Dear valued subscribers,

I have very good news about the future of this newsletter to share with you today. I also have a number of company updates and developments with Resource Opportunities companies.

As founder of CEO.CA, a digital business media startup, I’m overseeing the rapid growth of our new Canadian investor app, chat.ceo.ca.

Three talented Vancouver-based web developers and myself are experimenting with new messaging technology, specifically for junior resource investors. The users are playing an important role as well, providing feedback for continual improvements.

In recent weeks, Resource Opportunities has not been getting the attention it deserves.

Resource Opportunities’ founder, Lawrence Roulston, has also been busy building up a mining private equity firm with Quintana Resources Capital ULC. While Lawrence is able to provide as-needed technical advice for this newsletter, he and I both realized you deserve a dedicated editor.

Lawrence and I are proud to introduce James Kwantes as the next Editor of Resource Opportunities. James is someone who has subscribers’ best interests at heart and will help us profit greatly as the junior mining bull market inevitably returns.

James is the mining reporter at the Vancouver Sun, the city’s paper of record. A journalist with over 20 years of experience, James has interviewed a long list of executives, financiers and minefinders. In my five years of close friendship with James, he’s shown focus on only the highest-quality mining projects and management teams (including firms like Pretium Resources, Kaminak Gold and North Arrow Minerals, of late).

It’s important for you to know we recruited James because he is honest; he made the conscious decision to keep his independence from stock promoters, making him unique among mining writers.
James Kwantes is fully invested in making profits for subscribers. He is dedicated to identifying under-the-radar and high-quality junior mining companies, and has the help of a quality network of geologists, engineers and analysts, including Lawrence, to help with critical technical due diligence.

Ongoing, I will assist James with marketing and proactively share my top exploration ideas with him. You will always still be able to find me at CEO.ca and chat.ceo.ca, where we discuss many Resource Opportunities companies.

The Jack Nicklaus of newsletter writers was one of Lawrence’s contemporaries, Mr. Bob Bishop, who discovered countless major junior mining successes before the mainstream, and was wise enough to retire in 2007, at the top of the market. Mr. Bishop accomplished great success as a newsletter writer without a background in mining; he was a journalist, able to tell both sides of his story and educate his readers.

I’m not saying James is going to win 18 major championships, or even come close to Mr. Bishop’s accomplishments. But I do think he is the best person in the world to be running this newsletter, and I am excited for what he can accomplish for subscribers, especially given the current low point in the mining cycle.

Please join me in welcoming our new editor, James Kwantes. He is taking subscriber emails and feedback at james.kwantes@gmail.com. For subscription-related inquiries, please email info@resourceopportunities.com.

And with that I’d like to hand it off to James.

Tommy@ceo.ca

James Kwantes
Editor

On a recent holiday to San Diego, I tried surfing for the first time. Or as my wife put it, I got tossed around like a guppy by the Pacific Ocean (she & the junior mining markets keep me humble).

I discovered that discipline, patience and timing are a few of the qualities required as you bob in the water, waiting for the right opportunity to catch a good wave. Those qualities also help when you're a market speculator. In either environment, overconfidence can cause bruising.

For gold bugs, the last 4 years have felt like relentless exposure to an unforgiving ocean, getting pounded by the waves (USD strength/gold weakness) and being unable to harness their power. No wonder resource speculators are exhausted. Many have given up on "surfing."
However, valuations in the junior gold market reflect that investor despondency. That's creating some buying opportunities, even in this seemingly never-ending junior resource sale, which brings me to Pilot Gold.

Pilot Gold

Shares of Mark O'Dea's Turkey- and Nevada-focused gold explorer have been punished along with his True Gold Mining (more on that one later). But Pilot Gold's risk profile is much more favourable - in fact, it's on the other side of the spectrum.

Pilot Gold has 3 strong projects, each of them in safe jurisdictions (one in Nevada, two in Turkey). The Turkey projects, TV Tower and Halilaga, are joint ventures with Teck. Pilot's chief geologist, Moira Smith, is a mine finder with a stellar reputation. She was key to identifying Fronteer Gold's Long Canyon deposit, which O'Dea sold to Newmont for $2.3 billion, and before that led exploration programs for Teck that identified several multi-million-ounce deposits.

In Nevada, Pilot has a 10,000-metre drill program going at 79%-owned Kinsley Mountain (Nevada Sunrise is 21% JV partner). Intercepts in 2014 included 10.5 g/t Au over 42.7 metres and 7.53 g/t over 53.3 metres. These are impressive intercepts but mineralization found to date does not appear large enough to justify a mine, so expansion or new discoveries are likely needed. Pilot's Kinsley Mountain properties include a historic mine that closed in 1999 but northern claims on the property have never been drilled.

