
Date: Jun 14/10
Company: NWM Mining (NWM)
Buy/Sell: Buy
Price: 0.095
Industry: gold miner
Shares OS: 216 million
Reason: NWM Mining is just beginning gold mining in Sonora Mexico. They are reopening a gold mine with low grades and some copper byproducts. Company is forecasting 7,000 oz in 2010 and 30,000 in 2011. Cash costs are > expected to be in the $500 range for 2011 and much higher for 2010 due to startup. The company has taken 5 years to start commercial operations because they wanted to ensure full control the property. They paid off the property in 2008 and received clear title in 9/09. Since 9/09, they have started a 25,000 meter drill program to increase the 369K oz proved and probable reserve ounces. CEO thinks that they should be able to substantially increase reserves to 750 to 1million oz by late 2010. He feels once they increase the reserves to around 1 million ozs, they will be able to sell the company for someplace around .60/share. He feels this will happen in the next 12-18 months. The current mine has two deposits. The main drilling is being done on t......

Date: Jun 14/10
Company: Petaquilla Minerals (PTQ)
Buy/Sell: Buy
Price: 0.36
Industry: gold
Shares OS: 121 million
Reason: Petaquilla has been steadily falling since I bought at .54 earlier this year. They are a producer but have not yet announced a full qtr of production. Supposed to produce around 75,000 oz in 2010. Cash costs should be in the $500 range but were high in the startup Q1. Assuming $1200 gold and an average of $600 in 2010, they should have cashflow of 45 million or .32/share. So very cheap. Big issue is debt. They had to finance the mine during the financial crisis and got debt with only a two year maturity. First principal payment came due in 3/10 for $8million and they couldn't pay it because production had been delayed. Trying to refinance but LOI was signed in 3/10 and still not confirmation it has closed. In addition to the debt issue, there are lingering doubts about the founder, Richard Fifer. He is a politician in Panama and has been charged but not convicted of embezzlement while he was governor of the Province where the mine is located. He has stepped aside as CEO and brought in n......

Date: June 7-8/10
Company: Timmins Gold (TMM)
Buy/Sell: Sell
Price: 1.32
Industry: gold
Shares OS: 112 million
Reason: Timmins is still ramping up their gold production. I am shifting to OGC, which is a more established producer who just paid off their hedges. Should really boost cashflow.

Date: June 7/10
Company: Oceana Gold (OGC)
Buy/Sell: Buy
Price: 3.00
Industry: gold miner
Shares OS: 228 million

Reason: Oceana is a gold producer with expected 2010 production of 280K ounces. OGC recently did a financing and cancelled all it's gold hedges. They were getting around $710/oz for most of it's production. Now they will get market pricing. Should dramatically boost eps and allow OGC to trade on a par with other mid range gold producers. Share price could easily double and still be a value stock. Price to cashflow is forecast to be below 4 for 2011. http://www.oceanagold.com/images/documents/presentations/100503_may_2010_ogc_corporate_presentation.pdf.

Date: June3-4/10
Company: NovaDX Ventures (NDX)
Buy/Sell: Sell
Price: 0.305
Industry: coal
Shares OS: 40 million
Reason: Novadx is going to take longer than I anticipated to get to positive cashflow.

Date: Apr 14/10
Company: Mart Resources (MMT)
Buy/Sell: Buy
Price: 0.30
Industry: oil
Shares OS: 336 million
Reason: Mart Resources earned .028eps and .045 cashflow for Q3 2009. Production was 4,097bpd for Q3. Expect Q4 and Q1 to show production down slightly but revs up due to rising oil prices since Q3. At .045cashflow/qtr, Mart would have a fwd cashflow of .18 for 2010. Company is drilling two development wells in Q2 and Q3 that could allow them to exit 2010 at 10,000bpd. Projections are complicated by the fact that MMT.v only has one field and they fund 100% of the cost to get 50% WI after cost recovery. So during the early stages of well production, they get 100% of the WI but it falls dramatically to 50% WI after they get back all their costs. Production has produced good cashflow for Mart and allowed them to get mostly caught up on their past due payables. Should allow enough cash to fund drilling out of cashflow. Hitting the first well will be the most important since that would allow Mart to replace production that would be lost from the 50% drop in WI that is due to occur in Q2. If bo......

