

Rock Tech Lithium Inc.

Canada / Mining
 Primary exchange: Toronto/ Secondary
 exchange: Frankfurt
 Bloomberg: RCK CN
 ISIN: CA77273P1027

Update

RATING	BUY
PRICE TARGET	CAD 1.50
Return Potential	59.6%
Risk Rating	High

LONG TERM POTENTIAL OUTWEIGHS SHORT TERM CAPACITY CONCERNS

Junior lithium miners (those still to go into production) have underperformed the larger players so far this year. While the Bloomberg SOLLIT index (top five constituents: FMC, SQM, Tesla, Samsung SDI, Albermarle) has risen 18% YTD, the share prices of Rock Tech Lithium (RCK) and peers (Altura, Critical Elements, Kidman, Nemaska, Pilbara, Sayona) have climbed by an average of only 3%. We think this underperformance is attributable to fears that capacity increases (mainly at established producers) will dent lithium prices before the juniors secure financing/reach production. In our view these fears are overdone. While substantial capacity is slated to reach the market over the next five years, history has repeatedly demonstrated that much scheduled new capacity either does not reach the market on time or does not materialise at all. On the demand side, the tendency is towards upward revisions to forecasts against the background of persistently positive news on the development of the electric vehicle industry. In our view the market is underestimating the speed at which electric vehicles will reach mass market acceptance. Our base case assumption is 15% penetration of the new car/light commercial vehicle market by electric vehicles by 2025. This would give rise to a lithium carbonate market of over 620kt (over 3x the current market size). Meanwhile, recently published prospecting and channel sampling results suggest that RCK will be successful in achieving the goal we set in our initiating coverage study on 21 March of raising NI 43-101 compliant resource tonnage from the current 9.5m tonnes to 15.8m tonnes by early 2018. We maintain our Buy recommendation and price target of CAD1.50.

Prospecting and channel sampling results RCK has recently published results from its prospecting and channel sampling programme and also completed winter drilling at Georgia Lake. In the course of prospecting, 47 grab samples were collected in the vicinity of the Nama Creek, Conway, McVittie and Jean Lake pegmatite deposits and 463 channel samples were taken from the Harricana, West, (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2012	2013	2014	2015	2016	2017E
Revenue (CAD m)	0.00	0.00	0.00	0.00	0.00	0.00
Y-o-y growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT (CAD m)	-1.44	-0.53	-0.73	-0.47	-1.19	-0.88
EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income (CAD m)	-5.21	-5.22	-1.43	-0.12	-1.15	-0.88
EPS (diluted) (CAD)	-0.56	-0.53	-0.15	-0.01	-0.06	-0.03
DPS (CAD)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (CADm)	-2.85	-0.70	0.06	0.29	-1.03	-2.85
Net gearing	-1.4%	36.6%	29.0%	0.5%	-62.4%	-5.8%
Liquid assets (CAD m)	0.10	0.01	0.27	0.14	3.09	0.24

RISKS

If the ongoing penetration of the automotive market by electric vehicles slows or comes to a halt, the lithium price is likely to fall.

COMPANY PROFILE

Rock Tech Lithium Inc. is a Canadian-based mineral exploration company focused on the Georgia Lake lithium property in Ontario. Georgia Lake's NI 43-101 resource estimate shows an indicated resource of 3.19 million tonnes grading 1.10% Li₂O and an inferred resource of 6.31 million tonnes grading 1.00% Li₂O. Production is scheduled to start in 2021.

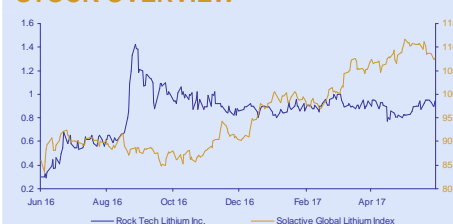
MARKET DATA

As of 22 Jun 2017

Closing Price	CAD 0.94
Shares outstanding	27.05m
Market Capitalisation	CAD 25.42m
52-week Range	CAD 0.30 / 1.42
Avg. Volume (12 Months)	46,124

Multiples	2015	2016	2017E
P/E	n.a.	n.a.	n.a.
EV/Sales	0.0	0.0	0.0
EV/EBIT	n.a.	n.a.	n.a.
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW



