

WILLAPRIL SHOWERS BRING MAY FLOWERS? OR IS IT SELL IN MAY & GO AWAY?

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PUBLISHER:

Michael Fox editor@theprospectornews.com

CONTRIBUTORS:

Michael S. (Mickey) Fulp Rick Mills, David O'Brien, Chris Temple

PRODUCTION:

George Pitaru george@pitaru.ca

THE PROSPECTOR NEWS

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WILL APRIL SHOWERS BRING MAY FLOWERS? OR IS IT SELL IN MAY & GO AWAY?

This is no April Fools' joke, folks: Trump's tweets and threats on trade tariffs are treating us to tremendous turmoil in the financial sector. Some investors are visibly nervous given the recent downturn and a doubling of market volatility.

By Michael S. (Mickey) Fulp

owever, let's put some levity on the current situation: as of market close on April 6, the S&P 500 is off over 9% and the Dow is down 10% from their all-time highs in late January.

Even considering their YTD lows, these downticks barely constitute a market correction, something talking heads (including yours truly) were saying was long overdue for at least the past three years. Finally, it is here.

Corrections are good; it is unhealthy for markets to go up, up and away with never a pause or a dip.

The volatility index (VIX) has risen from all-time lows of less than 10 to averaging around 20 for the past two months. Volatility is good, too. Recall that I

urged you to embrace it a few years ago (Mercenary Musing, February 20, 2012).

Concomitantly, the base metals markets are off from their recent high-water marks: copper at -7%; zinc at -10% from an 11-year high, and lead at -11% from its recent seven-year high. Industrial metal palladium has taken the biggest hit with over a 20% loss, but note it is coming off a ridiculously overbought, all-time high of \$1129 an ounce in mid-January.

Meanwhile, since the beginning of 2018 gold has been range-bound between \$1300 and \$1360 with a strong negative correlation to the US dollar at -0.67. The coefficient was -0.89 for March. This scenario has played out since mid-July of last year: when the dollar goes up, gold goes down, and vice versa.

After trading over \$65 a barrel last week and temporarily reaching highs not seen since the middle of the oil crash in December 2014, WTI was down to \$62 at week's end. Traders and speculators are clearly concerned about the prospects of a trade war between the United States and China.

Unfortunately, the above metrics are actually relatively good news for junior resource speculators. Now for the bad news: The Toronto Venture Exchange Index hit a 3.5 year high of 940 during the second week of January on huge volumes, averaging 177 million shares a day. Since then, it has been downhill for the index and also for investor interest, with daily volumes one-half to one-third of those in mid-January. The market index is now off over 18% from its 2018 high.

The rapid rise and strength of the Venture Exchange from the end of tax-loss season in late December to late January was clearly driven by the crypto-currency and marijuana bubbles and record highs in major markets. When these bubbles burst, as all savvy speculators knew they would, interest in Venture resource stocks deflated as well. The second down leg in the chart coincides with recent major market pullbacks:

XX:JX Daily — 4/05/18 940 920 900 880 860 840 820 800 780 760 Volume ©BigCharts.com 300 suo 200 ΠïΗ 100

> In addition to this ugly trend in 2018, junior resource sector financings were at abnormally low levels in Q1 and reminiscent of the bear market bottom from late 2014 to early 2016.

At this juncture, there is little investor interest in our nano-cap sector.

What is needed to change the current paradigm and bring speculative dollars back into the junior resource space?

Gold is always the driver of this market so I would suggest a breakout in its price is required. Gold must punch thru strong resistance at \$1360 an ounce then get to \$1400 and stick.

Given the strong negative correlation with gold, a consistently weaker US dollar is the obvious key to a higher price. However, DXY has recently been as range-bound as gold at 90 + 0.5.

So perhaps a little more volatility in the markets or maybe some good old geopolitical intrigue will make gold the safe haven and insurance policy that both of you and I know it has always been and will always be.

But let's hope this breakout occurs before the summer doldrums are here in July and August because that

> is generally the seasonal low for gold demand and price.

In the interim, will April showers bring May flowers? Or will it be sell in May and go away?

Rest assured that I will have some timely opinions for you on commodities, the markets, and top stock picks at the upcoming Cambridge House Metals Investment Conference in Vancouver on May 15-16.

And just like my newsletter, it's free so the price is right.

I look forward to the conference, my speaking events, chatting with subscribers at our booth, and meeting new friends and investors in the junior resource sector.

Hope to see you there.

Disclaimer and Notice: *I am not a certified financial analyst, broker, or professional qualified to offer investment advice. Nothing in any report, commentary, this website, interview, and other content constitutes or can be construed as investment advice or an offer or solicitation or advice to buy or sell stock or any asset or investment. All of my presentations should be considered an opinion and my opinions may be based upon information obtained from research of public documents and content available on the company's website, regulatory filings, various stock exchange websites, and stock information services, through discussions with company representatives, agents, other professionals and investors, and field visits. My opinions are based upon information believed to be accurate and reliable, but my opinions are not guaranteed or implied to be so. The opinions presented may not be complete or correct; all information is provided without any legal responsibility or obligation to provide future updates. I accept no responsibility and no liability, whatsoever, for any direct, indirect, special, punitive, or consequential damages or loss arising from the use of my opinions or information. The information contained in a report, commentary, this website, interview, and other content reflect my personal opinions and views and nothing more. All content of this website, interview, and other content reflect my personal opinions and views and nothing more. All content of this website is subject to international copyright protection and no pat or portion of this website, report, commentary, form without notice, may become outdated, and may not be updated in any form without the express written consent of Michael S. (Mickey) Fulp, MercenaryGeologist.com LLC.*

KS IN 2018: **DRILLING FOR** DISCOVERY **PART TWO**

By David O'Brien

arlier this year we covered Klondike Silver Corp.'s (KS: TSX-V, K1SN: FSE) plans for the Silvery Slocan mining district, having completed the consolidation of 110 square kilometres of past-producing silver-lead-zinc (Ag, Pb, Zn) mines, we hadn't yet taken into account zinc's dramatic rise in price. It's going to have a significant impact on the perceived valuation of KS, and back in January, we suggested that, with the amount of zinc in the ground, management might consider a name change to Klondike Zinc!

As Tom Kennedy, CEO, effuses "Klondike Silver's silver/ lead/zinc project has World-Class potential. Steel makers will always need zinc and with the revolutionary Zn-Ion batteries doing for battery storage what Li-Ion batteries did for mobile devices... there's great potential."



And **KS**' Corporate Fact Sheet extols: Historically Klondike's 100%-owned Śilver/Lead/Zinc land package produced 40.4 million troy



and

The top 10 past-producing Silver/ Lead/Zinc mines within the 100 sq Km Klondike Silver claim block also produced



Lead as high as 51.64% and Zinc as high as 9.52%.

Oz of Silver.

Since then, the consolidation of both historical data and modern mining exploration techniques, including the 2017 Lidar survey, has resulted in a 3D interpretation of the Silvana Workings. It's an excellent way of 'seeing' the entire array of contours of the deposit, so here's the

Also here: www.micon-international.com (Image complied by Dave Makepeace, M.Eng., P.Eng.).

Digital Terrain Model Oblique View Looking Northwest

PROPOSED 2018 DRILLING



Underhill Geomatics of Kamloops BC has completed an accurate ground control survey of the surface infrastructure and connected it to their UTM, NAD83 underground survey of the 4625 level workings. The proposed targets, the Carnation 5480 Level and the Silvana 4625 Level, now have Grab Samples to compliment the 3D image with new 'hard' data for management:

Carnation 5480 Level

SAMPLE #	LOCATION	Ag oz/T	Pb %	Zn %
1367 - 5480	East Footwall Lateral Drift	41.4	1.5	37.4
1369 - 5480	East Footwall Lateral Drift	23.5	3.1	41.1
1370 - 5480	East Footwall Lateral Drift	96.8	58.6	6.3
1371 - 5480	East Footwall Lateral Drift	54.5	5.6	45.9

Silvana 4625 Level

SAMPLE #	LOCATION	Ag oz/T	Pb %	Zn %
1675 - 4755	Stope	37.4	16.3	15.3
1676 - 4855	Footwall	324.3	23.4	32.6
1677 - 4625	East End	41.5	12.8	24.7
1678 - 4625	West End Raise	226.0	0.6	40.2

This work has complimented the 2017 LIDAR survey and has greatly aided in transposing the computerized 3D model into world coordinates.

INFRASTRUCTURE

* The fully-permitted Klondike Silver 100 ton/day mill complex is 140 km by road from the Teck smelter at Trail, B.C. * KS is improving the ground support along the 4625 Cross-Cut and the West Lateral Drift so that it can be used as the main haulage way.

As your author surmises, not being a geo or a financial analyst, there seems to be great potential here, especially for a stock priced so low. KS' Market Cap isn't reflecting the value of the company with tangible assets such as the wholly-owned mill worth 100s of millions of dollars; and so many past-producing underground workings to be built upon.

