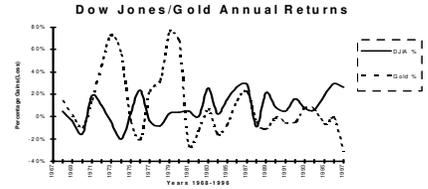




Gold



Energy & Tech Stocks

Weekly Hotline Message

(Now in our 33rd Year)

May 9, 2014

New Buy Recommendation

Integra Gold Corp.



Business: Exploration, development, and near gold production in Val d'Or, Quebec

Traded Toronto:	ICG
US OTC:	ICGQF
Shares Outstanding:	134,981,358
Price 5/9/14:	\$0.20
Market Cap:	\$27 million
Gold Resource (ounces) ⁽¹⁾ :	1,049,990
Cash:	\$3.5 million
Progress Rating:	A2
Telephone:	604-629-0891
Web Site:	www.integragold.com

⁽¹⁾Following is a breakdown of Integra's current 43-101 resource

3.0 g/t Cutoff	Indicated Resources			Inferred Resources			
	Zone	Tonnage (Metric tonnes)	Grade (g/t Au)	Contained Ounces Au	Tonnage (Metric tonnes)	Grade (g/t Au)	Contained Ounces Au
	Fortune	125,500	5.8	23,600	252,300	5.6	45,220
	Triangle	599,700	9.9	190,670	332,300	12.9	137,600
	No. 4 Plug	1,325,100	5.6	237,450	-	-	-
	Parallel	793,900	8.2	209,570	153,400	17.5	86,050
	No. 6 Vein	389,400	6.4	79,550	111,600	6.9	24,590
	Sixteen Zone	91,700	5.2	15,440	1,800	4.2	250
	Total	3,325,300	7.1	756,280	851,400	10.8	293,710

Successful investors make money by finding imperfections in the market place. A former management team spread way too thin missed an opportunity to advance Integra Gold's Lamaque Property in the heart of Val d'Or to early production. Integra Gold Corp. is focused like a laser on moving this project into production, using available custom milling opportunities on this underground mine.



Integra Gold's

property limits are shown in yellow in the illustration on your left. It lies on the edge of Val d'Or, and in fact a small portion of its property is on the end of the Val d'Or airport. Not only does the company enjoy a 32% exploration tax rebate from the Quebec government, but low cost power and all necessary infrastructure are in place, not to mention the availability of skilled underground miners, to provide an advantage that many if not most other mining projects do not enjoy.

The table at the top of this page displays the current 43-101 resource using a 3.0 gram cutoff. The average grade for all this material would be around 0.25 oz/ton. If a 5.0 gram cutoff is applied, the grade for all the material would increase to approximately 0.35 oz/ton. An ability to high grade the mineralized zones may be feasible, as was done in the past at the Lamaque Mine with grades in the 8 to 12 gram range. When a bulk mining approach was applied, grades were around 6.3 grams/ton.

PEA BASE-CASE ASSUMPTIONS AND SUMMARY

Gold price (U.S. \$)	\$1,275
Exchange rate (\$ to U.S. \$)	1.05
Gold price (\$)	\$1,339
Average annual gold production (ounces)	112,400
Peak annual gold production (ounces)	143,300
Preproduction capital costs (\$)	\$69.2-million
LOM sustaining capital (\$)	\$66.8-million
Preproduction period (years)	2
Mine life (years)	4.25
Cash cost per Au ounce (\$)	\$665
Cash costs and sustaining cost per Au ounce (\$)	\$805
Pretax	
Life-of-mine NPV at 5-per-cent discount rate (\$)	\$146.0-million
Internal rate of return	51%
Payback period (years)	1.5
After tax	
Life-of-mine NPV at 5-per-cent discount rate (\$)	\$88.5-million
Internal rate of return	38%
Payback period (years)	1.8

that these vertical high-grade vein structures are typically mineralized to very great depths and in many instances result in mine lives many times longer than initially anticipated. The cost of drilling to extensive depths is simply prohibitive, so these mining operations tend to drill from underground as the mining progresses at depth. The Lamaque Mine, where ore was taken from a neighboring vertical plug, produced 3.7