Pilot just announced fulfillment of its 60% earn-in on the TV Tower project, a joint venture with a Teck subsidiary that Pilot was sole funding. Teck is now obligated to pay its pro-rata share of exploration expenditures, and the $7.5-million program includes 25,000 metres of core drilling at several copper porphyry systems discovered by Pilot, as well as metallurgical tests.

Pilot also revised a preliminary economic assessment for its nearby 40%-owned Hallilaga project (Teck 60%) by moving to a smaller mine size and contract mining, resulting in lower CAPEX and more favourable economics.

Pilot is fully funded for 2015 and has a management team that's high-calibre and a partner with deep pockets. The stock should gain traction, outperforming its peers, on drill results and (hopefully) a rising gold price environment.

Price: 81 cents
Shares outstanding: 107.2 million
Market cap: $87 million
Cash: $17.9 million (as of Dec. 31)
Company phone: 1-877-632-4677
Email: info@pilotgold.com
www.pilotgold.com
True Gold Mining

O'Dea also runs True Gold Mining, which is building the Karma gold mine in Burkina Faso. Karma has good economics and was fully funded, but has turned into something of a true or false question on the back of geopolitical and religious risk that halted mine construction.

The stock has been pummelled.

The company is doing what it can to navigate a shifting landscape in Burkina Faso. New CEO Christian Milau has experience in Burkina Faso as the executive vice-president and chief financial officer of Endeavour Mining, which runs the Youga mine in Burkina. True Gold is ticking off the boxes on those things it can control. It's the unpredictably of events beyond True Gold's control that are most worrying, and reason to avoid the stock for now. Additionally, the company will likely need to raise some money to cover the construction delays (up to $30 million according to Tara Hassan at Haywood Securities, who covers True Gold closely).

The company is working with local groups including Muslims who are worried that mine construction will damage their nearby mosque. The Ramatoulaye mosque is one of the country's most important and just 1.2 km from one of Karma's pits. In a March 2 update, True Gold said that once construction activities "fully resume," it will be 10 months to the first gold pour.

Given world events, it's a particularly bad time to be having problems with local Muslim communities.

Price: 19 cents
Shares outstanding: 398 million
Market cap: $76 million
Cash: $42 million
Company phone: 604-801-5020
Email: info@truegoldmining.com
www.truegoldmining.com

Pretium Resources

A world away, Pretium announced environmental approval of its Brucejack gold mine, a high-grade underground mine, from the government of British Columbia. Pretium is cash-rich - the company just raised $80 million from China’s Zijin Mining for a 9.9% stake - and gold-rich. Brucejack’s Valley of the Kings hosts proven and probable reserves totalling 6.9 million ounces of gold (13.6 million tonnes grading 15.7 grams per tonne).

Pretium's market capitalization is also a bit rich, at close to $1 billion (144 million shares, fully diluted, at $6.69). However, the company has de-risked the project to the point where it would fit nicely into the portfolio of a major gold mining company. Brucejack has grade, size, low all-in
sustaining cash costs of $450 per ounce, and good relationships with local natives. Mine construction is slated to start this summer.

Progress on multiple fronts makes Pretium a likely takeover target, and the stock was trading at the $9 level less than 2 months ago. While upside may be limited by the value already baked in, at these levels a premium for Pretium would obviously go into the "Win" column - especially in this market.

Price: $6.69
Shares outstanding: 145,300,000
Market cap: $972 million
Working capital: $132 million
Company phone: 1-800-564-6253
Email: invest@pretivm.com
www.pretivm.com

North Arrow Minerals

"In the short run, the market is a voting machine but in the long run, it is a weighing machine."
- Legendary value investor Benjamin Graham

In the case of North Arrow Minerals, Graham's observation is literally true. A month ago, the Gren Thomas-helmed company reported diamond results from 609 tonnes (of a 1,500-tonne sample) of kimberlite from the Qilalugaq diamond project in Nunavut. Diamonds of various yellow hues made up 8.5% of the stones recovered but 21.4% by carat weight. If the Q1-4 kimberlite becomes a mine, the rare and valuable yellows will likely generate a majority of the revenue.

North Arrow's stock has risen from 60 cents in August when Resource Opportunities initiated coverage to 83 cents. Volume is low, investor apathy is high, and in our opinion, North Arrow remains a show-me story not well understood by Mr. Market.

