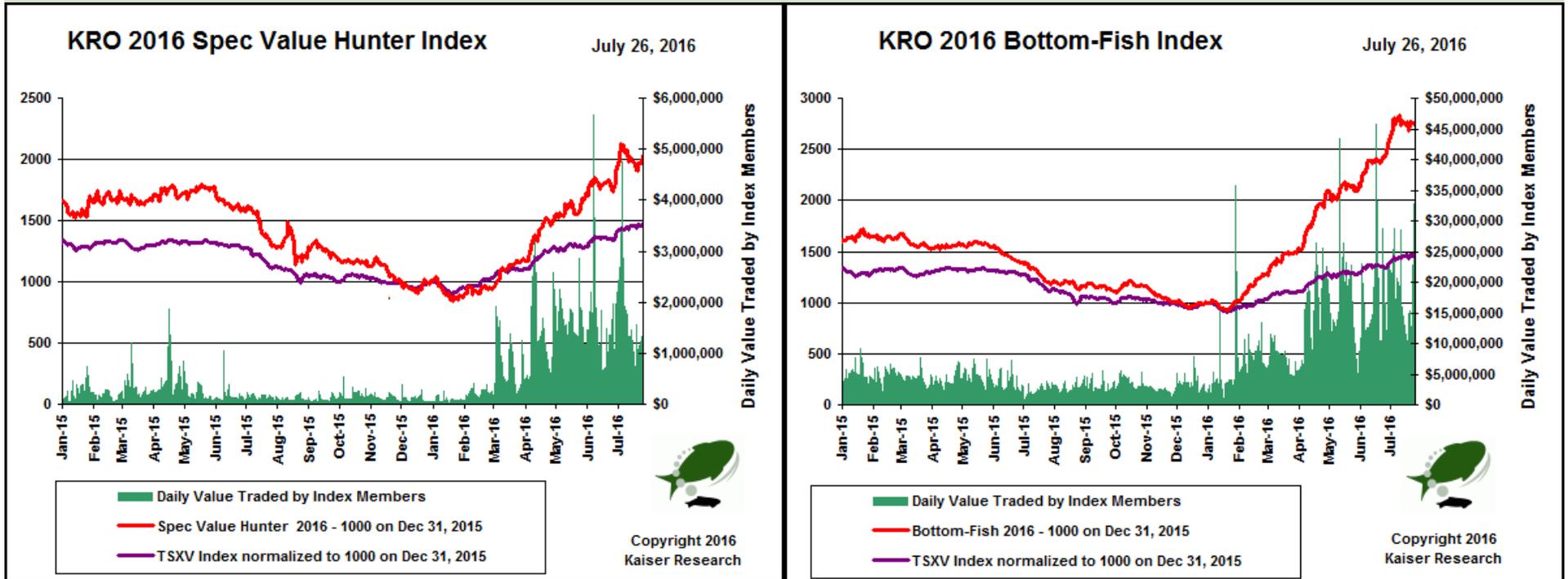
Presented by John Kaiser

2016 Sprott Natural Resource Symposium

July 28, 2016

Vancouver, Canada

Two Membership Packages: SVH and KRO

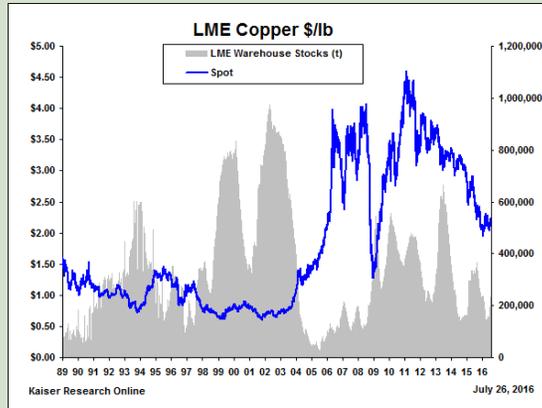


Spec Value Hunter: \$250/yr

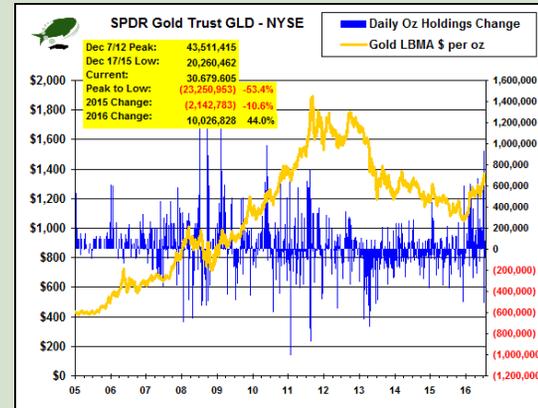
KRO: \$250/90 days

The Four Core Resource Sector Narratives

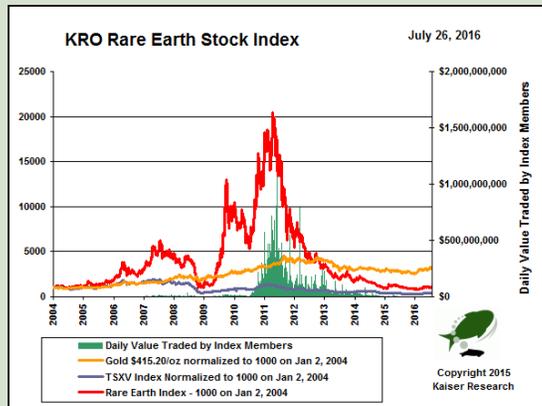
**Commodity
Cycle**



Gold Bug



**Security of
Supply**



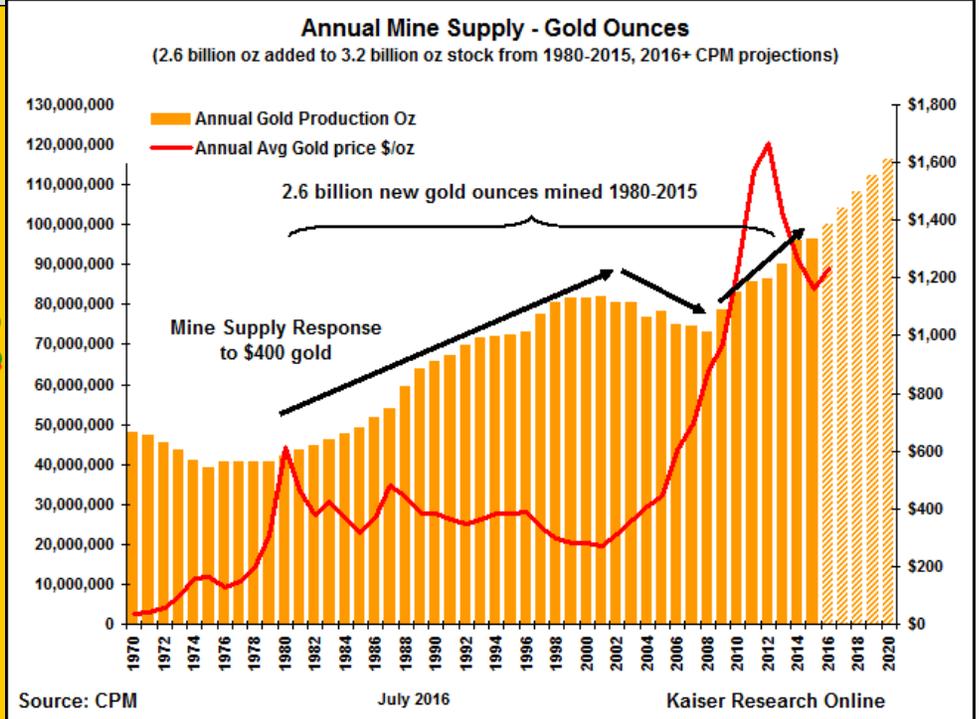
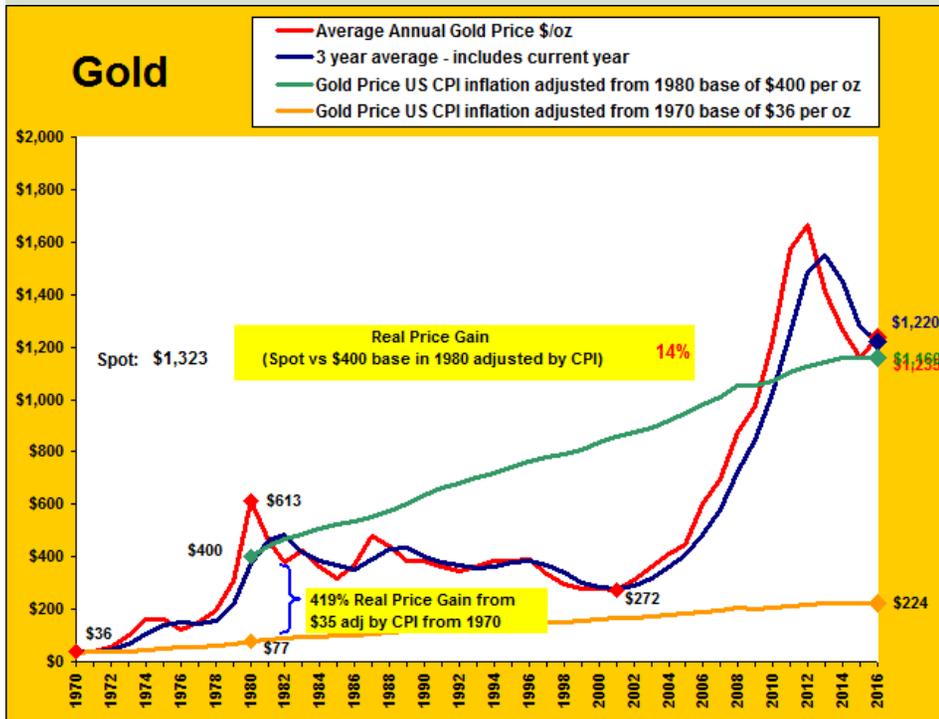
**Discovery
Exploration**



