



Ubika Base Metals 20 Index

February 5, 2017

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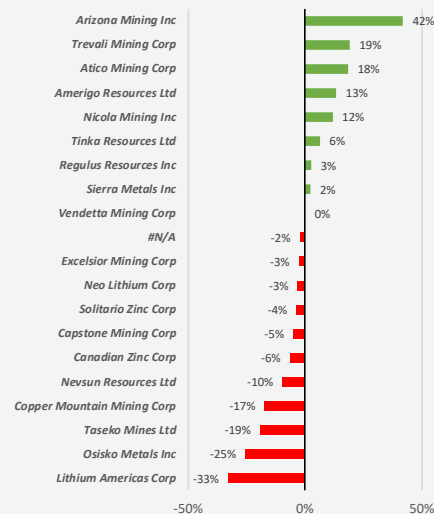
Nov. 17, 2017 - February 5, 2017

UBM20: -3.2% (+29% Y/Y)
 TSX Venture: +6.4% (0% Y/Y)
 TSX Base Metals: +9.1% (+28% Y/Y)

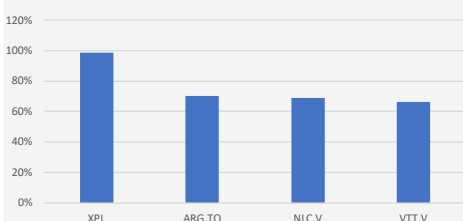
UBM20 Vs. Benchmarks Y/Y Performance



Ubika Base Metals 20: Performance Distribution



Top Volume Gainers (m/m)



Note: All figures use price close on February 1, 2018

Base Metals

The Ubika Base Metals 20 Index has returned -3% since our last report dated November 20, 2017, underperforming its benchmarks, the TSXV and the Base Metals Juniors indices, which have returned 6% and 9%, respectively, over the same period. Notable performers for this report include:

- Canada Zinc Metals Corp. (TSX:CZN), which decreased 23% despite strong zinc prices.
- Atico Mining Corp. (TSXV:ATY), which increased 32% since December due to rising copper and gold prices.
- Osisko Metals Inc. (TSXV:OM), which fell 9% YTD as the Company continued its acquisitions of new claims.

Industry Highlights

- **The prices of many base and precious metals began to rally in December.** Copper increased 8% from US\$2.97 to US\$3.20, while zinc increased 16% from US\$1.40 to US\$1.63.
- **Sibanye Gold Inc (JSE:SGLJ) had 955 trapped underground** for over 24 hours, due to loss of power. There were no serious injuries.
- **Northern Dynasty Minerals (TSX:NDM) fell 26%** after the EPA announced it was reversing its decision on the Company's flagship project. The Pebble mine's prospective location is in a large sockeye salmon fishery.
- **Turquoise Hill Resources (TSX:TRQ) is down 23%** since the Centre for Research on Multinational Corporations reported the Company's parent, Rio Tinto, used "mailbox companies" in the Netherlands to finance its Oyu Tolgoi mine. The announcement arrived not long after the Company declared force majeure for its Oyu Tolgoi mine after protests blocked the road.

Upcoming Events

Prospectors & Developers Association Conference – March 4-7, 2018. PDAC is the world's leading convention for those connected with mining and exploration. In 2017, it hosted 24,000 attendees and nearly 500 speakers.

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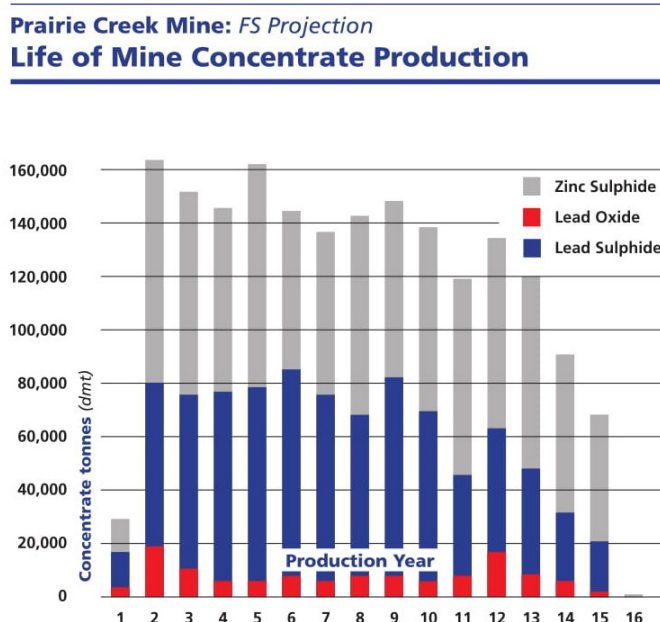


