

**FEBRUARY 2018 – PORTFOLIO UPDATE**

**MAVERIX METALS –  
ANNOUNCES: 2017-Q4 PRODUCTION**

**WHAT HAPPENED?**

- New record in the fourth quarter for “*quarterly production of approximately 4,000 attributable gold equivalent ounces, a meaningful increase of approximately 40% over the third quarter 2017*”.<sup>i</sup>
- Maverix Metals received more than 11,000 gold equivalent ounces for 2017 beating the 2017 guidance of 10,000 to 11,000 gold equivalent ounces announced in November 2017.
- **Tier 1 Listing on the TSX Venture Exchange**
- This status is “*reserved for advanced users with the most significant financial resources. Tier 1 Issuers benefit from decreased filing requirements and improved service standards.*”

**WHY IS THIS IMPORTANT?**

- We could expect the company to keep hitting new revenue growth numbers going forward
- The new revenue has a base of 4,000 gold equivalent ounces each quarter to the business or 16,000 gold equivalent ounces per year. **This is a 45% increase from the 2017 results.**
- With gold at \$1,200/oz. the company will consistently bring \$4.8 million in revenue each quarter. At a \$1,300/oz. gold price, we are looking at more than \$5.2 million/quarter.

**WHAT TO LOOK FORWARD TO**

- 1) Updated guidance for 2018 is expected in February, which we would expect a significant jump for the 2018 forecast with the financial results are due out in April 2018. But look at all the **growth from just their current projects**:
  - i. Rye Patch’s – Florida Canyon mine will add new revenue this year to Maverix. At least \$2 million in revenue potential for Maverix assuming the mine is running at 75% and a \$1,200 gold price.

- ii. Atlantic Gold’s Moose River Consolidated mine is expected to reach commercial production in 2018. The mine has a potential of 87,000 ounces of gold, adding more than \$3 million to Maverix Metals.
- iii. Pan American Silver’s La Colorada mine reached its expansion plan 6 months ahead of schedule. We anticipated 4,500 attributable gold ounces, now there is an opportunity at over 5,000 attributable ounces.<sup>ii</sup>
- iv. The Mount Carlton Mine operated by Evolution Mining is expected to expand to 100,000-110,000 ounces of production.<sup>iii</sup>
- v. The royalty on the Karma mine will have a full year of realization and “plant optimization work was successfully carried out by Endeavour during 2017 and is expected to boost stacking capacity beyond the initial design capacity of 4 Mtpa”<sup>iv</sup>. This is excellent for higher revenue coming to Maverix Metals.
- vi. Beta Hune mine reached an annualized production rate of 70,000 ounces in December and is a 75% increase from the full year in 2017.
- vii. Coeur Mining announced in January 2018 “*that recommencement of production at Silvertip is expected to occur during Q1 2018*”.<sup>v</sup>

- 2) All of this growth does not include **new streams or royalties signed for 2018.**
- 3) Tier 1 listing on the TSX Venture is one step closer to the company being listed on the TSX.

**IMPACT TO THE PORTFOLIO**

We continue to keep the name in our portfolio as there are 7 royalties and streams that will see an increase gold attributable ounce to Maverix Metals in 2018. Low Trading Volume = No one is paying attention to growth opportunity in 2018, without any new streams added.

<sup>i</sup> Maverix Metals

<sup>ii</sup> Maverix Metals

<sup>iii</sup> Evolution Mining

<sup>iv</sup> Maverix Metals

<sup>v</sup> Maverix Metals

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As a royalty and streaming company, Maverix Metals is subject to the following risks, which could adversely impact its financial health and/or share price and prevent our soft target price from being attained.

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There may be unforeseen operating or funding shortfalls experienced by the operator and/or developer (of the mine/project subject to the stream/royalty), which may have an adverse impact on the streaming company's metal sales and cash flow profile and in turn the share price. There is also a risk that a potential shuttering of an unprofitable operation or the bankruptcy of a related operator could also prove to be negative for the holder of the stream/royalty, which may impair the royalty and/or stream. There may be other risks that are not mentioned to do unforeseen risks. **Please read the below disclaimer for further risks.**

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