Of course, Management itself is another asset... with excellent experiences to draw from. Their credits read like a who's who of international mining greats. The Balmoral Mine in Quebec and the Hemlo Mine in Ontario are considered to be their biggest finds.

Do your Due Diligence, of course; however, a lot of our boxes are Checked.

David O'Brien is the owner of **Int'l Mining Research Inc.** which employs Media, Event and Online exposure, including **eNews**. O'Brien also owns **W.I.T. Marketing**, an Ad Agency, and has been contributing articles to **TheProspectorNEWS.com**, on demand. He owns no shares in the above companies. dobrien@InternationalMiningResearch.com

Newrau Experienced man		Gold Corp exploring high g	Inte D. TS	nere Explo ersects Dis x-V: NRG, US: mining friend	COVERY NRGOF
65		Recent RC Drill	ing Program Se	elect Intercepts	
	Hole	From (meters)	To (meters)	Intercept length (meters)	Gold grams per tonne (g/T)
1	P17-03	62.5	64.0	1.52	51.00
	P17-05	21.3	22.8	1.50	17.90
	P17-08	30.5	39.6	9.15	27.80
LAN JAM HAR - 19 1	P17-10	25.9	38.1	12.20	49.49
	Including	27.4	29.0	1.52	340.90
Carlos and	P17-12	57.9	62.5	4.57	14.52
CL STAN	P17-17	8.4	13.0	4.57	43.80
	P17-18	54.1	64.0	9.91	15.27

Phase III drilling starting February 2018

Robert G. Carrington President & CEO – www.newrangegold.com

Contact: Fidel Thomas - Corporate Communications - 1-778-228-5735 - info@newrangegold.com

THE 500KM GOLD BELT IN B.

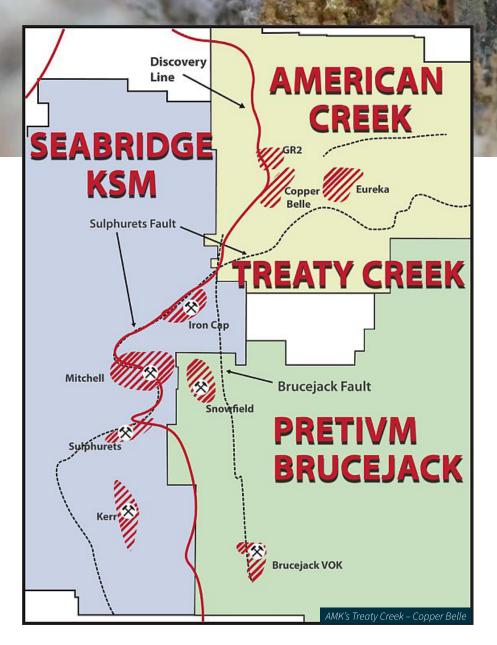
American Creek Resources Ltd. (AMK: TSX-V, ACKRF: OTCBB)'s Treaty Creek –property is adjacent to Seabridge Gold Inc. (SEA: TSX, SA: NYSE)'s Kerr – Sulphurets – Mitchell (KSM Project) gold and copper property and Pretivm Resources Inc. (PVG: TSX, NYSE)'s Brucejack Mine in BC's 'Golden Triangle'.

By David O'Brien

Il three projects are located in the Sulphurets hydrothermal system, with the same bedrock geology, including the Sulphurets fault, with the Kyba Discovery Line on both the Treaty Creek and Seabridge property.

The KSM Project is the largest undeveloped gold project in the world measured by reserves. An updated Preliminary Feasibility Study (PFS) estimates proven and probable reserves total 38.8 million ounces of gold and 10.2 billion pounds of copper. All categories included KSM has 136 million ounces of gold and 51 billion pounds of copper.

Tudor Gold Inc. (TUD: TSX-V, TUC: FSE) ran a very successful 19,000m drill program on Treaty Creek – Copper Belle in 2017 and are working towards a maiden resource calculation.



AMK has a 20% carried interest on Treaty Creek, paying nothing until notice of production. The 2018 drilling program will approximately double the number of holes on the Copper Belle (working towards resource calculation) resource from 27 to 50-60. Extensive analysis of Treaty Creek indicates that it has similar geophysical, geological, and structural signatures to the rest of the Sulphurets Hydrothermal System and has the potential for similar scale. The drilling is proving this to be the case.



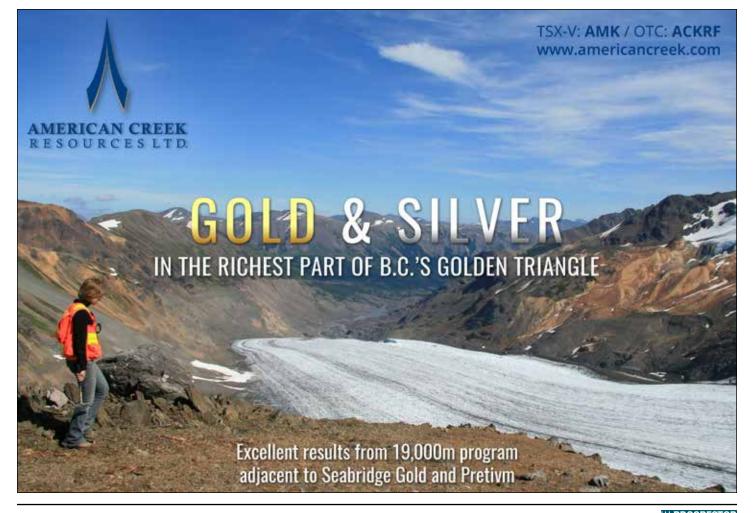
Seabridge's feasibility requires twin tunnels through mineralized zones on Treaty Creek. An agreement will have to be reached between Tudor as operator of Treaty Creek and Seabridge for the tunnels to be built. **DUNWELL MINE GROUP**

The Dunwell Mine Group is a pastproducing high-grade mine – 14.3 g/t gold equivalent - gold / silver / zinc / lead. Geologically similar to **Premier**'s mine and the soon-to-be Red Mountain mine and located between them, is 8 Km to a shipping port with a highway and power lines running through it. There's ore left in the mine. The 2018 drill program will be announced in the 2nd quarter.

With good properties and good Partners... they 'earn' Check and Check again.

Do your Due Dili, of course.

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'INFINITE LITHIUM'S JACKPOT PROPERTY IN ONTARIO **ANINFINITE JACKPOT' SOUNDS GOOD**

By David O'Brien

nour Energy Metals and Minerals coverage over the years, certain stories are revisited and therefore 'ring true'. Even though 'An Infinite Jackpot' is a bit over the top, the main catalysts for the enthusiasm for lithium are still the appetites for light weight conductors of electricity for mobile devices and the essential ingredient in current formulations of electric vehicle batteries. Infinite Lithium Inc. (ILI: TSX-V, ARXRF: OTCQB, 37NN: FSE) is developing its Jackpot Property's potential with drilling.

infini

ILI: TSX-V

Both lithium carbonate and lithium hydroxide are in demand with battery grade lithium now commanding a premium; lithium carbonate sells for US\$12,000 to US\$14,000 per tonne and lithium hydroxide for between US\$16,000 and US\$18,000 per tonne. About 50% of the world's supply of lithium comes from spodumenebearing pegmatites, and ILI's Jackpot is 'proving up' its potential.

The Jackpot Lithium property, located in the Georgia Lake Area about 140 km NNE of Thunder Bay, Ontario, approximately 12 km from the TransCanada Highway (Hwy 11) and the main railroad which connects to the port town of Nipigon, on Lake Superior. Infrastructure: close to road and rail; close to experienced labour pool... Check, Check.



PRIORITY AMONG THE CURRENT PROJECTS IS THE JACKPOT PROPERTY IN ONTARIO AT LEAST TWO DISCOVERED DYKES AN HISTORICAL RESOURCE REPORTED AS 2MT @ 1.09 LI20 INFRASTRUCTURE AND PROXIMITY TO SERVICES IN MINING-FRIENDLY ONTARIO

RAISED CA\$4.8MM AND DRILLING HAS COMMENCED

A Partnership on Electra, funded by Lithium Australia (LIT: ASX) Cross Lake prospect in Manitoba with 'exciting potential' (100%-owned) ILI's Quebec portfolio is under option to Jourdan Resources Inc.

Mike England, President & Director mike@engcom.ca 604 683 3995 A classic Project Generator leveraging Joint Venture Partners which spend even more to advance the Infinite possibilities. The property has a historical resource* on the Dyke No. 2 pegmatite zone, reported as 2Mt @ 1.09 Li2O estimated in 1956 by Ontario Lithium Company Limited (* historical resources are not yet NI 43-101 compliant, so not to be relied upon, Dear Reader, Ed.)