Notable Performers:

Canada Zinc Corp. (TSX:CZN)

Canada Zinc Corp. is an explorer focused in the Northwest Territories. The Company's flagship asset is its 100%-owned Prairie Creek property, located 500k west of Yellowknife, Northwest Territories. According to a Feasibility Study conducted in 2017, the mine hosts reserves of 8Mt at 8.6% Zn, 8.1% Pb, and 124 g/t Ag. The Company plans to produce an average 95 M lbs Zn, 105 M lbs Pb, and 2.1 Moz Ag per year for the first 10 years of the mine's operation. Below is a chart of the mine's expected production over its life of mine.

Figure 1: Prairie Creek Production Timeline



Source: Company Reports

The Company has obtained all operating permits for the operation, and is currently looking for financing to complete development, with construction expected to take 2.5 years. The project has post-tax NPV5% of \$291M, with an expected IRR of 18.4%. CZN has signed Memorandums of Understanding with Korea Zinc (KRX:010130) and Boliden AB (STO:BOL) for the sale of ~50% of the zinc and ~40% of the lead for the first five years of production.

On December 22, the Company announced a US\$10M loan from Resource Capital Fund VI L.P.(RCF VI). The financing allows CZN to continue development on the Prairie Creek project. The terms of the agreement grant RCF VI a period of exclusivity, participation rights to maintain its pro rata shareholder interest, the right to nominate a member to the board, and minor project oversight rights.

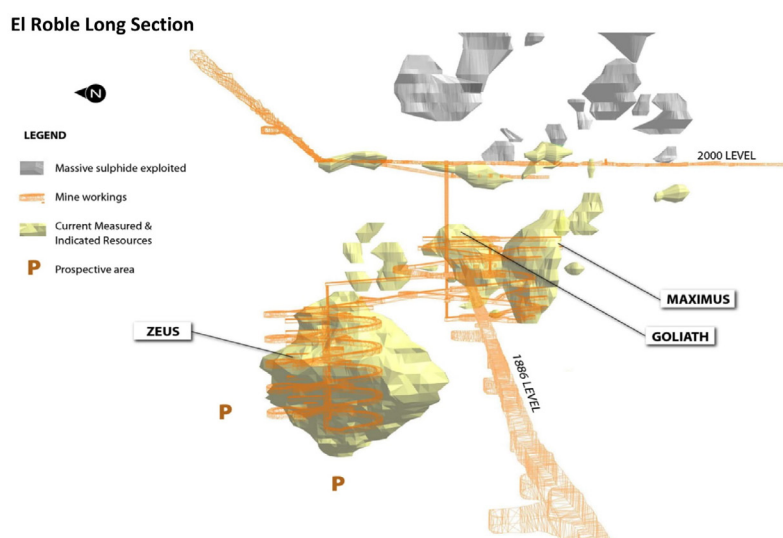
The Company has an average price target of \$0.38, representing a 164% upside. CZN has 3 Buy ratings and no Hold or Sell ratings.

Atico Mining Corp (TSXV:ATY):

Atico Mining is a Canada-based copper producer operating in Colombia. The Company's stock rose 34% due to a rise in copper and gold prices.

The Company's flagship asset, the 90% owned underground El Roble mine, is located 150 km by highway from Carmen de Atrato, 150km from Medellin. In 2017, the Company completed an expansion of its mine infrastructure, including a new adit and tailings facility, and an upgraded processing facility. El Roble produced 21M lbs of copper and 11,000 oz of gold in 2017. The site hosts reserves of 1,865Mt at 3.5% Cu, 2.27 g/t Au, and 8.9 g/t, or 142M lbs Cu, 136,000 oz. Au, and 532,000 oz. Ag. There are over 1,000 known volcanogenic massive sulfide deposits (VMS) in the area. The average deposit is 2.9 Mt grading 1.82% Cu and 1.4 g/t Au. Below is a map of the area of El Roble's resources.

