



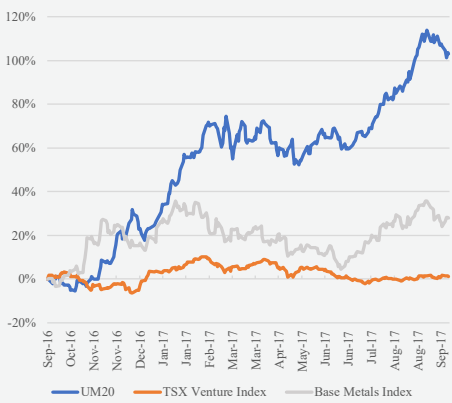
Ubika Base Metals 20 Index

September 25, 2017

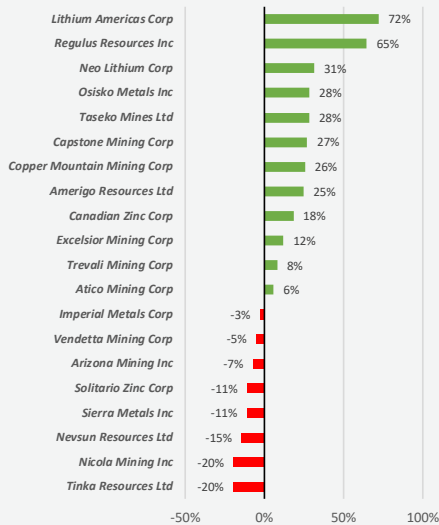
Ubika Base Metals 20 Index

July 24th, 2017 - September 25th, 2017

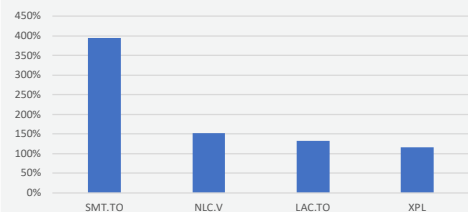
UBM20: +13% (+103% Y/Y)
 TSX Venture: +2% (-4% Y/Y)
 TSX Base Metals: +8% (+32% Y/Y)



Ubika Base Metals 20: Performance Distribution



Top Volume Gainers (m/m)



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Ubika Base Metals 20 Index: As Base Metals Prices Improve, Will Miners Get Back In The Groove?

Important Notice:

Moving the Ubika Mining 20 Index to the Ubika Base Metals 20 Index. To further differentiate our Ubika Indexes, Ubika is transitioning into a new base-metals index. The previous Metals Index was similar to the S&P Global Mining Index, however, its performance was muted due to the high variability of its constituents. For example, the previous Ubika Mining 20 Index had copper, zinc, diamonds, gold, lithium, platinum, rare metals, silver, and uranium leverage. The issue at hand was the index traded with little traceable context to price movements in any commodity. For instance, with respect to the performance of the Index since the last report date, a significant upward movement in Copper Mountain, Taseko, Lithium Americas, were offset by a significant negative performance in the two diamond companies, Lucara and Stornoway and the silver developer, Bear Creek Mining. The net result was an index with too many moving parts that moved with different market forces.

Shown below are the new constituents for the Base Metals Index. The new index is comprised mainly of copper and zinc companies, with two lithium companies, ranging in market capitalization from \$30mm to \$1.2B. It includes companies in varying stages of development, exploration, and in production.

New Ubika Base Metals Index				
Company	Symbol	Price	Marketcap (M)	Industry
Amerigo Resources	ARG.TO	\$0.76	\$130.4	Copper
Arizonia Mining	AZ.TO	\$3.02	\$911.4	Zinc
Atico Mining	ATY.V	\$0.73	\$72.0	Copper
Canadian Zinc	CZN.TO	\$0.20	\$51.9	Zinc
Capstone Mining	CS.TO	\$1.32	\$516.8	Copper
Copper Mountain Mining	CMMC.TO	\$1.18	\$156.3	Copper
Excelsior Mining	MIN.TO	\$1.22	\$204.4	Copper
Imperial Metals	III.TO	\$3.35	\$313.7	Copper
Lithium Americas Corp	LAC.TO	\$1.65	\$723.3	Lithium
NeoLithium	NLC.V	\$1.30	\$116.9	Lithium
Nevsun Resources	NSU.TO	\$2.65	\$800.5	Copper-Zinc
Nicola Mining	NIM.V	\$0.19	\$32.4	Copper
Osisko Metals	OM.V	\$1.36	\$90.0	Zinc/Copper
Regulus Resources	REG.V	\$2.55	\$175.6	Copper
Sierra Metals Inc	SMT.TO	\$2.95	\$479.9	Copper-Zinc
Solitario Zinc Corp	XPL	\$0.71	\$51.4	Zinc
Taseko Mines Ltd	TKO.TO	\$2.23	\$504.7	Copper
Tinka Resources	TK.V	\$0.53	\$112.4	Zinc
Trevali Mining Corp	TV.TO	\$1.42	\$1,162.2	Zinc
Vendetta Mining	VTT.V	\$0.27	\$30.8	Zinc/Lead