Date: Apr 14/10
Company: NovaDX Ventures (NDX)
Buy/Sell: Buy
Price: 0.32
Industry: coal
Shares OS: 38 million
Reason: NovaDX is a holding company for investments. Their first major investment is restarting the Rosa Mine in Alabama. This mine was mined for several years and has high grade met coal. The previous mining has exposed a rim of coal that can be mined cheaply boring into the exposed vein of coal using augers. Company has tied up 8 miles of rim that has the exposed coal veins. Should be several years of reserves. The auger has recently arrived on site and the staff is assembling and testing the equipment. Company hired experienced miners to do their startup. Operation should cashflow within the first 6 months. Met coal is in high demand right now and the price is rising sharply. Current prices are in the $150/ton range while operating costs are in the $60/ton range so NDX should net approximately $90/ton. If the restart is successful and the company becomes cashflow positive as planned, they could easily buy more augers to increase production and cashflow. They have at least two local customers for t.......

Date: Mar 29,30, April 6/10

Company: Aberdeen Int’l (AAB)
Buy/Sell: Sell
Price: 0.43
Industry: gold
Shares OS: 87.5 million
Reason: Aberdeen is a finance company and has shares of many juniors. Gold juniors have done relatively poorly compared to many other stocks lately. Decided to go back to specific stocks that might react more positively to earnings reports or discoveries.

Date: Apr 5, 12/10
Company: Mala Noche (MLA)
Buy/Sell: Sell
Price: 0.22
Industry: gold mining
Shares OS: 58 million
Reason: Mala Noche is having difficulty finding a suitable target to take over or acquire.

Date: Apr 5/10
Company: Mart Resources (MMT)
Buy/Sell: Buy
Price: 0.20
Industry: oil
Shares OS: 336 million
Reason: Mart Resources is an oil producing company with approximately 4,000bpd current production. EPS and cashflow/share for Q3 ending 9/09 were .028 and .045 so selling for extremely low multiples of eps and cashflow. Several reasons for the low valuation. Company operates in onshore Nigeria, with high country risk for disruption in production. The company has very high share count and their WI agreement calls for them to pay 100% to gain 50%WI. But they get 100% until cost recovery. So last qtr's results won't be repeated indefinitely. They should reach cost recovery in Q2. They are planning one new well to be drilled in Q2 and Q3. Could easily double production by year end and make the company even cheaper.

Date: Apr 5/10
Company: Kinetex Resources (KTX)
Buy/Sell: Buy
Price: 0.33
Industry: oil/gas service
Shares OS: 34 million
Reason: Kinetex is an oil services company providing seismic services for energy and mining companies in North and South America. Mining in Canada is busy and they have operations in Colombia that have really expanded. Both operations should show greatly improved results over 2010. Q3 showed a small profit of .01eps but future results should be much improved, starting with Q4 2009.

Date: Mar 29/10
Company: Zapata (ZCO)
Buy/Sell: Sell
Price: 6.90
Industry: oil and gas
Shares OS: 17 million

Reason: Zapata Energy is being taken over by the mgmt team from Breaker Energy. They were recently bought for $400 million and have cash and backers to invest 17million into Zapata. They will need time to get shareholder approval and install all their changes. Could take some time to get organized and share price might fall so taking profits.

Date: Mar 8/10
Company: Avion Gold (AVR)
Buy/Sell: Buy
Price: 0.65
Industry: gold
Shares OS: 357 million
Reason: Avion is a growing gold producer. Guiding for 100K oz in 2010. Has good upside in exploration potential surrounding their biggest mine. Has potential for 6million oz and is deciding on expanding mill to allow expansion of production to 200K/yr. Will decide in late 2010 and if they go, they should be producing in 2012. Cheap on a cashflow basis. The high share count is an issue but they seem to have used the issued shares for good purpose. Need that decision to expand to give the stock a boost.

