



# The Warrant Report

## A new year with new warrants trading

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Perhaps the most important question for all investments is timing.

In the United States, the markets are in the process of their first serious consolidation in a couple of years and in the Canadian markets, the resource shares have either bottomed or are in the process thereof. Your opinion of the market tone for your companies of interest will determine if your timing for establishing new positions is good or bad.

Below we are showcasing two companies having long term warrants trading. These are not recommendations but merely examples for your consideration.

### Recently Added Warrants:

- Northern Frontier
- Enterprise Group, Inc.
- InterCloud Systems, Inc.
- Energy Leader Income Fund
- Advaxis, Inc.
- Cathay General Bancorp
- Levy Acquisition Corp
- CEI-SCI Corporation
- Ricebran Technology
- Cambridge Capitol Acq.

### Warrants Expiring Soon!!!

- Golden Minerals  
20-Feb-2014
- Endeavour Financial  
4-Feb-2014
- Sgoco Group  
7-Mar-2014
- Sandstorm Gold Wt  
23-Apr-2014



## Coeur Mining (TSX:CDM & NYSE:CDE)

### Coeur Mining

One of the pure silver plays with long term warrants trading is Coeur Mining,

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

NYSE:CDE and CDE.WS and in Canada, TSX:CDM and CDM.wt.

Coeur Mining, Inc. is the largest U.S.-based primary silver producer and a growing gold producer. The Company built and commenced production from three wholly-owned, long-lived mines between 2008 and 2010: the San Bartolomé silver mine in Bolivia, the Palmarejo silver-gold mine in Mexico and the Kensington gold mine in Alaska. Further production has commenced from a leach pad at Coeur's long-time Rochester silver-gold mine in Nevada. The Company also owns a non-operating interest in a silver-base metal mine, Endeavor, in Australia.

In April 2013, Coeur announced the completion of its acquisition of Orko Silver Corp. which includes the La Preciosa project in Mexico, one of the largest undeveloped silver deposits in the world. This asset has the potential to become a world-class silver mine that generates an attractive rate of return for Coeur's shareholders over a long mine life. Coeur conducts ongoing exploration activities near and within its properties in Argentina, Mexico, Alaska, Nevada and Bolivia. In addition, Coeur owns strategic minority shareholdings in eight silver and gold development companies in North and South America. The Palmarejo mine, San Bartolomé

mine, Kensington mine, Rochester mine, and the Endeavor mine (operated by a non-affiliated party),

constituted the Company's principal sources of mining revenue in 2012. Coeur was incorporated in 1928 and employs over 1,900 people at its operations across the world. Coeur's common shares are traded on the New York Stock Exchange under the symbol CDE and the Toronto Stock Exchange under the symbol CDM.

In 2013, Coeur expects to produce between 18.0 and 19.1 million ounces of silver and between 250,000 and 258,000 ounces of gold. Cash operating costs<sup>2</sup> per silver ounce are expected to be \$9.50-\$10.50 for 2013. Kensington's cash operating costs<sup>2</sup> per ounce of gold for 2013 are expected to be \$950-\$1,000.

Of course the share and warrant prices have been beaten down in this market environment but we believe gold and silver are in the process of bottoming, if not already, then soon.





**Global Eagle Entertainment (NASDAQ: ENT)**

**Global Eagle Entertainment,**

<http://www.globaleagleent.com>

Nasdaq:ENT and ENTWW

This company was probably not on your radar screen but the shares and the warrants have performed exceptional well over the last six months.

Global Eagle's Row 44 subsidiary is the leader in providing satellite-based broadband service to the global airline industry. Currently installed on more than 500 aircraft worldwide, Row 44 has the largest fleet of satellite-based connected aircraft operating over land and sea today. Row 44's network provides passengers with internet connectivity via orbiting Ku-band satellites. Row 44's in-cabin communications link provides airline passengers with Internet access, live television, shopping and flight and destination information. Formed in 2004, Row 44's WiFi connectivity system was first deployed by a domestic commercial airline in 2009 and its

Broadband services were fully operational in 2010.

Global Eagle's Advanced Inflight Alliance (AIA) business is the leading provider of content services, products and solutions for the global inflight entertainment market. Since 2004, AIA has focused on delivering movies and television programming, audio, games, applications and creative solutions to commercial airlines. Through



**Global Eagle Entertainment**

20 international subsidiaries in ten countries, AIA provides world-wide service to commercial airlines. AIA's current customer base includes over 5,000 airplanes serving 500 million travelers annually. AIA is the leading provider of inflight content to markets such as Asia and India and has a 90% share of inflight games globally.

The terms of the long term warrants allow for the purchase of one share of common at the price of \$11.50 and expire on 31 January 2018. Our leverage calculations reveal that the warrants should continue to outperform the common

shares by at least 2:1 in a good market environment. We would all have been fortunate to have purchased these warrants in October 2013 at \$1.50 and sold them in January 2014 at \$5.50 for a whopping gain of 267% and that's in only four months.





The common shares also performed well rising from around \$10 to 16 in the same period for a gain of 60%, but as you can see, the warrants were the outstanding performer as the

warrants returned a leverage of **4.45:1 over the common shares.**

Until next month,  
The Team.

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