JACKPOT LITHIUM PROJECT HIGHLIGHTS

- Drilling currently underway including intersects of 5 metres at 3.02%, 7.23 metres at 2.47% & 2 metres at 4.48% Li2O
- Drilling to date confirms the presence of the three pegmatite dykes, one near or at surface and relatively flat-lying (Dyke #1), the second striking approximately east-northeast and dipping shallowly to the northwest (Dyke #2), and a third pegmatite dyke (Dyke #3) below Dyke #2.
- Historic resource of 2,000,000
 tonnes at 1.09% Li20
- Multiple new pegmatite targets on the property for future exploration

Results from the Phase 1 drilling program are being used to guide future drilling and to complete an NI-43-101 Technical Report and Mineral Resource Estimation.

The current drilling program identified a third dyke below Dyke #2, with the initial intercept returning high-grade lithium results from what is near-pristine spodumene. This is our first time intersecting Dyke #3 and we will continue to target it in our current drilling program. The discovery of Dyke #3 is significant for us as we hope it will help us

build future tonnage at Jackpot and potentially add to increasing the grade from what we have seen in the

historical resource estimate. I am very pleased with our results to date and look forward to seeing more from this new discovery and our existing targets as we continue drilling. I look forward to

also beginning our summer surface exploration program.

said **Michael England**, CEO & Director.

UPCOMING CATALYSTS FOR 2018

- Continue next phase drill program

 goal to build tonnage and increase grade
- Delineate the NI 43-101 compliant resource estimate
- Metallurgy to produce concentrate of 6%+ Li2O
- Produce battery grade carbonate and hydroxide from concentrate
- Produce economic study PEA and then Feasibility Study

The **ILI** Directors bring strong expertise in company-building, and the Executive and Exploration and Development teams are renowned for their abilities to bring properties' potential to fruition. A Management Team worth watching. Check.

Do your Due Dili, of course.

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ONLY AGNOSTICS AND THE BEST STOCK-PICKERS WILL PROSPER IN THIS MARKET

By Chris Temple

ather than melting up as steadily as stocks did pretty much since Election Day in the U.S. in November, 2016 through this past January, they are now fairly directionless as I write this. That may indeed change; in fact, my own view is that we will see more of a pronounced downward bias develop in the broad stock market for myriad reasons. Yet even that will be a grinding, somewhat monotonous affair.

In this environment, a lot of deliberation and WORK is required; but it's a market environment, I believe, in which good, oldfashioned value investing and plain common sense is going to be rewarded again for the first time, arguably, in years. But to be among the (likely) minority of investors who are able to solidly grow their portfolios in the time ahead, you need to keep a few things in mind:

1. DO NOT HAVE ANY PRE-CON-CEIVED NOTIONS ON ANY ASSET CLASSES.

It may be entertaining to some to listen to the latest pitch as to why gold is imminently going to \$5,000/ounce. Or why Elliott Wave or some other rationale means the Dow Industrials are headed all the way back to 3,000 soon in a deflationary vortex that will even take gold down to a fraction of its present value.

Then, of course, there's the one about how the U.S. dollar is about to go into history's dustbin, replaced by some new "global currency."

On my web site you can read exposes of a lot of these gimmicky pitches, that have proven not only valueless as investment advice but could get you into a LOT of trouble if you actually act on some of this malarkey!

The bottom line is this: As I put it, you must be an "Agnostic" more than ever where the markets are concerned. I do not mean this, of course, in a religious sense. I mean instead that you cannot have pre-conceived notions or opinions on anything. Instead, you must coolly analyze the landscape right now and make the best determination you can as to how to invest.

Though I have helped my Members generate some VERY nice trading profits so far this year by shorting U.S. equities in each of their two major corrective waves down (and then closing out those trades) recently I was not ashamed to characterize stocks--and most asset classes, frankly--as "uninvestable." I have one of the highest levels of allocations to CASH in our model portfolios for some time. As dear old Dad used to say to me, "When you don't know what you're doing, don't do it!"

And that's because, my friend, I don't start with a determination--say, that stocks MUST plunge, or gold MUST go to the Moon--and then try to massage the news, market fundamentals and all the rest to fit that thesis. That's backwards. You must first clear your head of any perma-ANYTHINGS. And then let the evidence lead you to whatever case can legitimately be made for (or against) an asset class. And if one can't be made, stay away.

As I write this, I don't have any significant portfolio recommendations for or against the direction of most things right now. I do have two modest exceptions: positions recommended in short ETF's apart from U.S. equities. And for the most part--with so many factors canceling each other out for the most part right now--I'm not expecting a big change in that posture right away.

2. PICK YOUR SPOTS; BECAUSE THEY FINALLY CAN BE PICKED AGAIN!

I recently did a couple of my podcasts on the theme of what can be invested in right now regardless of the overall direction of the markets, interest rates, etc. Overall, what I like about the new market environment is that it is still sufficiently liquid-and there is no significant level of investor fear. Thus, more than I have seen in quite a while, stocks are being priced more on their fundamentals.

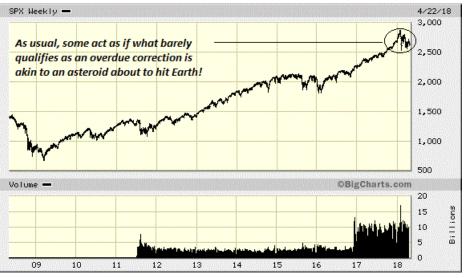
We've discussed a few themes as being favorites right now:

* Biotech/medical equipment

* The MLP space (primarily) and selected energy service companies (which have been laggards) the more it seems that the recovery in the crude oil price is the real thing.

*The uranium/nuclear energy space

*Selected consumer goods companies that have shown an ability to be able to absorb



Note

The below are some selected thoughts taken from several recent commentaries and audio recordings posted to the web site of The National Investor providing a road map for navigating the changing market environment. All of them in their entirety can be accessed there FREE for a limited time, at

https://nationalinvestor.com/.

somewhat higher prices, and/or are the best "brands" and with a good dividend yield.

* Selected precious metals companies with the best stories can be bought while they are cheap down here (too early though, I.M.O., for broader "sector" bets as the odds are too high we break below the \$1,300/ounce level for gold for a while before a more sustained up trend is resumed later.)

* Rate-sensitive stocks that are leaders in their field (esp. health care and apartment REITs) given my view we've already seen the great majority of the rise in long-term Treasury interest rates from the mid-2016 low.

* NUMEROUS other themes/story stocks I'm writing about!

3. KEEP IN MIND WHAT CAN GO WRONG

As said earlier, I am largely an agnostic on the direction of most things these days. I do not presently see any dramatic moves one way or the other for any major asset class. Stocks will trend sideways to, later on, down somewhat. But I don't see a crash. Long-term I like gold and other metals (albeit for different reasons.) But for now a rebound in the U.S. dollar and hawkish Fed are going to keep gains in check, if not add to weakness near-term.

In short, what I've seen for a while as a kind of "Stagflation Lite" environment developing should stay so--and be constructive for us to pick our spots profitably.

However, the odds as I see them are that, if this somewhat stodgy and relatively unexciting environment is going to change it will probably be due to downside risks increasing.

Among the things I'm watching that will turn me more negative:

* A larger U.S. Dollar rally -- The key is whether the USD Index breaks above the 93 area



convincingly in this rally. If so, larger losses will be in store for metals/commodities and probably for stocks (though some overseas ones would get hit harder than U.S. stocks.)

* The Japanese yen turns around -- As long as the yen weakens with everything else against the dollar, corrections in risk assets will be contained. If you see the yen rally, it means people are getting scared again.

* Junk bonds roll over -- There has been some technical damage done to over valued junk bonds; a sector which even some Fed officials have singled out as a bubble (they ought to know!) If a bigger technical breakdown occurs, junk bonds will drag many other markets lower (but paradoxically, cause a rally in Treasury bonds.)

*** Breakdown in China** -- Already, the Shanghai Composite has been ugly and FAR weaker than U.S. stocks. I'm watching equity and debt markets both there. In short, China has much less room for error than does the U.S. before bigger problems/more weakness turn a grinding correction into a global rout..

* Treasury yields move a LOT higher -- I have already predicted that long-term Treasury yields will peak before 2018 is over. That will be even if the Fed continues raising short term rates into 2019 before they inevitably have to at least pause, if not cry "Uncle" and be done with their normalization efforts.

If I am wrong, stocks and other risk assets will have farther to fall than I presently expect.

*AMAJOR advance in the crude oil price -- We are transitioning from the energy market's recovery being a good thing to a bad one. If for most any reason crude oil's rally continues notably higher, it will be a negative for business and consumer costs...damp spending elsewhere...hit profits of many companies...and -- as previously -- itself be a precursor to a recession.



ELY GOLD ROYALTIES ANOTHER 'HYBRID' PROJECT GENERATOR

By David O'Brien

s our readers are familiar with the term **P**roject **G**enerator, we now disclose another version of 'hybrid', ELY Gold Royalties Inc. (ELY: TSX-V, ELYGF: OTC) since one of the other companies we have covered, **Riverside Resources Inc. (RRI: TSX-V,** RVSDF: OTCQB R99: FSE) also refers to itself as a 'hybrid' and for different reasons. Another company we have covered extensively, and not yet completely, might be considered a 'classic' Project Generator and serial Joint Venture Partner, Globex Mining Enterprises Inc. (GMX: TSX, GLBXF: OTCQX, G1MN: FSE).