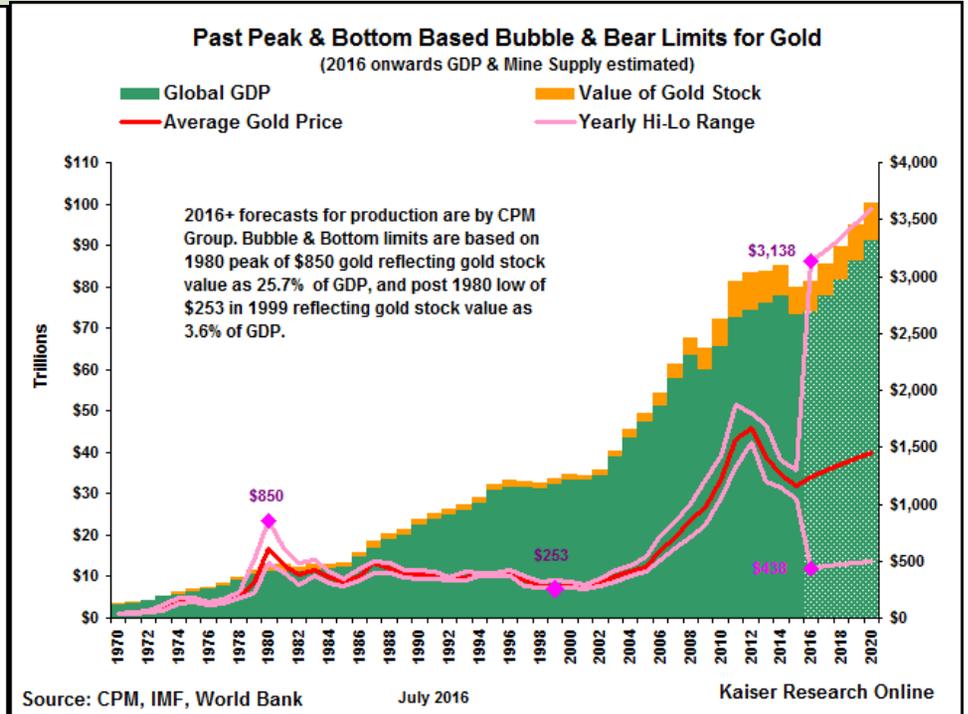
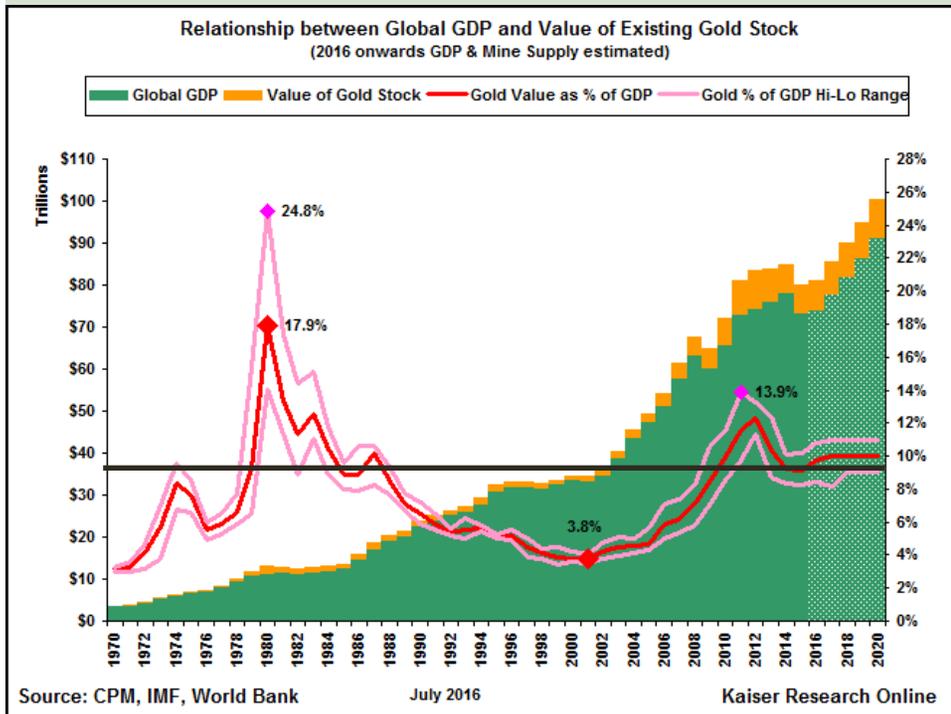
Gold Bug strong, Discovery emerging, Commodity stalled, Security of Supply soon

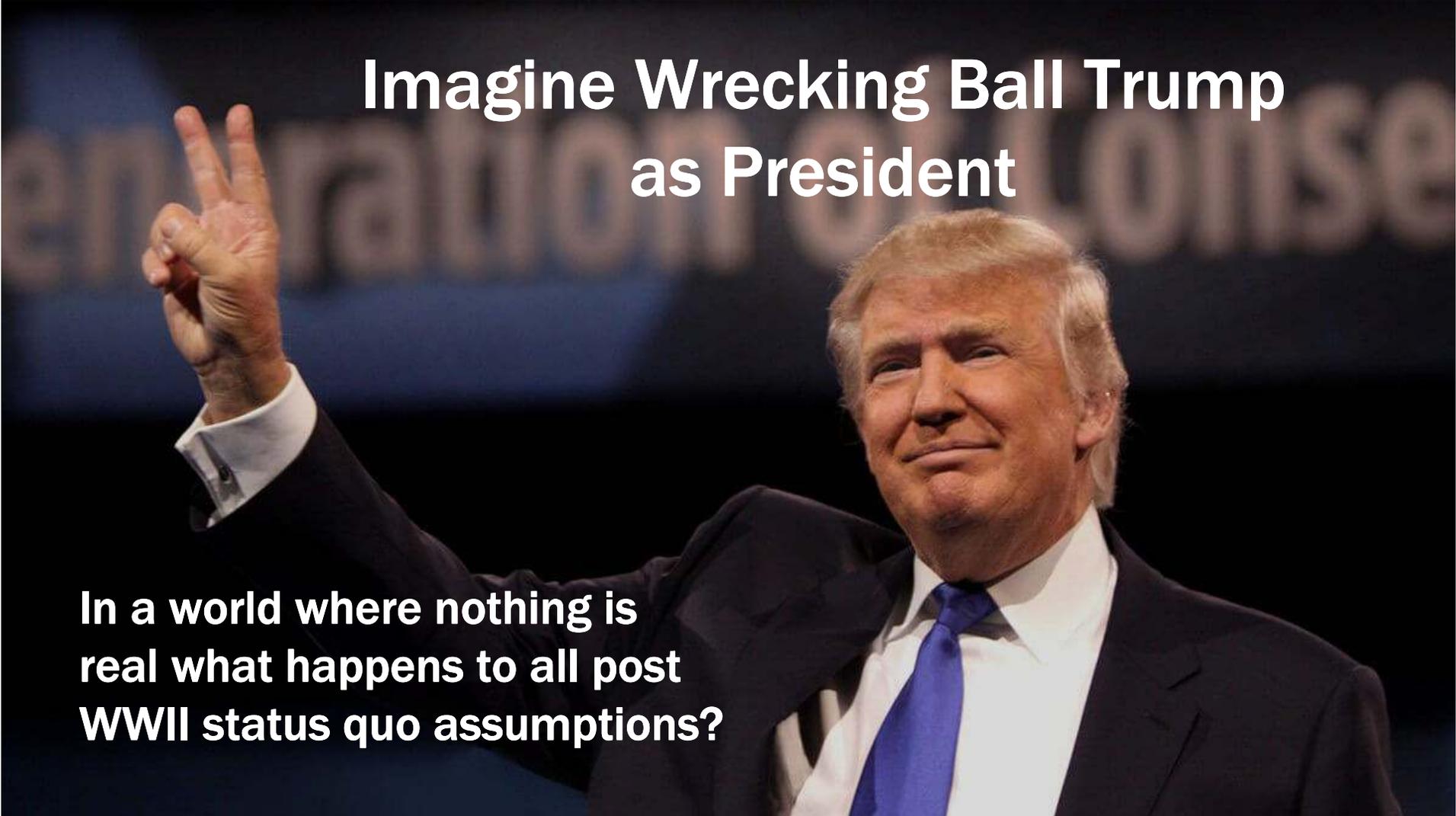
Gold Bug Narrative

- Hijacked by ideological scolds
- Alienating apocalyptic mindset
- Misguided linkage to hyper-inflation & fiat currency debasement
- Current price full circle from 1980
- 2.6 billion oz low hanging fruit harvested
- Vulnerable to interest rate normalization, strong US dollar, and slow global economic growth



If we assume the value of the gold stock as a percentage of global GDP represents the degree of uncertainty about the future, the current 10% rate should deliver \$1,500 gold in real price terms over the next 4 years. But if you assume the same level of anxiety as in 1980 when gold peaked at \$850, the equivalent today would be \$3,000 plus and \$3,500 by 2020. Do we have reason to be anxious today?



A photograph of Donald Trump from the chest up, wearing a dark suit, white shirt, and blue tie. He is making a victory sign with his right hand. The background is dark with some blurred text. The text 'Imagine Wrecking Ball Trump as President' is overlaid in white at the top. The text 'In a world where nothing is real what happens to all post WWII status quo assumptions?' is overlaid in white at the bottom left.

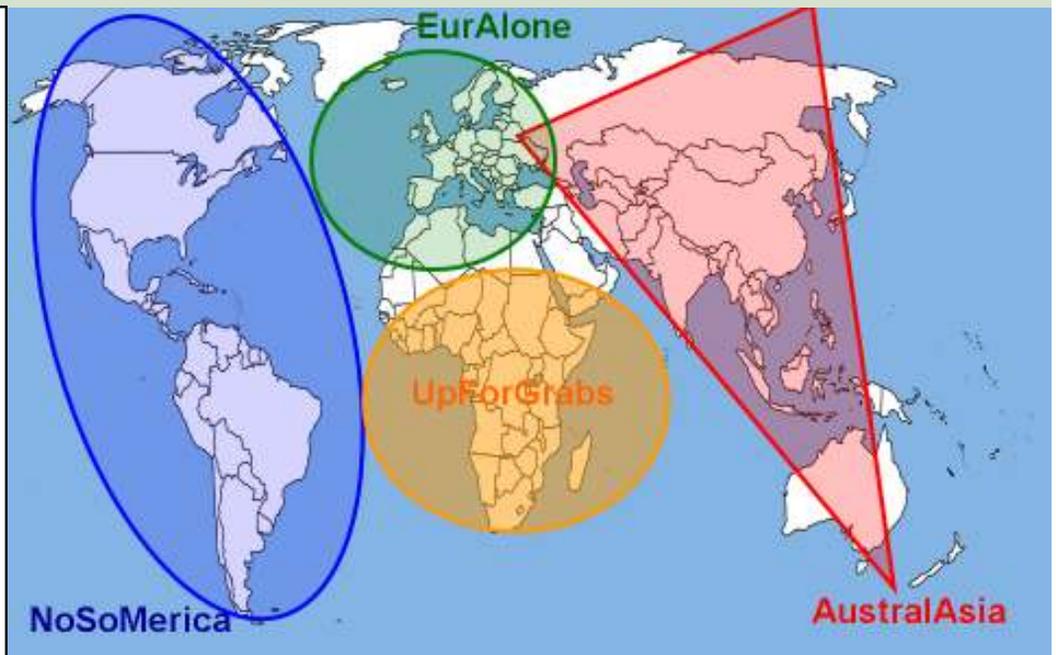
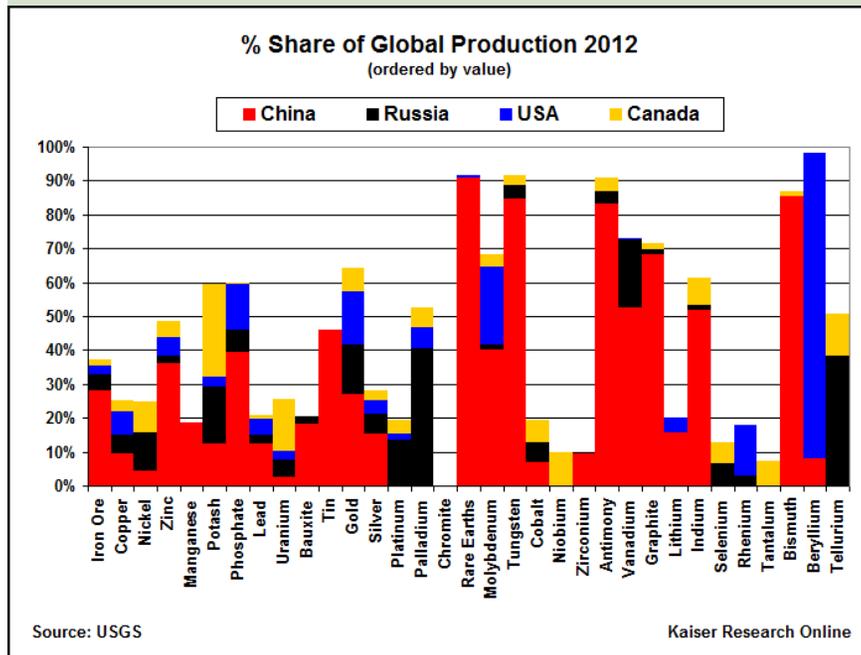
Imagine Wrecking Ball Trump as President