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The Ubika Base Metals 20 Index is up 13% since our last report dated July 24th, 2017, outperforming both the TSX-V Index and the TSX Base Metals Index, which have returned 2% and 8%, respectively, over the same period. Notable performers for this report include:

1. Lithium Americas Corp (TSX:LAC), which was this summer's star performer skyrocketing 82%, riding the new wave of demand for lithium.
2. Taseko Mines (TSX:TKO), which saw its stock price rise 24%, driven by a rally in copper prices.
3. Nevsun Resources (TSX:NSU), which has dropped 14.5% following the release of a reduced forecast in its Q2/2017 earnings release.

Industry Highlights

- **Buenaventura considers bidding for Peru's [\\$2 billion copper mine](#), which the country plans to auction off in November.** According to the state bidding agency Proinversion, the asset under consideration, has reserves of 1.1 billion tonnes grading 0.63% Cu. Given the improvement in copper prices over recent months, the outcome of this auction should serve as a signal to investors who wait for mining companies to switch gears and begin re-investing.
- **Central Asia Metals (AIM:CAML) announces the acquisition of US\$402mm SASA zinc mine.** Located in Macedonia, the SASA zinc mine hosts the resources to support a 20-year mine life and fits the Company's plans to diversify within the base metals space. Furthermore, the acquisition will increase CAML's annual production by 148% to 34.8kt copper equivalent.
- **EY's report on debt and working capital in mining, highlights an [industry focus on lowering debt](#).** The report outlined a 17% reduction in net debt among the top 50 mining companies during 2016. At current repayment levels, mining companies are on pace to reduce net debts by a further 20%.

Upcoming Events

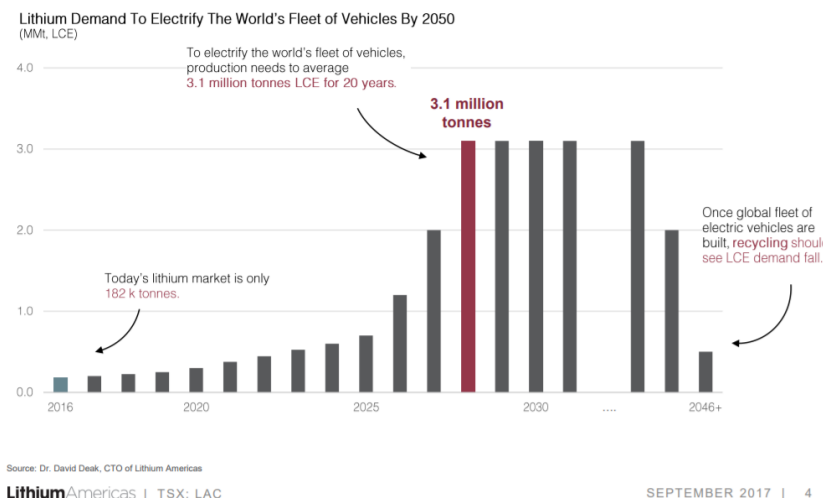
- Mines and Money Americas – Toronto, Canada, October 2-4, 2017. The biggest names in the business will come together to connect miners with investors.
- Mines and Technology Toronto – Toronto, Canada, October 2-4, 2017. Using case studies and presentations, Mines and Technology will address topics and concerns of the industry and will highlight new technologies on the market.
- Xplor, Quebec Mining Exploration Convention – Montreal, Quebec, October 18-19, 2017. With more than 1,000 participants coming together every year, this event offers networking opportunities for industry members and a conference program.

Notable Performers

Lithium Americas Corporation (TSX:LAC)

Lithium Americas Corporation is currently developing two lithium projects, which include the Cauchari-Olaroz project in Argentina and the Lithium Nevada project in the United States. The Company's stock price has shot up 72% since the last report date, following a continued rise in lithium prices and the agreement of a financing deal for the construction of its Cauchari-Olaroz project, funding it to production.