DRILL RESULT HIGHLIGHTS

Drill hole	From (m)	To (m)	Interval (m)*	Grade (g/t)**
TM-14-07	107.00	110.00	3.00	7.93
(Partial)***	117.00	119.00	2.00	6.53
TM-14-18	237.50	238.50	1.00	36.13
TM-14-11 to TM-14-17 -- assays pending				
TM-14-19	509.00	511.00	2.00	15.70
	554.00	561.00	7.00	38.17
Cut				13.54
	608.00	610.00	2.00	28.34
TM-14-21 to TM-14-23 -- assays pending				
TM-14-25	396.00	400.00	4.00	6.98
TM-14-27	636.00	639.00	3.00	17.68
TM-14-28	139.00	143.00	4.00	6.10
	379.00	382.00	3.00	5.87
	384.00	386.00	2.00	7.54
TM-14-29 to TM-14-33 -- assays pending				
TM-14-34	495.00	496.00	1.00	58.71
TM-14-35 to TM-14-58 -- assays pending				

Notes:

* Downhole thickness, true width varies depending on drill hole dip; most holes are set to intersect the vein structures perpendicularly

** One-gram-per-tonne-gold cut-off -- individual assay values uncut -- no minimum thickness

*** Partial results -- results from 184.0 metres and 380.0 metres not yet available

On April 29 the company announced a preliminary economic assessment (PEA) for its Lamaque Project using custom milling. A custom milling option, which was calculated to cost C\$45/ton, was built into the cash cost of C\$665/oz. and cash cost plus sustaining costs of C\$805/oz. The results reveal robust economics for the project, as you can see on your left (amounts expressed in C\$).

While a mine life of just 4.25 years is relatively short, it should be noted that these vertical high-grade vein structures are typically mineralized to very great depths and in many instances result in mine lives many times longer than initially anticipated. The cost of drilling to extensive depths is simply prohibitive, so these mining operations tend to drill from underground as the mining progresses at depth. The Lamaque Mine, where ore was taken from a neighboring vertical plug, produced 3.7 million ounces over many years but never had more than a three-year ore supply in front of its operation.

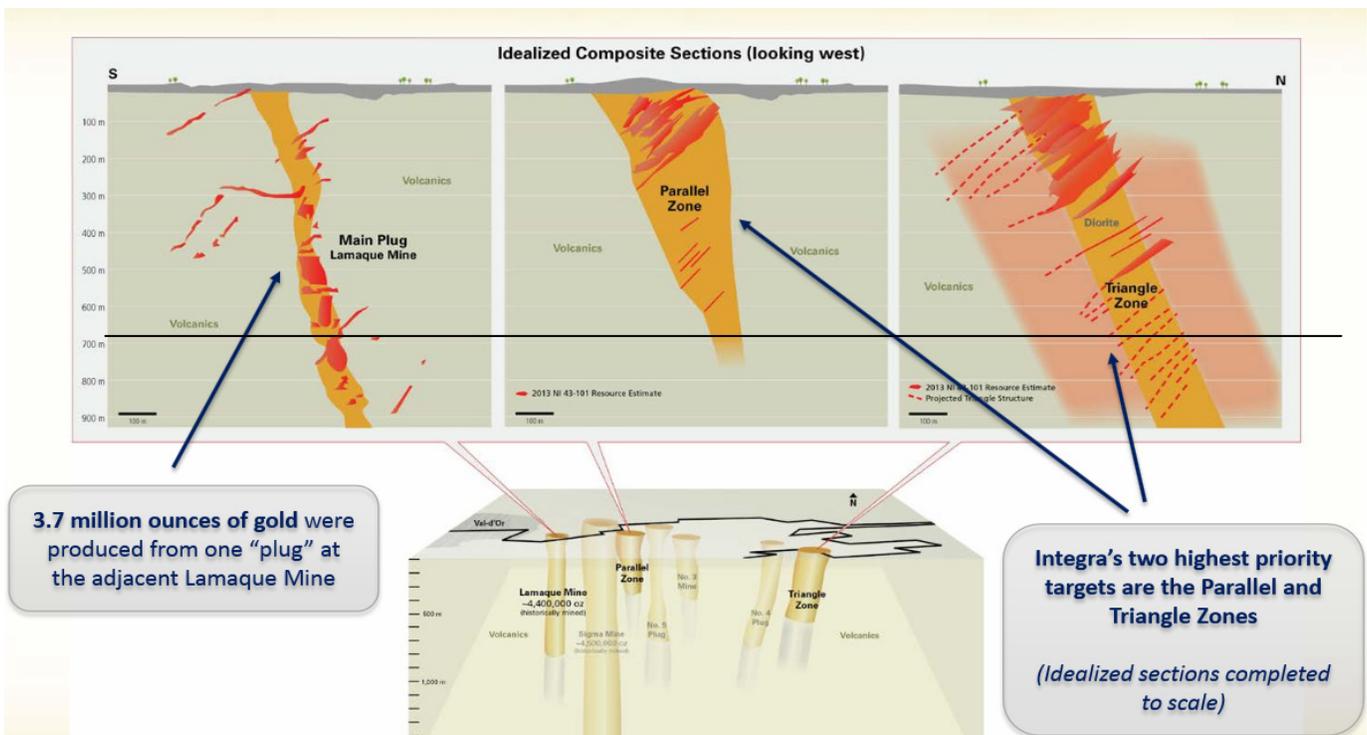
That said, management hopes to expand its mine life considerably further this year by virtue of its current exploration program, which is to involve a minimum of 45,000 meters of drill core. Integra has already completed 56,000 meters of drilling in 157 drill holes since the PEA database cut-off that has not been included in the PEA. Approximately half of the drilling is for step out and the remainder infill drilling to upgrade the existing resource. As reported on April 22, a total of 22,117 meters has been drilled, of which 3,900 meters drilled from 10 holes were reported as shown