**In a world where nothing is
real what happens to all post
WWII status quo assumptions?**

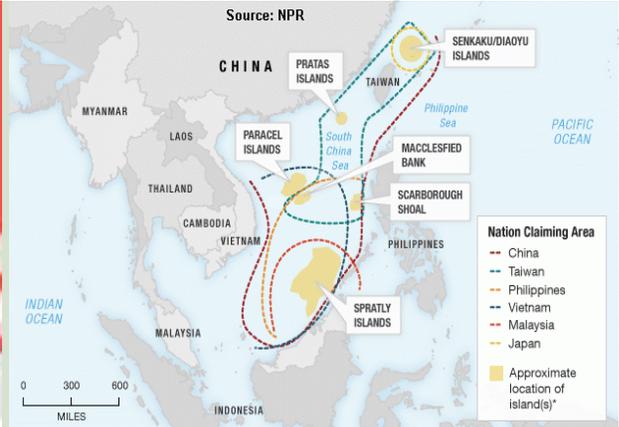
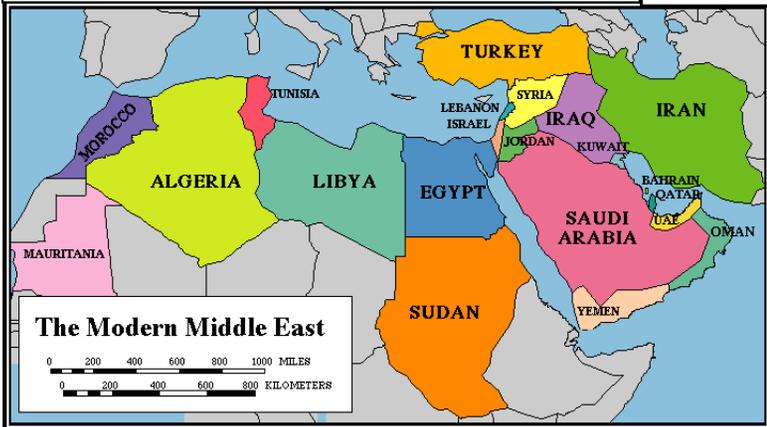
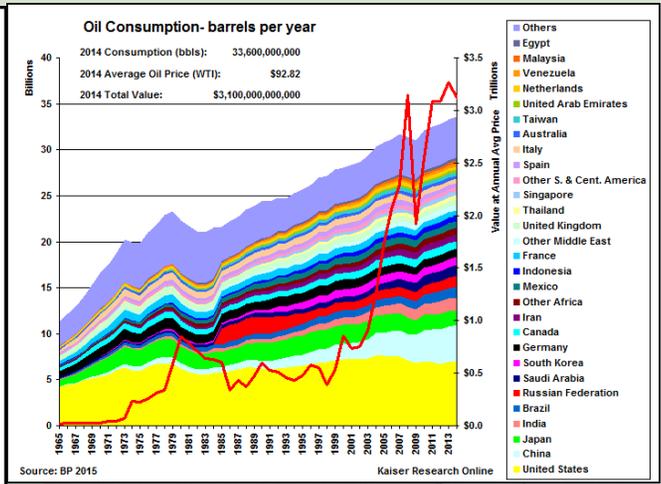
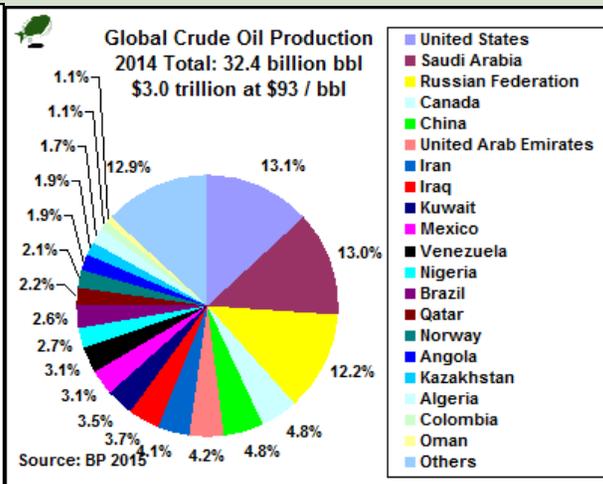
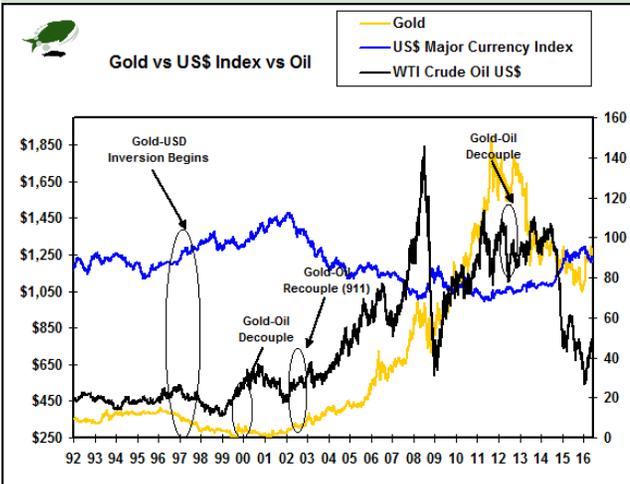
Security of Supply Narratives

- Geopolitical supply disruptions
- Policy Demand Drivers
- Process Innovation
- Transportation supply disruptions
- Policy Supply Disrupters
- Functionality innovation
- Deposit depletion
- Usage Innovation
- Fashion Trends

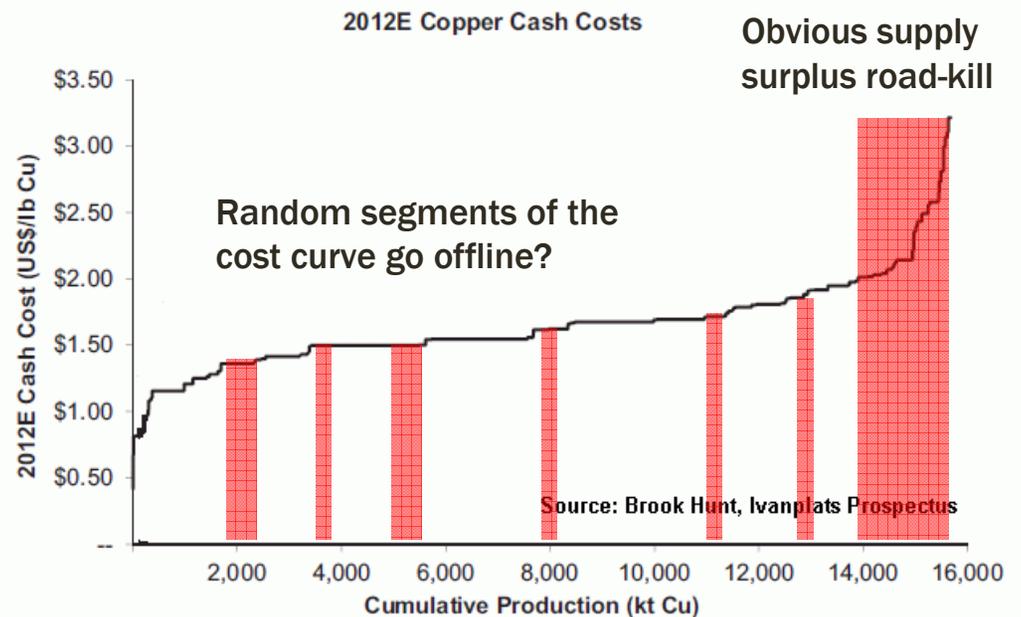
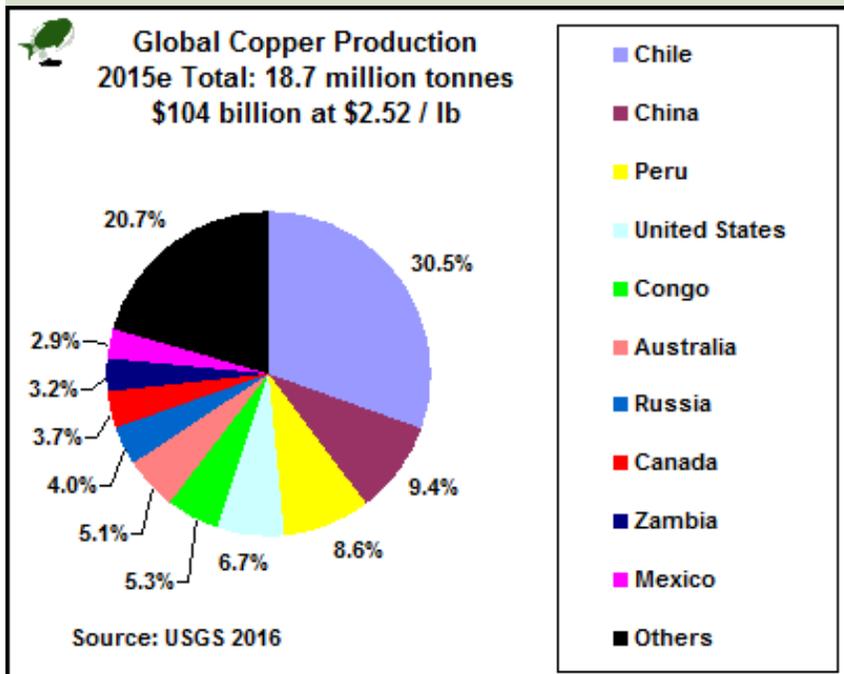
This will be the new conceptual frontier for institutional capital!



Major Flashpoints



The greatest likelihood for higher medium term non precious metal prices lies with unpredictable supply disruptions such as civil strife, infrastructure failure, resource nationalism, & sanctions. Price uptrends will be metal specific and development decisions will focus on “safe” jurisdictions.



China to Pillory, or Praise, Cities Based on Water Pollution

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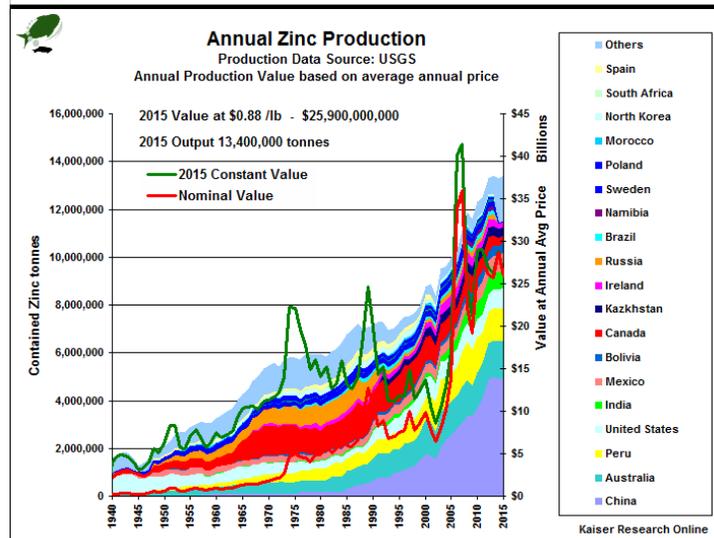
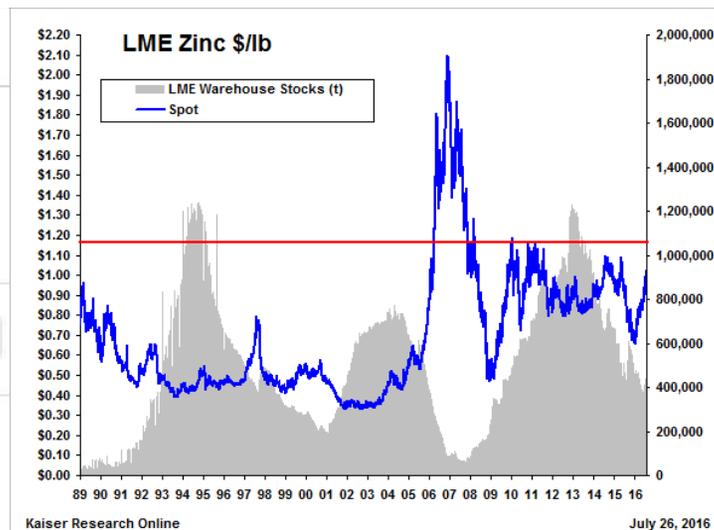
Sinosphere