COMPANY DATA

As of 31 Mar 2017

Liquid Assets	CAD 2.63m
Current Assets	CAD 2.92m
Intangible Assets	CAD 2.10m
Total Assets	CAD 5.03m
Current Liabilities	CAD 0.33m
Shareholders' Equity	CAD 5.03m

SHAREHOLDERS

BTI International	11.3%
Dirk Harbecke	7.8%
Martin Stephan	6.3%
Other cornerstone investors	54.6%
Free float and other	20.0%



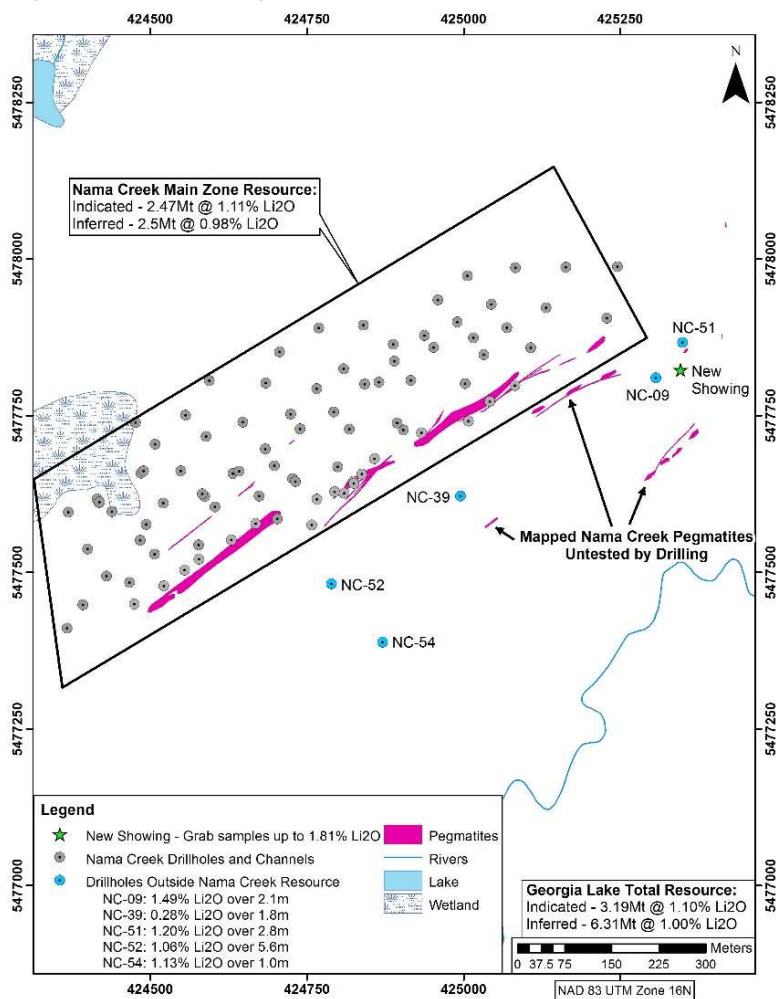
Line 60, Conway, Main Zone South West, Newkirk, McVittie, Aumacho and Parole Lake pegmatites. The programme has improved RCK's understanding of the deposits, thereby raising the effectiveness of subsequent drilling which is aimed at significantly increasing resource tonnage.

In our initiating coverage study of 21 March, we held out the prospect that RCK would be able to raise its current NI 43-101 compliant resource estimate of 9.5m tonnes (3.19 million tonnes grading 1.10% Li₂O indicated and 6.31 million tonnes grading 1.00% Li₂O inferred) to 15.8m tonnes over the following twelve months. Results from the prospecting and channel sampling programme suggest that the company is on track to reach this target.

Previous operators published a historic resource estimate (non-compliant with current NI 43-101 standards) for Georgia Lake based on 1950s drilling results showing 8.9m tonnes grading 1.18% Li₂O. 3.7m tonnes of the historic resource estimate remain unverified as compliant with NI 43-101 standards. As figure 2 on page 3 shows, there is unverified resource at the Conway, Jean Lake/Parole Lake, Aumacho, Newkirk and McVittie deposits. Verification of this tonnage alone would take RCK to 60% of our target of 6.3m additional tonnes. We continue to expect verification of previously unidentified material to account for the remainder of the balance.

At Nama Creek grab samples made during the recent prospecting programme resulted in a new discovery outside the main zone resource (see figure 1).

