

The Gold Exploration Company Built for Investors

METALS & MINING | GOLD



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For investors who take their due diligence seriously, investing in mining companies can be hard work. Reading news releases, analyst reports, and poring over every detail on a website can eat up a lot of one's leisure time. But investing in mining companies can also be fun.

Some mining companies have lots of top-quality projects. Some mining companies are very active, providing lots of news to maintain investor interest. Some mining companies have well-designed websites, greatly facilitating research. Some mining companies have stellar business strategies, providing investor confidence that the company is on the right track.

Wouldn't it be great for investors if there was one mining company which did all those things? There is: **Cartier Resources Inc.** ([TSX: V.ECR](#), [OTCQB: EDRFF](#), [Forum](#)).

Top-quality projects? When management talks to analysts and other mining companies about their portfolio of properties, they're told that Cartier has "four flagship projects"

– four flagship *gold* projects. That's not bad for a project generator.

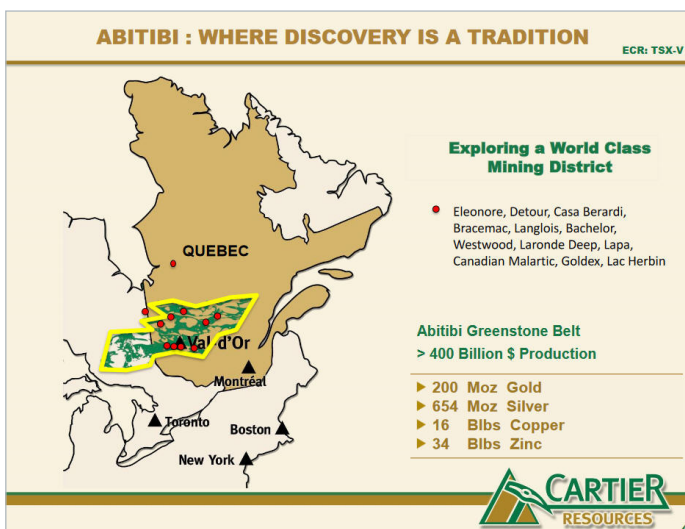
The projects are located in the world-famous Abitibi greenstone belt which extends across Ontario and Quebec and includes the prolific Val d'Or Gold Camp. It's also the backyard for Agnico Eagle Mines Ltd (TSX: AEM). This is why in [December 2016](#) AEM spent \$4.5 million to purchase a near-20% interest in Cartier.

It is Agnico Eagle's largest strategic investment in the entire Val d'Or Gold Camp, and in AEM's eyes it was a bargain: a piece of four flagship projects, in a company with a total market cap of (at the time) approximately \$20 million. With Cartier's market cap still below \$30 million, investors continue to have the opportunity to buy in at a bottom-of-the-market price.

Want news? On [April 6, 2017](#): the Company announced a **50,000 meter drilling program**, spanning the next 15 months. Most junior mining companies are happy if they can do 1/10th of that amount of drilling. Cartier currently has close to \$9 million in the bank and plans on putting that capital to good use.

Even at a bargain-basement price, some investors may be reluctant to buy into a Company with four flagship projects, three additional exploration properties, and royalty interests in four other projects. That's a lot of research for an investor. But Cartier makes such due diligence easy.