By EDWARD WONG JULY 7, 2016

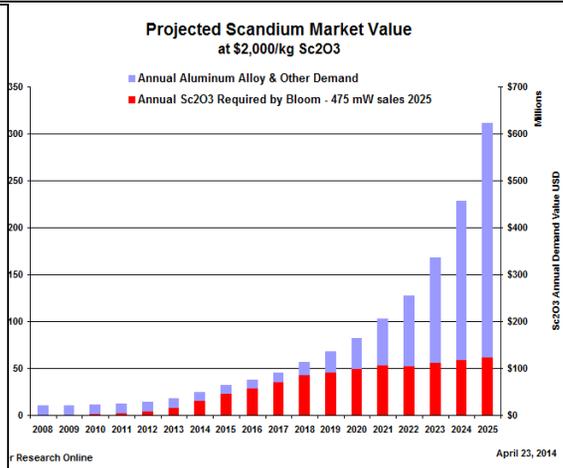
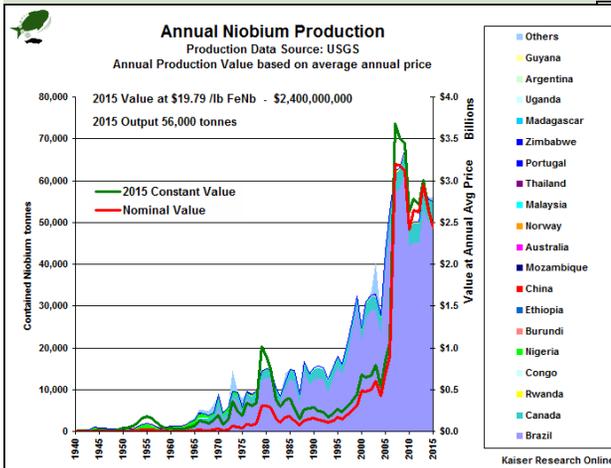
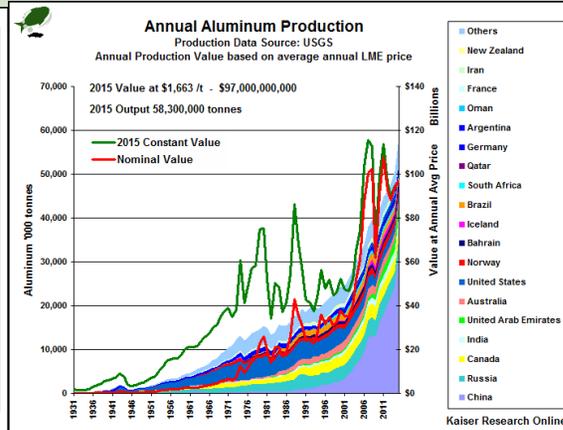
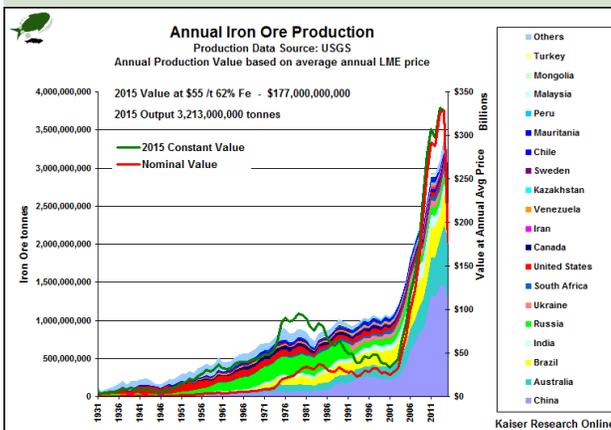


China's Environmental Awakening

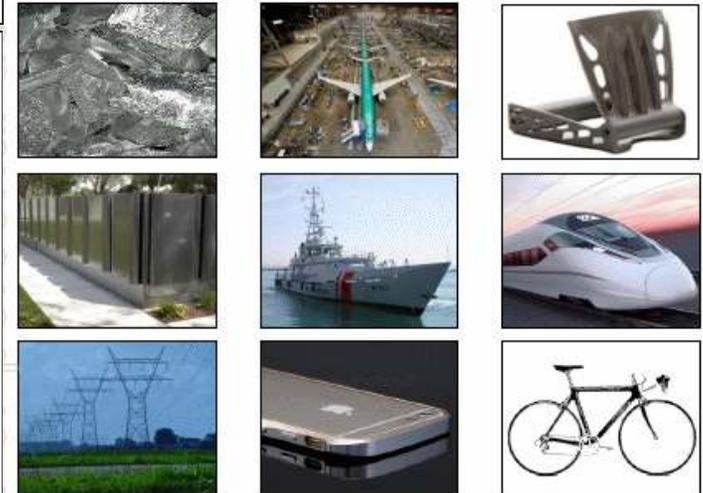
Environmental Policy as Supply Disrupter



Scandium: annual \$20 million to \$2 billion growth in next decade?



- Perfect aluminum alloy
- Stronger, corrosion resistant, reliable weld joints, 3D printable
- Historically available only as non-scalable by-product from uranium ISL, rare earth mines and titanium dioxide waste streams

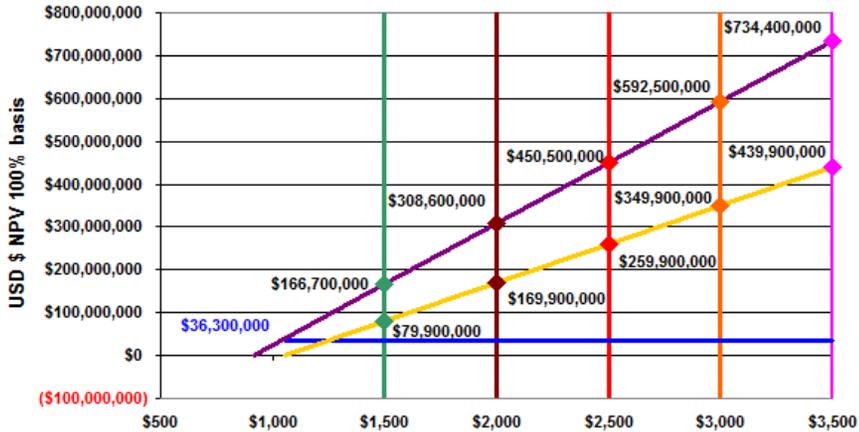


Scandium International Mining Corp (SCY-T)

Scandium Intl - Nyngan - After Tax NPV Sensitivity

Pessimistic - \$1,500/kg Sc2O3 - IRR 22%
 Base Case - \$2,000/kg Sc2O3 - IRR 33%
 Current - \$2,500/kg Sc2O3 - IRR 43%
 Optimistic - \$3,000/kg Sc2O3 - IRR 52%
 Fantasy - \$3,500/kg Sc2O3 - IRR 61%
 Implied 100% Project Value - \$36,300,000
 AT NPV vs \$/kg Sc2O3 at 10% Disc Rate
 AT NPV vs \$/kg Sc2O3 at 5% Disc Rate

DFS Apr 2016: 240 tpd OP HPAL, 6.4% NSR, 20 yr SL Depr
 LOM: 1.4 MT @ 409 g/t Sc 43-101, 83.7% recovery
 CapEx US \$87.1 M, SustEx \$26 M, OpEx \$292/t, 0.70:1 USD:AUD
 FD: 243 M, tax rate 30%, 0.78:1 USD/CAD, 80% Net
 LOM Output: 754 t Sc2O3 @ 99%, 20 yr mine life, 36-42 tpa
 Location: New South Wales, Australia



July 26, 2016

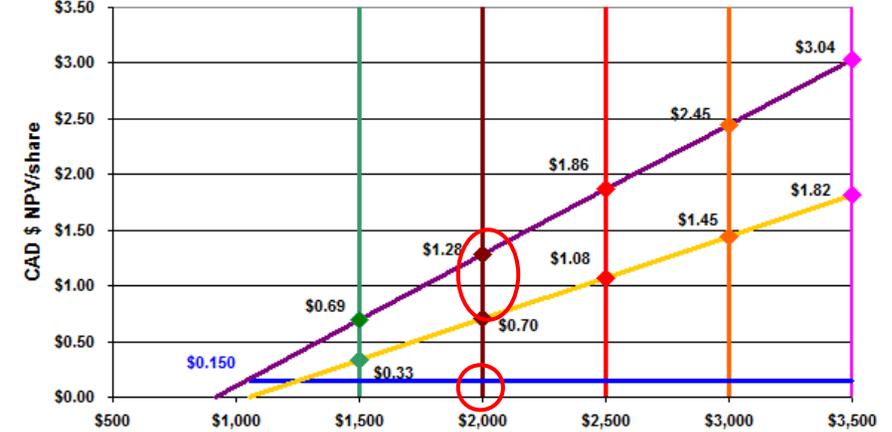
Sc2O3 99% USD \$/kg

Kaiser Research Online

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 Current - \$2,500/kg Sc2O3 - IRR 43%
 Optimistic - \$3,000/kg Sc2O3 - IRR 52%
 Fantasy - \$3,500/kg Sc2O3 - IRR 61%
 Current Stock Price - \$0.15
 Share vs \$/kg Sc2O3 at 10% Disc Rate
 Share vs \$/kg Sc2O3 at 5% Disc Rate

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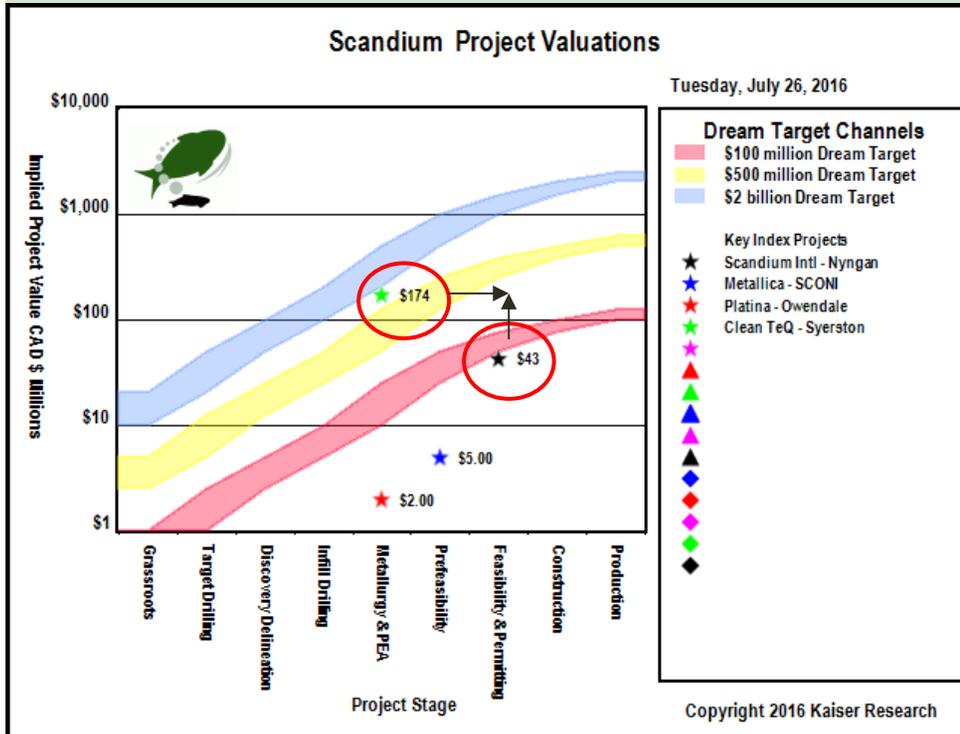
July 26, 2016

Sc2O3 99% USD \$/kg

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The best hedge against the failure of the resource sector recovery

SCY and CLQ will provide the baseload supply for a scandium demand explosion

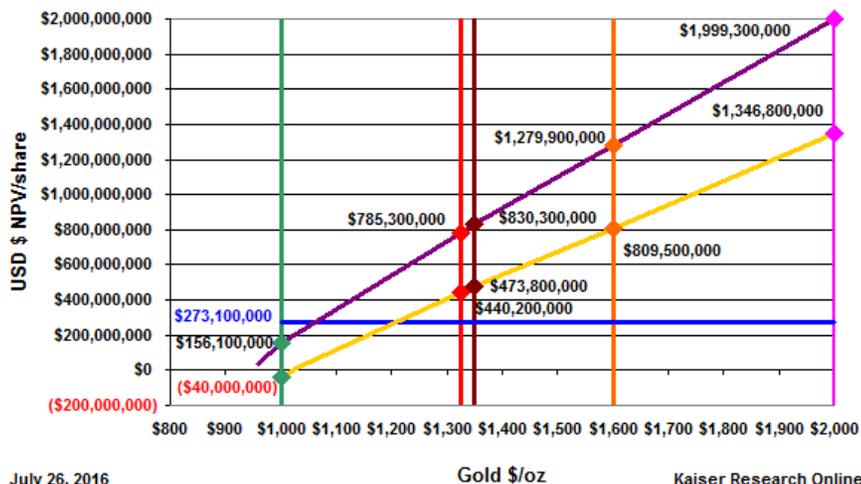




Optionality Plays: bet on higher real gold prices by buying juniors with gold projects that will not be developed at the current gold price and thus are intrinsically worthless though not free.