Figure 1: New showing at Nama Creek Main Zone



Source: Rock Tech Lithium



In addition, there are also mapped pegmatites which have not yet been drill tested, while drill holes NC-09, NC-39, NC-51, NC-52, NC-54 (drilled by a previous operator in the 1950's) also warrant follow-up work. The total NI 43-101 compliant resource for Nama Creek is 8.19m tonnes. The 4.97m tonnes shown in figure 2 relate only to the Main Zone/North at Nama Creek. The other zones at Nama Creek which account for the balance of the 8.19m tonnes are Main Zone South West (MZSW), Line 60, Harricana, and West.

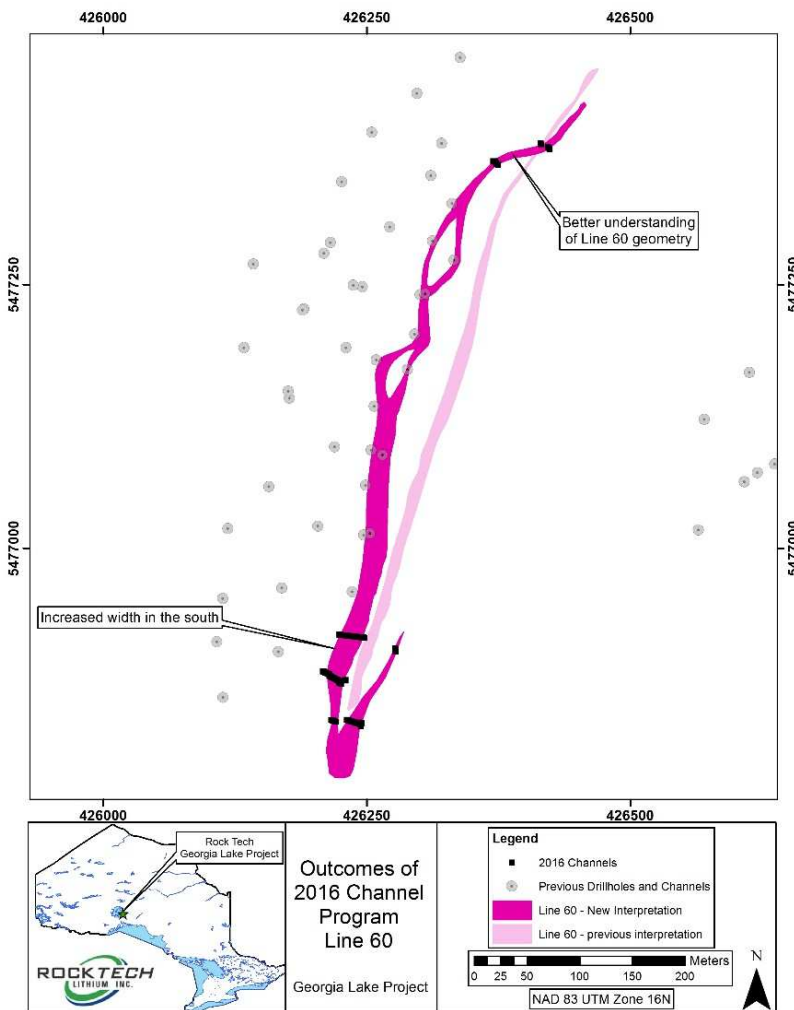
Figure 2: Historic and NI 43-101 compliant resource estimates for Georgia Lake

Claim Block	Historic Resource (m tonnes)	Historic Grade (%)	Historic Resource to be verified (m tonnes)	NI43-101 Resource (m tonnes)
Nama Creek	3.894	1.06	0.000	8.190
Conway	1.660	0.96	0.350	1.310
Jean Lake/Parole Lake	1.532	1.30	1.532	0.000
Aumacho	0.777	1.65	0.777	0.000
Newkirk	0.680	1.38	0.680	0.000
McVittie	0.237	1.03	0.237	0.000
MNW	0.091	4.00	0.091	0.000
Total	8.871	1.18	3.667	9.500

Source: Rock Tech Lithium

Work done at MZSW provided greater knowledge of the surface expression of the pegmatite and better understanding of its geometry.

