

**Now
RSP/TFSA
eligible!**

TeraZ fund



May 2018 Performance Report Fundserv code: 969

	Teraz Fund	S&P/TSX Venture	S&P/TSX Composite	Chief Analyst & Strategist:	Mark Zaret (416-690-5411)
Monthly Return	5.0%	-2.6%	2.9%	Email:	mzaret@spartanfunds.ca
Year to Date	-18.3%	-10.3%	-0.9%	Portfolio Manager:	John Ackerl (416-601-5606)
Since Inception	58.4%	-48.6%	34.3%	Email:	jackerl@spartanfunds.ca
				Trustee:	Spartan Fund Management

COMMENTARY

Pipeline disputes, tariff wars, weak commodity prices: take your pick: there just hasn't been much to be excited about if you are invested in Canada these days. Yet, insiders are signalling that better times are ahead. According to data published by INK Research, insiders are becoming more bullish in energy and gold companies among others.

We managed to gain 5% vs. a loss of 2.6% on the Venture Exchange. Last month we mentioned four positions that were down for no reason other than weak market conditions. Those four companies rose an average of 12.6% in May, with only one of them issuing meaningful news.

On May 28th, Orca Gold announced the arrangement of a \$22M strategic investment by Resolute Mining, a large Australian gold producer. We have often mentioned Orca in these notes when discussing some of our longer term holds and the de-risking of these stories as they develop. This is yet another step along those lines: a large company is now making a strategic investment in Orca at a 285% premium to our average cost. We see no compelling reason to monetize this gain as the story continues to unfold, and this in a weak environment for gold stocks.

Our largest gainer in May was in a company we have not mentioned to date, Revival Gold, which was up 34%. Revival is focussed in Idaho where it owns two neighboring gold projects. They announced an (NI 43-101 compliant) mineral resource estimate of 2M ounces in the indicated and inferred category at an average grade of 1.22 g/t. These are very good numbers when considering that this former producer would be mining via open pit. Revival is a good example of a company that we were invited to participate in at a very early stage via industry contacts. We are up 260% on this position, but as is the case with Orca, the story is being continually de-risked. As a significant shareholder, we have been invited to a site visit which we will be participating in during June.

Four positions were closed in May, two very profitably, and two losers. As a result, we enter June with a significant cash balance that will allow us to capitalize on any market weakness in the coming months.

Lastly, we are very pleased to announce that Teraz is now RSP-eligible (as well as TFSAs, RESPs, RIFs, etc.). Any investment by a registered account must be done through an investment advisor – it cannot be held directly with Spartan. If you want to check to see if your advisor is an approved dealer for Teraz, please send us a note and we'll investigate for you.

Disclaimer: Small and micro-cap companies are risky. The material presented herein is for informational purposes only and should not be construed as providing investment advice. Please refer to the offering memorandum for further discussion of the risks of investing in the Fund.

MONTHLY RETURNS HISTORY													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	-3.0%	-6.1%	-8.5%	-6.5%	5.0%e								-18.3%e
2017	7.6%	21.3%	-0.2%	2.9%	-0.5%	-5.2%	1.6%	10.9%	2.7%	-5.9%	1.8%	1.6%	42.4%
2016	-2.5%	12.6%	11.1%	15.5%	0.2%	8.9%	11.6%	3.7%	4.5%	-0.8%	1.4%	-0.5%	85.9%
2015	1.1%	2.7%	2.5%	1.7%	-3.0%	-0.7%	-7.0%	-7.5%	5.0%	2.6%	-6.1%	-0.6%	-9.8%
2014	4.9%	12.4%	1.1%	2.9%	-4.5%	10.7%	-0.5%	-2.1%	-7.2%	-6.3%	-11.0%	-0.2%	-2.3%
2013	-1.2%	-6.6%	-1.2%	-3.4%	2.5%	-3.1%	3.6%	3.8%	-2.0%	-0.3%	-0.6%	0.8%	-8.0%
2012	3.7%	-0.8%	1.1%	-5.5%	-5.3%	-3.7%	3.4%	0.2%	5.1%	-2.9%	-3.7%	-0.9%	-9.7%



Spartan Fund Management Inc.

The above returns are net of management and performance fees for the 'F' class of units. Please review the most recent offering memorandum for a detailed description of the Fund's strategy, objectives and risk factors. The above is provided for informational purposes only and is qualified in its entirety by way of the most recent offering memorandum, which is only available to qualified investors. Prospective investors should consult with a professional financial advisor before investing. Past performance cannot predict future results. Share value and yields will fluctuate. There can be no assurances that any of the Fund's objectives will be met. See Terms and Conditions of our website (www.spartanfunds.ca) for important information and qualifications regarding the use of benchmarking and indices.