Midas Gold - Stibnite - After Tax NPV Sensitivity

- Pessimistic - \$1,000/oz Au - IRR 8.8%
 - Base Case - \$1,350/oz Au - IRR 22.8%
 - Current - \$1,325/oz Au - IRR 22%
 - Optimistic - \$1,600/oz Au - IRR 30.4%
 - Fantasy - \$2,000/oz Au - IRR 41.7%
 - Implied 100% Project Value - \$273,100,000
 - AT NPV vs \$/oz Au at 10% Disc Rate
 - AT NPV vs \$/oz Au at 5% Disc Rate
- PFS Dec 2014: 20,000 tpd OP Flot-POX in Idaho, USA
 Capex \$970 M, SustCap \$98 M, OpEx \$29.28/t, 12 yr life
 LOM: 89 MT @ 1.61 g/t Au, 2.43 g/t Ag, 0.07% Sb (all fig metric)
 LOM Rec: Au 87.4%, Ag 19.2%, Sb 85.7%, \$19.58/oz Ag, \$3.00/lb Sb
 FD: 372 M, tax 43.4%, exch 0.74:1 USD/CAD, 100% Net
 LOM Output: 4 M oz Au, 2 M oz Ag, 100 M lb Sb



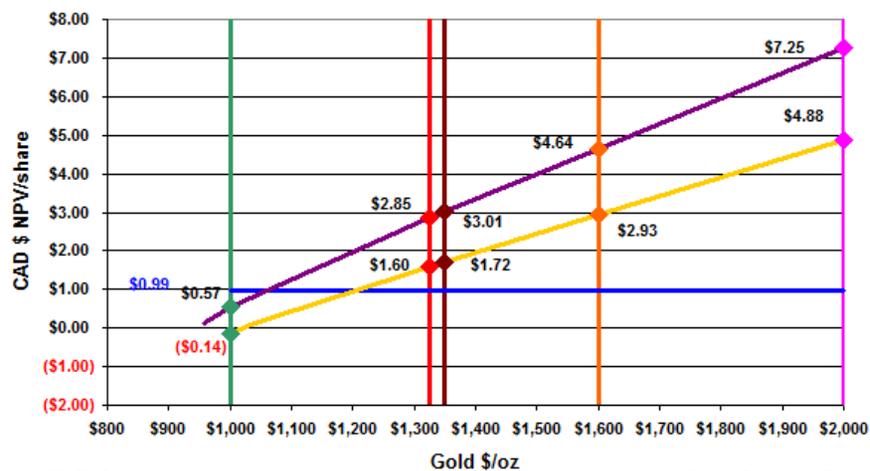
July 26, 2016

Gold \$/oz

Kaiser Research Online

Midas Gold - Stibnite - After Tax NPV Sensitivity

- Pessimistic - \$1,000/oz Au - IRR 8.8%
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 - Fantasy - \$2,000/oz Au - IRR 41.7%
 - Current Stock Price - \$0.99
 - Share vs \$/oz Au at 10% Disc Rate
 - Share vs \$/oz Au at 5% Disc Rate
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July 26, 2016

Gold \$/oz

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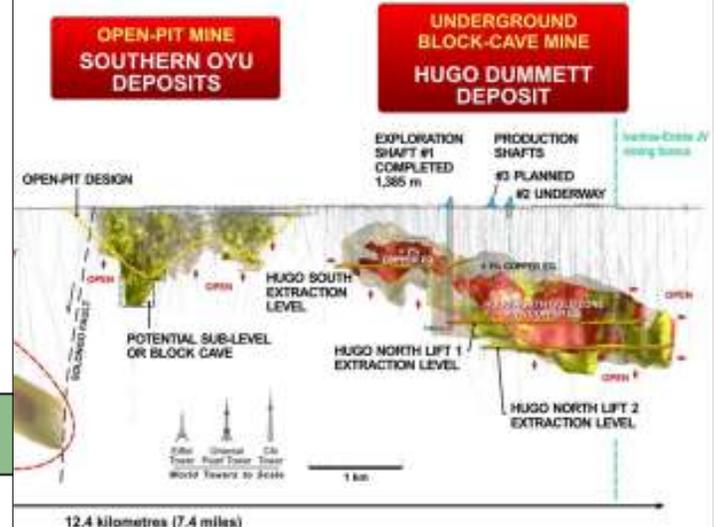
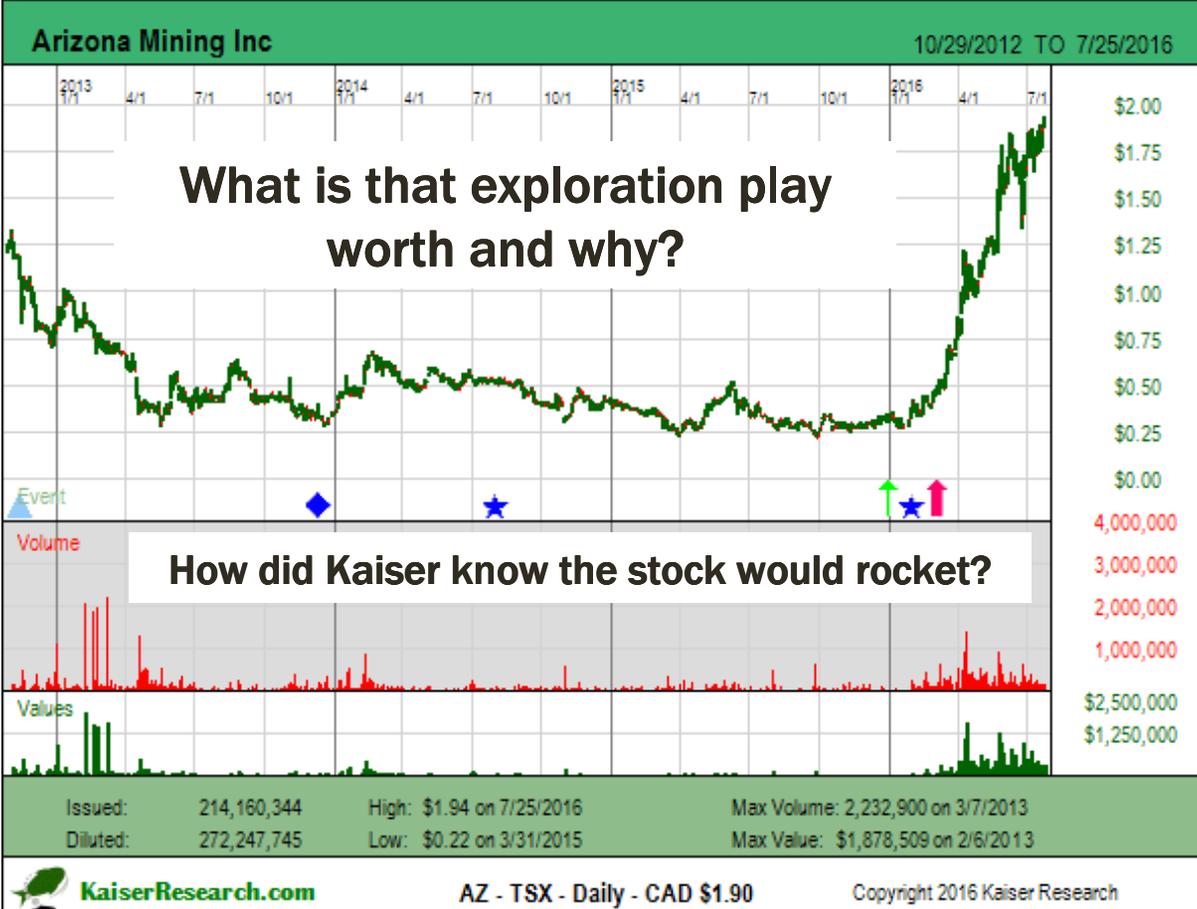
Discovery Exploration: an alternative to optionality gambling

Exploring for deposits that are economic at the metal prices we have.

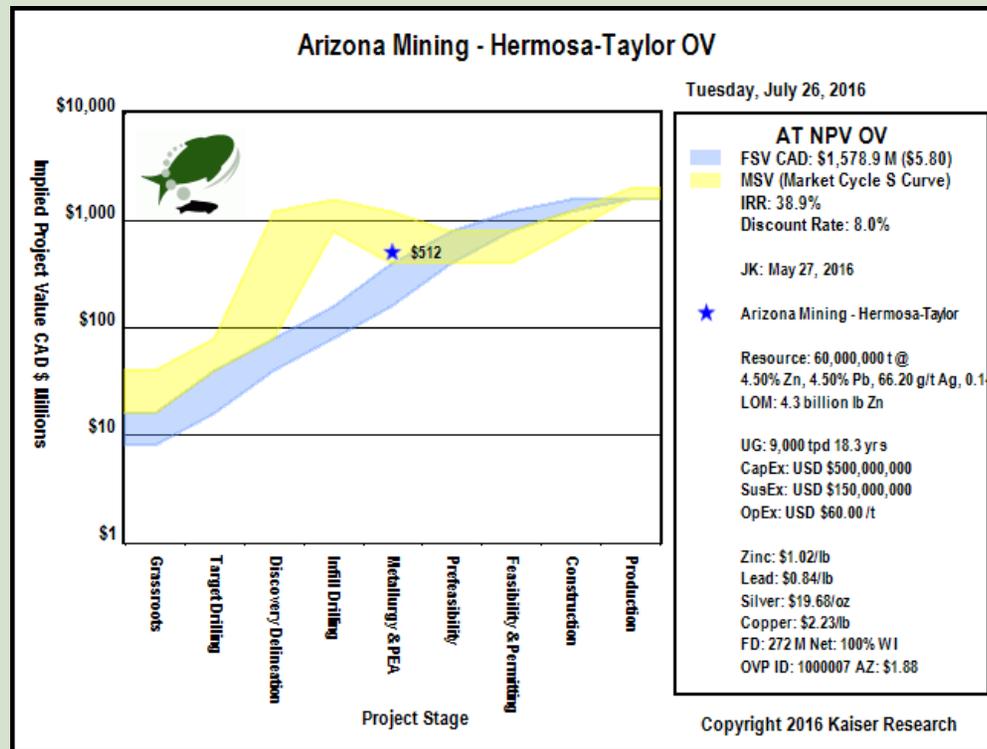
- 1) grassroots exploration
- 2) applying new exploration methods
- 3) rethinking existing systems



Arizona Mining Inc – world class discovery



Rick Rule: “the intrinsic value of an exploration junior is zero”



John Kaiser: “the speculative value of an exploration junior is the value of a plausible potential outcome times its uncertainty”

Discounted Cash Flow Valuation Model (DCF)

$$\sum_{n=1}^m \frac{\text{Annual Cash Flow}}{(1 + \text{Discount Rate})^n}$$

Minus Capital Cost

 = 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.