Figure 3: Line 60 dyke is wider in the south than previously thought



Source: Rock Tech Lithium



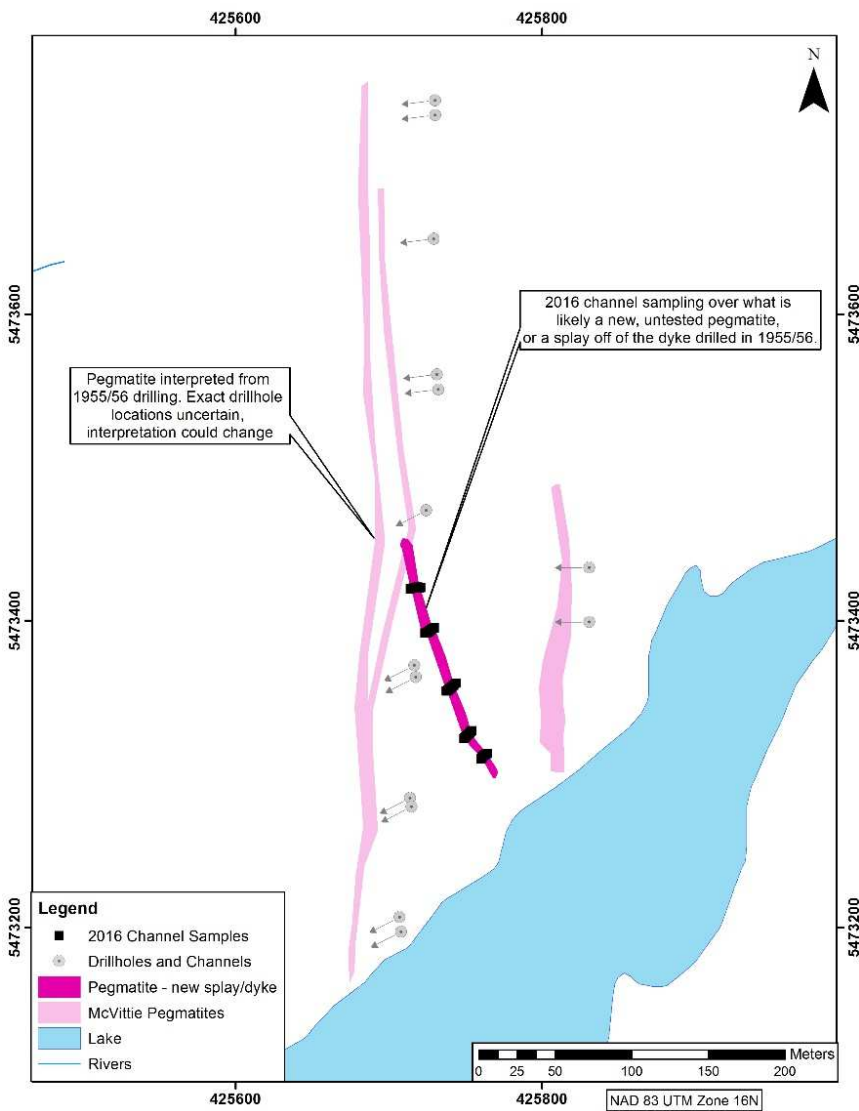
Meanwhile, trenching and channelling has shown that the Line 60 dyke is wider in the south than thought and has provided a better understanding of its geometry in the north (see figure 3). Channel sample assays returned values of up to 1.56% Li₂O.

Trenching and channelling at Harricana and West have resulted in upward revisions to management’s view of the length of known pegmatites. Meanwhile assay results from channel samples taken at Harricana and West showed 1.72% and 1.88% Li₂O respectively.

At Conway, to the east of Nama Creek, trenching and channelling resulted in an extension of the pegmatite to the south and also helped confirm the width of the dyke in its central sections. Channel sample assays showed values of up to 1.89% Li₂O

The McVittie claim block is located directly to the south of Nama Creek. Channel sampling at McVittie resulted in length and width extensions to several pegmatites while sample assays returned up to 2.21% Li₂O. At McVittie RCK also discovered what may be a “splay” off the known pegmatite or an entirely new, previously unknown lithium-bearing pegmatite. (see figure 4).

Figure 4: McVittie: Splay off known pegmatite or previously unknown dyke?



Source: Rock Tech Lithium



At the Jean Lake/Parole Lake claim block to the east of McVittie, assay results from channel samples showed up to 2.69% Li₂O. The channels also deepened RCK's knowledge of the location and surface expression of the pegmatite.

