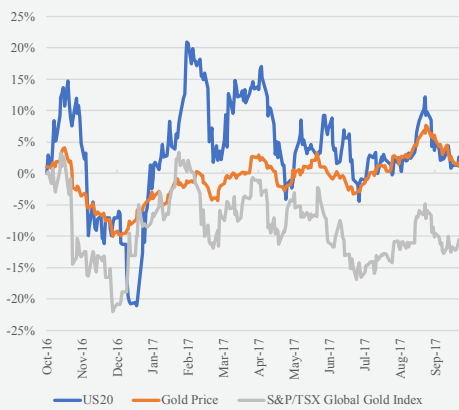


Ubika Gold 20

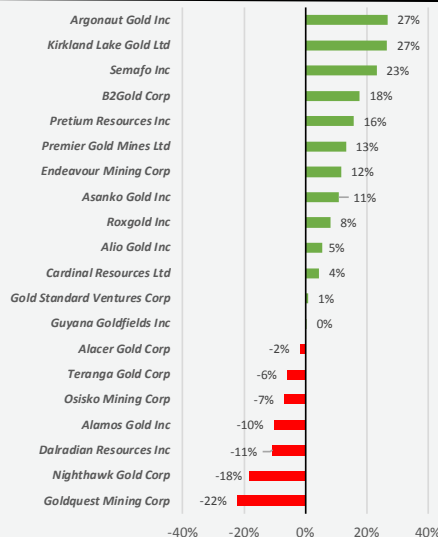
August 15, 2017 - October 10, 2017

UG20: +1.1% (9% YTD)
 Gold Price: -0.5% (10% YTD)
 TSX Gold Index: +1.2% (-1% YTD)

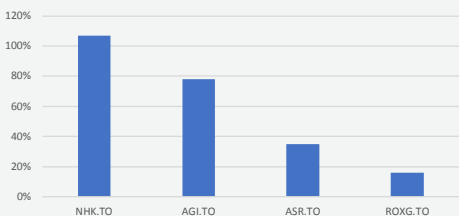
Dollar amounts in CAD unless otherwise stated.



UG20: Performance Distribution



Top Volume Gainers (m/m)



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New-Look Ubika Gold 20 Index Shines as the Gold Price Falls

The Ubika Gold 20 (UG20) Index gained 1% since our last report dated August 8, 2017, matching the TSX Gold Index, which was also up 1% and beating the Gold Spot price, which was down 1%, over the same period. Notable performers for this report include:

- Semafo Inc (TSX: SMF), which increased 23% following a Q2/2017 earnings release;
- B2 Gold Corp. (TSX: BTO), whose shares increased 18%, due primarily to a late September announcement that construction at its flagship Fekola mine has been completed three months ahead of schedule; and,
- Alamos Gold Inc. (TSX: AGI) that decreased 10%, following the announcement of the friendly acquisition of Richmond Mines (TSX: RIC) for US\$770mm at a 22% premium.

Industry Highlights

- **On Friday October 6, the US jobs report announced the country lost 33,000 jobs in September, versus economist expectations for 75,000 new jobs.** The loss was reported to be driven primarily by the aftermath of hurricanes Harvey and Irma. This marks the first monthly decline in employment in seven years, when it lost 52,000 jobs in September 2010. Following the Friday announcement, the price of gold spiked ~US\$12/oz from its low of ~US\$1,262/oz. On the same day, Stats Canada reported Canada added 10,000 jobs in September, in-line with economist expectations. Ontario led the way, adding 35,000 jobs as the jobless rate stayed at 6.2% during the month, tying a nine-year low dating back to October 2008.
- **The last month has been turbulent for gold as it hit a 52-week high in September** amid political tensions with North Korea, only to fall back as the U.S. Fed hiked its rates, and remained [hawkish](#).
- **Endeavour Mining (TSX: EDV) acquired Anvel Gold (TSX: AVK) for US\$122mm, representing a 48% premium.** The acquisition closed on August 31, 2017. Anvel was advancing the open-pit Kalana project located in Mali, which was estimated to produce 148,000 oz Au at total cash costs of US\$507/oz over its first five years of production (source: 2016 Feasibility Study).
- **On September 6, Kirkland Lake Gold (TSX: KL) acquired 14mm units of Novo Resources (TSXV: NVO) for \$56mm.** At a price of \$4.00/unit, each unit comprises one common share and one warrant with a strike price of \$6.00 (expiring Sept. 6, 2020). KL now owns 18.2% of Novo (25.5% fully diluted). On October 6, 2017, NVO closed at \$8.40, up 924% from its close of \$0.82 on June 30, 2017.