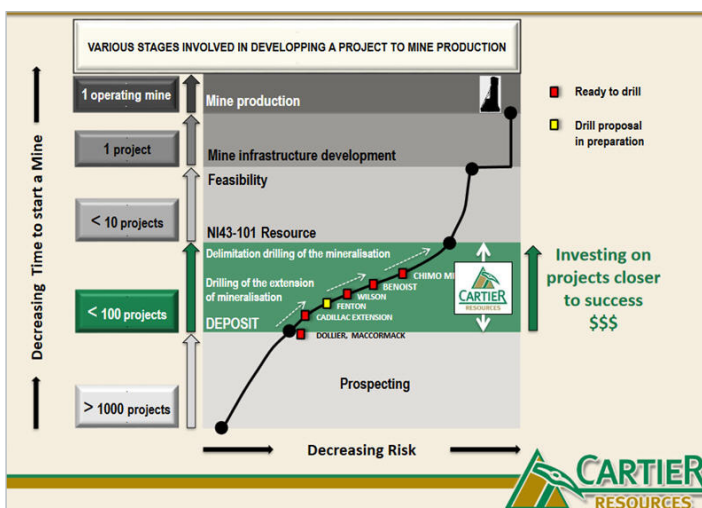
Along with its website being clearly laid out, project information is linked and indexed, making it simple for investors to click their way through the list of projects. As is fitting in a bilingual country, Cartier's website can be viewed in English or *en Francais*. It's the sort of attention to detail which sets apart this management team from many others.



A big part of that attention to detail is a business plan which puts investors first. When ECR's management was devising their acquisitions strategy, they started off by doing some homework. The mining icon whom they selected as their instructor was none other than Pierre Lassonde.

For novices to Canadian mining, Lassonde is a household name in the world of mining. Among the credits for this [Hall-of-Fame](#) mining legend is being one of the founders of Franco-Nevada Gold and serving as President of Newmont Mining. But Lassonde was/is also a mining investor. Indeed, in just one week in September 2016, Lassonde [invested \\$10 million](#) into mining stocks.

Lassonde wanted to determine the sweet spot(s) for mining investing. At what stages of a mining exploration/development cycle are investors presented with the highest probability of substantial gains? Lassonde did his own homework. As good students, Cartier's management studied Lassonde's observations, and this is what they came up with:



Early-stage exploration can be a long and frustrating process. Cartier's President and CEO Philippe Cloutier didn't mince words when speaking with Stockhouse via conference call: "It's like crossing the Sahara."

Conversely, there is another often long-and-frustrating period for investors after a resource has been explored and developed: attempting to line up partners and/or financing to move to production. In addition to the time and effort involved, junior miners looking to go to production on their own often have to absorb punishing levels of dilution (as well as their shareholders).

In between the early-exploration and moving-to-production phases is the sweet spot identified by Lassonde. *After* mineralization has been discovered in a new area but before a resource has been fully defined

and a resource estimate is produced is an interval of relatively rapid development where a new resource is uncovered.

Companies engage in lots of drilling and other value-added exploration activities. Investors buying into projects/companies positioned in this sweet spot give themselves the best opportunity for substantial gains by buying into the "busiest" phase of a mine development cycle.

This is a lesson which many experienced mining investors have already learned for themselves, and it's another reason why Cartier is an easy company to like. This is a Company with a management team *who think like investors*.

How does a small junior mining company end up with four advanced-staged gold projects? Buying at the bottom of the market.

Veteran mining investors who have lived (and invested) through several peaks and valleys in the mining industry know how mining companies usually respond to downturns in the industry: they pull back on their activities and expenditures. It's a perfectly reasonable reaction. Capital becomes (very) difficult to raise so mining companies conserve that capital. But that's not what Cartier did.

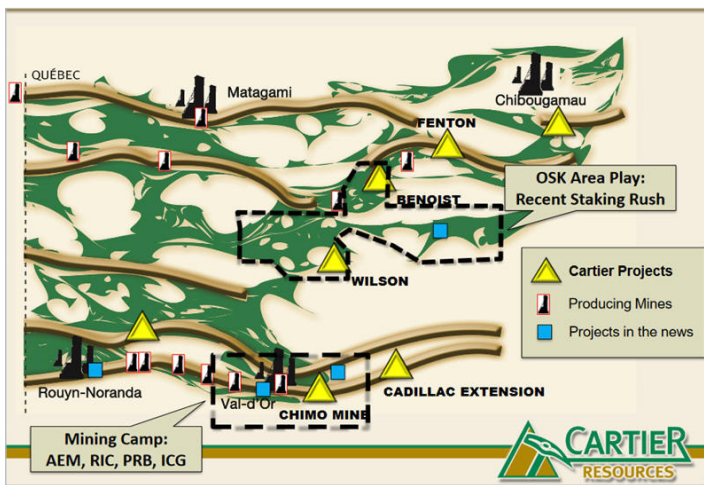
When the precious metals market hit a medium-term high in 2011 and then quickly reversed, most mining companies were caught by surprise. Many were caught underfunded. Fortuitously, Cartier was sitting with \$4 million in the bank.