Intrinsic Value vs Speculative Value

Intrinsic Value = Discounted Cash Flow Model (DCF) applied to a mine

Fair Value of a Bet = probability X value of a potential outcome

Speculative Value = probability of a potential mine X such a mine's DCF value

The 6 Numbers you need to Gamble on Discovery Exploration

- **After Tax Net Present Value (NPV)**
- **After Tax Internal Rate of Return (IRR)**
- **Discount Rate**
- **Project Net Interest**
- **Fully Diluted Shares**
- **Stock Price**

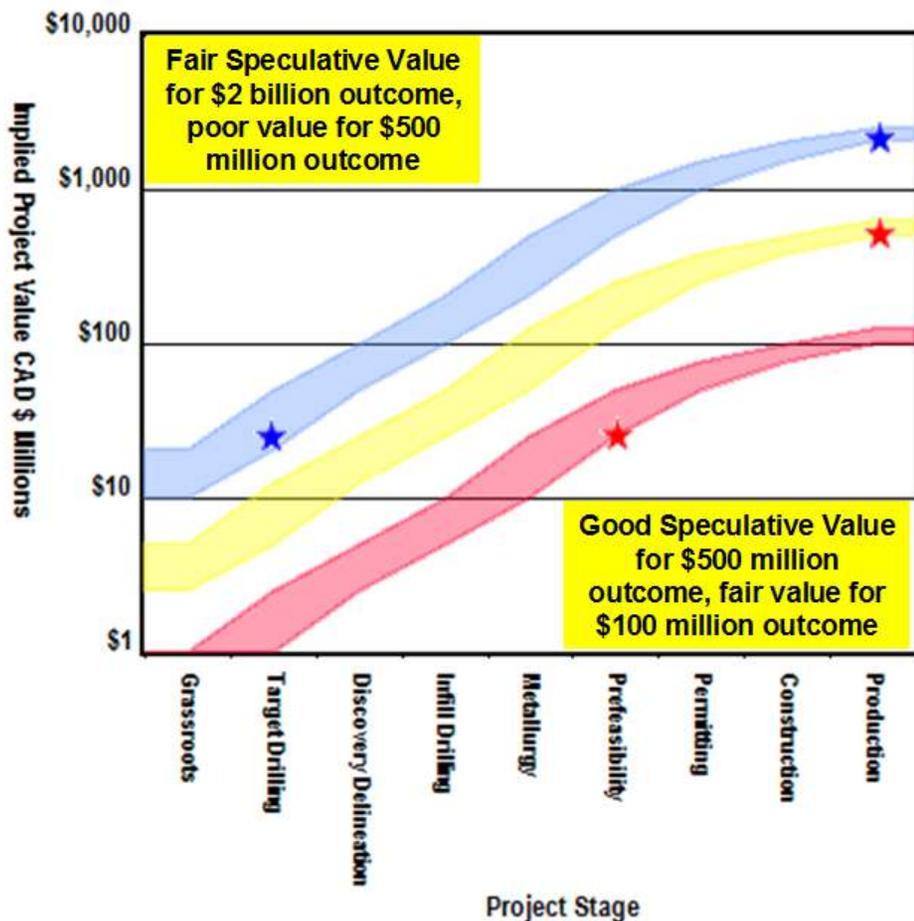
Plus...

Rational Speculation Model – Uncertainty Ladder for Metal Projects

Exploration Cycle Stages		Success Probability		Outcome Target Fair Value Channels (\$ Millions)		
		Chance	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	5-10%	10-20	\$5-10	\$25-50	\$100-200
5	PEA & Metallurgy	10-25%	4-10	\$10-25	\$50-125	\$200-500
6	Prefeasibility	25-50%	2-4	\$25-50	\$125-250	\$500-1,000
7	Permitting, Marketing & Feasibility	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

Mineral Exploration Cycle



The speculative value depends on the stage of the project, the value implied by the market, and the visualized outcome.

Basic Gambling Principle = a fair bet is one where the payout matches the odds, a good bet is one where the payout is less than the odds, and a good bet, one you only find when the market is inefficient or rigged, is one where the payout greatly exceeds the underlying odds.

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Sprott Symposium
Vancouver
July 26-29, 2016

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Daily Kaiser Research Report

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Daily Kaiser Bottom-Fish Report

KRO News Current Week

KRO News Last Week

Daily Spec Value Hunter Report

Indices

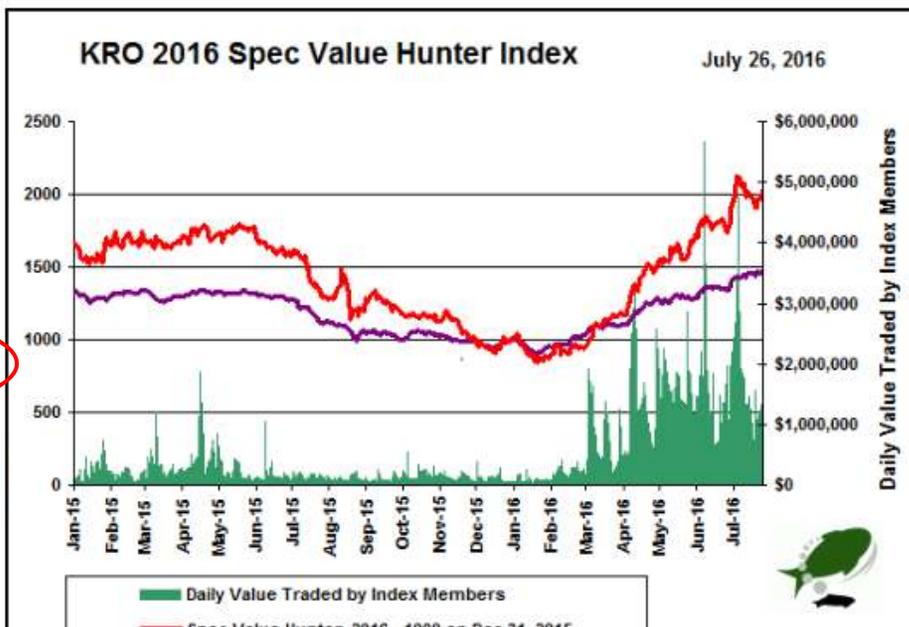


Sector Links

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Jun 10

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Comment: \$SOI Sirius
pulls best hole yet at
Cheechoo - unrestricted
Apr 29/16, <https://t.co/lyMEyhCktTw>



Visualized Outcome: Arizona Mining - Hermosa-Taylor

Arizona Mining Inc owns 100% (subject to shareholder approval) of the Hermosa-Taylor project in southern Arizona where a world-class scale sulphide carbonate replacement deposit was found in 2014 at the base of the Central deposit (formerly Manto Zone) on which AZI spent \$40 million from 2006-2013 for an open-pit PFS that would have produced silver, electrolytic manganese and zinc from an oxide deposit. An inferred resource of 39,400,000 tonnes of 4.48% zinc, 4.48% lead, 66.19 g/t silver and 0.14% copper was reported in Feb 2016. In mid 2015 AZI acquired adjoining patented claims that cover the downdip projection of the CRD zone which was intersected at 1,600 m depth on a neighbouring property by Asarco decades ago when it operated the Trench Mine on the patented claims. In Feb 2016 AZI initiated an 8 hole drill program of wide spaced holes on the Trench claim to establish the basis for an infill drilling program designed to set the stage for infill drilling and determine the best location for a shaft or decline to access the ore from infrastructure on the patented claims. Current plans for 2016 imply a \$15-\$20 million budget involving 5 drill rigs culminating in a PEA by the end of 2016. The geological context implies a footprint of several hundred million tonnes of zinc-lead mineralization with a silver credit of which only a portion would be extracted by an underground mine of 8,000-10,000 tpd operating for 20 years. The 2016 focus will be to isolate the most continuous, high grade part of the system that would be targeted for initial mining. Key targets for 2016 are to boost the resource to 60 million tonnes to support a 8,000-10,000 tpd underground mine with a 20 year mine life, and isolate a sweet spot with combined zinc-lead grades in the 10%-15% range compared to 9% in the inferred resource.

Source Note: This OV assumes a mining rate of 9,000 tpd and postulates resource of 60M tonnes, about 50% greater than the 43-101 inferred resource of 39.4 M tonnes, but maintains the estimate grades. The inferred resource covers only a portion of the deposit which in 2016 will be delineated in order to establish the sweet spot for the initial underground mining scenario expected to range 8,000-10,000 tpd. My expectation is that the combined zinc-lead grade for the initial mineable resource will exceed 10% but am for now keeping Zn-Pb grades at 4.5% from 43-101 estimate. Apart from revisions to mining cost assumptions, the zinc and lead grades offer the greatest room for upside improvement.

Visualized Outcome Summary: Arizona Mining - Hermosa-Taylor

Deposit Scenario: 60,000,000 t @ 4.50% Zinc, 4.50% Lead, 66.2 g/t Silver, 0.14% Copper

Mining Scenario: Underground 9,000 tpd 18.3 yrs, CapEx \$500.0 million, SustCapEx \$150.0 million, OpEx \$60.00/t (USD)

LOM Payable: 4.3 billion lb zinc, 5.3 billion lb lead, 109.0 million oz silver, 89.8 million lb copper

Detailed Visualized Outcome (KRO Members Only)

VU = Very Unsure

SU = Somewhat Unsure

SS = Somewhat Sure

VS = Very Sure

The confidence indicator is intended to convey the visualizer's degree of uncertainty with regard to a particular assumption.

Deposit Scenario

	Metal 1		Metal 2		Metal 3		Metal 4	
	Zinc Zn		Lead Pb		Silver Ag		Copper Cu	
Grade:	4.50%	VS	4.50%	VS	66.2 g/t	SS	0.14%	SU
Recovery:	85.0%	SS	93.0%	SS	90.0%	SS	50.0%	VU
Payable:	85.0%	SS	95.0%	SS	95.0%	SU	97.0%	SU
Concentrate Grade:	56.0%	SS	75.0%	SS				
Price:	\$1.02 /lb	SU	\$0.84 /lb	SU	\$19.68 /oz	VU	\$2.23 \$/lb	VU
Price Type:	Spot		Spot		Spot		Spot	
Annual Payable:	235,459,134 lb		287,928,228 lb		5,977,973 oz		4,917,393 lb	
LOM Payable:	4,300,623,450 lb		5,258,963,070 lb		109,186,725 oz		89,815,404 lb	

Mining Scenario

Tonnage:	60,000,000	SU	Strip Rate:	0.0	VS
Operating Rate (tpd):	9,000	SU	Mining Type:	Underground	VS
Mine Life (years):	18.3		Startup:	2022	VU
Tax Treatment:	DDBM - double declining balance	VU	Tax Rate:	42.0%	SS

Operating Rate Note: Management has played with both a 8,000-10,000 tpd mining rate and a smaller scale 6,000-8,000 tpd rate, but is leaning toward the aggressive scenario as are Bay Street research analysts.

Mining Type Note: The CRD sulphide zone at Hermosa-Taylor starts at about 250 m depth and dips at 25 degrees to the northwest. Just over 2,000 m from the pit base on claims beyond the Trench patented claims several older Asarco holes intersected the CRD zone at depths of 1,300-1,600 m, which offers a strong case for the hypothesis that the CRD zone continues at least another 1,300 m downdip from the limit of the Feb 2016 resource estimate. In addition, because 2015 drilling was confined to a strip of patented claims, the CRD zone so far outlined may represent only a third of the width of the zone.

Est Startup Year Note: Expect deposit delineation and PEA in 2016, a PFS in 2017, and an EIS-FS in 2018. Although Arizona can be a difficult place to permit an open-pit mine, Taylor's location on patented claims and its underground mining nature promise to generate less permitting opposition than an open-pit mine on unpatented land under the administration of the forest service.

Tax Rate Note: Federal 35%, state 7%.

Cost Scenario

			Currency	USD Cost	Exchange Rate
CapEx:	\$500,000,000	SU	USD	\$500,000,000	1.000
Sustaining Capital:	\$150,000,000	SU	USD	\$150,000,000	1.000
Mining Cost (\$/t rock):	\$30.00	SU	USD	\$30.00	1.000
Mining Cost (\$/t ore):	\$30.00		USD	\$30.00	1.000
Processing Cost (\$/t):	\$25.00	SU	USD	\$25.00	1.000
Other Cost (\$/t):	\$5.00	SU	USD	\$5.00	1.000
Total OpEx (\$/t):	\$60.00		USD	\$60.00	1.000
Zinc Concentrate Cost (\$/t con):	\$210.00		USD	\$210.00	1.000
Lead Concentrate Cost (\$/t con):	\$210.00	SU	USD	\$210.00	1.000

Metal 1 Con Cost Note: \$60/t transport cost (Trail smelter), \$150/t smelter treatment charge is half way between \$200 high and current \$100/t. Concentrate grades based on bench scale metallurgical studies by AZ.