Date: Mar 1/10
Company: Selectcore (SCG)
Buy/Sell: Buy
Price: 0.08
Industry: financial services
Shares OS: 102 million
Reason: Selectcore is going thru a turnaround. They restructured in Q4 2008 and have posted 3 qtrs of sequentially improving rev and profit results. Q3 show .006eps so fwd p/e is about 3. Company has said that improved financial results will allow them to introduce new higher margin products. They have recently introduced a Prepaid Mastercard for Canada with a large retail sales force. The product appears very competitive and could replace checking accts for low income customers. The fees should gradually build to a significant revenue base for SCG. They also announced the potential to move into the US based on interest from several parties. That would dramatically increase an already large market. Selectcore has benefitted from selling necessary financial convenience products during tough economic times. The products are in high demand and gross revs have increased every year since 2005 and are approaching 90 million dollars for 2009. The prepaid market will continue to grow. SCG.v just a….

Date: Jan 12/10
Company: Zapata (ZCO)
Buy/Sell: Buy
Price: 3.30
Industry: oil and gas
Shares OS: 16.67 million
Reason: Zapata is an established jr producer. They were at 2600boepd in Q3 and are guiding for an exit rate of 2900boepd at 12/31/09. Zapata had cashflow of .29 in Q3 and .73ytd. Forward cashflow is 1.16 so Zapata is selling for less than 3 X cashflow. Zapata has several positives going forward. 1. They had an active drilling program in Q3 with 10 wells drilled. All will be hooked up by yearend but will not contribute for a full qtr until Q1 2. Zapata has 8 drill sites in the new Cardium oil play. Their first well will be drilled Q1. 3. Zapata is drilling a high potential liquids rich gas well in Q1. 4. Market should reward high cashflow, growing production and oil heavy production by increasing price to cashflow ratio as the year progresses.

Date: Jan 12/10

Company: Aberdeen Int’l (AAB)
Buy/Sell: Buy
Price: 0.45
Industry: gold
Shares OS: 87.5 million
Reason: Aberdeen International is a merchant bank for junior explorers and producers. They finance jr miners with PP's, loans and hold several publicly traded companies, their loans, options and warrants. They also hold gold royalties from two different companies. The portfolio of publicly traded stock is worth about .70/share. The loans, options, warrants and royalties are worth another .50/share. So the NAV for AAB.to is about 1/3 of the market price of AAB.to. I expect there will always be a discount because of the private stock and the speculative nature of the jr explorers being financed but the market price is likely to appreciate as the portfolio values continue to increase. AAB.to holds several very positive juniors, including CRK.to, AVR.v, AAA.v and SUE.to.

Date: Jan 12/10
Company: Timmins Gold (TMM)
Buy/Sell: Buy
Price: 1.34
Industry: gold miner
Shares OS: 103 million
Reason: Timmins is a new producer. Guiding for 90,000oz at $450cash cost. That would lead to 58.5million cashflow divided by 143 million FD shares= .41/share cashflow X 10 multiple = possible $4.10 share price. A triple from today's price. Reserves are low at 611K oz but company is drilling to add oz now that they are in commercial production. Also has several interesting prospects but needs more reserves so they can either extend mine life OR increase mill/mine capacity and increase annual production capacity. Low grade open pit operation.

Date: Jan 11/10
Company: Ithaca Energy (IAE)
Buy/Sell: Buy
Price: 1.45
Industry: oil
Shares OS: 162.3 million
Reason: Ithaca is an offshore energy producer in the North Sea. They have recently started producing from their Stella well and have several other fields to develop over the next several years. Stella is a short term field so they need to keep drilling to replace reserves quickly. The stock is selling for a very low multiple of cashflow due to the low reserves and the higher risk of North Sea production. However IAE.v has been successful in their drilling and expects to have a big upward revision in their reserves in January due to the continued good production from Stella and their drill success.

Date: Jan 11/10
Company: Mala Noche (MLA)
Buy/Sell: Buy
Price: 0.24
Industry: gold
Shares OS: 58 million
Reason: Mala Noche is a shell company with exceptional mgmt. CEO Wade Nesmith is a director of Silver Wheaton. President Eduardo Luna is a former Exec VP of Goldcorp, current director of Silver Wheaton and former chairman. Investors in MLA include many former investors in Wheaton River and Goldcorp, including Frank Guistra, and Ian Telfer. Company is looking for a near term producing precious metals property. Will also require a PP once they identify a property but stock should appreciate with a good property due to the pedigree of the investors and officers.