

The Warrant Report

Are Investors Looking In The Wrong Place For Opportunities?

Dudley Pierce Baker

Gold had a very impressive performance in February and finally broke out to the upside. Actually now, gold (and somewhat silver) as you can see below, are short-term overbought and a reasonable pullback, possibly down to the \$1270 and \$20.50 range should not be unexpected.



Many shares and warrants have performed well since the beginning of 2014 and we are optimistic that a firm bottom is in place with substantially higher prices to be achieved by years end for both gold, silver and shares.



That being said, perhaps most of us as resource investors have been looking in the wrong sectors as several of the companies we have showcased in our recent "Warrant Reports" have made fools of resource investors with staggering gains in less than 12 months and within 2013 and early 2014.

Recently Added Warrants:

- Torex Gold
- Brand Leaders Income Fund
- True Gold Mining
- Dalradian Resources
- Cathay General Bancorp
- Levy Acquisition Corp
- CEI-SCI Corporation
- Rice bran Technology
- Cambridge Capitol Acq.
- RMG Networks

Warrants Expiring Soon!!!

- Stornoway Diamond
31-Mar-2014
- Gale Force Petroleum
10-Apr-2014
- Flinders Resources
17-Apr-2014
- Infinity Minerals
11-Apr-2014
- Sgoco Group
7-Mar-2014
- Sandstorm Gold Wt
23-Apr-2014



BioAmber, Inc. (NYSE: BIOA and BIOA.ws)

BioAmber, Inc.,

<http://www.bio-amber.com> is a sustainable chemicals company. Its proprietary technology platform combines industrial biotechnology and chemical catalysis to convert renewable feedstock into chemicals for use in a wide variety of everyday products including plastics, resins, food additives and personal care products.



Products &
Applications

Application of their products:

“BioAmber’s bio-based succinic acid can be used as an ingredient in a wide range of everyday products marketed under the BIO-SA™ brand. BioAmber has begun selling its brand into several existing markets and is working with numerous chemical companies to develop new applications and market opportunities. BioAmber is proud to provide greener, cheaper, more responsible chemical building blocks, with immediate solutions in the following markets.

De-icing

BioAmber has a patent portfolio covering the use of succinate salts as ingredients in deicing solutions. BIO-SA™ brand succinic salts have a far better corrosion profile than potassium acetate, potassium formate and brine

(Sodium chloride) for use on roads, bridges, runways and walkways.

Flavors & Food

Succinic acid is used as an ingredient in food applications due to its functionality: it increases the tartness or acidity of food, is used as a pH regulator and as a flavoring agent. BioAmber’s BIO-SA™ brand bio-based flavor enhancer offers food and flavors companies a natural alternative to petro-derived ingredients.

Heat Transfer Fluids

Heat transfer fluids or coolants formulated using bio-based succinic acid are water-based fluids which include bio-derived dipotassium succinate in concentrations of up to 50%. The combination of a lower environmental impact and good performance means the end user will have a more sustainable, equally effective choice.

Lubricants

Bio-based succinic esters are environmentally friendly solutions for the lubricants market as base oils and additives in industrial lubricants and metal-working fluids, with improved flowability in cold temperatures and better prevention of oxidation and corrosion.

Personal Care

BIO-SA™ brand succinic esters are effective, all-natural emollients and surfactants. Emollients are used in lotions, liquid soaps and cleansers to improve and moisturize skin,

while surfactants are used in soaps, body washes and shampoos to allow easier spreading.

Plastisizers

The market is moving to replace phthalates with alternative plasticizers where possible, especially in sensitive applications such as children's products. BioAmber is developing BIO-SA™ brand succinate esters to replace adipate esters and general-purpose phthalate esters.

Polymers

The global demand for biodegradable polymers is growing rapidly. Modified polybutylene succinate (mPBS) is BioAmber's proprietary solution for companies seeking cost-effective, responsible solutions delivering superior performance.

Polyurethanes

BIO-SA™ brand bio-based chemicals can be used to replace adipic acid in polyurethane applications such as polyester polyols. The BIO-SA™ brand is currently the only renewable alternative to adipic acid for this market application.

Resins & Coatings

BIO-SA™ brand bio-based resins and coatings offer environmental advantages, cost-effectiveness and equivalent performance to petroleum-based phthalic acid and adipic acid in polyester coating resins, powder coatings, unsaturated polyester resins and urethane surface coatings.

Solvents

BIO-SA™ brand bio-based solvents offer economical, environmentally-friendly alternatives without compromising performance. Best of all, they can be used as a

drop-in substitute in inks, varnishes and paints."

Terms of the warrants:

The BioAmber warrants (BIOA.ws) could have been easily purchased by an interested investor in early December 2013 for \$0.60 while the common shares could have been purchased for \$6.60.

Exercise Price - \$11.00

Expiration Date - 9 May 2017

Recent prices as of 26 February 2014 have the common shares at \$13.85 and the warrants at \$2.89.

The math does not lie as the common shares increased by 110% and the warrants increased in value by 382%.

