

FEATHERSTONE

CAPITAL



# Featherstone Capital Inc. – Mission

1. Featherstone Capital Inc. partners with the owners of high quality, undervalued, development stage or production precious or base metal assets providing capital markets, exploration, development and operational expertise.
2. We provide our partners with capital, financial engineering expertise as well as over 75 years of combined experience and knowledge to assist in maximizing the value of assets for all shareholders.
3. Featherstone are principals investing our own capital with a goal to earn, along with our partners and shareholders, extraordinary returns by advancing and enhancing superior mineral assets in an honest, ethical and timely manner.



# Founders and Principals

- **Blayne Johnson, Chairman:** Most recently Mr. Johnson was Founder, Director and Executive VP of Newmarket Gold Inc. which operated three gold mines in Australia with annual production of over 225,000 oz/year. Newmarket was acquired by Kirkland Lake Gold in November, 2016 for \$1 Billion. The Company had a market capitalization of approximately \$10 million prior to purchasing the gold mines in Australia and that market value grew to \$1 billion in approximately 14 months. Blayne has been a respected member of the investment community for over 30 years and has extensive experience in Capital Markets, financial structuring, mergers & acquisitions. During his tenure as Vice President at First Marathon Securities the firm participated in over \$5 Billion of equity financings for junior resource companies. Mr. Johnson was also involved as a Founder of Terrane Metals that was purchased by Thompson Creek in 2010 for \$650 million. He is currently Founder and Lead Director of Calibre Mining Corp. and a Director of Pinecrest Resources Ltd.
- **Douglas Forster, President and CEO:** Most recently Mr. Forster was Founder, Director, President and CEO of Newmarket Gold Inc. which operated three gold mines in Australia with annual production of over 225,000 oz/year. Newmarket was purchased by Kirkland Lake Gold in November, 2016 for \$1 Billion. Mr. Forster has been associated with the mining industry for the past 30 years. He holds a B.Sc. (1981) in geological sciences and M.Sc. (1984) from the University of British Columbia and is a Member of the Association of Professional Engineers and Geoscientists of British Columbia. Doug has extensive experience and a proven track record in mergers and acquisitions, public company management, mine operations, equity and debt financing and resource project development. For over three decades, Mr. Forster has been creating wealth for North American and International investors through natural resource discovery, exploration, development and operation. Mr. Forster was involved as a Founder of Terrane Metals that was purchased by Thompson Creek in 2010 for \$650 million, as a director at Potash One that was purchased by K+S for \$434 million in 2010, and as a Founder, and/or Director and Senior Executive of Continental Gold, North American Metals and El Condor Resources which were all acquired in the late 1990's for a total transaction value of over \$550 million. Mr. Forster is currently Founder and Executive Chairman of Calibre Mining Corp. and a Director of Pinecrest Resources Ltd.
- **Douglas Hurst, Corporate Development:** Most recently Mr. Hurst was Founder and Vice President, Corporate Development of Newmarket Gold Inc. which operated three gold mines in Australia with annual production of over 225,000 oz/year. Newmarket was purchased by Kirkland Lake Gold in November, 2016 for \$1 Billion. Mr. Hurst has over 25 years of experience in the mining/resource industry having acted as geologist, consultant, mining analyst and senior executive. Doug holds a B.Sc. in geological sciences from McMaster University (1986). He was a mining analyst with McDermid St. Lawrence and Sprott Securities and a contract analyst for Pacific International Securities and Octagon Capital up until 1995. From 1995 to 2004 Doug operated D.S. Hurst Inc. a company offering corporate, evaluation, and financing consulting services to the mining industry. He was a founding executive of International Royalty Corporation from 2003 to 2006 and a director until 2010 at which time the company was purchased by Royal Gold for \$750 million. Mr. Hurst is currently a Director of Calibre Mining Corp. and Executive Chairman of Northern Empire Resources Corp.



