

---

## Analyst Ideas of the Week – Shoal Games Announces Financing

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

---



**Sid Rajeev, B.Tech, MBA, CFA**  
**Head of Research**

### **Shoal Games Announces Financing**

On February 7, 2018, Shoal Games Ltd. (TSXV: SGW) announced its intent to pursue a private placement of up to US\$2.50 million by issuing common shares at US\$0.35 per share. **Shares are trading today at US\$0.41.** On January 19, 2018, Shoal had announced that Rooplay had surpassed 250,000 downloads from the Google Play Store (NASDAQ: GOOG) since its launch in May. This is up from over 220,000 downloads since our update report in December 2017.

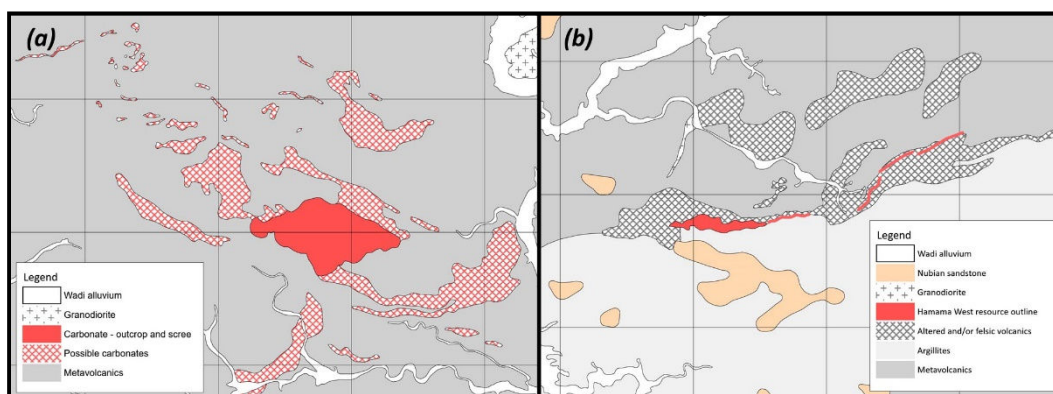
With over 500 games on the platform, we believe that Shoal has a significant first mover advantage in the growing EdTech space focused on games for kids. Shoal intends to gain traction through direct marketing to consumers and through partnerships with mobile handset manufacturers, cable companies, in-flight entertainment, and mobile telecommunications operators through a revenue share model. Management is in discussions with a number of mobile operators worldwide. Even a single distribution deal, we estimate, will allow Rooplay to reach significant audience levels at a very low cost. **We have a BUY rating and a fair value estimate of \$1.63 per share on Shoal's shares.**

## Aton Announces Promising Results at Rodruin

On February 6, 2018, Aton Resources Inc. (TSXV: AAN) announced results of the initial surface grab and channel sampling program completed at the Rodruin prospect, located approximately 18 km east of the Hamama West deposit, and 3 km east of a historic processing site at East Eradiya.

The Rodruin prospect was first identified by a remote sensing study conducted in early 2017. Similar to Hamama, the mineralization at Rodruin occurs within carbonate rocks. However, the outcrop of mineralized carbonates, and workings at Rodruin, cover a significantly larger area than at Hamama.

**Carbonate outcrops at a) Rodruin prospect, and b) Hamama area**



Source: Company

Ancient workings and mineralization at Rodruin have been identified over an area of 500 m x 400 m, and over a vertical elevation range of over 100m. We estimate that this could imply a potential resource of 5 to 10 Mt, even if only 10% to 20% of the entire area is mineralized. Management believes that Rodruin has the potential to be the biggest discovery to date in the Abu Marawat concession.

Of the 74 primary samples collected in the recent program, 67 were grab samples and 7 were channel samples. The 74 samples averaged 7.61 g/t Au, of which, 7 returned grades above 10 g/t Au, 48 returned grades above 1 g/t Au, and 61 returned grades above 0.5 g/t Au. The best sample showed 321 g/t Au. The analysis also showed high grade zinc and reasonably good silver, copper and lead values.

We believe this program is a good indication that the Rodruin prospect could potentially host a large body of gold (with zinc-silver) mineralisation. The company has made Rodruin as its primary focus of exploration. A drill program is expected to commence in April 2018.

We estimate that Aton's shares are trading at an enterprise value ("EV") to resource of just \$9 per oz versus the comparable average of \$29 per oz. Applying the average multiple of \$29 per oz, we arrive at a fair value estimate of \$0.13 per share. If the company is able to delineate a resource of over 1 Moz, we expect it to be a serious acquisition candidate for Centamin (LSE: CEY) or a large gold miner seeking to enter Egypt.



**Anthony De Ruijter, B.A. (econ)**  
**Analyst**

#### **Isodiol Announces Key Partnerships in the MMA Space, Appointment of Athlete Brand Ambassadors**

Isodiol announced on February 12 that it had entered into a partnership agreement with Cage Warriors to launch the company's European rollout of their ISO-Sport brand. Cage Warriors is a leading mixed martial arts (MMA) promotion brand with offices in Ireland and the UK. As per Isodiol's announcement, the company will promote their ISO-Sport brand at Cage Warrior's upcoming event in Liverpool, England, on February 24. The partnership also makes Isodiol the official partner of Cage Warriors for all sports supplements, hydration and nutrition products.