Figure 2: El Roble Resource Map



Source: Company Presentation

Recently, Atico discovered a massive sulfide fragment just north of its El Roble mine, including one hole with an intersection of 2.8 metres assaying 2.4% Cu, 1.7 g/t Au, and 6.5 g/t Ag. The Company plans to make further exploration of the area a priority.

The Company has an average price target of \$1.10, representing a 55% upside. The Company has 3 Buy ratings, and no Hold ratings or Sell ratings.

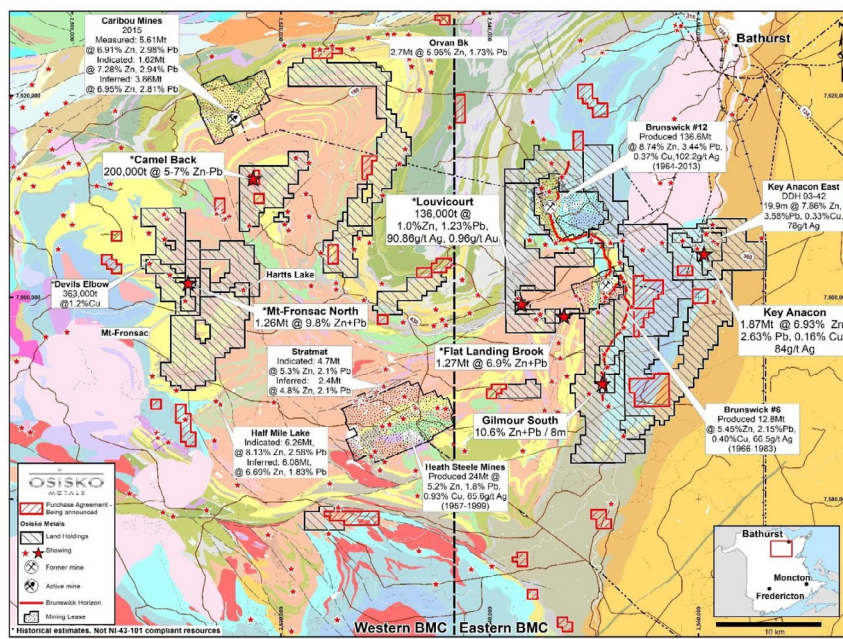
Osisko Metals Inc. (TSXV:OM)

Osisko Metals is a Canada-based mining company operating in New Brunswick and Quebec. The Company's stock has dropped 9% YTD.

The Company's flagship asset, the Bathurst Mining Camp (BMC), is located southwest of Bathurst, New Brunswick. Historically, mines in the area produced zinc, lead and silver, including the No. 12 mine, which produced 137 MT grading 8.7% Zn, 3.4% Pb, 0.4 Cu, and 102 g/t Ag. The Company is conducting a 50,000m exploratory drilling program,

across the Mount Fronsac, Gilmour South, Flat Landing, and Louvicourt deposits, to upgrade the historical deposits to NI43-101 compliant resources. Below is a map of historical resources with indicated resources and historical mines.

Figure 3: PEA Zinc Price Sensitivity



Source: Company Presentation

Some notable previous intersections include GS-98-12, which assayed 18.1% Zn, 11.2% Pb over 0.22m and GS-98-14, which assayed 13.6% Zn, 7.6% Pb, 0.2 % Cu, 436 g/t Ag over 2.84m.

The Company is making efforts to rapidly expand its exploration base, primarily in the BMC area. On November 27, Osisko signed a purchase agreement to acquire a 100% interest in a total of 39 claim units north of the Mount Fronsac deposit. Of note, an historic drill hole intersected 7.0m grading 1.9% Zn and 7.0m grading 1.8% Cu.

On December 18, Osisko announced the friendly acquisition of Pine Point Mining Limited (TSXV:ZINC) for \$34M. Pine Point's primary asset, the Pine Point Project, is a zinc-lead mine in the Northwest Territories, totalling 25.8Mt grading 2.9% Zn and 1.1% Pb.