# The Featherstone Capital Advantage

- Featherstone Founders, Principals, Partners and Associates have created over \$3.4 Billion in value for shareholders in the natural resource sector
- Extensive world-wide contacts in the capital markets and mining sector provides Featherstone with access to quality, undervalued and frequently unrecognized gold and base metal assets
- Our successful track record attracts top tier management to join our teams
- Deep capital markets relationships with institutional investors, mining analysts and investment bankers create a competitive landscape for raising capital
- Featherstone delivers a unique combination of technical expertise and capital markets experience to maximize the value of natural resource assets on North American stock exchanges
- Featherstone Founders invest along side shareholders creating an alignment of goals to maximize the “market capitalization per share” of Featherstone originated mining opportunities ensuring a true “win-win”



# **Featherstone Capital Track Record**



# Focused on Maximizing Shareholder Value

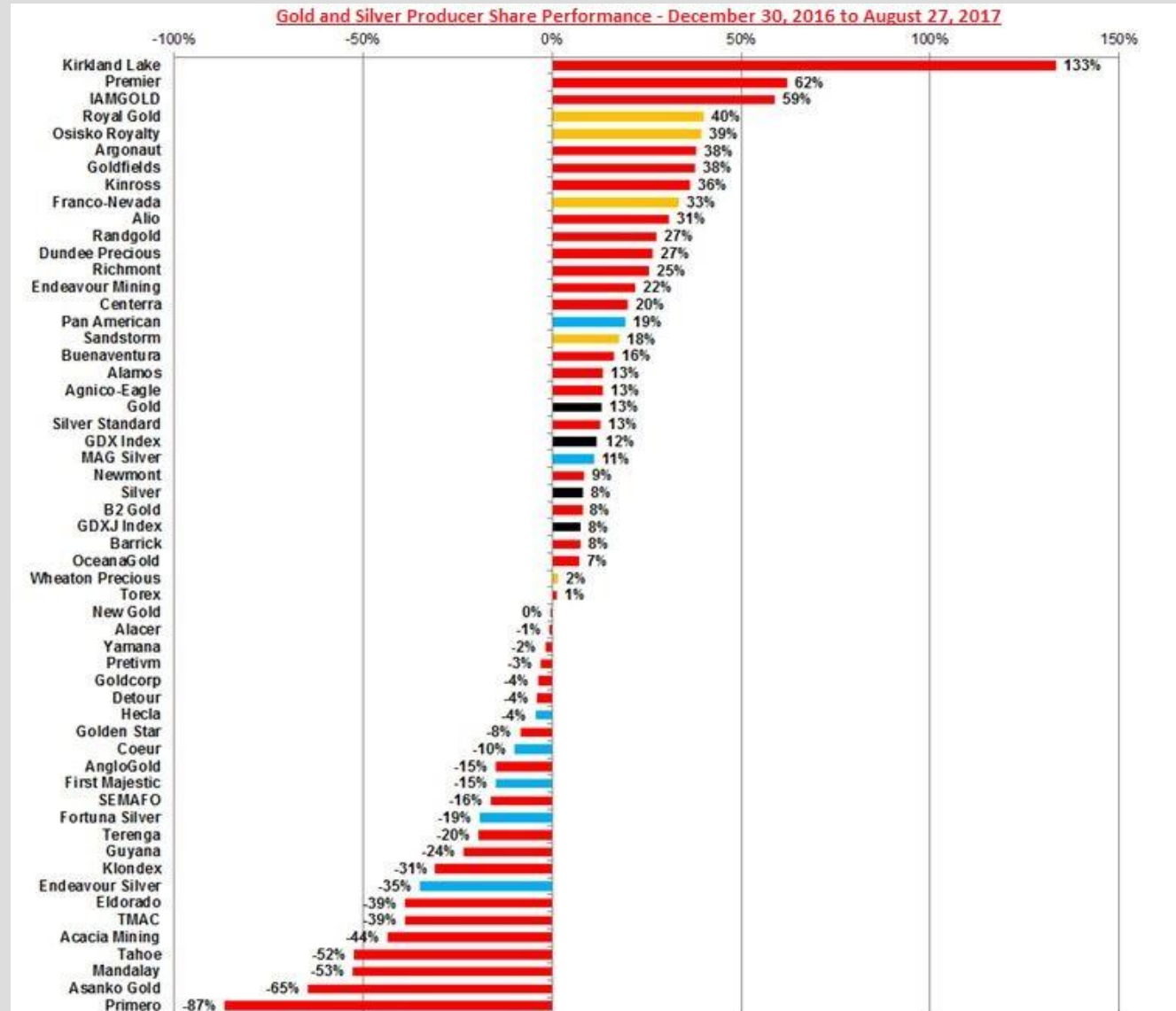
Featherstone Founders, Principals, Partners and Associates have created over \$3.4 Billion in value for shareholders in the natural resource sector including the following shareholder success stories;