Near-term catalysts include:
- results from 3,000 metres of drilling at Pikoo, North Arrow's grassroots diamond discovery in Saskatchewan;
- completion of the processing of the Qilalugaq bulk sample;
- valuation of the diamond package in Antwerp.

North Arrow owns 80% of Pikoo (Stornoway 20%) and is earning in to 80% of the Qilalugaq diamond project. After the valuation is complete, Stornoway has a one-time back-in right to bump its 20% Qilalugaq stake to 40% by paying North Arrow three times its exploration costs, or about $11 million.
Using Graham's terminology, Q1-4's tonnes appear well worth their weight. Eventually, North Arrow Minerals should generate the votes.

Price: 83 cents
Shares outstanding: 49.8 million
Market cap: $41.3 million
Working capital: $4.2 million (as of Jan. 31)
Company phone: 604-668-8355
Email: nthomas@northarrowminerals.com
www.northarrowminerals.com

Sandstorm Gold

Speaking of diamonds, streamer Sandstorm Gold made a foray into the space last week by purchasing from IAMGOLD a 1% gross proceeds royalty on the Diavik diamond mine for $52.5 million and 3 million warrants. Diavik, located in the Northwest Territories, is a 60/40 joint venture between operator Rio Tinto and Dominion Diamond. It was discovered by North Arrow chairman Gren Thomas's Aber Resources back in 1994 and became Canada's second diamond mine.

We like the opportunistic, albeit surprising, acquisition because it moves the needle for Sandstorm Gold, whose cash flow shifts to 84% gold, 13% diamonds and 3% base metals. With average grades of more than 3.5 carats per tonne, Diavik is one of the world's richest diamond mines and a reliable cash flow gusher for its owners.

Fast-growing Sandstorm has had its troubles in recent years. There was the ill-fated spinoff of its base metals and energy assets and difficulties with the Luna Gold stream, which was just restructured to a net smelter return royalty and a convertible debenture. Sandstorm had also teamed up with Franco-Nevada on a $120-million financing for construction of True Gold's Karma mine, which has been halted.

There should be no such problems with the Diavik royalty, which is expected to deliver $7 to $8 million in stable cash flows annually from a world-class asset operated by one of the world's largest mining companies.

Price: $4.28
Shares outstanding: 117,500,000
Market cap: $502.9 million
Working capital: $89.3 million (as of Dec. 31)
Company phone: 1-866-584-0234
Email: info@sandstormLTD.com
www.sandstormLTD.com

Moriens Resources
When we met with John Budreski, CEO of cash-rich royalty junior Morien Resources, in Vancouver in early February before writing about the company (Feb. 16 Resource Opportunities), he emphasized the most efficient use of capital. Morien had recently announced a share buyback program, and Budreski said he'd be happy to repurchase shares if no better opportunities became available.

He certainly didn't waste any time.

On March 16, Morien announced that it had purchased for cancellation 1.19 million shares at average prices of 20 cents a share under the normal course issuer bid. Morien can purchase up to 4,995,300 shares under the bid, or 10% of its public float.

Morien owns a cash-flowing production royalty on the Banks Island Gold operation in northern B.C., the Donkin coal project in Nova Scotia (anticipated production 2016) and the Black Point aggregate project, also in Nova Scotia.

Budreski told us he subscribes to the philosophy espoused in The Outsiders, a business book that investigates 8 unconventional American CEOs who generated shareholder returns that beat their peers as well as General Electric shares while business legend Jack Welch was running it. Author William Thorndike discovered several common characteristics, including lean headquarters, decentralized operations but centralized capital allocation. Another was the willingness to buy back shares - sometimes aggressively and frequently in the face of second-guessing - when that represented the best return on investment.

Price: 18 cents
Shares outstanding: 59,900,000
Market cap: $10.8 million
Working capital: $4.5 million
Company phone: 902-466-7255
Email: info@morienres.com
www.morienres.com

Ivanhoe Mines

The last time we commented on Ivanhoe Mines, on Jan. 26, the shares had fallen to 68 cents as a large release of previously escrowed shares hit the market. We took the opportunity to average down on the developer of three substantial - and expensive-to-develop - African metals deposits.

Last week, Ivanhoe executive chairman Robert Friedland reminded the market that he knows how to land financing. The company raised C $105 million at C $1.36 per share from Zijin Mining, a diversified Chinese commodities producer. The significantly above-market-priced financing (Ivanhoe shares closed at 97 cents the day before) establishes a 9.9% stake for Zijin,
which can be maintained in future financings. The capital will be welcomed by Ivanhoe, which is
burning through an estimated $52 million per quarter (rolling 12-month average, according to
Dundee Capital Markets) developing its three projects.