on your left. What these numbers represent is more of the same high grades and similar widths that are factored into the existing resource numbers set out above.

Always of great importance are metallurgical recoveries. Phase 3 metallurgical tests revealed 97.8% recoveries using a combination of gravity and carbon-in-leach (CIL) cyanidation. Since management is at this time considering early production using nearby custom milling, the recovery process tested was consistent with existing milling infrastructure in the area.

On a non technical note, but equally important to the overall success of a project, is management's pro-active community relations approach. Although Val d'Or is very much a pro-mining town within one of the most pro-mining jurisdictions in the world, it is most important to keep good will with the community, particularly given the fact that mining will take place virtually on the boundaries of the city. Of course with this being an underground mine, surface disturbance is limited.

The following illustration provides an idea of the orientation of the gold-bearing structures on the Lamaque Mine. Entry into the mine is by ramp.



To date, the company has limited its drilling to about 600 meters, which is illustrated by the black line extending across the three vertical gold-bearing structures pictured above. Management believes it can significantly increase its resource numbers with the existing drill program from the two high-priority targets shown above.

The 2014 Drill Program

As noted above, the company plans to drill a minimum of 45,000 meters this year. This includes 24,000-metre definition program at the Triangle zone, definition drilling at the Fortune zone (8,000 metres), exploration drilling at plug No. 5 (5,000 metres) and mine No. 3 targets (6,000 metres), and geotechnical drilling at Parallel, Triangle and Fortune (2,000 metres). The plug No. 5 and mine No. 3 targets are not currently included

in the Lamaque project's total resource and pending the outcome of the proposed drill programs the company may conduct resource estimation on these targets in the latter part of 2014.

Custom Milling or Not?

Obviously custom milling is not ideal even if you are able to secure a reasonable cost. When markets get hot and more ore is available, usually the companies owning the mills fill the mills with their own ore before they custom mill for others. At some point if there a sufficiently large resource outlined on the Lamaque Site, a mill could be built. There is also the possibility that a mill across town at the Sigma Mine, which is now in bankruptcy court, could become available. If that facility could become available at the right price, that would obviously be a plus for Integra. On the other hand, if enough high-grade ounces can be outlined here, Integra could conceivably become a takeover target.