Lithium serves as a major raw material for the manufacture of batteries for electric vehicles and its price is on the rise, following robust demand for the mineral. According to consulting group CRU, lithium prices have more than doubled since 2015, amid concerns over whether producers can meet the demand for lithium. LAC's project advancements have come at an ideal time.



Source: Company Presentation

On July 17, 2017, LAC announced a financing agreement with Bangchak Corporation (BKK:BCP) for US\$113mm, to fund the development of the Cauchari-Olaroz project to production. The Company plans to complete Phase 1 of the project by 2019, after which it expects to produce 25,000 tonnes of battery-grade lithium per year. Furthermore, the Company estimates that production will cost US\$2,500 per tonne, representing an 80% margin, based on today's average contract prices of US\$13,000 per tonne. Additionally, the Feasibility Study (2017) estimates that LAC's 1.5mm tonnes of Proven and Probable reserves give the project an estimated life of 40 years and an after-tax NPV of US\$803mm (at a discount rate of 10%).

Three analysts cover the stock providing an average price target of \$1.92, with three Buy ratings.

Taseko Mines (TSX:TKO)

Taseko Mines is a 140mm lb/year Cu and 2.5mm lbs/year Mo producer with one mine in production and four under development. All of the Company's assets, including the flagship Gibraltar mine, are in North America. TKO's stock price has gone up 28% since the last report date, following a rally in copper prices.

The exhibit below suggests that TKO is well positioned to leverage a rise in copper prices. These findings are further validated with copper prices rising by 8.5% since the last report date, and TKO's stock price following suit, rising 28% over the same period.

Taseko Cash Flow to Benefit Most in Copper Price Recovery

2017 CFPS	At Spot	At Spot		Change	
		+10%	+20%	Spot +10%	Spot +20%
Copper Price	\$2.19	\$2.41	\$2.63		
Large Cap					
FM	\$1.27	\$1.40	\$1.53	10%	20%
FCX	\$2.69	\$3.16	\$3.63	17%	35%
TCK	C\$4.20	C\$4.41	C\$4.61	5%	10%
TRQ	(\$0.18)	(\$0.15)	(\$0.13)	17%	28%
Mid Cap					
CS	\$0.13	\$0.22	\$0.31	69%	138%
CUM	C\$0.22	C\$0.34	C\$0.46	55%	109%
HBM	\$0.95	\$1.11	\$1.26	17%	33%
III	C\$1.74	C\$2.02	C\$2.30	16%	32%
LUN	\$0.47	\$0.56	\$0.64	19%	36%
NSU	\$0.18	\$0.20	\$0.22	11%	22%
TKO	C\$0.12	C\$0.25	C\$0.39	108%	225%
TCM	\$0.27	\$0.32	\$0.37	19%	37%

Source: Company Presentation

The Gibraltar project (75% interest), Canada's second largest open-pit copper mine, has deposits totaling 3.2 billion pounds of copper. The Company undertook several cost-saving initiatives at Gibraltar, which resulted in a \$10 cost per ton milled, significantly lower than comparable mines in South America, which recorded costs per ton milled ranging between \$15 and \$20. With 722mm tons of copper grading at 0.272% (Reserve Update: Dec. 2015), the Gibraltar project has an after-tax NPV of \$1.3 billion (at \$3/lb. Cu, 1.3 US/CAD foreign exchange at an 8% discount rate), with an estimated mine life of 22 years.

Located in British Columbia, Taseko also owns one of the largest gold/copper porphyries in the world. The New Prosperity project hosts copper reserves of 3.6 billion pounds and gold reserves of 7.7 million ounces. With a 20+ year mining life, TKO has estimated a pre-tax NPV of \$3 billion for the project, based on prevailing copper and gold prices. While this may sound encouraging, in 2014, the Company was denied the federal permits necessary to move forward with the project. The Company challenged the Federal Government's decision, and a federal judicial review is underway. Further developments with regards to the permitting process could prove to be a major catalyst for TKO.

Located in central Arizona, Taseko's third major asset is the Florence Copper project. Currently under Phase 1 construction (test facility), the Company expects to obtain the necessary permits to move forward with Phase 2 (production) over the coming months. Furthermore, TKO expects full-scale copper production to commence by 2020. The Florence project has reserves of 345mm tons grading at 0.36% Cu (Jan 2017). With a mining life of 21 years and an expected operating cost of \$1.10/lb,

the Company values Florence Copper with a post-tax NPV of US\$680mm (\$3.00/lb Cu at a 7.5% Discount Rate).