The Newkirk pegmatite lies in the southern region of the Georgia Lake property. Channel sample assays showed Li₂O up to 2.50%. The channelling programme successfully demonstrated a "connection" between the western and eastern extensions of the lithium-bearing pegmatite.

The Aumacho claim block is located to the southwest of Newkirk. Channelling at Aumacho showed assay results of up to 4.42% Li₂O (a very high grade) and also confirmed that high-grade lithium mineralisation continues up to surface and that the pegmatites have a relatively shallow depth.

In late May and early June, RCK announced the completion of drilling at Parole Lake and Aumacho. Seven drill holes totalling 1,382 metres were drilled at Parole Lake and a further seven drill holes totalling 584 metres were completed at Aumacho. Results are due within the next six to eight weeks. We expect drilling to move on to other claim blocks later this year, but management has not yet specified which targets will be drilled next.

Figure 5: Forecast lithium carbonate demand growth (tonnes)

	2016	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	CAGR 16-26E
Electric vehicles	38.0	49.0	67.0	88.0	112.0	138.0	165.0	190.0	215.0	240.0	260.5	21.2%
% Δ	51.4%	28.9%	36.7%	31.3%	27.3%	23.2%	19.6%	15.2%	13.2%	11.6%	8.5%	
Electric bicycles	6.8	15.0	27.0	40.0	50.0	60.0	67.0	73.0	78.0	83.0	87.0	29.0%
% Δ	134.5%	120.6%	80.0%	48.1%	25.0%	20.0%	11.7%	9.0%	6.8%	6.4%	4.8%	
Energy storage	0.6	1.2	2.0	4.0	9.0	13.0	18.0	24.0	31.0	37.0	40.0	52.2%
% Δ	50.0%	100.0%	66.7%	100.0%	125.0%	44.4%	38.5%	33.3%	29.2%	19.4%	8.1%	
Batteries (established markets)	45.0	48.0	50.0	52.5	55.0	57.5	60.0	62.5	65.0	67.5	70.0	4.5%
% Δ	-1.3%	6.7%	4.2%	5.0%	4.8%	4.5%	4.3%	4.2%	4.0%	3.8%	3.7%	
Other	114.9	121.8	127.0	132.5	137.0	141.4	146.5	150.9	156.9	161.7	166.3	29.3%
% Δ	4.5%	6.0%	4.3%	4.3%	3.4%	3.2%	3.6%	3.0%	4.0%	3.1%	2.8%	
Total	205.3	235.0	273.0	317.0	363.0	409.9	456.5	500.4	545.9	589.2	623.784	11.8%
% Δ	11.6%	14.5%	16.2%	16.1%	14.5%	12.9%	11.4%	9.6%	9.1%	7.9%	5.9%	

Source: First Berlin Equity Research estimates

Lithium ion battery costs have declined from USD900/KWh to around USD200/KWh over the past five years and are still falling. Meanwhile, recent months have seen a flurry of electric car announcements from major manufacturers. These developments have strengthened our belief that electric cars are on the way to mass market acceptance. Against this background, we have upgraded our forecast for 2026 lithium carbonate (LCE) demand from 586kt to 624kt LCE (3x the 2016 market). Our new forecast (see figure 5 above) is based on the following assumptions:

- i. electric cars/light commercial vehicles achieve 15% automotive market penetration by 2026.
- ii. full electric cars as opposed to hybrids and plug-in hybrids account for 80% of electric cars/light commercial vehicles sold in 2026.
- iii. average lithium carbonate content per full electric car battery is 20kg.

In our view, it is likely that our 15% figure understates the ultimate penetration of the automotive market by electric cars. Figure 6 shows annual LCE demand at various penetration rates based on the assumptions above. At 35-40% penetration, we believe annual lithium carbonate demand would reach 1bn tonnes.