Furthermore, in relation to the promotion of their ISO-Sport brand, the company announced on February 8, that it had appointed Jazmine Fenlator (Bobsledding- Jamaica), Kiley McKinnon (Free-Style Skiing- U.S.A), Kimani Griffen (Long-track Speed-skating- U.S.A), and Julia Marino (Slope-style and Big Air Snowboarding- U.S.A) as brand ambassadors. The aforementioned athletes are all competitors in the 2018 Pyeongchang Winter Olympics, and will demonstrate and discuss the health benefits of CBD. This is in light of recent developments that saw the World

Anti-Doping Agency (WDA) excepting CBD from its list of cannabinoids on their list of Prohibited Substances and Methods.

We see these as positive developments for the company, as this puts their ISO-Sport product in front of a large audience. Forbes estimates that up to 5 billion people will have access to coverage of the Winter Olympics, and that NBC will generate \$900 million in advertisement sales related to the Winter Olympics. Furthermore, the sport of MMA has gained considerable viewership interest in Europe as the continent continues to produce high-grossing names such as MMA fighters Conor McGregor and Michael Bisping. Association of Isodiol with leading brands and athletes will likely lend credence to their product as a safe and healthy sports supplement, creating the potential for sales growth in the near future.

**Disclaimers and Disclosure**

The opinions expressed in this report are the true opinions of the analyst(s) about any companies and industries mentioned. Any “forward looking statements” are our best estimates and opinions based upon information that is publicly available and that we believe to be correct, but we have not independently verified with respect to truth or correctness. There is no guarantee that our forecasts will materialize. Actual results will likely vary. Companies mentioned in this report may be covered by FRC under an issuer paid model or be candidates for coverage. FRC may hold shares in some companies mentioned in this report. Distribution procedure: our reports are distributed first to our web-based subscribers on the date shown on this report then made available to delayed access users through various other channels for a limited time. The performance of FRC’s research is ranked by Investars. Full rankings and are available at [www.investars.com](http://www.investars.com).

To subscribe for real-time access to research, visit <http://www.researchfrc.com> for subscription options.

This report contains "forward looking" statements. Forward-looking statements regarding the Company, industry, and/or stock’s performance inherently involve risks and uncertainties that could cause actual results to differ from such forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, continued acceptance of the Company's products/services in the marketplace; acceptance in the marketplace of the Company's new product lines/services; competitive factors; new product/service introductions by others; technological changes; dependence on suppliers; systematic market risks and other risks discussed in the Company's periodic report filings, including interim reports, annual reports, and annual information forms filed with the various securities regulators. By making these forward-looking statements, Fundamental Research Corp. and the analyst/author of this report undertakes no obligation to update these statements for revisions or changes after the date of this report.

Fundamental Research Corp DOES NOT MAKE ANY WARRANTIES, EXPRESSED OR IMPLIED, AS TO RESULTS TO BE OBTAINED FROM USING THIS INFORMATION AND MAKES NO EXPRESS OR IMPLIED WARRANTIES OR FITNESS FOR A PARTICULAR USE. ANYONE USING THIS REPORT ASSUMES FULL RESPONSIBILITY FOR WHATEVER RESULTS THEY OBTAIN FROM WHATEVER USE THE INFORMATION WAS PUT TO. ALWAYS TALK TO YOUR FINANCIAL ADVISOR BEFORE YOU INVEST. WHETHER A STOCK SHOULD BE INCLUDED IN A PORTFOLIO DEPENDS ON ONE’S RISK TOLERANCE, OBJECTIVES, SITUATION, RETURN ON OTHER ASSETS, ETC. ONLY YOUR INVESTMENT ADVISOR WHO KNOWS YOUR UNIQUE CIRCUMSTANCES CAN MAKE A PROPER RECOMMENDATION AS TO THE MERIT OF ANY PARTICULAR SECURITY FOR INCLUSION IN YOUR PORTFOLIO. This REPORT is solely for informative purposes and is not a solicitation or an offer to buy or sell any security. It is not intended as being a complete description of the company, industry, securities or developments referred to in the material. Any forecasts contained in this report were independently prepared unless otherwise stated, and HAVE NOT BEEN endorsed by the Management of the company which is the subject of this report. Additional information is available upon request. THIS REPORT IS COPYRIGHT. YOU MAY NOT REDISTRIBUTE THIS REPORT WITHOUT OUR PERMISSION. Please give proper credit, including citing Fundamental Research Corp and/or the analyst, when quoting information from this report. The information contained in this report is intended to be viewed only in jurisdictions where it may be legally viewed and is not intended for use by any person or entity in any jurisdiction where such use would be contrary to local regulations or which would require any registration requirement within such jurisdiction.

---

©2017 Fundamental Research Corp. “ 10+ Years of Bringing Undiscovered Investment Opportunities to the Forefront “

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

**PLEASE READ THE IMPORTANT DISCLOSURES AT THE BACK OF THIS REPORT**