Check out ELY's fascinating and interactive map of properties at https://elygoldinc. com/properties/property-overview

ROYALTIES

Also, somewhat edited from their website, **ELY Gold Royalties Inc.** is a Vancouver-based, **emerging royalty company** with development assets focused in Nevada and the Western US. Its current portfolio includes 21 Deeded Royalties and 19 Optioned Properties. ELY Gold is actively purchasing existing third-party royalties for its portfolio and all the Option Properties will produce royalties, if exercised.

From their PowerPoint:

- 21 Deeded Royalties
- 19 Optioned Properties
- 30 Available Properties
- \$2,000,000+ in 2018 revenue
- Nevada Focused
- Strong option/royalty partners
- Data Base continues to generate new properties

 Data Base is the key to property transactions

In 2018, ELY Gold estimates it will generate an estimated \$2,000,000 in recurring revenue and \$1,000,000 in cash flow from its current portfolio. ELY Gold has a proven track record of maximizing the value of its properties through claim consolidation and advancement using its extensive and proprietary data base. All portfolio properties are sold or optioned on a 100% basis, while ELY Gold retains Net Smelter Royalty interests.

In conversation with **Trey Wasser**, President, CEO and Director, he said "Due to our ability to generate Royalty transactions, the successful strategy

Developing Royalty Assets In North America

AN EMERGING ROYALTY COMPANY

Ely Gold Royalties

Vancouver Office

2833-595 Burrard St, Box 49195 Vancouver, B.C. Canada V7X 1K8 1 604 488 1104 www.elygoldinc.com

Reno Office

1020 South Rock Blvd., Unit#E Reno, NV USA 89502 **1 702 592 6992** of organically creating Royalties, ELY's equity portfolio and its current *low valuation*, ELY Gold offers Shareholders a *low-risk leverage* to the current price of gold and low-cost access to longterm mineral Royalties."

INVESTORS' OVERVIEW

ELY Gold Royalties Inc. has a unique business model designed to create value for investors without excessive *dilution* of its shareholders. Through its wholly-owned subsidiary, Nevada Select Royalty, Inc., ELY Gold is focused on developing recurring cash flow streams through the acquisition, consolidation, enhancement, and resale of highly prospective, un-encumbered North American precious metals properties. ELY Gold's property development efforts maximize each property's potential for acquisition, while reserving significant Royalty interests.

Also, from their website, slightly modified [Ed.] "The experienced management team has a proven trackrecord of staking/acquiring properties, then developing the projects through claim consolidation and data compilation to provide its clients with fresh properties that have not seen exploration in the current mining cycle. The properties are vended on a lease/ option or sale allowing the purchaser to own a 100% interest.

"The lease/option and advance royalty payments provide growing cash flow streams. ELY Gold also acquires equity interests in the shares of mid-tier gold producers in lieu of some cash payments. ELY Gold is also purchasing existing royalties from third parties. Its recent acquisition included three Nevada Royalties and one Canadian property. All of ELY's Deeded Royalty properties are currently being explored by established mining companies.

"This multi-level business plan is a significant improvement on the 'typical' Project Generator/Joint Venture Partner model. It allows ELY Gold to maintain a large portfolio of properties and generate significant deal flow. Shareholder value is highly levered to the price of gold. As prices increase, Shareholders see growth in the value of ELY's properties, the cash flow from its option portfolio, its equity investments in mid-tier/junior companies, a higher market valuation on the growing Royalty portfolio and the blue-sky of its exploration program.

"Ely Gold currently owns a 100% interest in multiple highly prospective, primarily un-encumbered precious metals properties in Nevada. The majority of its properties are gold exploration projects located in some of *the most prolific and desirable gold trends in Nevada including the Walker Lane district of western Nevada and the Cortez Trend*. The balance of the properties are unique situations throughout Nevada and surrounding western states."

DIRECTORS & MANAGEMENT

Trey Wasser, President, CEO and Director; also President and Director of Research for **Pilot Point Partners LLC**. With over 30 years of brokerage and venture capital experience, including 20 years as a corporate finance specialist with **Merrill Lynch**, **Kidder Peabody** and **Paine Webber**, he knows the financial 'workings' of these structures... and is able to maximize investor returns. He's specialized in equity/debt re-

structuring and cash management. As well, Trey founded **Due Diligence Tours** organizing analyst tours to hundreds of mining properties in North America. *He knows the business inside out... you can tell just by talking with him, as I did in T.O. Check.*

Jerry W. Baughman, BSc, PGeo., President of Nevada Select Royalties, Inc.

Jerry is a Certified Professional Geologist (CPG) with the American Institute of Professional Geologists, and a graduate of the University of Nevada with degrees in geology and economic geology. He has over thirty years of experience in mineral exploration in the United States, Mexico and South America.

Based in the Reno area, he has extensive experience as an independent geologist evaluating gold and silver properties. ELY's **Q**ualified **P**erson as defined by National Instrument 43-101. *High in the credibility factor. Check.*

One last note from ELY's PowerPoint referring to itself as "An Emerging Royalty Company":

- Emerging Royalty Company since 2016
- Highly leveraged to the price of Gold
 - Excellent Exploration Leverage
- Operate with limited overhead
- Undervalued vs peers in the emerging royalty space

As always, do your Due Dili!

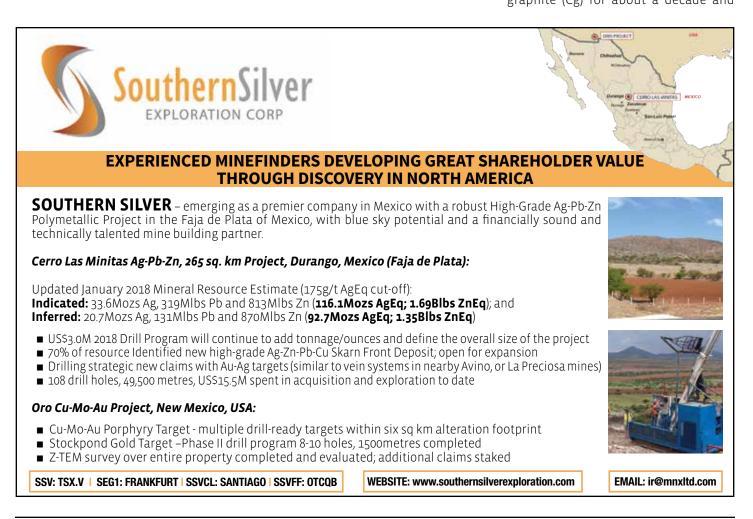
David O'Brien is the owner of **Int'l Mining Research Inc.** which employs Media, Event and Online exposure, including **eNews**. O'Brien also owns **W.I.T. Marketing**, an Ad Agency, and has been contributing articles to **TheProspectorNEWS.com**, on demand. He owns no shares in the above companies. dobrien@InternationalMiningResearch.com





In conversation with Harry Barr, Chairman & CEO of New Age Metals Inc. (NAM: TSX-V, NMTLF: OTCQB, P7J: FSE), it was invigorating to hear, especially from someone who's 'seen it all' in the mining business, real unbridled enthusiasm about the entire sector and the 'new, Green' metals specifically. n New Age's case, with both lithium (Li) and the Platinum Group Metals (PGMs) in its portfolio, there are underlying strengths starting to reveal themselves. For your author, the end-use rationale for these increased valuations has become obvious, which is why, after covering copper (Cu) for two decades plus, graphite (Cg) for about a decade and

By David O'Brien



more recently (6+ years) both lithium and cobalt (Co), some readers/followers have nick-named me 'The Battery Guy'. Even if they're just having fun, it's a reflection of the way the market perception has awoken to the sea change in their applications. Elon Musk's Tesla Motors, for example, and many other electric and 'hybrid' versions are expected to replace Internal Combustion Engines (ICEs) in the long run... and it now seems to be happening faster than was 'expected' by industry observers. Environmental concerns, 'Greenhouse' gases, smog and lung impacts have become news as anyone who's seen recent pictures of some of China's major cities will attest.

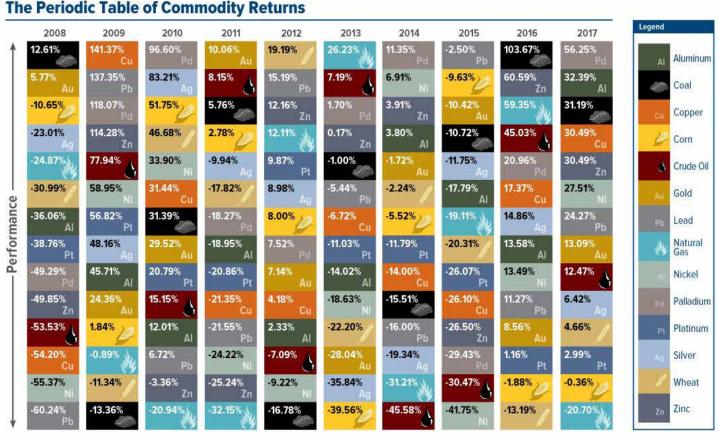
applications that are driving demand for Pd, and the other PGMs.