Near-Term Catalysts

Activity	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	Jul'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14
Drilling	Triangle/Parallel Definition - 24,000 m			Fortune - 8,000 m		No. 3 Mine/No. 5 Plug Exploration - 11,000m						
Resource Update				Parallel, Triangle, Fortune, No. 4 Plug						No. 3 Mine, No. 5 Plug		
Engineering	Mine Design, Geotechnical, Infrastructures, Hydrogeological											
Metallurgy				Phase IV Optimization								
Socio-economic	Communication		Consultation									
Economics	PEA		Prefeasibility									

We are now in May, which means the 24,000 meters of drilling has been concluded. From this point on, you can see the company's planned activities, which should add value and hopefully, with a little cooperation from the gold markets, help drive these shares higher. The point I think is important to note is that advanced planning is taking place on establishing this mine, and by the end of this year, we should see significantly higher resource numbers that should add value to this company's shares.

MANAGEMENT

Stephen de Jong, BComm., CEO, President, Director - Mr. de Jong has held several senior management and advisory positions in publically listed Canadian mineral exploration companies successfully leading their recapitalization and restructuring programs. Mr. de Jong continues to prove his ability to finance mineral exploration through periods of weak metal prices and low investor sentiment having raised over \$25 million in the past two years. He is recognized by Canadian and overseas financial sectors and junior and senior mining executives as a person with integrity, superior management skills, and one who can attract and build a strong and capable team. Mr. de Jong has aggressively facilitated the advancement of the Company's Lamaque project towards a production decision as well as led a team responsible for the discovery of additional high grade resources. Mr. de Jong holds a Bachelor of Commerce degree from Royal Roads University and is also a Director of Rapier Gold Inc.

Mr. H. Thiboutot, BSc., Eng., Senior Vice President - Mr. Thiboutot has been a major contributor to the co-discovery of more than 20 million ounces of gold during his more than 31 years of working for major and mid-tier mining companies. He brings to Integra a wealth of experience in all aspects of exploration from generating, negotiating and managing projects, to corporate, community and governmental relations, and in

liaising with project and mine development engineers. Mr. Thiboutot comprehensive exploration and mining company experience includes:

- Alamos Gold Corp., Vice President of Exploration: While working in Mexico (Mulatos Mine) and Turkey (Agi Dagi Mine) was instrumental in doubling the global gold resources and reserves to more than 5 Moz in less than three years.
- Goldcorp. Inc., Project Manager: Was responsible for overall project management and the geological portion of the feasibility study of Goldcorp's Éléonore Project in Northern Québec, currently in development and forecast to be in production by 2014 producing 600,000 gold ounces per year over a minimum of 15 years.
- Placer Dome Inc., various senior positions including Project Geologist, Project Manager, Country Manager and Exploration Manager: worked on multiple advanced stage projects in diverse countries such as Canada, USA, Tanzania, Niger, Venezuela, and Mexico, amongst others during his 24 years with the company.

Mr. Thiboutot is a geological engineer graduating from Laval University, Québec City, QC, and is a member in good standing with the "Ordre des Ingénieurs du Québec."

François Chabot, MSc., Eng., Manager of Operations/Engineering - Mr. Chabot graduated from Laval University in Québec City in 1986 with a BSc. Geological Engineering, completed a MSc. Geology in 1988, and is a member in good standing of the "Ordre des Ingénieurs du Québec." Mr. Chabot has significant development and production experience with vein type deposits similar to that found at Integra's Lamaque Gold Project. Mr. Chabot is fluent in French and English and brings a wealth of experience in all aspects of the development of advanced stage projects including permitting, environmental management, project evaluation, operations start-up, reserve evaluation, mine planning, health and safety, and budget control. Some of Mr. Chabot's career highlights include:

- Richmond Mines Inc. - Most recently Director for the Beaufor Mine and Monique Project, located in Val-d'Or, Québec.
- Golder Associates Ltd. - Associate and regional manager in Val-d'Or, Québec.
- Aurizon Mines Ltd. - Chief geologist and technical superintendent at the Beaufor mine.
- Placer Dome Inc. - Production geologist for the Sigma Mine.