By 2012; when valuations had already plummeted, ECR went shopping.

- [March 5, 2012](#): acquires the Benoist Project
- [March 22, 2012](#): signs option agreement for 50% interest in Fenton gold deposit
- [July 11, 2013](#): acquires the Chimo Gold Mine and Nova property
- [August 1 2013](#): closes on the Benoist, Chimo, and Nova acquisitions
- [September 16, 2014](#): amends option on Fenton deposit
- [May 18, 2016](#): acquires the Wilson Project (previously known as Verneuil West and Verneuil Central)

The bottom line was four advanced-staged gold exploration properties with robust grades and historical resources, acquired for pennies on the dollar. Management estimates it was able to buy ounces-in-the-ground at approximately *75 cents* per ounce of gold.

The (closed) Chimo Gold Mine is Cartier's most advanced project. Chimo was in full production until 1997. When it shut down at that time, it was not because of a lack of ore to mine. Rather, it was the low price of

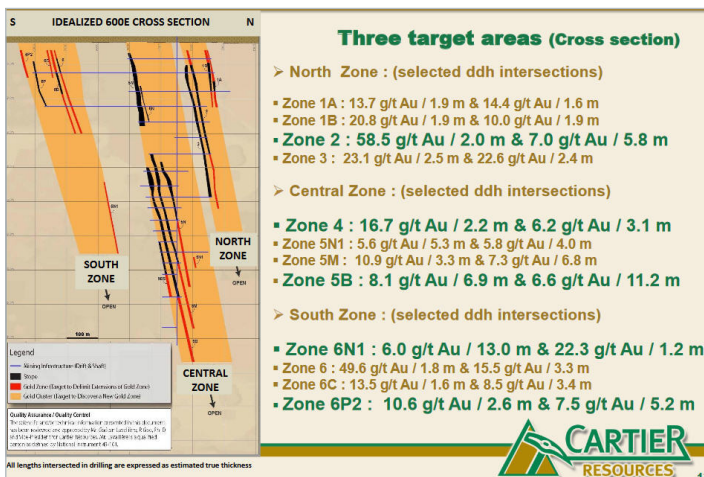


gold which forced the mine closure. In 1997; the price of gold was under \$300/oz, close to an all-time low.

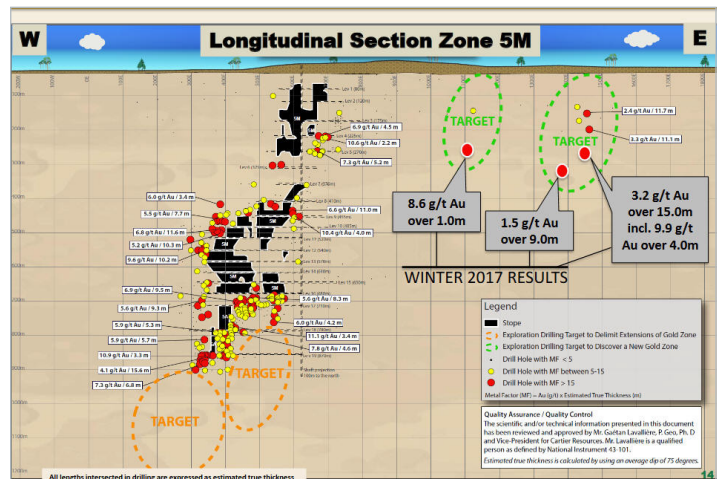
The Company actually purchased the entire mine complex in a bankruptcy auction, for an astonishing price of only \$261,000. That price includes not only the title to the property and all of the mine infrastructure. The most recent estimates from the previous operator (Cambior Mining) indicated additional ounces of gold delineated for mining, this provides a strong indication that the mine still has years of additional life.