Trevor Richardson, President of New Age, references the **World Platinum Investment Council**'s predictions of the world's long-term deficit in Pt.

Lithium's story is becoming more well known, too, as the increasing tenor of the 'battery metals and minerals' sector drives its price because of the perceived demand although cobalt and graphite play a much greater role in Electric Vehicles (EVs), which use ~20 and ~30 times as much, respectively, as lithium in the Li-Ion and many other similar battery types. not almost exclusive) supplier AND user of many of them.

It's a concern, certainly. The above references are indicative of a world wide trend, indeed a sentiment, for many resources, not just those in the 'Green Metals' space **NAM** is in with its Li and PGM assets.

For some recent corporate Participants in our ongoing 'awareness campaigns' this was the driving force... **GraphiteOne Resources Inc. (GPH: TSX-V, GPHOF: OTCQX)** with their Alaskan property comes to mind... it would be the only large-flake graphite producer within the U.S., although, continentally-



Returns are based on historical spot prices or futures prices. Past performance does not guarantee future results.

There's an actual death toll to all of this, so that's not just a driver, it's a necessity! I've met people who have moved to Canada because of the impact.

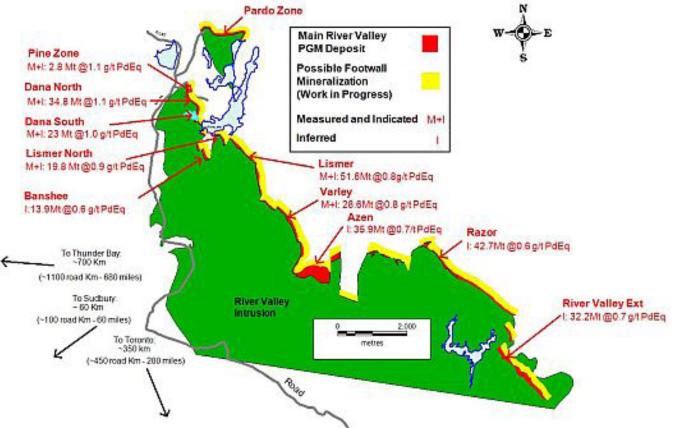
Palladium (Pd), one of the PGMs mentioned above, has just come through the past ten years with the largest price gains on average compared to any other metal... at ~21% it makes gold's rise of ~6% seem rather anaemic! We'll get into all of the

Also, batteries are not the only end-use of these 'strategic/critical' commodities as countries are now demanding that suppliers are within the borders or spheres of influence in a protectionist sentiment (the U.S., in particular, has some Executive Orders naming these items).

Rare Earth Elements (REEs) are in that category, as China basically controls that sector, being both the biggest (if speaking, Quebec in Canada has vast, high quality deposits... some started production in the 19th century, shipping bulk materials back to Europe. (For 'lead' pencils, which were actually graphite, lubricants and other uses in manufacturing processes...)

Back to **NAM**, from our initial briefing with Harry, and in subsequent research, it's worth mentioning the many other demanddrivers for the PGMs. For example, "Is the

Source: Bloomberg and U.S. Global Research



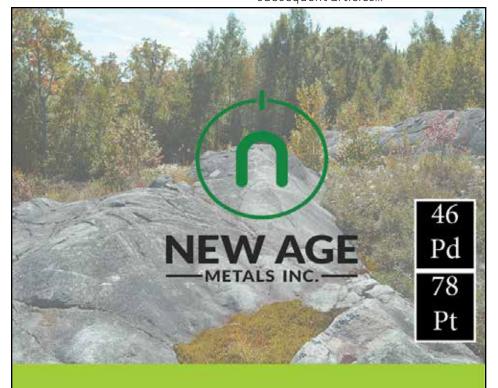
The illustration above shows the Main River Valley PGM deposit with the Possible Footwall Mineralization in yellow.



demand for Pd falling off as automotive manufacturers move away from catalytic converters, one of its primary applications?" he asked, rhetorically. One breath later, "No way!" he retorts.

Hybrids need PGMs, perhaps even in greater quantities eventually; hydrogen-driven vehicles use it, with buses and other fleet transportation companies taking the early lead in application; Emission Standards, although 'making a lot of noise'

now, might take a very long time to implement, and/or transition to (50 years?); then there's 'the grid'. Your author has often said that, in a parallel way, copper is in use today in ICEs... and yet, even now, the new, Green vehicles have ~five times as much Cu in them, or more. Wind turbines, also in the Alternative Clean 'Green' Power sector have ~SIX TONS of copper... in each one! One of our Media Partners, Visual Capitalist has some great charts on the above. More on that in subsequent articles...



Canada's Largest Primary Undeveloped **Platnium Group Metal** Deposit

WWW.NEWAGEMETALS.COM TSX.V:NAM, OTCQB:NMTLF, FSE:P7J.F 1 800 667 1870

WE MIGHT ALSO ASK, 'WHY NAM?'

Answer: It owns the largest undeveloped, primary PGM deposit in North America, containing billions of dollars of metals. All of the above market forces will drive demand as we've inferred, and **NAM** intends to be in the forefront of that supply chain. As prices move up, the economic rationale becomes clear.

MORE ON THE ECONOMICS:

the property is 100 Km from Sudbury, one of the world's largest metallurgical complexes, which compares favourably to North American Palladium which trucks their concentrates 1,000 Km from Thunder Bay to get it processed.



The Sudbury Basin, also known as Sudbury Structure or the Sudbury Nickel Irruptive, is a major geological structure in Ontario, Canada. It is the third-largest known impact crater or astrobleme on Earth, as well as one of the oldest. The crater formed 1.849 billion years ago in the Paleoproterozoic era. [wikipedia]

Expertise: New Age Metals' Board is strengthened by the South American geologists Ron Hieber and Gordon Chunnett.

The News: "[March 21, 2018]: New Updated Resource Estimation 4,626,250 PdEq Ounces, With 2,713,933 Ounces in Inferred NI 43-101 Update River Valley Platinum Group Metal Deposit, Sudbury, Ontario"

Trying not to be 'too promotional'... it's **NAM** and it's NOW.

Of course, there are many Forward-Looking Statements, so do your Due Diligence, Dear Reader.

David O'Brien is the owner of Int'l Mining Research Inc. which employs Media, Event and Online exposure, including eNews. O'Brien also owns W.I.T. Marketing, an Ad Agency, and has been contributing articles to TheProspectorNEWS.com, on demand. He owns no shares in the above companies. dobrien@InternationalMiningResearch.com



By Richard (Rick) Mills

As a general rule, the most successful man in life is the man who has the best information

Economics has been called "the dismal science" for its conclusions which often suggest miserable outcomes for humanity. The saying was born in the 19th century by Scottish writer and philosopher Thomas Carlyle, who was referring to economist Thomas Malthus.

althus famously calculated that humanity was trapped in a world where population growth would outstrip resources and lead to widespread misery

including starvation – a condition known as "The Malthusian dilemma."

Economics is dismal for another reason: it often fails to make accurate predictions.

We see this in the monthly US employment figures which are usually wrong, and in the copper supply projections trotted out by commodities analysts. Every year these analysts dutifully tally up the predicted market supply tonnage based on output targets from the major producers, and almost every year they turn out to be wrong. Why? Because these so-called experts failed to account for the gaps in output that occur due to strikes, extreme weather, bans on concentrate shipments, or any other reason why a mine closes temporarily due to "force majeure".

Now the same thing is happening with lithium, with two recent reports coming up with predictions of a slide in lithium prices due to a glut of new supply overwhelmingly the tiny (by mining's standards) lithium market. What is puzzling is that both of these reports either gloss over or fail to adequately break down the demand side of the lithium market – something we at Ahead of the Herd did some time ago in a separate article. The conclusion we came to was that lithium demand is skyrocketing, and will continue to do so in coming years, due to the irreversible trend of moving from internal combustion enginepowered vehicles to electric vehicles. The trend is particularly evident in Asia. China is the largest EV market by volume, while Japan is number three behind the US. India is also aggressively ramping up EV targets. Of course we've seen the demand scenario play out through lithium prices, which have doubled in the last two years and are current trading at around \$23,000 a tonne for battery-grade lithium carbonate. Still, the lithium bears are coming out from hibernation, and lithium stocks have been taking it on the chin. This article will show why they're wrong.