Upcoming Conferences:

- Xplor, Quebec Mining Exploration Convention – Montreal, Quebec, Oct. 18- 19, 2017
 - With over 1,000 participants, this conference also offers networking opportunities.
- Exploration 2017 – Toronto, Ontario, October 22- 25, 2017
 - Held every 10 years; features an exhibition, technical program and workshops.
- Quebec Mines 2017 – Quebec City, Quebec, November 20-23, 2017
 - Focuses on new discoveries, sustainable development and new technology.

Change in Constituents:

As part of our aim to provide readers with relevant and insightful industry reports, we conduct periodic reviews of our index constituents to determine whether they meet the overall criteria for inclusion. As a result, we have removed China Gold International Resources (TSX: CGE), Liberty Gold Corp (TSX: LGD), Lydian International Ltd. (TSX: LYD), Primero Mining Corp (TSX: P) and Richmond Mines (TSX: RIC) from the Ubika Gold 20 Index.

The new constituents for the UG20 Index include B2Gold Corp. (TSX: BTO), Goldquest Mining Corp. (TSXV: GQC), Nighthawk Gold Corp. (TSX: NHK), Cardinal Resources (TSX: CDV) and Osisko Mining Corp (TSX: OSK).

Furthermore, as we aim to shift the Ubika Indices to an investable index model, we have decided to switch to an Equal Weight Index. The new Index is like a portfolio, or an index fund, as it gives each stock an equal weighting to begin.

Notable Outperformers

Semafo Inc. (TSE: SMF)

Semafo is a Canadian-based gold producer with operations in Burkina Faso. The Company operates the Mana mine and has four projects under development, the most important of which is the Boungou project. The Company's stock price increased 23% since our last report, driven primarily by its Q2/2017 earnings release, which stated production at its Mana mine is back on track and the Company expects to reach the upper end of its production guidance of 190,000 oz to 205,000 oz Au for 2017.

Located 260 kilometers southwest of the capital Ouagadougou, the Company's Mana mine produced 1.6M oz Au since beginning production in 2008. The Mana mine hosts mineral reserves of 18.6mm t grading 2.88 g/t Au for 1.7mm oz Au (December 2016).

Semafo's Boungou project was acquired in 2015 for \$155mm, and the Company plans to spend US\$231mm in CAPEX to bring the mine into production by 2018. The mine hosts mineral reserves of 9.6M t grading at 4.15 g/t Au for 1.3mm oz. Au. The 2016 Feasibility Study estimates the mine's average annual production of ~226,000 oz Au for the first three years with an average total cash costs of US\$283/oz (All in Sustaining Costs (AISC) of US\$374/oz). With an estimated mine life of seven years, the project has an after-tax NPV5% of US\$262mm, an after-tax IRR of 48% and a payback period of 1.5 years (gold price at US\$1,100/oz).