From 1964 through 1997, the mine produced a total of 379,000 ounces of gold. Chimo is located approximately 30 km east of Val d'Or, accessible off of a paved highway. A total of 14 zones were mined over 19 levels, ranging from a depth of 80 – 870 meters.

In addition to the gold mineralization already available for mining, Cambior had just identified two quartz vein formations to the east of the main deposit which provide considerable exploration potential. Cartier



will be doing 24,000 meters of drilling at Chimo in the upcoming drilling campaign, with plenty of targets from which to choose. Historical drill results at Chimo boast numerous intercepts of very high grade gold, and can be seen in the graphic below and bottom left.



The next-highest priority in the Company's drill program is the Benoist Project, hosting the Pusticamica gold deposit. This is a high-grade gold ore body which also contains silver and copper. The historical resource at Benoist (non-compliant with NI 43-101 regulations) was estimated at 531,428 tons @ 5.51 g/t Au, 12.10 g/t Ag, and 0.27% Cu. Among the best intercepts from historical drilling were 5.3 g/t Au over 56.1 meters, 5.6 g/t Au over 53.6 meters, and 6.5 g/t Au over 37.0 meters.

Cartier has done some of its own drilling at Benoist which has also produced some long intercepts of gold mineralization. Included in these results are 2.4 g/t Au over 53.0 meters, 1.7 g/t Au over 65.0 meters, and 1.1 g/t over 27.0 meters. All of these drilling intercepts (current and historical) also include sub-intervals of high-grade mineralization, as high as 12.9 g/t Au over 15.5 meters.

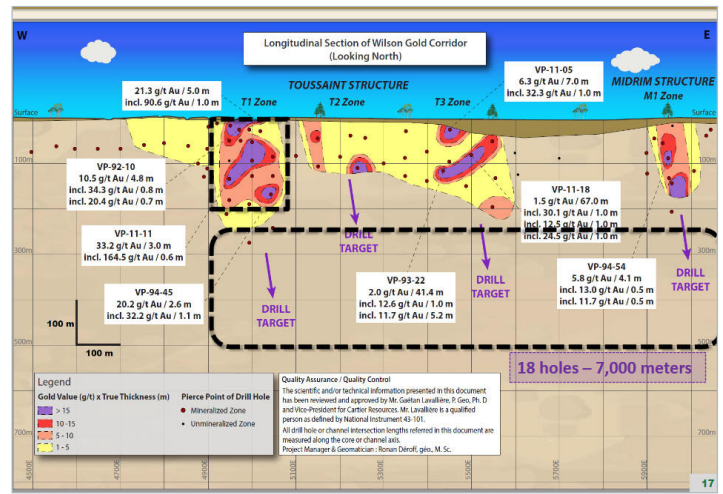
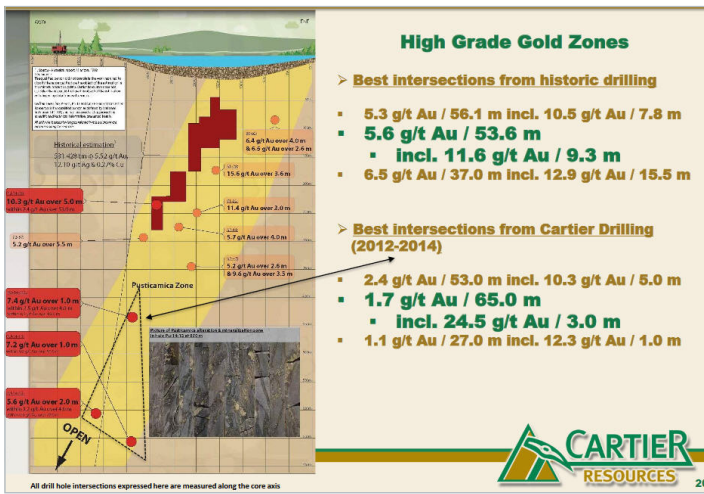
The Company's 10,000-meter drill campaign will focus on targets