The financing provided some relief to long-suffering Ivanhoe shareholders, but the stock
climbed nowhere near the financing price and subsequently dropped back below a dollar.

There seems to be no disagreement within the mining community that Ivanhoe’s three deposits
are world-class discoveries. But investors are discounting Ivanhoe’s big burn rate as well as
political and social uncertainty.

There are elections ongoing in DR Congo leading up to the presidential election in November
2016, in which current president Joseph Kabila is not eligible to run for a third term. Some
market pundits worry Kabila will not bow out gracefully, as there has been no peaceful
presidential transition in the DRC since independence in 1960.

Additionally, a new mining code has been proposed there that could see the country keep 80%
of a mineral project’s economics. If this were to happen, it is difficult to envision any new mines
being built in the DR. Congo.

Despite this, we maintain our bullish stance on Ivanhoe’s shares for the long-term, and we now
have a deep-pocketed Chinese major that agrees with us.

Price: 94 cents
Shares outstanding: 771,203,307
Market cap: $725,025,014
Working capital: Approx $215 million
Company phone: 604-688-6630
Email: info@ivanhoemines.com
www.ivanhoemines.com

NexGen Energy

NexGen continues to drill out what we believe will become an economic uranium deposit in
Saskatchewan’s Athabasca Basin at Arrow.

There are currently four drill rigs turning at the property as part of an 18,000 meter winter drill
program.

Recent angled drill holes have encountered a third mineralized shear zone (A3) which appears
to be substantially larger in size than A2 but needs more drilling. The A2 shear zone is already
being modelled at 40-50 million pounds of high-grade uranium by Mike Kozak, the uranium
analyst at institutional boutique Cormark Securities. Note Hathor Exploration had just over 50
million pounds of high-grade in the same region when it was sold to Rio Tinto for over $600 million in 2011, albeit in a much better market environment.

The uranium spot price has been helping NexGen, last at $39.50 US per pound according to UXC, up from lows of approximately $28 per pound last summer.

The Arrow deposit remains open in all directions and at depth. The company is also drilling targets 4km Northeast of Arrow and has yet to return results there. NexGen’s cost to drill is also much lower than its more advanced-stage Athabasca Basin neighbor, Fission Uranium.

More results from the winter program and an expected aggressive summer program to follow should continue to fuel NexGen’s share price going forward.

Price: 45.5 cents  
Shares outstanding: 195,954,537  
Market cap: $77,784,000  
Working capital: Approx $14 million  
Company phone: 604-684-6730  
Email: NXE@kincommunications.com  
www.nexgenenergy.com

Before we wrap up, there has been some quality content on CEO.ca recently, including a video interview of Kaizen Discovery Inc. VP of Exploration Dave Broughton from PDAC (link here). Resource Opportunities initiated coverage on Kaizen in January of this year. Also, this junior mining industry overview by geologist Rob McLeod from Friday is worth your time (link here). Lastly, this Sprott interview of Brent Cook contains good insights for exploration investors (link here).

Please email me any feedback or concerns, and expect to hear from me within the next week, or sooner if anything critical happens.

Sincerely,

James Kwantes,  
Editor, Resource Opportunities  
james.kwantes@gmail.com

Editorial Policy: Companies are selected for presentation in this publication strictly on the merits of the company. No fee is charged to the company for inclusion.

Currencies: Dollar and $ refer to Canadian dollars, unless stated otherwise or obvious from the context (for example, a share price on a Canadian exchange).

Disclaimer: Author owns small share positions in North Arrow Minerals, NexGen Energy and Morien Resources, purchased in the open market. Readers are advised that the material contained herein is solely for information purposes. Readers are encouraged to conduct their own research and due diligence, and/or obtain professional advice. Nothing contained herein constitutes a representation by the publisher, nor a solicitation for the purchase or sale of securities. The information contained herein is based on sources which the publisher believes to be reliable, but is not guaranteed to be accurate, and does not purport to be a complete statement or summary of the available data. Any opinions expressed are subject to change without notice. The author and their associates are not responsible for errors or omissions. They may from time to time have a position in the securities of the companies mentioned herein, and may change their positions without notice. (Any significant positions will be disclosed explicitly.)

Copyright: This publication may not be reproduced in whole or in part, in any form, without the express permission of the publisher. Permission is given to extract parts of the report for inclusion or review in other publications only if credit is given, including the name and address of the publisher.