



January 22, 2015
Issue #14



Monthly Breakouts

Volume Gainer	TSX: TMM
Price Gainer %	TSX: PLG
Price Gainer \$	TSX: FVI
Gainer MOM	TSX: PLG
Gainer YTD	TSX: SWY

Top Insider Trades

TSX: PDN	8.4 million
TSX: IVN	1.67 million
TSX: WG	-0.8 million

Index Overview

Number of Companies	20
Market Cap (M)	6,407
Monthly % Change	9.3%
Dividend Yield	1.1%

Monthly Market Cap Gainers

Company	Ticker	% Change
Pilot Gold Inc	PLG	47%
Fission Uranium Corp	FCU	44%
Platinum Group Metals Ltd	PTM	39%
Ivanhoe Mines Ltd-Cl A	IVN	27%
Timmins Gold Corp	TMM	25%

Top 5 Market Cap Gainers (YTD)

Company	Ticker	% Change
Stornoway Diamond Corp	SWY	215%
Balmoral Resources	BAR	179%
Fortuna Silver Mines Inc	FVI	89%
Pilot Gold Inc	PLG	57%
Timmins Gold Corp	TMM	46%

Commodity Snapshot (Jan 16, 2015)

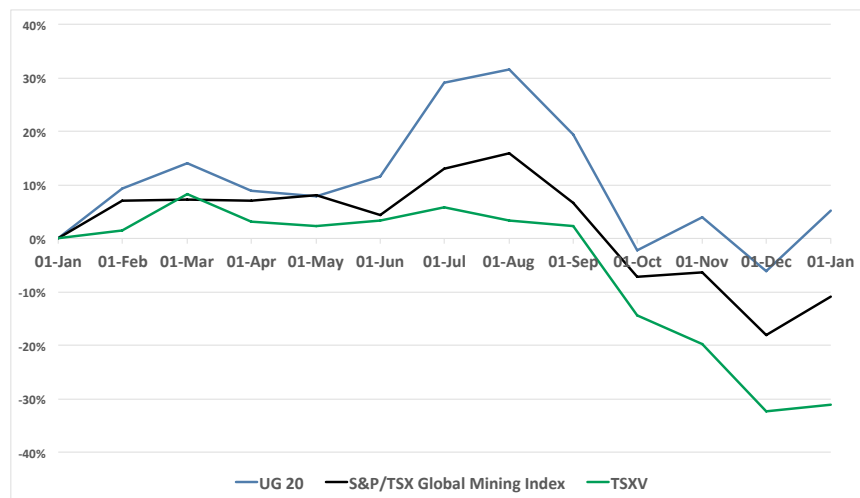
Gold	
Current price, \$/oz	\$1,280
Monthly Change	4.7%
Year Change	2.1%

Nickel	
Current price, \$/t	\$14,780
Monthly Change	-11.4%
Year Change	0.6%

Copper	
Current price, \$/t	\$5,715
Monthly Change	-11.9%
Year Change	-22.1%

How We Did

The UM20 (9.3%) outperformed the TSXV Index, which rose 2.1%, ending the month at 667.31 (hovering near its lowest price in the last 10 years). It also outperformed the S&P/TSX Global Mining Index as it rose 8.74% in the month. The combined yearly performance of the UM20 constituent companies is far better than the TSXV and S&P/TSX Global Mining Index and is in the green.



Source: Ubika Research

Though most of the energy companies declined due to steep decline (16%) in crude oil; base metal stocks also declined, the TSXV gained slightly on account of a good performance by precious metal companies. WTI crude declined almost 16% for the month ended Jan 16, 2015, on oversupply concerns and weak demand outlook while base metal prices fell mostly on weak outlook for global growth by the World Bank. Weak Chinese data also weighed heavily on the prices.

As per Bloomberg, in the last month, copper declined by almost 12%, zinc declined by 4%, while nickel declined by almost 11%; precious metals including gold, silver and platinum ended in green.

Highlights

The performance of metals reflected on the UM20's constituent companies, which gained ~9%. The constituent companies showed mostly positive performance with 15 companies ending in positive territory, one unchanged and the remaining 4 closed the month in the red. Most of the companies that ended in the green belonged to the precious metal sector.

Our top performer for the month was Pilot Gold Inc. (PLG:TSX) which gained 46.8% (price) on the increasing gold price and positive reports from the drilling at its Kinsley Mountain Project in eastern Nevada. During the recent infill drilling, the company hit many gold intersections, such as 10.1 g/t gold over 39.6 metres and 17.4 g/t gold over 21.6 metres among others.