- **Newmarket Gold's** market cap increased from C\$10 million in 2015 until it was sold in late 2016 (14 months) for C\$1.0 billion to **Kirkland Lake Gold** which is now a +C\$3.0 billion gold producer with 2017 production guidance of 570,000 to 590,000 oz gold at cash costs of US\$475-\$525/oz and AISC of US\$800-US\$850/oz
- **Terrane Metals** market cap increased from C\$5 million and was sold for C\$650 million in 4 years
- **International Royalty's** market cap increased from C\$10 million and was sold for C\$750 million in 6 years
- **Potash One's** market cap increased from C\$10 million and was sold for C\$434 million in 3 years
- **Continental Gold, El Condor Resources and North American Metals** were sold for C\$550 million

**7 Mining Companies sold creating \$3.4 billion in shareholder value**



# Kirkland Lake Gold (Combined with Newmarket Gold in 2016) #1 Gold Producer Share Performance in 2017



Source: USD-Adjusted Pricing Data from Bloomberg; Chart & Colour Scheme Created by Scotia Mining Sales



# APPENDIX





# Newmarket Gold

- September, 2013 Newmarket Gold Inc. formed and lists on the TSX Venture Exchange by Founders Lukas Lundin, Blayne Johnson, Douglas Forster, Randall Oliphant, Ray Threlkeld, and Douglas Hurst with the goal of acquiring quality, gold producing assets in Tier 1 jurisdictions
- 2014-2015 Newmarket reviews +100 assets for potential acquisition utilizing the Founders extensive worldwide network of contacts in the capital markets and gold sector. Newmarket has a market capitalization of C\$10 million. Ryan King joins the team as VP Investor Relations.
- July , 2015 After extensive due diligence and site visits Newmarket closes the acquisition of Crocodile Gold Corp and their 3 gold mines in Australia that are producing 205,000 oz gold per year. Newmarket has C\$40 million in working capital and a market capitalization of C\$100 million.
- July, 2015 Newmarket announces the discovery of the Eagle visible gold bearing structure at the flagship Fosterville mine with the discovery intercepts including: 386 g/t Au over 9.15 metres. Fosterville has been in operation for 10 years with typical head grades of 5 g/t Au.
- January, 2016 After 6 months of managing the Australian mining operations the Newmarket team announces 2015 consolidated production of 222,671 ounces beating guidance with cash costs of US\$704/oz and AISC of US\$987/oz. Newmarket has C\$48 million in working capital and C\$38 million in debt
- March, 2016 Newmarket has C\$52 million in working capital and is debt free after retiring a C\$38 million convertible debenture
- September, 2016 Newmarket Gold is acquired by Kirkland Lake Gold in a transaction valued at C\$1 Billion to create a leading mid-tier gold producer with annual production of over 500,000 oz per annum from 7 Canadian and Australian gold mines
- December, 2016 Newmarket/Kirkland merger closes with consolidated 2016 annual production totaling 542,751 ounces beating guidance from both Australian and Canadian operations. The new Kirkland Lake has 2017 production guidance of 570,000 to 590,000 oz gold with cash costs of US\$425-\$525/oz and AISC of US\$800-\$US850/oz.

