



February 2, 2015
Issue #32



Index Overview

Number of Companies	20
Market Cap (M)	9,039
Monthly % Change	14.2%
Dividend Yield	38.1%

Monthly Breakouts

Price Gainer MoM	TSX: AR
Price Gainer YoY	TSX: RIO
Volume Gainer	TSX: PLG

Monthly Price Gainers

Company	Ticker	% Change
Argonaut Gold Inc	AR.TO	79.9%
Pilot Gold Inc	PLG.TO	54.7%
Kirkland Lake Gold Inc	KGI.TO	45.3%
Dalradian Resources Inc	DNA.TO	49.2%
Semafo Inc	SMF.TO	50.5%

Monthly Volume Gainers

Company	Ticker	% Change
Alamos Gold Inc	AGI.TO	34.8%
Dalradian Resources Inc	DNA.TO	86.9%
Pilot Gold Inc	PLG.TO	126.6%
Roxgold Inc	ROG.V	82.5%
Rubicon Minerals Corp	RMX.TO	19.2%

Commodity Snapshot

Gold	
Current price, \$/Ounce	\$1,256.50
Monthly Change	6.2%
Year Change	1.1%

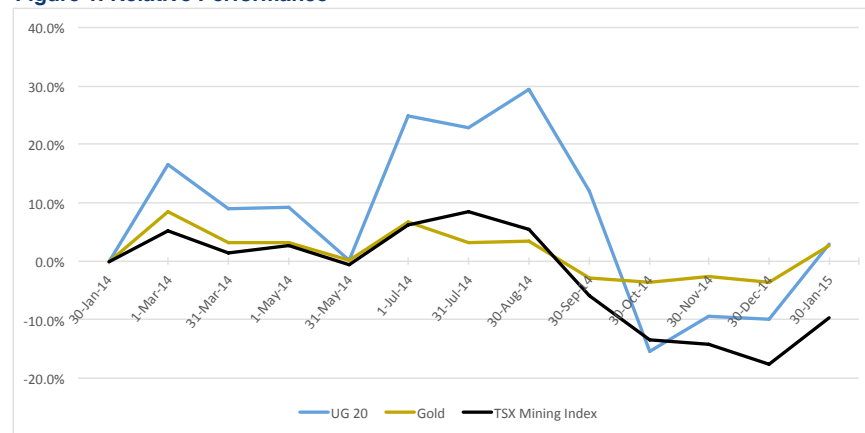
Silver	
Current price, \$/Ounce	\$16.92
Monthly Change	8.0%
Year Change	-11.6%

Copper	
Current price, \$/lb	\$2.52
Monthly Change	-10.9%
Year Change	-22.1%

How We Did

The Ubika Gold 20 Index (UG20) jumped 14.2% in value over the past month, outperforming both the TSX Mining Index and the price of gold with 7.8% and 6.2% monthly gains, respectively.

Figure 1. Relative Performance



Source: Thomson Reuters

U.S. Labor Market conditions have improved further, with strong job gains and a lower unemployment rate. Household spending is rising moderately and the recent declines in energy prices have boosted household purchasing power. With their positive outlook on the U.S. economy, the Federal Reserve will likely start raising interest rates by 25 bps as soon as June. This, in turn, adds negative pressure on gold, as higher interest rates and a stronger dollar dims the appeal of gold as an alternative asset.

On a yearly basis, the UG20 Index experienced a loss of 7.6%, compared to an 11.8% drop in the Mining Index, and a 1.1% gain in the price of gold.

Highlights

The UG20 Index has once again showed robust growth, as 18 of the 20 constituent companies ended the month in positive territory, 16 of which registered double-digit gains.

Shares of Argonaut Gold (TSX: AR) surged following the TSX's acceptance of the company's shareholders rights plan to protect the shareholders from abusive or coercive take-over strategies, hence the flow of money into the stock as investors have a safer feel towards the security. Pilot Gold, meanwhile, released a PEA for the Hallaga mine in northwestern Turkey, which illustrates a strong, technically simple and scalable copper-gold open-pit. Using current gold prices, the project's NPV is \$474 million, contributing to the stock's 54% monthly surge.