Stornoway Diamond Corp. (TSX: SWY) was our top market cap gainer in 2014 as well as so far in 2015, increasing almost 215%.

The Month Ahead

We anticipate continued weakness for the metals in the coming month and into 2015, mainly due to weak global demand, Chinese slowdown and the over capacity issue. There seems to be no respite for the miners, especially the juniors and the mid-caps, which are grappling with high debt, low prices and extremely tight capital market. The investors are jittery and are cycling out of the commodity sector.

Some events that could have a significant effect on the global economy and thus the commodity sector are Grexit (Greek exit from Euro), meetings of the ECB on January 22, 2015, the timing of an interest rate increase by the Fed and Russia-Ukraine issues among others. Bad news could send oil and copper down further while benefitting gold and silver.

One thing to note here is that the lower oil price should be beneficial to the cost structure of all mining companies, helping to increase their margins and bottom line.

Table 1. Ubika Mining 20 Weekly Performances

Company	Symbol	Price	Mkt Cap (M)	Change MOM
Alderon Iron Ore Corp	ADV	\$0.36	\$47	22.2%
Allana Potash Corp	AAA	\$0.37	\$119	19.7%
Avalon Rare Metals Inc	AVL	\$0.21	\$29	7.8%
Balmoral Resources	BAR	\$0.97	\$107	-5.8%
Copper Mountain Mining Corp	CUM	\$1.29	\$153	-13.4%
Energy Fuels Inc	EFR	\$5.53	\$109	-29.0%
Fission Uranium Corp	FCU	\$1.18	\$428	43.9%
Fortuna Silver Mines Inc	FVI	\$5.67	\$727	13.7%
Ivanhoe Mines Ltd-CI A	IVN	\$1.05	\$736	26.5%
Lucara Diamond Corp	LUC	\$1.84	\$698	-6.1%
Nevsun Resources Ltd	NSU	\$4.43	\$884	3.0%
North American Nickel Inc	NAN	\$0.22	\$37	2.3%
Paladin Energy Ltd	PDN	\$0.36	\$592	22.4%
Pilot Gold Inc	PLG	\$1.13	\$121	46.8%
Platinum Group Metals Ltd	PTM	\$0.58	\$444	39.0%
Silvercrest Mines Inc	SVL	\$1.70	\$202	9.0%
Stornoway Diamond Corp	SWY	\$0.51	\$373	6.3%
Timmins Gold Corp	TMM	\$1.32	\$237	25.0%
Trevalli Mining Corp	TV	\$1.04	\$293	4.0%
Wellgreen Platinum Ltd	WG	\$0.71	\$70	0.0%
Ubika Mining 20			76.1	9.3%
TSXV			667.3	2.1%

* Month-over-month Source: Ubika Research

In the News

January 19, 2015: Balmoral commences winter 2015 program on Detour Trend project.

January 19, 2015: Fission Uranium Corp. step out drilling begins at triple R and the search for additional deposits at Patterson Lake South.

January 15 2015: Fortuna reports 2014 record production of 8.7 million silver equivalent ounces and issues guidance for 2015.

January 09, 2015: Tission's initial resource totals at Patterson Lake South (PLS) property: 79.6m lbs indicated and 25.9m lbs inferred.

January 8, 2015: Ivanhoe Mines releases positive results of independent pre-feasibility study for planned first phase of its Platreef platinum-group elements, nickel, copper and gold mine in South Africa.

December 24, 2014: Wellgreen Platinum completes \$2.65 million flow-through equity financing.

December 24, 2014: Timmins Gold completes acquisition of Caballo Blanco gold project

December 19, 2014: Avalon closes non-brokered private placement for gross proceeds of \$2.425 million.

December 9, 2014: Pilot Gold reports 10.1 g/t gold over 39.6 metres at Western Flank Target, Kinsley Mountain.



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About the Index

The Ubika Mining 20 Index is the successor to the Ubika Mining 30 Index, which launched on October 1, 2011 based on the September 30, 2011 closing price. Since inception, the Mining 30 has outperformed the TSX Venture index. We believe that 20 stocks is the optimal index size for any particular sector, as it provides adequate exposure and diversification without introducing excess noise. The Ubika Mining 20 was launched on September 5, 2014.

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