**Figure 6: Forecast 2026 lithium carbonate (LCE) demand at various EV penetration rates**

Global car and light commercial vehicle sales 2026 (m)	105.3	105.3	105.3	105.3	105.3	105.3	105.3
EV penetration	15.00%	20.00%	25.00%	35.00%	40.00%	45.00%	50.00%
No. EVs (000s)	15,793	21,058	26,322	36,851	42,115	47,379	52,644
of which							
Hybrid EVs (HEVs)	2,369	3,159	3,948	5,528	6,317	7,107	7,897
percentage of total EVs	15	15	15	15	15	15	15
Plug-in Hybrid EVs (PHEVs)	790	1,053	1,316	1,843	2,106	2,369	2,632
percentage of total EVs	5	5	5	5	5	5	5
Battery EVs (BEVs)	12,635	16,846	21,058	29,481	33,692	37,904	42,115
percentage of total EVs	80	80	80	80	80	80	80
LCE per HEV (kg)	1.27	1.27	1.27	1.27	1.27	1.27	1.27
LCE per PHEV (kg)	6.06	6.06	6.06	6.06	6.06	6.06	6.06
LCE per BEV (kg)	20.00	20.00	20.00	20.00	20.00	20.00	20.00
LCE requirement for HEVs (t)	3,009	4,011	5,014	7,020	8,023	9,026	10,029
LCE requirement for PHEVs (t)	4,785	6,380	7,976	11,166	12,761	14,356	15,951
LCE requirement for BEVs (t)	252,690	336,920	421,151	589,611	673,841	758,071	842,301
Total LCE requirement for EVs	260,484	347,312	434,140	607,797	694,625	781,453	868,281
LCE requirement for non EV applications (t)	363,300	363,300	363,300	363,300	363,300	363,300	363,300
Total LCE requirement (t)	623,784	710,612	797,440	971,097	1,057,925	1,144,753	1,231,581

Source: First Berlin Equity Research estimates

Figure 7 shows a recent forecast of new LCE capacity from Global Lithium LLC for currently slated and ramping projects. History has repeatedly demonstrated that much scheduled new capacity either does not reach the market on time or does not materialise at all. Against this background, we have discounted some of the capacity in company announcements. However, our numbers still show the market reaching an 8.7% surplus in 2017 and then moving to a 1.0% deficit in by 2020. Although some near term softness in prices looks likely, excellent long term prospects continue to suggest RCK's potential to make the transition from explorer to miner.

Figure 7: Forecast 2026 lithium carbonate capacity additions by project (2017-2021)

	2016	2017E	2018E	2019E	2020E	2021E
Albermarle La Negra 2 (B)		5.0	13.0	20.0	20.0	20.0
Albermarle Talison (HR)		2.9	9.8	12.7	12.7	12.7
Tianqi Talison (HR)		3.1	10.2	13.3	13.3	13.3
Orocobre (B)		1.0	2.5	4.0	5.0	10.0
SQM (B)		2.0	4.0	4.0	9.0	16.5
Ganfeng Mt. Marrion (HR)		15.0	25.0	30.0	30.0	30.0
Lithium Americas/Ganfeng (B)					5.0	12.5
Galaxy - Mt. Cattlin via China (HR)		10.0	17.0	20.0	20.0	20.0
Galaxy Sal de Vida (B)						5.0
North America Lithium/Nemaska (HR)		2.0	5.0	10.0	15.0	20.0
Chinese brine projects (B)		2.0	5.0	8.0	12.0	17.0
Pilbara/Altura (HR)				5.0	12.0	18.0
Total new supply relative to 2016		43.0	91.5	127.0	154.0	195.0
Total supply	205.3	248.3	296.8	332.3	359.3	400.3
Total demand	205.3	235.0	273.0	317.0	363.0	409.9
Surplus/(deficit)	0.0%	5.7%	8.7%	4.8%	-1.0%	-2.3%

Source: Global Lithium LLC, First Berlin Equity Research estimates



The positive long term outlook for the lithium market and the progress made towards our target of 15.8m tonnes of resource, as demonstrated by recently published prospecting and channel sampling results, cause us to leave our in situ per tonne Li₂O valuation for RCK unchanged on our March study at CAD283. This implies an unchanged price target of CAD1.50. We maintain our Buy recommendation.