Travis Gingras, CMA, MBA, Chief Financial Officer - Mr. Gingras holds an MBA specializing in Strategic Management and Finance and a CMA designation. He has over fifteen years of experience in various senior level financial roles at companies such as Ausenco Corporation, a publicly listed global engineering firm and Avigilon Corporation; a TSX listed Deloitte Technology Fast 50 Company. Mr. Gingras has experience in the areas of financial reporting and analysis, accounting policy, internal control and strategic planning.

Robert Bryce, P.Eng. - Mining, Director - Robert Bryce, P.Eng is a mining engineer with over 43 years of experience in the mining industry. He has been involved in all aspects of operations and management at various mines from Vice President of Mining Operations at Aur Resources Inc. to his current position as Chairman and President of XEMAC Resources Inc. He is a member of the "Ordre des Ingénieurs du Québec" and a member of the Canadian Institute of Mining and Metallurgy (CIM). Mr. Bryce resides in Val-d'Or, Québec, and continues to work with a variety of mining companies in the area as advisor, consultant and as director.

George Salamis, P.Geo, V.P. Corporate Development & Director - Mr. Salamis has over 20 years of experience in mineral exploration, mine development and operations and is currently President and CEO of

Edgewater Exploration Ltd., a TSX Venture-listed (TSXV: EDW) mineral exploration company. Mr. Salamis has previously held senior management positions with a number of mining companies including Placer Dome Inc. and Cameco Corporation. He has been involved in several M&A transactions valued over \$1.2 billion, either through the sale of assets, or of junior mining companies that he played a key role in building. Specifically relevant to the Québec mining scene, Mr. Salamis holds a degree in Geology from the University of Montreal and has spent over 5 years working in the Val-d'Or area in mining and exploration, primarily with Placer Dome Inc.

Yuhuan Ge, Mining Eng., Director - Mr. Ge has been involved as in senior mine management and director for many years in China and South America on behalf of the Shandong Gold Group, Jinan, China, and has extensive experience in all aspects of exploration and mining production. Shandong Gold Group owns and operates five of the top ten gold producing mines in Asia and is in the process of expanding its international operations to Canada, USA and Australia. He is currently a director of Shandong Gold International Mining Co., Ltd.

John de Jong, Director - Mr. de Jong has held senior management positions, including CEO and CFO, and been involved with the restructuring and recapitalization of numerous mineral exploration companies, including Integra Gold Corp. Mr. de Jong oversaw the mining, milling, and exploration programs in the Slocan region of British Columbia in 2009 through 2011 and exploration and mining programs in Yukon during 2009 and 2010. He also worked as a consultant for TSXV exploration companies providing business and corporate development strategies. He currently serves on the Board of Directors for Rogue Iron Ore, and volunteers on a number of non-profit boards and committees.

THE BOTTOM LINE

Assuming the gold bull market is on the verge of a return during the second half of this year, as I believe, Integra Gold is setting itself up to richly reward investors who enter these shares at their current price. Its management team has the technical and business talent so necessary for success. It is located in Val d'Or, Quebec, with all its infrastructure, labor, tax, and regulatory advantages that make Quebec one of the best mining jurisdictions in the world, and indications thus far suggest that a custom milling operation should be highly profitable. Of course as noted, custom milling is not ideal. The best outcome for shareholders would be if Integra could acquire the Sigma Mill at a reasonable price.

It may be noteworthy that the mill and old mine have not had any takers from bankruptcy for a protracted period of time, which may suggest the economic prospects of the mine itself are not very highly regarded. In the event the mill cannot be acquired at a reasonable price to meet Integra's needs, other producers in the area may well bid for Integra at an acceptable price. The prospects for that or other events offering investors a strong return should be improved with drilling results as they become available toward the end of this year, along with other catalysts noted above. With a total resource of over 1 million ounces and growing, combined with all of the above-noted advantages, entering this stock with a market cap of under US\$30 million looks highly attractive to me, especially if you believe, as I do, that we are about to enter the next major stage of this gold bull market of a lifetime.

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