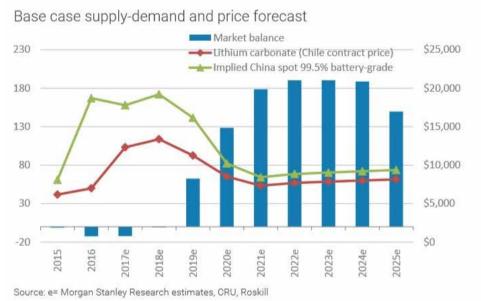
THE LITHIUM BEARS

In February investment bank Morgan Stanley was first out of the gate with a damning report on lithium; its research team concluded that an avalanche of lithium was in the works and would put the roughly 200,000 tonnes per year lithium market into surplus. The glut would mean a fall to around US\$13,000 a ton in 2018, before halving to \$7,000 by 2021.



The main reason for Morgan Stanley's argument for oversupply was the recent government approval in Chile for mine expansions which would "open up the floodgates" to new lithium product. That is referring to a deal struck in January between Chilean development agency Corfu and SQM, Chile's largest lithium producer, over lithium royalties in the Salar to Atacama, one of the largest and highest-grade lithium deposits in the world. The deal frees SQM to boost its production quota in exchange for higher royalty rates equivalent to those paid by competitor Albemarle. It also permits SQM to work with state copper miner Codelco to start developing the Maricunga lithium deposit - the second largest lithium-bearing salt brine deposit in Chile. In all the agreement allows SQM to produce up to 216,000 tonnes of lithium carbonate a year from the Salar de Atacama. Lithium supply could also increase due to the election of a new president in Chile, Sebastian Pinera, whose National Renewal Party is open to revisiting a law prohibiting lithium production above 80,000 tonnes.

The bank put out a base-case supplydemand and price forecast leading up to 2025, indicating that lithium prices in China and Chile would trend below the market-equilibrium price for the next seven years. Curiously though, the report skewed heavily towards supply with little to no mention of demand. Exhibit 4:



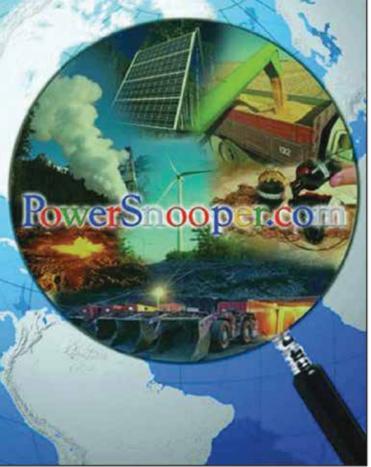
Morgan Stanley also noted that brine production in Chile has been constrained due to high amounts of magnesium, an impurity in the metallurgical process, but "this is evolving" said the bank, without an explanation how.

Other criticisms levelled at the report:

 It makes no mention of the fact that the new royalty rates on SQM are prohibitive and may impede production.

- The report says new production from brines in Chile and Argentina will be low-cost (under \$5,000 a ton), suggesting a pulling away of demand from supply. In fact the lithium market is tight, even with new supplies coming online. According to the USGS lithium supply in 2017 was 236,000 tonnes while demand was 228,000 tonnes. Demand forecasts are expected to increase by 2025 according to the three major producers, Albemarle, SQM and FMC, who will be pressured to produce enough to meet demand.
- The report states that "A bottleneck in conversion capability will keep a lid on realised carbonate production from hard rock mines in the near term – but this is expanding too." Presumably referring to the ability of a miner to convert raw lithium into batterygrade lithium carbonate – this statement is never explained, leaving the reader to wonder how hard rock lithium miners are bettering their metallurgy. Lithium is extremely difficult to process





from pegamites and there is currently only one mine doing it – Greenbushes in Australia. Read the next section for more on this.

The next lithium bear to wake up was commodities researcher Wood Mackenzie, which forecast a rout in lithium and cobalt – both key ingredients in EV batteries. While Woodmac at least didn't lowball demand growth – expecting it to grow from 233 kilo-tonnes lithium carbonate equivalent (LCE) in 2017 to 330kt in 2020 and 405kt in 2022 – it too forecast an imminent tsunami of lithium supply. Quoting from the report:

... the supply response is under way. Yet it will take some time for this new capacity to materialise as battery-grade chemicals. As such, we expect relatively high price levels to be maintained over 2018. However, for 2019 and beyond, supply will start to outpace demand more aggressively and price levels will decline in turn. - Wood Mackenzie The London-based firm thus predicts prices will average \$13,000 per tonne this year, slip to \$9,000 by 2019, and keep dropping to \$6,500 in 2022.

NOT SO EASY TO MAKE LITHIUM

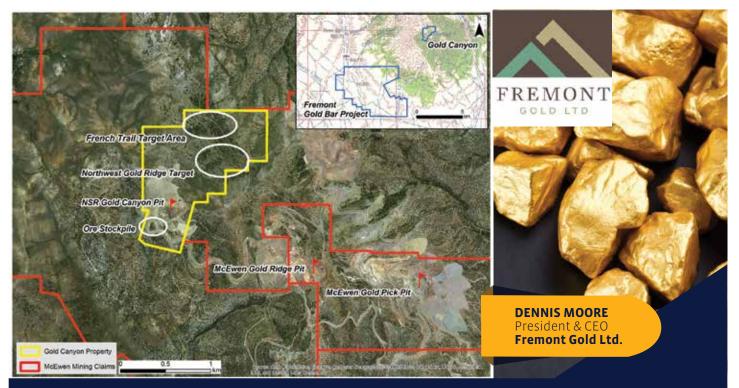
What the bears seem to have in common is the belief that a rush of new lithium supply will soon hit the market, but what the analysts don't realize, or maybe for their own reasons neglect to mention, is that a lot of these mines will fail to deliver.

There are two primary means of extracting lithium: from brines in evaporated salt lakes known as salars, and hard rock mining, where the lithium is mined from granite pegamite orebodies containing spodumene, apatite, lepidolite, tourmaline and amblygonite.

Many junior exploration companies chasing lithium projects are not cognizant of the economic and technical challenges – no brine mining projects and even fewer hard rock projects have been put into production for the last two decades and when done so it's been by the major lithium producers in just four countries – Chile, Argentina, China and Australia. This exposes something in the industry no one talks about – a lack of skilled personnel to get involved with mineralogy/metallurgy and the engineering side of production.

A major factor affecting capital costs for lithium brines is the net evaporation rate – this determines the area of the evaporation ponds necessary to increase the grade of the plant feed. These evaporation ponds can be a major capital cost. Potassium, boron, potash and other minerals are often harvested from early ponds, while later ponds have higher concentrations of lithium. The lithiumpregnant solution is then pumped to an extraction plant where impurities like boron and magnesium are removed.

Hard rock lithium miners have large problems facing them when competing with brine economics – firstly most have large capital costs for start up and secondly their production cost is roughly twice what it is for the brine exploitation process.



Fremont Gold is strategically placed in Nevada's prime gold camps. The historic Gold Bar mine and the Gold Canyon project are located in the Gold Bar District in the southern Roberts Mountains. The Gold Canyon project is adjacent to claims owned by McEwen Mining which is moving forward to its development stage of its own Gold Bar mine project (named after the original Gold Bar mine held by Fremont).

The Gold Canyon project is a pit located only 900 meters northwest of McEwen's Gold Ridge ore body and is part of the same mineralized system as shown above in the map. The four McEwen pits, along with the Gold Canyon pit, were originally operated by Atlas from the late 1980s to early 1990s and were in fact secondary satellite pits to Atlas' original Gold Bar mine (now Fremont's), located 5 kms to the southwest of McEwens development project.



Lithium products derived from brine operations can be used directly in end-markets, but hard-rock lithium concentrates need to be further refined before they can be used in value-added applications like lithium-ion batteries.

Extracting lithium from spodumene requires a whole range of hydrometallurgical processes. The ore is first crushed and heated in a kiln to create a spodumene concentrate. which is then cooled and milled into a fine powder. It is then mixed with sulfuric acid and roasted again, before waste is separated from the concentrated liquor, and magnesium and calcium are precipitated out. Finally soda ash and lithium carbonate is crystallized, heated, filtered, and dried, creating 99% lithium carbonate.

Lithium carbonate is turned into metal in an electrolytic cell using lithium chloride. **DEMAND "GOING THROUGH THE ROOF"**

We've been been crunching the supply and demand numbers for almost a decade – at least since President Obama put aside nearly \$2 billion in 2009 to support research on hybrid and electric vehicles and their battery components. What we know is this:

Asia and particularly China are looking to lock up lithium supply, and are years ahead of North America in terms of EV penetration and battery supply chains. Last year China sold about 700,000 electric cars, 200,000 more than 2016. Government subsidies to EVs have been reduced by 20%. The Middle Kingdom sees EVs as the key to unlocking the pollution dilemma that has plagued its car-choked cities. China represents over a quarter of the global EV market, and will own 40% by 2040 according to the International Energy Agency (IEA).