Figure 8: Current valuation of RCK and peers

	Share price (CAD)	Mkt. Cap. (CADm)	Dilution factor (x)	Mkt. Cap. CADm (adjusted)	Net debt (CADm)	EV CADm (adjusted)	Total tonnes Li ₂ O in situ (m)	EV/tonne adjusted (CAD)
Altura	0.135	208.2	1.002	208.6	-37.01	171.61	0.424	405
Critical Elements	0.900	166.2	1.052	174.9	-3.08	171.81	0.352	488
Kidman Resources	0.565	188.4	1.105	208.1	0.15	208.28	1.838	113
Nemaska	1.300	334.3	1.049	350.7	-33.63	317.07	0.510	622
Pilbara Minerals	0.365	466.3	1.007	469.5	-65.53	404.01	1.953	207
Sayona Mining	0.014	13.5	1.000	13.5	-1.50	11.99	0.147	82
Rock Tech Lithium (current)	0.941	25.5	1.171	29.8	-3.10	26.72	0.098	272
Rock Tech Lithium (price target)	1.466	39.7	1.171	46.5	-0.24	46.22	0.163	283

Source: Rock Tech Lithium; peers



INCOME STATEMENT

CAD	2012	2013	2014	2015	2016	2017E
Expenses						
Amortisation	21,993	17,382	9,601	2,633	3,423	3,960
Consulting	90,500	15,000	0	0	35,050	250,000
General administration	278,336	291,142	91,643	47,431	52,190	220,000
Interest	0	0	258,191	47,263	1,615	0
Management fees	179,584	12,500	0	80,000	177,379	120,000
Professional fees	105,385	121,712	60,844	51,750	36,508	100,000
Reverse takeover costs	0	0	183,349	0	0	0
Salaries and wages	0	0	105,121	124,410	109,448	
Stock-based payments	0	0	0	68,325	648,139	0
Transfer agent & filing fees	37,783	57,038	23,313	19,534	25,004	65,000
Property investigation	245,892	0	0	0	0	
Travel & promotion	476,125	14,752	647	27,446	105,267	120,000
EBIT	-1,435,598	-529,526	-732,709	-468,792	-1,194,023	-878,960
Other items						
Interest income	24,214	390	0	0	0	0
Gain on settlement of debt	0	0	13,080	130,940	0	0
Gain on disposition of exploration and evaluation assets	0	0	8,586	0	0	0
Loss on disposition of equipment	0	0	-15,422	0	0	0
Mineral property impairment	-4,534,182	-4,688,800	-653,673	0	0	0
Mineral property recovery	0	0	0	51,008	0	0
Realized gain/(loss) on investments	0	0	-42,891	171,829	45,498	0
Write down of equipment	-10,354	0	-6,240	0	0	0
Flow-through premium liability recovery	745,571	0	0	0	0	0
Result for the period	-5,210,349	-5,217,936	-1,429,270	-115,014	-1,148,525	-878,960
Other comprehensive income that may be reclassified to net income: Unrealized gain/(loss) on investments	0	0	0	278,230	-39,556	0
Other comprehensive income that may be reclassified to net loss: Unrealized gain/(loss) on investments	0	0	-237,655	0	0	0
Comprehensive income/(loss) for the period	-5,210,349	-5,217,936	-1,666,924	163,216	-1,188,081	-878,960
Earnings/(loss) per share - basic and diluted	-0.56	-0.53	-0.15	-0.01	-0.06	-0.03
Weighted av. no. shares outstanding - basic and diluted	9,343,963	9,911,984	10,860,284	15,752,874	20,736,263	27,033,420



BALANCE SHEET

CAD	2012	2013	2014	2015	2016	2017E
ASSETS						
Current assets, total	289,778	70,862	495,708	269,050	3,241,531	392,162
Cash and cash equivalents	95,384	6,819	269,885	142,201	3,086,650	235,037
Receivables	174,725	8,275	4,001	776	105,681	30,000
Investments	0	0	221,812	120,613	5,250	7,125
Prepaid expenses and deposits	19,669	55,768	10	5,460	43,950	120,000
Non-current assets, total	7,860,114	3,419,530	1,694,750	1,528,032	2,008,402	4,004,442
Equipment	86,912	69,530	19,750	17,117	13,693	9,733
Exploration and evaluation assets	7,773,202	3,350,000	1,675,000	1,510,915	1,994,709	3,994,709
TOTAL ASSETS	8,149,892	3,490,392	2,190,458	1,797,083	5,249,933	4,396,604
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities, total	1,424,579	1,889,015	1,083,839	458,922	306,244	330,000
Accounts payable and accrued liabilities	1,184,140	1,039,844	403,542	205,944	306,244	330,000
Convertible debt	0	592,329	0	0	0	0
Loan payable	0	0	590,602	148,405	0	0
Flow-through premium liability	0	0	0	0	0	0
Due to related parties	240,439	256,842	89,695	104,573	0	0
TOTAL LIABILITIES	1,424,579	1,889,015	1,083,839	458,922	306,244	330,000
SHAREHOLDERS' EQUITY						
Share Capital	22,980,932	23,024,932	24,171,105	24,171,105	28,362,125	28,362,125
Reserves	2,551,302	2,601,302	2,627,296	2,695,621	3,298,210	3,298,210
Accumulated other comprehensive income/(loss)	0	0	-237,655	40,576	1,020	2,895
Deficit	-18,806,921	-24,024,857	-25,454,127	-25,569,141	-26,717,666	-27,596,626
TOTAL SHAREHOLDERS' EQUITY	6,725,313	1,601,377	1,106,619	1,338,161	4,943,689	4,066,604
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8,149,892	3,490,392	2,190,458	1,797,083	5,249,933	4,396,604