The outperformance of the warrants over the common shares is what we focus on and in this case the warrants outperformed by 3.47 to 1 and in only 3 months.



How could any investor want a better return than the 382% on the warrants and to top it off, it took place in only three months.



Enterprise Group, Inc. (TSX:E and E.wt)

Enterprise Group, Inc.,
<http://www.enterprisegrp.ca>

“Since our inception Enterprise Group has maintained a strong vision to be the largest construction services and specialized equipment rental organization in Western Canada. With development activity in the energy services and civil construction sector expected to increase as the economy strengthens, the Enterprise Group is poised for further growth. Higher demand for energy and utilities coupled with increasing commodity prices, will allow producers and utility providers to reinvest into Infrastructure. Enterprise will have the opportunity to implement its aggressive growth strategy by acquiring ‘best-in-class’ businesses.

Primary Strategy

To accomplish this, Enterprise is implementing a strategy of acquiring and consolidating established, profitable construction services companies with a near term goal of obtaining annual sales revenue of over \$150 million. Enterprise is consolidating companies that have a proven track record, are well managed and are financially successful....”

Terms of warrants trading:

Exercise Price – C\$1.00

Expiration Date – 20 December 2015

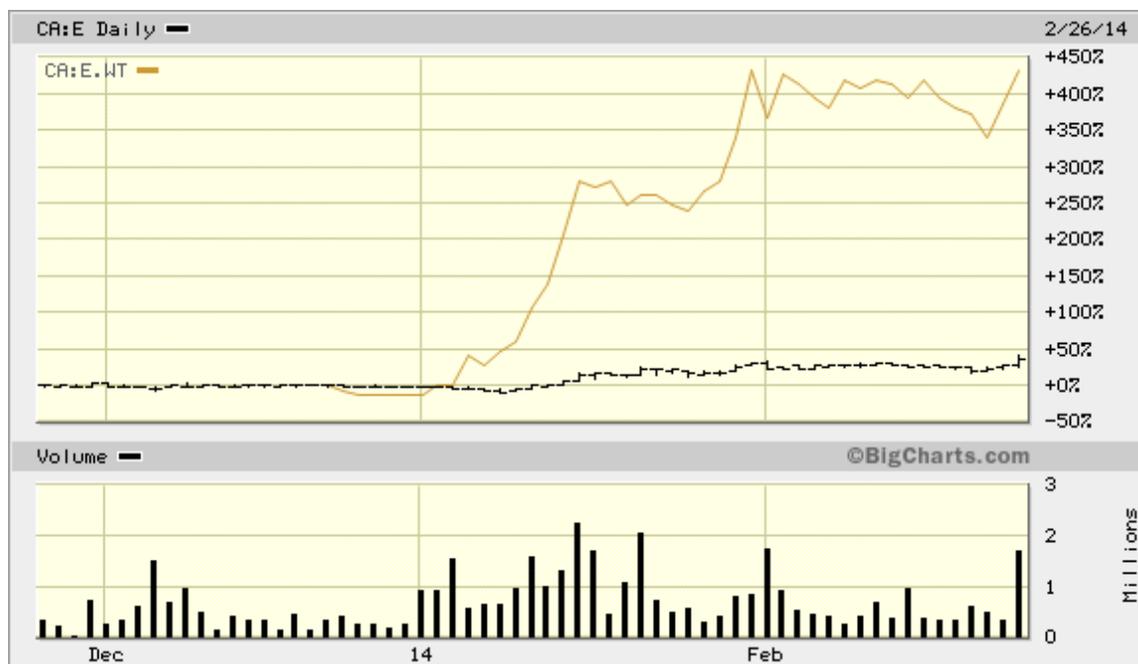
I personally remember considering this warrant for purchase when it was entered into our database. The warrant had great liquidity and could have been bought for either C\$0.10 or C\$0.11 for several days. I recall thinking that this warrant had a life of less than our preferred 24 months and thus I decided to let it go. What a mistake!

From early January 2014 this warrant could have been purchased at C\$0.10 and the closing price on 26 February was C\$0.40, up a whopping 300% in less than two months.



At the same time, the common shares have not moved up very much. They could have been bought at C\$0.80 and closed on 26 February 2014 at C\$1.08, up 35% in less than two months.

Once again, we focus on the leverage of the performance of the warrants over the common shares. In this instance, the warrants performed 8.57 to 1 and in less than two months.



We realize that for now many of our followers are tuned into only the resource sector when they think of stock warrants. We must ask the question, why? Why do we want to limit ourselves to only one investment sector when we continue to see magnificent gains being made by stock warrants in bio-tech and other sectors?

Let's not forget that as investors our objective is to make the best return possible on our investments. Limits should not be placed on where we find those opportunities. Therefore, we believe it is time for all of us to consider the variety of stock warrants trading in all industries and sectors in the United States and Canada.

Until next month,

Dudley Pierce Baker

Founder - Editor

For the team at

<http://www.CommonStockWarrants.com>

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