As for the stock with the greatest YTD return, Rio Alto Mining Ltd. (TSX: RIO) climbed 46%, ending January with a market capitalization of just over \$1.1 billion. Rio has made significant production advances in fiscal 2014, as the company announced that its La Arena Gold Mine, located in Peru, produced and sold 57,908 oz. of gold during Q4 2014. This added to its yearly success, capping 2014 with record production of 222,225 oz. of gold.

The Month Ahead

According to the United Nations Conference of Trade and Development, foreign direct investment into China equaled \$128 billion, compared to \$86 billion into the U.S. over the last year. The leap put China on top for the first time since 2003, which not only benefitted its expanding services and manufacturing sectors, but also the nation as a whole.

Fragile markets driven strongly by the selloff in oil and gas stocks, may give the price of gold a boost. In addition India, the second largest importer of gold, has seen its jewelry demand rise 14% in 2014 to a record 690 tonnes. India is looking to cut its tariffs on gold imports, which may send the price of gold surging even higher. Overall, we can expect the gold price to hover around US\$1,250-\$1,300 in the coming months.

Table 1. Ubika Gold 20 Index Performance

Company	Symbol	Price	M/M Price Change (%)	Y/Y Price Change (%)
Alacer Gold Corp	ASR.TO	\$2.94	22.5%	19.5%
Alamos Gold Inc	AGI.TO	\$6.50	-19.8%	-36.8%
Argonaut Gold Inc	AR.TO	\$2.50	79.9%	-51.7%
China Gold International Resources Corp Ltd	CGG.TO	\$2.10	0.5%	-40.7%
Dalradian Resources Inc	DNA.TO	\$0.91	49.2%	31.9%
Endeavour Mining Corp	EDV.TO	\$0.56	34.9%	-17.7%
Guyana Goldfields Inc	GUY.TO	\$2.97	28.6%	18.8%
Kirkland Lake Gold Inc	KGI.TO	\$4.36	45.3%	30.2%
Luna Gold Corp.	LGC.TO	\$0.34	-4.2%	-74.4%
Lydian International Ltd	LYD.TO	\$0.51	3.0%	-51.4%
Pilot Gold Inc	PLG.TO	\$1.16	54.7%	10.5%
Premier Gold Mines Ltd	PG.TO	\$1.99	11.8%	-5.2%
Primero Mining Corp	P.TO	\$4.87	24.6%	-22.5%
Rio Alto Mining Ltd	RIO.TO	\$3.37	30.6%	45.9%
Romarco Minerals Inc	R.TO	\$0.56	20.4%	-6.7%
Roxgold Inc	ROG.V	\$0.62	25.3%	-3.1%
Rubicon Minerals Corp	RMX.TO	\$1.42	42.0%	-2.7%
Semafo Inc	SMF.TO	\$4.23	50.5%	12.8%
Timmins Gold Corp	TMM.TO	\$1.24	14.8%	-16.8%
Treasury Metals Inc	TML.TO	\$0.36	24.1%	7.5%
UG 20			14.2%	3.0%
Gold		\$1,256.50	6.2%	2.7%
TSX Mining Index		\$66.86	7.8%	-9.8%

Source: Thompson Reuters

About the Index

For most small cap investors there is a lack of good quality, widely available research and information on promising junior gold exploration companies. Ubika Research is filling this gap by offering quality information and research on small cap companies. The release of the Ubika Gold 20 Index is a continuation of our commitment to provide high quality research and information to small cap investors.

In selecting the companies, we have used a combination of qualitative and quantitative methodologies. Index constituents, generally have certain market based criteria including, market capitalization between \$2 billion and \$25 million, three month average daily trading value above \$100,000 and a price above \$0.25.

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In the News

- January 12, 2015: Rio Alto Celebrates Record Gold Production in 2014 at its Peruvian Mine
- January 20, 2015: Argonaut Gold Adopts a Shareholder Rights Plan
- January 20, 2015: Alacer Gold provides production guidance for 2015 (180,000-200,000 oz. gold at an AISC of \$775-\$825)
- January 21, 2015: Semafo's 2014 Production Increased by 48%; Total Cash Costs Decreased by 16% Year over Year
- January 27, 2015: Dalradian Arranges a C\$11.3 Million Investment With Ross Beaty at an \$114 Million Valuation
- January 28, 2015: Kirkland Lake Gold announces increase of bought deal financing to C\$30 Million
- January 29, 2015: Pilot Gold Announces a Revised Preliminary Economic Assessment for the Halilaga Copper-Gold Porphyry Project