Highlights:

Historic estimate 531 428 tons @ 5.51 g/t Au, 12.10 g/t Ag & 0.27% Cu*

- Cartier owns 100% interests of property;
- 250 km north-east of Val-d'Or, year round access by road;
- 25 km from Langlois and Bachelor mills;
- Pusticamica deposit : Gold with copper and silver byproducts;
- Deposit partially outlined near surface, high grade gold zones;
- Large mineralisation and alteration envelop, open at depth and laterally;
- 16 new high potential for discovery drill targets.
- 10,000-meter drill program planned for winter 2018

* Source - Historical report, Minnesota, 1933
The qualified person did not complete the work required to classify the resources that are the object of the estimation in the mineral resource. Cartier Resources does not consider the resources that are the object of the estimation as being an updated mineral resource.



which exhibit a geological signature similar to that of the Pusticamica deposit. Targeting is based on OreVision magnetic surveying which can detect below-surface mineralization to a depth of up to 500 meters.

Extensive drilling will also be conducted at Cartier's two other advanced-stage projects: the Fenton Project and Wilson Project. Drilling on the Wilson property has already commenced. On March 23, 2017, ECR announced an 18-hole drill program on this property which will total over 7,000 meters of drilling. The focus on the Wilson Project is the Toussaint gold deposit, which has an historical gold resource.

The Company will also engage in 8,500 meters of drilling at the Fenton Project as it seeks to fulfill its 50% earn-in on that property. Fenton has an historical gold deposit as well: 426,173 tons grading at 4.66 g/t Au. Exploration will focus on deep and lateral extensions of the gold deposit.

This project generator also has three other exploration properties in its portfolio as well as royalty interests in four other projects which it has already farmed out to other mining companies:

Exploration:

- Cadillac Extension
- Dollier
- MacCormack

Royalty interests:

- Riviere Dore
- Gander
- Diego
- La Pause

Highlights:

- Cartier owns 100% interest in property;
- 15 km east of Lebel sur Quevillon;
- Hosts Toussaint Gold Deposit - a historical resource estimation of 187,706 tonnes with an average grade of 7.1 g/t Au (Freewest Resources Inc., 1994, GM 52557) *;
- Open at depth and laterally;
- Drilling 7,000m March to May 2017.

CHANNEL SAMPLING TRENCH TR-31-02

- 15.3 g/t Au / 4.0 m
- 10.6 g/t Au / 3.0 m
- 13.4 g/t Au / 3.0 m
- 6.3 g/t Au / 5.0 m

TOUSSAINT GOLD DEPOSIT

Source of Information: Veiligheid Publicatieboek, 2012 (00048572). The qualified person did not complete the work required to check the validity of technical information contained in this document. The qualified person is not a qualified person as defined by National Instrument 43-101.

* The qualified person did not complete the work required to classify the resources that are the object of the historical resources estimation in the mineral resource update. Cartier does not consider the resources that are the object of the estimation as being an updated mineral resource.

Mineralization at Wilson is primarily in the form of narrow-vein, high-grade gold. Historical drill results boast some extremely high grades including 33.2 g/t Au over 3.0 meters (sub-interval of 164.5 g/t Au over 0.6 meters). Surface channelling produced assays including 21.3 g/t Au over 5.0 meters (sub-interval of 90.6 g/t over 1.0 meter). However, long intercepts of average grades have also been encountered, including 2.0 g/t Au over 41.4 meters and 1.5 g/t Au over 67.0 meters.



The right projects. The right strategy. Lots of upcoming drill results. For serious mining investors, it's hard not to get excited about Cartier Resources.

www.ressourcescartier.com

[Note: all slides were taken from the Cartier Resources March 2017 presentation which can be viewed [here](#).]

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