On January 9, Osisko acquired a set of claims from Canadian Continental Exploration Corporation and the Camel Back Deposit. The Company acquired a total of 320 claim units, covering 27 anomalies over a wide area, and plans to test them in 2018. The Camel Back Deposit is five claim units with ~200,000 tonnes grading 5-7% Zn and 5-7% Pb.

On January 23, Osisko completed the purchase of 100% of the Key Anacon property in the BMC area for a total of \$2M in cash and shares. Historical drilling indicates several potential mining sites, including DDH-93-42, a 19.9m hole that assayed 7.9% Zn, 3.6% Pb, 0.3% Cu, and 78 g/t Ag. The Company plans ~12,000m of drilling of the claims.

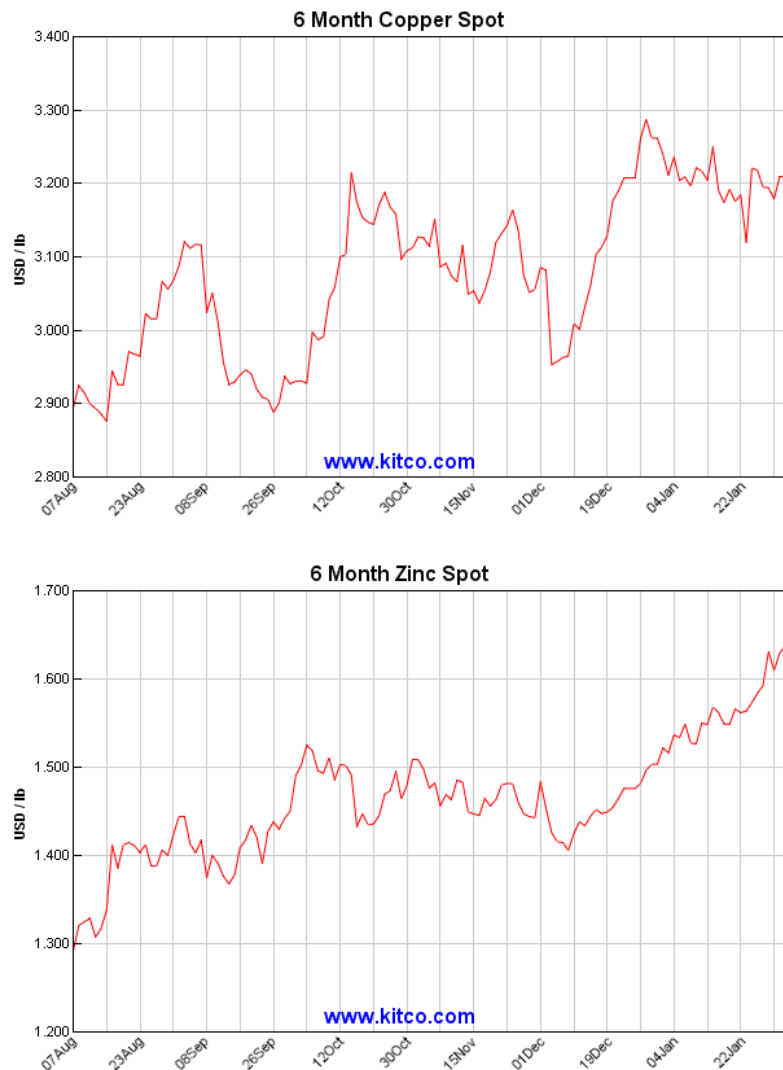
The Company has no analyst coverage.

Upcoming Catalysts:

NAFTA trade talks are ongoing. The Trump administration is in talks with Canadian and Mexican trade officials to renegotiate parts of the longstanding free trade agreement. If the Trump administration is not satisfied with the results, it may decide to withdraw.

The rally in metals prices could continue into the year fueled by strong U.S. and Chinese economies. Zinc and cobalt's prices are driven by battery demand that seems likely to only increase. If the rally continues, the outlook for base metals companies should continue to look bullish.

Figures 4 & 5: Copper & Zinc Prices



Source: kitco.com

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