Metal 2 Con Cost Note: \$60/t transport cost, \$150/t smelter treatment charge.

Economic Outcome (USD): Revenue Model at OV designated Metal Prices

	Annual Average	Life of Mine (LOM)	LOM Stats
Recoverable Revenue:	\$672,283,500	\$12,279,150,690	\$205/t ore Recoverable Value:
Smelter/Transport Costs:	(\$147,256,021)	(\$2,689,607,692)	21.9% of Recoverable Revenue
Gross Payable Revenue:	\$525,027,479	\$9,589,542,998	78.1% of Recoverable Revenue
Royalties:	(\$15,750,824)	(\$287,686,290)	3.0% of Gross Payable Revenue
Net Payable Revenue:	\$509,276,655	\$9,301,856,708	75.8% of Recoverable Revenue
Mining Cost:	(\$98,550,000)	(\$1,800,000,000)	48% of OpEx - \$30.00/t ore
Processing Cost:	(\$82,125,000)	(\$1,500,000,000)	40% of OpEx - \$25.00/t ore
Other Cost:	(\$16,425,000)	(\$300,000,000)	8% of OpEx - \$5.00/t ore
Sustaining Cost:	(\$7,894,737)	(\$150,000,000)	4% of OpEx - \$2.50/t ore
Total Operating Cost:	(\$204,994,737)	(\$3,750,000,000)	40% of Net Payable Revenue - OpEx - \$62.50/t ore
Pre-Tax Cash Flow:	\$304,281,918	\$5,551,856,708	60% of Net Payable Revenue - \$92.53/t ore
Taxes:	(\$116,131,739)	(\$2,121,779,817)	38% of Pre-Tax Cash Flow - \$35.36/t ore
After-Tax Cash Flow:	\$188,150,179	\$3,430,076,891	37% of Net Payable Revenue - \$57.17/t ore

Note: Concentrate transport costs, smelter treatment costs and retention are subtracted from recoverable revenue to get gross payable revenue to which the uncapped royalty rate for the project is applied. The annual average of LOM sustaining cost is expensed as an annual operating cost. Annual average figures reflect full production years.

	Risk Level	Risk Weight	Confidence	Note
Environmental Permitting:	High	1.5	SU	Permitting a mine in the USA is always a problem given the cost-dumping, self-centered "not-in-my-backyard-but-give-me-cheap-my-goods" mindset of America's elites. However, the location on patented claims and the underground nature of the mine, coupled with experienced management in terms of mine building and permitting suggests this could be easier built than an open-pit mine.
Social License:	Low	1.0	SS	The patented claims imply no aboriginal issues, though "retired" people living in the general area may resist a mine because it gives them something to do. The most unhappy group is likely to be drug smugglers and human traffickers, but Trump's plan to have Mexico pay for a great big wall could put an end to that complaint.
Title:	Low	1.0	SU	The project was acquired out of a bankruptcy in 2006 and is owned by a subsidiary in which AZ has owned 80% since 2006. An agreement exists to acquire the remaining 20%. Title problems with regard to the subsidiary's ownership should have arrived by now. However, because there have been various private transfers involving the minority ownership of the subsidiary, there is some risk AZ might remain at 80%.
Tax:	Very Low	0.5	SS	With 42% combined federal and state income tax already, the chance of higher income tax rates is very low, though the imposition of a government royalty is always a background risk.
GeoPolitical:	Very Low	1.0	VS	Given the nonsense spewed by leading presidential nomination candidates, one has to wonder about the risk of instability sweeping the USA. However, global geopolitical chaos is a plus for Hermosa-Taylor because it will underline the wisdom of developing a major new domestic supply of zinc and lead rather than rely on China's ongoing willingness to trash its environment with zinc mining related emissions.
Infrastructure:	Very Low	0.5	SU	The fact that the much bigger Hermosa-Central plan yielded a positive PFS (at base case prices) indicates few problems for the much smaller scale Hermosa-Taylor operation in terms of power, rail and water.
Technical:	Very Low	1.0	SU	The CRD sulphide deposit does not appear to have any metallurgical issues, and seems to track the contact between the carbonates and overlying volcanics quite nicely. A key technical question is to what extent a continuous sweet spot is present with a mineable grade at or above the inferred resource grade.
Management:	Very Low	0.5	SS	AZ has an impressive management team: CEO Jim Gowans is an accomplished mine builder, having built the Red Dog and Polaris zinc mines, Chairman Richard Warke has two buyouts worth \$2 billion in his recent track record, one of them Augusta's Rosemont copper mine in Arizona, plus a huge equity stake in AZ. Don Taylor knows Hermosa inside-out, Johnny Pappas helped get Romarco's Haile gold project permitted despite a "wetlands" obstacle course.
Financing:	Low	1.0	SS	\$10 million sale of 1% NSR to Osisko and \$5 million private placement funds PEA delivery plans for 2016. Management has a track record of raising feasibility scale funding for 100% owned projects, but some dilution risk exists.

Risk Factor adjusted Discount Rate: 8.0%

Risk Factor Weight Table				
	Very Low	Low	High	Very High
Environmental Permitting:	0.5	1.0	1.5	2.0
Social License:	0.5	1.0	1.5	2.0
Title:	0.5	1.0	1.5	2.0
Tax:	0.5	1.0	1.5	2.0
GeoPolitical:	0.5	1.0	1.5	2.0
Infrastructure:	0.5	1.5	2.5	4.0
Technical:	1.0	2.5	4.0	5.5
Management:	0.5	1.5	3.0	4.0
Financing:	0.5	1.0	1.5	2.0

The risk adjusted discount rate is the sum of the weight of the risk level assigned to each risk factor.

Note: the algorithm is very simple - it adds the risk weight factors assigned to the risk type based on the user choice.

Rules of Thumb for OV:

- 1) if after-tax NPV less than CapEx, do not build
- 2) if IRR less than 15% do not build
- 3) if NPV very large and equal or greater than CapEx and IRR 15%-30% , build it
- 4) if NPV not so large and equal or greater than CapEx and IRR greater than 30%, built it

Economic Outcome - Discount Rate: 8.0% - CAD AT NPV: \$1.5 billion - Poor Speculative Value

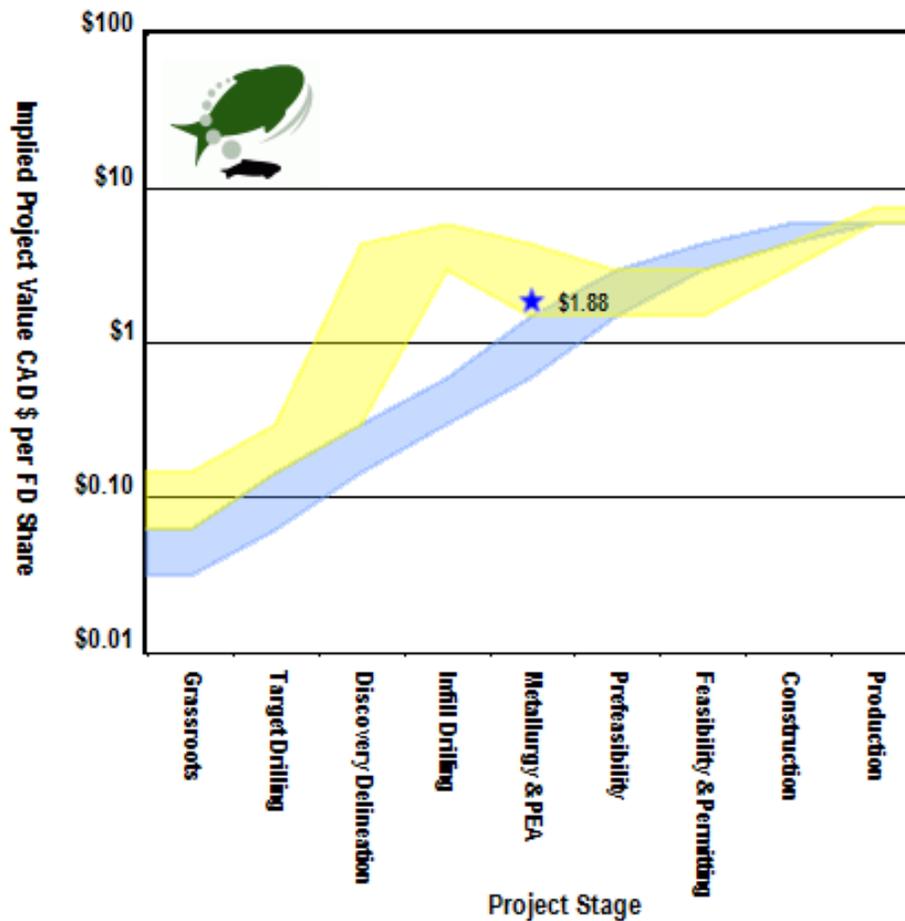
Gross Rock Value (USD/t):	\$158	Recoverable Rock Value:	\$203	Payable Rock Value:	\$158
LOM Net Payable Revenue (USD):	\$9,196,795,188	LOM PT Cash Flow (USD):	\$5,446,795,188	LOM AT Cash Flow (USD):	\$3,369,141,209
USD Pre-Tax NPV:	\$2,143,298,644	Pre-Tax IRR:	59.7%	Pre-Tax Payback:	1.7
USD After-Tax NPV:	\$1,167,962,541	After-Tax IRR:	38.2%	After-Tax Payback:	2.6
CAD Fair Spec Value Low:	\$154,065,939	CAD Fair Spec Value High:	\$385,164,847	CAD Implied Project Value:	\$503,658,328

Fair Speculative Value Ladder

USD OV NPV	CAD OV NPV	Exch Rate	Diluted	Net Interest
\$1,197,102,810	\$1,578,858,896	1.3189	272,247,745	100.00%
Project Stage	Uncertainty Range	CAD FSV Range	CAD FSV per Share Range	CAD MSV per Share Range
Grassroots	0.5% - 1.0%	\$7,894,294 - \$15,788,589	\$0.03 - \$0.06	\$0.06 - \$0.14
Target Drilling	1.0% - 2.5%	\$15,788,589 - \$39,471,472	\$0.06 - \$0.14	\$0.14 - \$0.29
Discovery Delineation	2.5% - 5.0%	\$39,471,472 - \$78,942,945	\$0.14 - \$0.29	\$0.29 - \$4.35
Infill Drilling	5% - 10%	\$78,942,945 - \$157,885,890	\$0.29 - \$0.58	\$2.90 - \$5.80
PEA & Metallurgy	10% - 25%	\$157,885,890 - \$394,714,724	\$0.58 - \$1.45	\$1.45 - \$4.35
Prefeasibility	25% - 50%	\$394,714,724 - \$789,429,448	\$1.45 - \$2.90	\$1.45 - \$2.90
Permitting & Feasibility	50% - 75%	\$789,429,448 - \$1,184,144,172	\$2.90 - \$4.35	\$1.45 - \$2.90
Construction	75% - 100%	\$1,184,144,172 - \$1,578,858,896	\$4.35 - \$5.80	\$2.90 - \$4.35
Production	100%	\$1,578,858,896	\$5.80	\$5.80 - \$7.25

Arizona Mining - Hermosa-Taylor OV

Tuesday, July 26, 2016



AT NPV OV

FSV CAD: \$1,578.9 M (\$5.80)

MSV (Market Cycle S Curve)