CASH FLOW STATEMENT

CAD	2012	2013	2014	2015	2016	2017E
Operating activities						
Net income/(loss) for the period	-5,210,349	-5,217,936	-1,429,270	-115,014	-1,148,525	-878,960
Adjustments for non-cash items						
Amortisation	21,993	17,382	9,601	2,633	3,423	3,960
Accretion	0	0	33,665	0	0	0
Stock-based payments	0	0	0	68,325	648,139	0
Mineral property impairment (recovery)	4,543,182	4,688,800	653,673	-51,008	0	0
Write down of equipment	1,354	0	6,240	0	0	0
Flow-through premium liability recovery	-745,571	0	0	0	0	0
Accretion	0	42,329	0	0	0	0
Loss on disposition of equipment	0	0	15,422	0	0	0
Gain on settlement of debt	0	0	-13,080	-130,940	0	0
(Gain)/loss on sale of investments	0	0	42,891	-171,829	-45,498	0
Non-cash interest	0	0	9,205	47,263	1,615	0
Unrealized (gain)/loss on sale of investments	0	0	0	0	0	0
Foreign exchange loss	0	0	0	0	0	0
Shares issued for service	0	0	0	0	0	0
Changes in non-cash working capital items						
Receivables	-9,914	166,450	4,274	3,225	-104,903	75,681
Prepaid expenses and deposits	170,152	-36,099	55,758	-5,450	-38,490	-76,050
Accounts payables and accrued liabilities	-1,405	-144,296	475,246	-101,071	101,385	23,756
Due to related parties	0	0	-167,147	14,878	-104,573	0
Net cash flows used in operating activities	-1,230,558	-483,370	-303,522	-438,988	-687,427	-851,613
Investing activities						
Disposition of investments	0	0	53,244	666,210	121,305	0
Disposition of equipment	0	0	18,517	0	0	0
Disposition of exploration and evaluation assets	0	0	300,000	0	0	0
Recovery (expenditures) on exploration and evaluation assets	0	0	-3,673	65,093	0	0
Expenditures on exploration and evaluation assets	-1,622,990	-221,598	0	0	-461,294	-2,000,000
Expenditures on property, plant, equipment	-1,201	0	0	0	0	0
Net cash flows from/used in investing activities	-1,624,191	-221,598	368,088	731,304	-339,989	-2,000,000
Financing activities						
Loan payments	0	0	0	-420,000	0	0
Proceeds from stock option exercise	0	0	0	0	50,000	0
Proceeds from warrant exercise	0	0	0	0	55,071	0
Proceeds from equity issuance	0	0	150,000	0	3,866,794	0
Proceeds from convertible debt	0	600,000	48,500	0	0	0
Due to related parties	200,799	16,403	0	0	0	0
Net cash flow from/used in financing activities	200,799	616,403	198,500	-420,000	3,971,865	0
Increase/(decrease) in cash and cash equivalents	-2,653,950	-88,565	263,066	-127,684	2,944,449	-2,851,613
Cash and cash equivalents, beginning	2,749,334	95,384	6,819	269,885	142,201	3,086,650
Cash and cash equivalents, ending	95,384	6,819	269,885	142,201	3,086,650	235,037

FIRST BERLIN RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	21 March 2017	CAD0.97	Buy	CAD1.50
2	Today	CAD0.94	Buy	CAD1.50

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- key sources of information in the preparation of this research report
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