



# The Warrant Report

## A Focus on Time – Pilot Gold versus FieldPoint Petroleum

Dudley Pierce Baker

We are running late with this April issue of The Warrant Report due to our travel schedule and other commitments but this particular timing has worked out well; as we now have a clearer picture of the gold market.

In our March issue of The Warrant Report we stated, “...Actually now, gold (and somewhat silver) are short-term overbought and a reasonable pullback, possibly down to the \$1270 and \$20.50 range should not be unexpected...”

Gold did make it down to \$1276 and silver to around the \$19.70 range.

Gold has subsequently bounced back up and closed on Friday, April 4<sup>th</sup> at \$1302.30 and silver at \$19.96. It seems reasonable that gold and silver may well have put in lows for this correction and therefore, we have personally turned very bullish and have been buying shares and warrants in selected companies over the last couple of days.

### Recently Added Warrants:

- Northern Frontier
- Enterprise Group, Inc.
- Torex Gold
- CEI-SCI Corporation
- Ricebran Technology
- Cambridge Capitol Acq.
- RMG Networks
- True Gold Mining
- Dalradian Resources

### Warrants Expiring Soon!!!

- Gale Force Petroleum  
10-Apr-2014
- Infinity Minerals  
11-Apr-2014
- Flinders Resources  
17-Apr-2014
- Sandstorm Res  
23-Apr-2014
- Sandstorm Gold Wt  
23-Apr-2014



This month we are showcasing two more companies with stock warrants but remember we are not recommending purchase of the shares or warrant but rather presenting this information to show the potential benefits of investing in stock warrants. We are not financial advisors and you are encouraged to perform your own analysis and/or seek the advice of your investment advisors.



## Pilot Gold (TSX: PLG and TSX: PLG.wt)

We decided to showcase Pilot Gold for you to make a major point for all investors considering buying stock warrants, **the remaining life**.

We quote from the company's website:

"Pilot Gold is led by the same management and technical teams that built Fronteer Gold, a similar growth company acquired in 2011 by Newmont Mining Corporation for \$2.3 billion. In 10 years, Fronteer Gold grew from a \$2-million venture shell into a well-funded and high-profile gold development company that discovered or advanced seven deposits.

Pilot Gold's Board of Directors is led by Chairman Dr. Mark O'Dea, former President and CEO of Fronteer Gold. Our management team is spearheaded by Matt Lennox-King, a key member of the Fronteer Gold team since the company's startup. In total, more than 20 former team members of Fronteer Gold contribute to Pilot Gold.

Our highly experienced technical team includes 18 geoscientists and three PhDs – further evidence that we are truly committed to and living the Science of Discovery®.

We are currently advancing a portfolio of strategic gold and copper-gold projects in Nevada and in Turkey. We believe that these strategic assets have powerful potential for significant growth and value creation.

As with Frontier Gold, Pilot Gold's strategy is to build value by focusing on proven management, high-quality assets, and sustained growth.



- Management: We have assembled a powerful senior team with a successful track record in the discovery and advancement of high-quality assets.
- Quality: Our key projects includes two gold-mineralized systems and a large copper-gold porphyry. All of our projects are located in excellent mining jurisdictions in Turkey and Nevada.
- Growth: Our key projects have considerable upside with significant value yet to be realized, while our pipeline of projects in Turkey and Nevada provide a solid platform for future growth.

At Pilot Gold, finding the sweet spot isn't a game of guesswork or chance. To make the big discoveries, we believe in proven scientific methods and techniques – the Pilot Gold Science of Discovery®."

Pilot Gold has several interest projects of which one is in Nevada and one in Turkey and we invite you to review their Corporate Presentation for [complete details](#).



Pilot Gold has recently completed a private placement that had substantial participation from management. This is significant, as we always want to see insiders with ‘skin in the game’.

Net, net, this is a company with seasoned management, good properties and cashed up, all of the reasons we want to buy shares in any company.

However, Pilot Gold does have a stock warrant trading and we want to tell you why in this case we **WOULD NOT ADVISE BUYING THE WARRANTS.**

- The recent share price as of April 4 is \$1.44 and the warrants is \$0.23
- The warrants have an exercise price of \$2.20 and will expire on October 31, 2014.

Normally we would be buying the warrants as Pilot Gold shares will no doubt perform well as this bull market in the resource sector getting going once again.

However, the time is running out on these warrants with an October 31, 2014 expiration date and thus we must pass on these warrants. Remember, our basic rule is that we require a warrant to have at least 2 years of remaining life giving us more time for the shares to perform and the company to execute on their business plan. Regrettably, we must advise all investors to avoid the purchase of these warrants, as you will be playing ‘Russian Roulette’ with the time expiring.



Please remember this basic rule in deciding whether to purchase any stock warrants.



# Common Stock Warrants

## FieldPoint Petroleum (Amex:FPP and FPP-wt)

For those investors looking for an interesting opportunity in the oil and gas sector, perhaps you should consider FieldPoint Petroleum that is based in Austin, Texas.

FieldPoint acquires, operates, and develops oil and gas properties, and has varying ownership interests in 360 gross productive wells (100 net) located in five states. The Company operates 65 of the 360 wells, while the other wells are operated by independent contractors under standard industry contracts. Going forward, the Company plans to operate more of the oil and gas properties in which it obtains an economic interest.

The Company believes that, with operator's responsibility and authority, it is in a better position to control cost, safety, and work timelines, as well as other critical factors affecting the wells' economics. However, this desire does not preclude the acquisition of attractive properties under the management of competent operators,



particularly those with which we have a record of good performance.



In this situation FPP has long-term stock warrants trading.

As of Friday, April 4<sup>th</sup>, the common shares closed at \$4.83 and the warrants at \$0.95.

The exercise price of the warrants is \$4.00 and the expiration date is March 23, 2018.

The FieldPoint warrants reflect a much different picture than the Pilot Gold warrants showcased above. Here the warrants have almost 4 years of remaining life until expiration and the warrants are deep into the money. The intrinsic value of the warrants (share price, \$4.83 less exercise price, \$4.00 is \$0.83) and with the warrants trading for \$0.95, the warrants are only commanding a low premium of \$0.12.

In reviewing our leverage calculations in the warrant database, we find that any upside move in the share price will offer a leverage of approximately 5 times over that of the common shares. This seems to be an incredible opportunity.

As always, you, the investor must like the company before you would purchase shares or warrants, but in the case, the warrants seem very compelling.

Until next month,  
The Team.

[www.CommonStockWarrants.com](http://www.CommonStockWarrants.com)

[New Subscribers Sign Up Here](#)