Figure 1: Construction Timeline for Boungou



Source: Company Presentation

On April 24, in conjunction with Q1/2017 production results, Semafo announced operational issues due to lower-than-expected grades at its Mana mine, consequently reducing its guidance for the year, resulting in a decrease in the stock price. On August 9, 2017, the Company announced that production issues at Mana were resolved and they expected to hit the upper level of their updated guidance for 2017. The stock rebounded following the announcement, rising 22% to date. The Company's 2017 guidance is as follows:

- Gold Production ('000 oz): 190 to 205 (was 215 to 235)
- Total Cash Costs (US\$/oz): \$685 to \$715 (was \$585 to \$615)
- AISC (US\$/oz): \$920 to \$960 (was \$795 to \$835)

As of June 30, 2017, SMF had a cash balance of US\$283mm and a working capital of US\$287mm. Analysts have set an average price target of \$5.22 for the stock, with 12 Buys, 1 Hold and no Sells.

B2Gold Corporation (TSX: BTO)

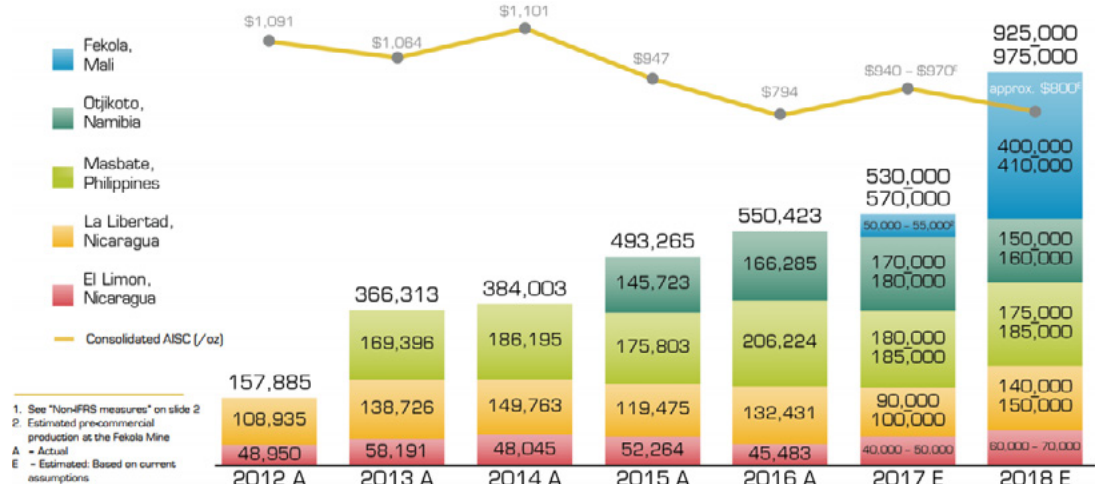
B2Gold Corp. is a Canadian-based producer with operations in Nicaragua, Mali and the Philippines. BTO has five mines in production and another two in development. The Company's stock price increased 18% since our last report, driven by the announcement of the completion of the Fekola mine three months ahead of schedule.

The Masbate mine, currently BTO's largest producing mine, is an open pit mine located in the Philippines, 360 kilometers southeast of Manila. The mine hosts mineral reserves of 95mm t grading 0.88 g/t Au for 2.68M oz (December 2016). In terms of costs, the mine has an all-in sustaining costs (AISC) of US\$446 per ounce.

The Company's Otjikoto mine is situated in Namibia, 300 kilometers from the capital, Windhoek. The mine hosts mineral reserves of 23M t grading 1.33 g/t Au for 0.99M oz (December 2016).