The country has signed lithium offtake agreements with mines in Australia, Canada and Africa, and despite Tianqui Lithium - which owns 51% of Talison's Greenbushes mine in Australia, the largest hard rock lithium mine in the world being recently denied a 32% ownership stake in SQM, China isn't giving up. Other Asian companies, such as Japan's Panasonic and Korean conglomerate Samsung, are also looking to ink deals in the lithium triangle of Chile, Argentina and Bolivia.

China and India are both going to 100% electric vehicles. Every major car

manufacturer has electric models. Volvo has even promised to phase out internal combustion engines (ICE) from 2019.

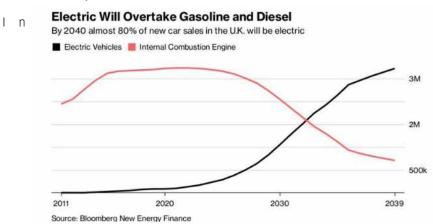
France has promised to end the sale of gasoline and diesel vehicles by 2040; the UK quickly followed suit. Almost a third of cars sold in Norway in 2016 were electric and Germany could outpace its neighbors as Volkswagen aims to become a leader in both EVs and automated vehicles.

EVs surpassed 2 million units in 2016 and Bloomberg New Energy Finance predicts they will make up an astounding 54% of new car sales by 2040.

lithium carbonate equivalent (LCE) has to be mined just for Tesla's North American electric vehicle production - and Tesla has promised to source North American lithium. Elon Musk, Tesla's CEO, also has plans to build four more Gigafactories other than the one currently being built in Nevada. And it's not just about the US. China is also building lithium-ion megafactories, and by 2020 these are expected to grow global production capacity by six times.

Think about those global 32,730,000 lithium battery packs.

If each used the same amount of lithium



2016, Chinese carmakers sold 28.03 million cars. If China follows through on its promise to go 100% electric that's a minimum 28.03 million lithium-ion battery packs for EV's per year.

Add in the UK's 2.7 million car sales in 2016 and France's 2 million car sales in 2016.

That's 32.73 million electric vehicles all requiring lithium-ion battery packs, without counting electric buses (a big deal in China, and going to be in India as well) or annual growth rates in auto sales.

ONE TESLA CAR BATTERY USES 45 KG OR 100 POUNDS OF LITHIUM CARBONATE.

Despite recent issues with its Model 3, Tesla aims to produce 6,000 cars a week, or 312,000 a year. It plan to ramp that up to 1,000,000 cars by 2020. New models would include the Model Y SUV, a pick-up truck, and a semi-truck, all electric. A recent news report states the problem with the Model 3, and the obstacle to putting more cars on the road, is a bottleneck in battery production. A million electric cars produced in North America means 45,454,000 kg/ 100,000,000 pounds or 45,454 tonnes /50,000 tons of

carbonate as Tesla's electric vehicles, that's 1.487 billion kilograms/ 3.273 billion pounds or **1,487,727** tonnes /1,636,500 tons of new lithium carbonate demand.

Current annual production of lithium carbonate equivalent (LCE), for all purposes, stands at about 230,000 metric tonnes.

SOM recently predicted that demand will increase from between 600,000 and 800,000 tonnes of LCE over the next 10 years. To meet the need, SQM plans to double capacity from current annual production of 48,000 tonnes to 100,000 by 2019.

The industry agrees that Morgan Stanley is out to lunch on its forecasts.

> I am firmly of the view that everyone, including Morgan Stanley, is grossly

underestimating how quickly the market is moving on the demand side,



Ken Brinsden, chief executive of Australian lithium miner Pilbara Minerals, said at a mining conference in Florida in February.

Lithium is coming of age in a big way. It's the core ingredient to 99 percent

of electric vehicles and as a result, demand is going through the roof,"



Simon Moores, managing director at Benchmark Mineral Intelligence, a UK-based battery metals consultancy, told CNBC.

Another key point is that analysts tend to lump all potential lithium production together, including producers, nearterm producers, brines, hard rock mines, and lithium sucked from oilfield brines. The forecasts vastly underestimate the difficulty in extracting lithium from spent oilfields, for example. Some of these wells are up to four kilometers deep, the brine needs to be pumped and trucked to a storage site, then the lithium has to be separated from all the other impurities which could include uranium, thorium, magnesium and potash. It's neither an easy nor a cheap process and no company has yet been able to do it on a commercial scale.

CANACCORD BULLISH

One consultancy must have had a rethink about the near future of the lithium market. Addressing questions from investors, who likely read the negative reports from Morgan Stanley and Woodmac, Canaccord said in its "Morning Coffee" bulletin that mine production does mined conversion capacity for 2017 (the amount of lithium actually converted to lithium carbonate or lithium equivalent), 111 kilo-tonnes, was about half their mined LCE estimate of 215kt. Over the next seven years, Canaccord states that more lithium is likely to be mined than can be converted into lithium, thus creating a supply chain bottleneck. This scenario would keep upward pressure on prices. It also expects new lithium to come from higher-cost hard rock mines - likely due to the recently announced expansion at Greenbushes. The mine is set to double in size by next year.

As for demand, Canaccord is bullish, ballparking 920,000 tonnes of LCE demand by 2025. If that came true, it would be almost five times the current global production. It even admits that figure could be conservative, "with upside risks driven by the increasing potential for demand Figure 14: 2017 vs 2016 lithium demand breakdown

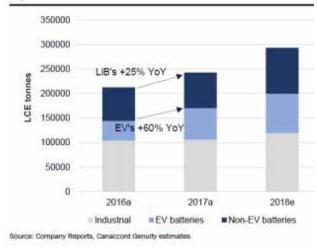
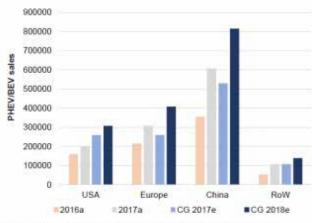


Figure 15: EV sales by region



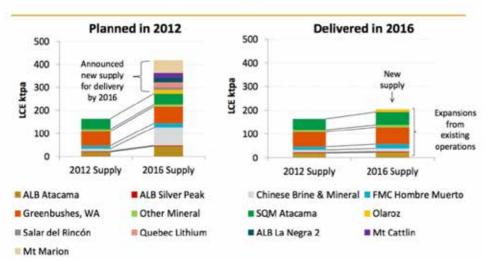
not necessarily equal LCE supply. In fact Source Company Reports, EV-volumes.com, EVolusession.com, Canaccord Genuity estimates

from LiB-based Energy Storage Systems and larger Electric Vehicle battery sizes (see charts)."

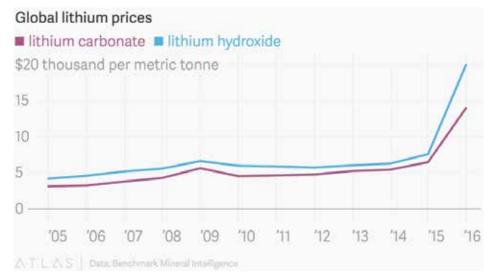
WHAT IS EXPECTED IS NOT ALWAYS DELIV-ERED

MINING.com riffed on the Canaccord story by noting that both the Morgan Stanley and Canaccord reports referenced a yearold graph from an investor slide presentation from Orocobre, which mines lithium in Argentina. Take a look at the left part of the slide showing that in 2012, major lithium mines planned to produce an extra 200,000 tonnes of new supply by 2016. But when 2016 rolled around, under 50,000 new tonnes came online, despite "expansions from existing operations" (see right part of the "What is expected is not always delivered" slide).

This slide is fascinating for a couple of reasons. One, it proves, like the title, that "What is Expected is Not Always Delivered." In other words, the major lithium miners despite their best efforts to double production in four years, were unable to do so. Why not? It can't have been due to prices, which, as seen in the chart



WHAT IS EXPECTED IS NOT ALWAYS DELIVERED



below, started heading higher in 2015. As far as we know there weren't any government policies restricting demand in the producer countries during this period so the only explanation must have been technical challenges in getting the lithium to market.

The second reason we love this chart is because it shows definitively how vulnerable the United States is to foreign imports of lithium carbonate especially considering Tesla's often-stated goal that it plans to source the lithium for its EV batteries from North American mines. The country currently imports most of the lithium that it consumes – with import reliance today pegged at greater than 70%.

On the left of the chart notice the red square denoting Albemarle's Silver Peak mine – the only producing lithium mine

in the United States. We know that Silver Peak has the capacity to produce 6,000 tonnes of LCE per year. They delivered it in 2012 but what happened in 2016? The mine is missing from the right side of the chart, meaning that Silver Peak, located about 200 miles from Tesla's Gigafactory, failed to produce any new supply to the market. Why not?

If Silver Peak can't deliver any additional lithium in four years, how can it possibly be expected to supply Tesla's lithium needs, which as we calculated above, would be 50,000 tonnes of LCE by 2020 if a million Teslas come out of its factory? Let alone four more gigafactories and lithium needed for electric batteries in the Chevy Bolt – the second-best selling EV in the US last year behind Tesla. EV sales in the US, by the way, were up 25% last year compared to 2016, making it the best year ever – giving more ammo to the demand argument.