**Newmarket's market cap increased from C\$10 million and was sold for C\$1 billion in 14 months**



- April, 2006 Featherstone, partners and associates form Terrane Metals and purchase the Mt. Milligan porphyry gold-copper deposit in British Columbia from Goldcorp for C\$120 million in Terrane Metals common shares. Goldcorp owns an 81% equity interest in Terrane Metals
- May, 2006 Featherstone hires an experienced management team and Board of Directors to run Terrane Metals, Ryan King joins the team as VP Investor Relations.
- October, 2009 Terrane Metals tables a Mt. Milligan feasibility study that contemplates a 60,000 tonne per day open pit gold and copper mine. Mt. Milligan has a reserve of 6 million ounces gold and 2.1 billion pounds of copper with projected annual production of 194,500 oz gold and 81 million pounds copper over a 22 year mine-life
- March, 2010 Terrane Metals raises C\$100 million to advance Mt. Milligan to production. Goldcorp participates in the financing with a C\$30 million lead order
- July, 2010 Thompson Creek Metals announces the acquisition of Terrane Metals for C\$650 million in cash and Thompson Creek shares
- October, 2013 Mt. Milligan achieves commercial production
- October, 2016 Centerra Gold purchases Thompson Creek and the Mt. Milligan gold-copper mine for \$1.1 billion

**Terrane Metals market cap increased from C\$5 million and was sold for C\$650 million in 4 years**



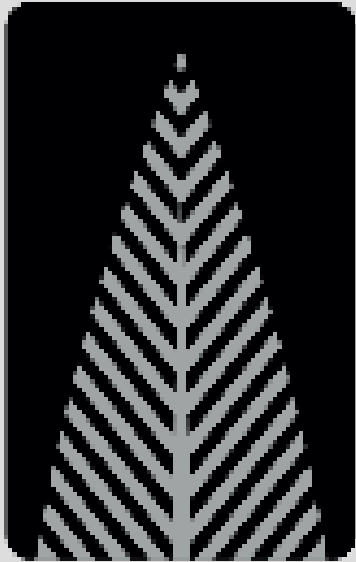
- |                 |                                                                                                                                                                                                           |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| June, 2003      | International Royalty Corporation (“IRC”) was founded by Douglas Hurst and Doug Silver with the company acquiring its first mining royalty on the Williams gold mine in Hemlo, Ontario for C\$2.9 million |
| March, 2005     | IRC completes an IPO on the TSX Exchange raising C\$180 million                                                                                                                                           |
| March, 2005     | IRC acquires an NSR royalty on the Voisey’s Bay nickel mine for C\$180 million in cash and shares (C\$152.5 million in cash and 6.4 million IRC shares)                                                   |
| February, 2007  | IRC declares its first dividend for shareholders                                                                                                                                                          |
| November, 2007  | IRC completes a \$65.5 million bought deal financing                                                                                                                                                      |
| November, 2009  | International Royalty Company holds 84 royalties including royalties on the Voisey’s Bay nickel mine owned by Vale and Inmet Mining’s La Cruces copper mine in Spain                                      |
| December, 2009  | Franco-Nevada announces a bid for International Royalty Corporation totalling C\$640 million in cash                                                                                                      |
| February , 2010 | Royal Gold makes a superior offer to acquire International Royalty Corporation for C\$750 million in cash to create a giant mineral royalty company with significant growth potential                     |

**International Royalty’s market cap increased from C\$10 million and was sold for C\$750 million in 6 years**



- December, 2007 Led by Paul Matysek, President and CEO, Potash One acquires the 97,240 acre Legacy Potash Project in Saskatchewan, Canada
- March, 2008 Potash One initiates two year environmental baseline monitoring program at Legacy Potash Project
- September, 2008 Potash One initiates a major drilling program on the Legacy Potash Project
- April, 2009 Potash One acquires Potash North Resource Corp in all share deal. Potash One has C\$50 million in cash to finance a Legacy Project Feasibility Study
- May, 2009 International mining financier Robert Friedland joins the Potash One Board of Directors as Chairman
- October, 2010 Potash One tables Legacy Solution Mining Potash Project Feasibility Study that projects annual production of 2.8 million tonnes of KCl over +40 year mine-life. BFS supports a Project NPV(10%) of US\$5.38 billion
- November, 2010 Potash One is acquired by the largest European potash producer K+S for C\$434 million in cash. Legacy Potash Project projected to begin production in 2017 after K+S has invested US\$4.1 billion in the Project. Legacy is the first greenfields potash mine to be built in Saskatchewan in 40 years

**Potash One's market cap increased from C\$10 million and was sold for C\$434 million in 3 years**



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