B2Gold's flagship asset, the Fekola mine, is located in Mali, ~480 kilometers from the capital, Bamako. The Company expects the mine to come into production this month, producing 50,000 to 55,000 oz during the remainder of 2017. BTO expects Fekola to produce ~350,000 oz for years one to seven with average cash costs of US\$418/oz. Fekola hosts mineral reserves of 43.8mm t, grading 2.37 g/t Au for 3.3M oz (December 2016). Ramped up operations at Fekola are expected not only boost B2Gold's annual production profile, but also lower their costs as shown below:

Figure 2: BTO's Consolidated Operational History & Forecast



Source: Company Presentation

B2Gold's stock price increased 18% since our last report, following the announcement of completion of construction at its Fekola mine on September 25, 2017, three months ahead of schedule. At the same time, B2Gold announced an update to its consolidated 2018 guidance:

- Production ('000 oz): 925 to 975 (530 to 570 for 2017)
- Cash operating costs (US\$/oz): \$525 (\$610 to \$650 for 2017)
- AISC (US\$/oz): \$800 (\$940 to \$970 for 2017)

Analysts covering the stock have an average price target of \$5.23 representing an upside of 45.5%. Furthermore, the stock has 17 Buy, no Hold and no Sell recommendations.

Alamos Gold Inc. (TSE: AGI)

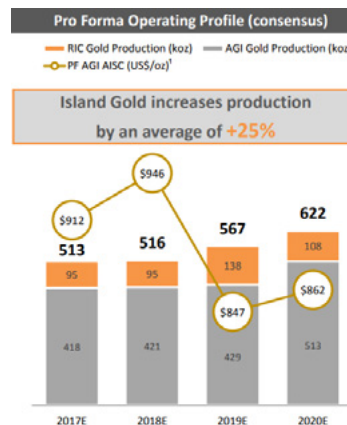
Alamos Gold Inc. is an intermediate gold producer with operations in Canada and Mexico. Alamos has three mines in production with another operational mine acquisition pending. The Company's stock price has fallen 10% since our last report date, largely due to its acquisition of Richmond mines at a 22% premium.

The Company's flagship Young-Davidson mine is situated on an 11,000-acre property in Northern Ontario, ~60 kilometers west of Kirkland Lake. The project started as an open pit mine and transitioned into an underground mine later in its reserve life. The mine hosts mineral reserves of 43.2mm t grading 2.65 g/t Au for 3.7mm oz. (December 2016). The Company expects Young-Davidson to produce 200,000 to 210,000 oz. in 2017 at cash costs of US\$625/oz (AISC of US\$775/oz).

AGI's latest pending acquisition, Richmond's Island Gold mine, comprises a 7,700-hectare property in Ontario, 83 kilometers northeast of Wawa. The underground mine has produced 500,000 oz of gold since October 2007. Additionally, the mine hosts mineral reserves of 2.6mm t, grading 9.17 g/t Au for 752K oz. (December 2016). In 2017, Richmond expects the Island Gold mine to produce 87,000 to 93,000 oz., at total cash costs of US\$550/oz. to US\$590/oz. (AISC of US\$725/oz. to US\$765/oz.). Additionally, the Company plans to expand operations and lower costs at the Island gold mine, raising production to ~125,000 oz., while lowering AISC from US\$881/oz. to US\$550/oz. (PEA, July 2017)

The table below illustrates the Company's expanded growth profile over the next three years. Alamos expects to grow from a pro forma 513K oz producer in 2017 to a 622K oz. producer in 2020. Analysts estimate an average price target of \$13.50 for AGI, providing a potential upside of 59%, with 8 Buy recommendations and 3 Hold recommendations.

Figure 3: AGI's Pro Forma Operating Profile (Consensus Estimates)



Source: Company Filings

What's In-Store for Gold in the Next Month...

On October 9, Reuters reported that speculators reduced their bullish stance in COMEX gold and silver contracts for the third straight week and, in September, for the 11th straight month, China's central bank held off from adding to their gold reserves, both events potentially indicating that gold may have bottomed out in the short term. After hitting a year-to-date low in December 2016 and even after the pullback in the last month, the gold price continues to show a strong upward trend for the year. With the political uncertainty of the North Korea problem and doubts about the continuation of the Trump-election-victory stock market rally, gold remains a preferred investment vehicle for investors concerned about the stock and bond markets.

Figure 4: COMEX - 1 Year - Spot Close Price



Source: S&P Capital IQ



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