Analysts estimate an average price target of \$2.06 for TKO. Furthermore, the stock has 1 Buy, 6 Hold and 2 Sell recommendations.

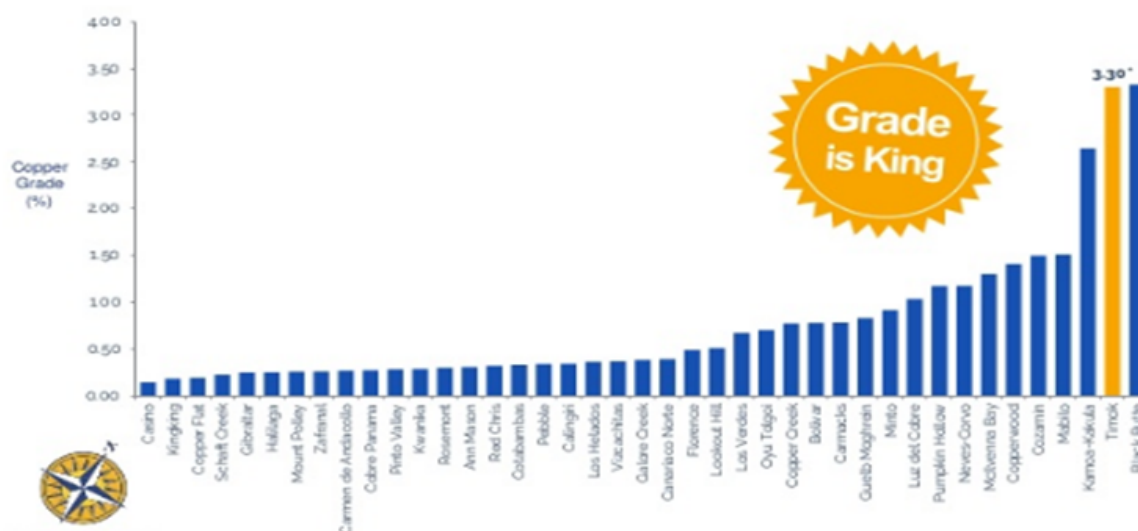
Nevsun Resources (TSX:NSU)

Nevsun's main business activities include the development and extraction of base metals. Nevsun Resources has two core assets in its portfolio: the flagship Bisha mine and the in development Timok project. The Company's stock price has slipped 15% since the last report date, following the response to its reduced guidance.

Located in Eritrea, the Bisha mine hosts reserves of 9.6Kt grading 1.05% Cu, 6.16% Zn, 0.69% Au and 45 g/t Ag (Dec. 2016). The Company has operated Bisha for six years, generating \$1 billion in cash over the same period. Nevsun has 60% ownership in the project, with the remaining 40% owned by the Eritrean Government.

Moving forward, Nevsun plans on leveraging strong Government support and low energy costs, to set up the Timok project in Serbia. However, the project is split up into a higher-grade zone and a lower grade zone. The Company owns 100% of the upper zone and owns, 46% of the lower zone. Additionally, NSU plans to keep investors posted on the Timok Upper Zone (UZ) project via an updated Preliminary Economic Assessment in October 2017. Currently, Timok UZ has Inferred resources of 35MT grading 2.9% Cu and 1.7g/t Au. It also has Indicated resources of 1.7MT grading 13.5% Cu and 10.4g/t Au (March 2016).

High grade copper project In a jurisdiction supportive of development



Source: Company Filings

Newsun's stock price has declined 14.5% following a Q/Q dip in its earnings performance, and reduced guidance for the rest of the year. For the quarter ended June 30th, 2017, the Company posted revenues of \$66mm, down 8% Q/Q. Furthermore, the Company posted a Net Loss of \$70mm for Q2/2017, down significantly from a Net Income of \$3mm for the previous quarter. On a more positive note, Free Cash Flows improved significantly Q/Q, from (US\$15.5mm) to US\$6.6mm.

Additionally, the Company reduced its 2017 Outlook and Guidance as follows:

- Production: 190mm to 210mm pounds of zinc (previously 200mm to 230mm pounds of zinc)
- Production: 20mm to 30mm pounds of copper (previously 10mm to 20mm pounds of copper)
- Copper cash cost: \$1.55 to \$1.75 per payable pound sold (previously \$0.90 to \$1.10)

Analysts estimate an average price target of \$3.63 for NSU, providing an upside of 35.8%. Furthermore, the stock has 3 Buy, 7 Hold and no Sell recommendations.

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