IRR: 38.9%

Discount Rate: 8.0%

JK: May 27, 2016

★ Arizona Mining - Hermosa-Taylor

Resource: 60,000,000 t @

4.50% Zn, 4.50% Pb, 66.20 g/t Ag, 0.14%

LOM: 4.3 billion lb Zn

UG: 9,000 tpd 18.3 yrs

CapEx: USD \$500,000,000

SusEx: USD \$150,000,000

OpEx: USD \$60.00 /t

Zinc: \$1.02/lb

Lead: \$0.84/lb

Silver: \$19.68/oz

Copper: \$2.23/lb

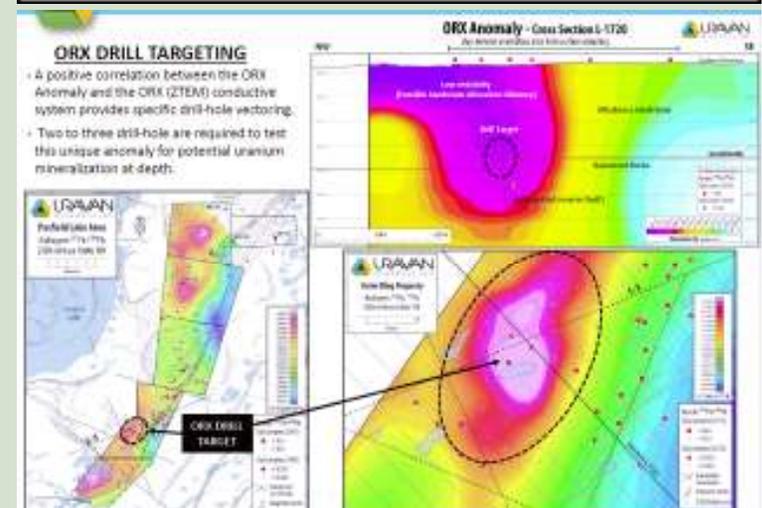
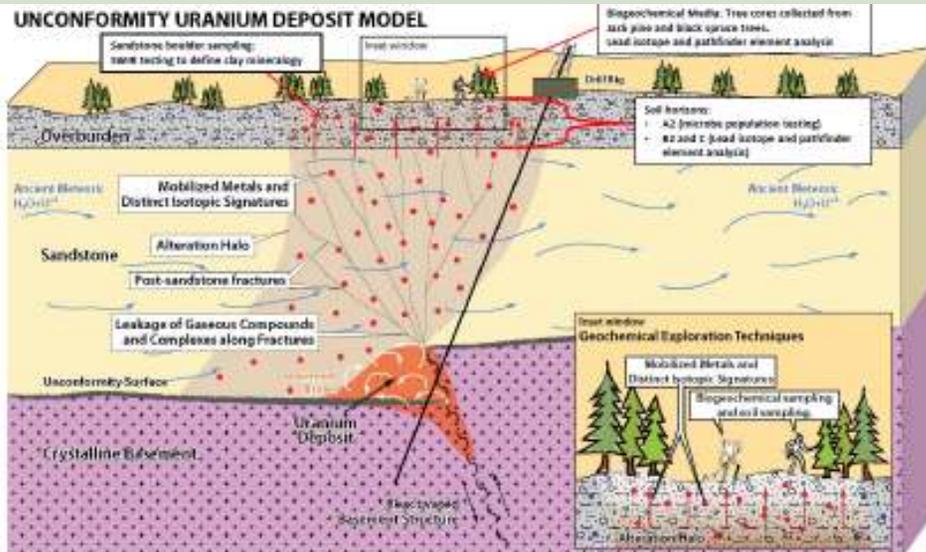
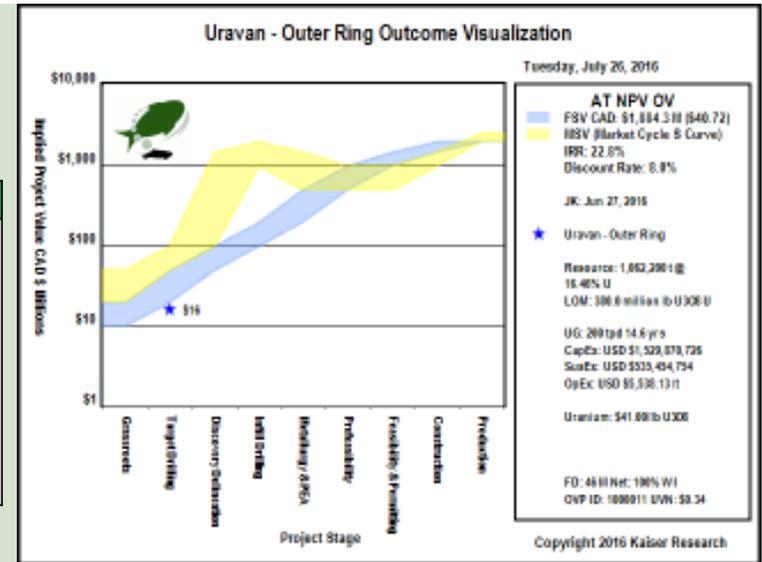
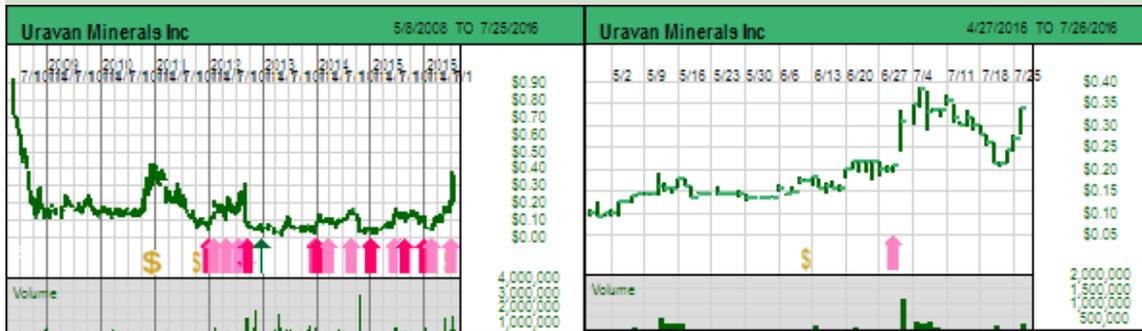
FD: 272 M Net: 100% WI

OVP ID: 1000007 AZ: \$1.88

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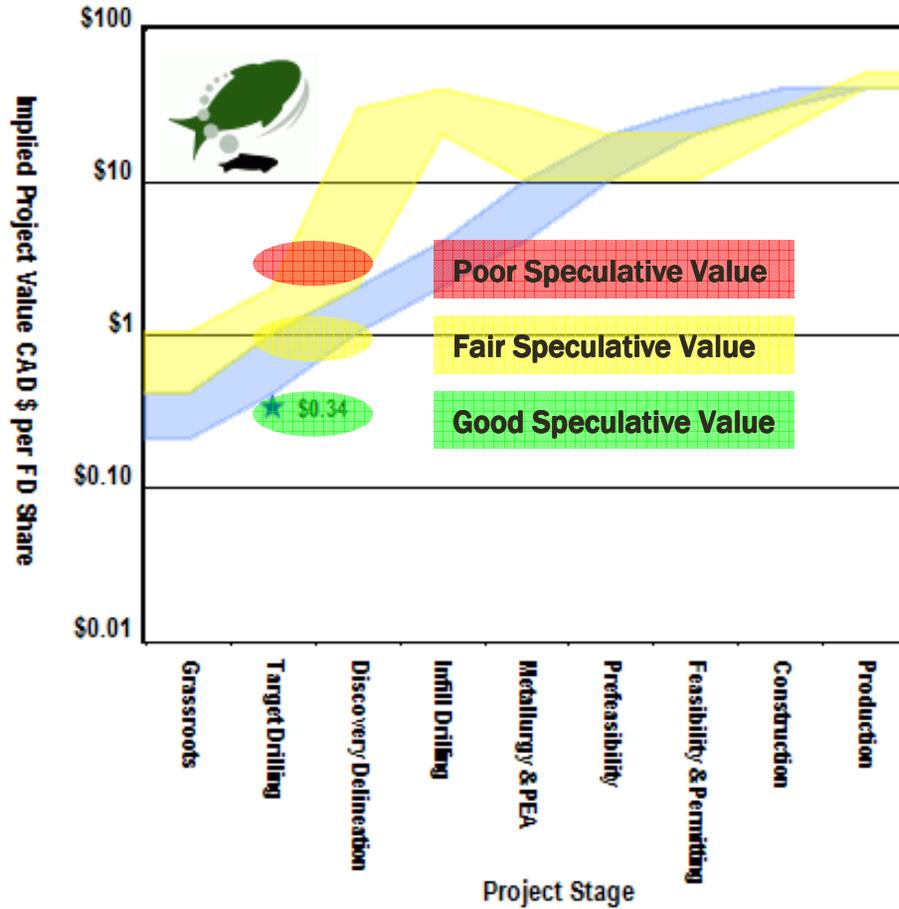
Example of Innovative Exploration Method

Uravan Minerals Inc (UVN-V: \$0.34)



Uravan - Outer Ring Outcome Visualization

Tuesday, July 26, 2016



AT NPV OV

FSV CAD: \$1,884.3 M (\$40.72)
 MSV (Market Cycle S Curve)
 IRR: 22.8%
 Discount Rate: 8.0%

JK: Jun 27, 2016

★ Uravan - Outer Ring

Resource: 1,062,200 t @
 16.46% U
 LOM: 380.0 million lb U3O8 U

UG: 200 tpd 14.6 yrs
 CapEx: USD \$1,529,870,726
 SusEx: USD \$535,454,754
 OpEx: USD \$5,538.13 /t

Uranium: \$41.00/lb U3O8

FD: 46 M Net: 100% WI
 OVP ID: 1000011 UVN: \$0.34

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Who cares what one individual thinks the outcome of a project will look like?

What if a crowd of anonymous untrustworthy individuals with a conflict of interest and an agenda to manipulate the market and the views of their peers shares such as a visualized outcome in a public space?

Would it be a chaotic mess, or a convergence on the truth in a way that rivals the 43-101 QP's version long before it arrives?

Would you like to be one these players?

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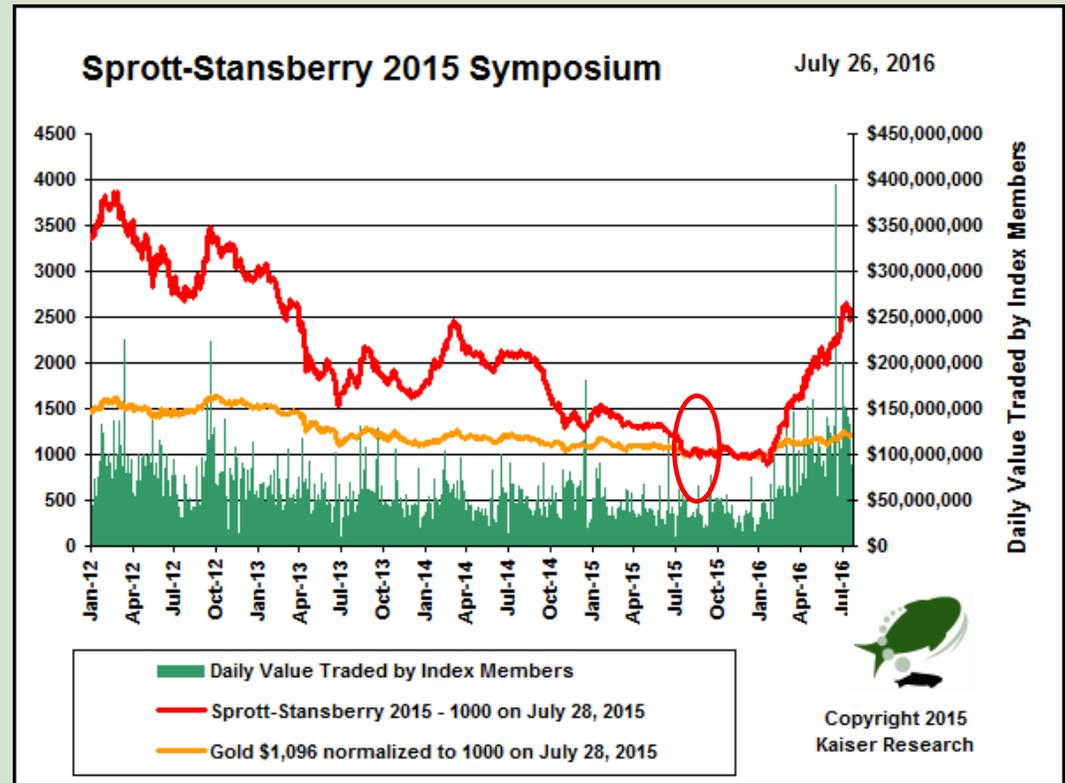
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When the market wind blows resource juniors should bend like reeds rather than break like trees.