According to Benchmark Intelligence, Tesla's Gigafactory also needs about 24,000 tonnes of lithium hydroxide annually, out of a global market of around 50,000 tonnes. Like lithium carbonate, lithium hydroxide is a key raw material for EV battery cathodes.



Given the dearth of current US production, Tesla is looking to Chile to source its lithium, and is reportedly in talks with SQM about possibly building a processing plant. The reason is simple. North American lithium mines are currently too small, not far enough developed, and do not produce a unified product that can easily feed into a supply stream. Tesla would have to go to dozens of different mines for its lithium carbonate and lithium hydroxide. Such a fragmented supply line just isn't practical.

LITHIUM IN THE US

If we want a lithium-ion battery industry and electric vehicles built in North America we need lithium security of supply. No longer can we rely on the good graces of other countries, namely Australia, China, Chile and Argentina, where 90% of the lithium is produced.

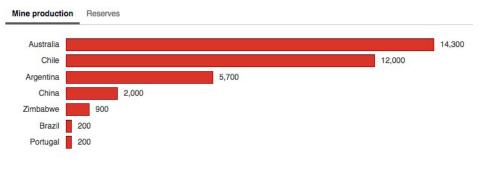
We need to develop an energy metals industry in North America – from mine to battery.

Lithium stocks - the producers and the near-term producers - are expensive. There are few bargains to be found among the more developed plays. Fortunately, for investors and our planet's health, the move towards electrifying the global transportation system is fully underway and appears unstoppable.

And that means earlier-stage, lithiumfocused resource plays are going to receive major investor attention. The old adage,to find a mine, look around a mine, applies here. As mentioned Albemarle's Silver Peak mine is the only producing lithium mine in the US, but there are other properties around Silver Peak that could become the next big producer and be the solution Tesla has been looking for.

Lithium production and reserves

World resources of lithium - production and reserves (tonnes), 2016



Note: Lithium production/mining data for the United States is not available. Source: U.S. Geological Survey



Currently Tesla has an agreement with Pure Energy Minerals to supply lithium hydroxide. Pure Energy's lithium brine project is located in Clayton Valley adjacent to the Silver Peak mine. It has an inferred resource of 218,000 tonnes of LCE according to an NI 43-101 report filed in August, 2017.

Pure Energy has calculated in a preliminary economic assessment annual production of 10,300 tonnes lithium hydroxide or 9,100 tonnes lithium carbonate equivalent (LCE). Let's revisit those Tesla LCE requirements. At a million vehicles a year Tesla needs 45,000 tonnes of LCE, meaning Pure Energy can supply just 20% of that.

Where else could Tesla, and Chevy, and any other North American EV maker, source its lithium from in the US? Tesla reportedly wants to reduce its battery costs by 30% in order to make its vehicles more affordable to the average car consumer, and the same is true for other car companies. Getting lithium from the US or Canada, rather than importing it from Australia, South America or China, would reduce shipping costs and provide a ready supply of battery-quality lithium to Tesla and other EV manufacturers. Tesla and Panasonic are making batteries and battery packs at the Tesla Gigafactory, but the lithium produced at Silver Peak is sold to Asian companies, which make cathodes used in lithium-ion batteries. Why not cut out the Asian middlemen and produce everything required for the batteries, right here in North America?

According to the USGS, the United States can only claim about 203,000 tonnes of LCE reserves compared to 75 million tonnes of reserves found throughout the world. That's about the same amount of lithium currently being produced. But the States has much more lithium than that in the ground. US lithium resources (which include reserves plus lithium that can't yet be economically mined) currently stand at about 36 million tonnes of LCE, versus 217 million tonnes globally. That leaves a lot of lithium in the US, still to be converted from resources to reserves through exploration drilling.

CYPRESS DEVELOPMENT CORP

Fortunately there is a solution to the problem faced by Tesla regarding its

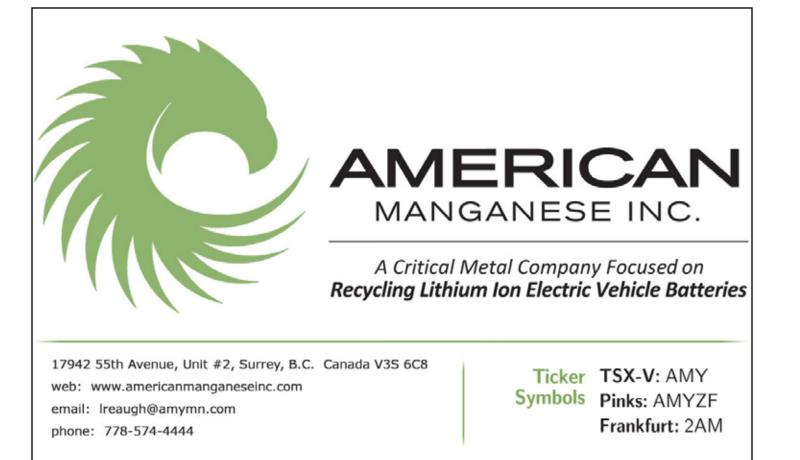
current inability to source US lithium for its Gigafactory, which could also go a long way towards developing an electric vehicle battery industry in the US, while also significantly diminishing the currently 70+% dependence on foreign lithium imports.

Three years ago Cypress Development Corp (TSX.V:CYP) began prospecting in the Clayton Valley, home to Albemarle's Silver Peak mine.

Cypress wasted no time in acquiring two land packages: the 1,520-acre Glory Project totaling 76 placer/lode claims located in Esmeralda County, and the 2,700-acre (35 association placer claims) Dean Project.

Drilling was conducted in 2017-18 and the company is currently waiting on its maiden 43-101 compliant resource report expected near the end of April. All eyes are on that maiden resource because it is expected to be BIG. Retail and institutional investors are starting to pay attention. The stock has risen nearly 60% over the last month.

Recently Lithium X Energy (TSX.V:LIX) put out a news release updating investors on



the takeover announced by the lithium explorer in December, by Chinese company Nextview New Energy Lion Hong Kong Ltd.

Lithium X's Sal de Los Angeles project in Argentina has an NI 43-101 resource of 1.04 million tonnes lithium carbonate equivalent (LCE) in the indicated category and 1.01MT inferred, for a total LCE resource of 2.05 million I&I tonnes.

This news from Lithium X is extremely interesting, because we now know how much a larger company will pay for a lithium brine exploration property in Argentina with a battery-grade lithium resource. That number is fairly easy to calculate: take the buyout value of \$265 million and divide it by the NI 43-101 Indicated and Inferred resource of 2 million tonnes lithium carbonate equivalent or LCE, and you get Cdn\$132.50 a tonne. In other words, a tonne of LCE, in the 'ground' in today's hot lithium market is worth 132.5 loonies.

Cypress is coming out with a 43-101 compliant resource report which will also have metallurgical tests and lithium recovery results. Let's look at some of my numbers.

CYP's Clayton Valley Lithium Project in Nevada is, well there's no other way to describe it other than eye-poppingly massive. My personal (and please remember these are my personal calculations, they are not from Cypress, are not 43-101 compliant and are not to be relied on for an investment decision), back-of-the-napkin resource calculation is 3,500 meters length X 2,000 meters width X 70 meters thick X 1.75 specific gravity (density) = 857,500,000tonnes of lithium enriched claystone (approx. 4,500,000 tonnes of LCE).

I get into more conservative, and ulta conservative numbers here, but the results are still pretty impressive.

FMC, Albemarle, SQM and China's Tianqi Lithium Corporation together, to Wood Mackenzie according consultant James Whiteside, accounted for 78% of the world's lithium carbonate equivalent last year.

SQM, the largest global LCE producer, plans to expand its lithium carbonate capacity in Chile to 63,000 tonnes in 2018.

Australia's Orocobre planns to produce 17,500 tonnes a year of lithium carbonate at its Olaroz facility in Argentina.

If there are 4,500,000 tons of LCE on CYP's Dean and Glory claims it would take SQM 71 years to mine it at 63,000 tons per annum, 2mt of LCE would take 31.7 years. Massive potential indeed.

Let's return to that \$132 a tonne buyout value ascribed to Lithium X. Nextview paid that for a brine-based lithium deposit in Argentina. Cypress has a non-hectorite claystone starting at surface deposit in Nevada, USA. No tariffs, no trade war worries, next to the only producing lithium mine in the US and in the home state of Tesla's Gigafactory.

CONCLUSION

Those with a surface knowledge of the lithium industry are being scared off by analysts who are writing reports showing that the lithium market is on the peak of a downturn due to an overabundance of the white metal. But more in-depth analysis shows that the supply-demand balance



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skews heavily towards the demand side which is still extremely bullish. Lithium supply forecasts must be weighed carefully, because most lithium mines will never make it into production due to the difficult technical challenges involved.

The electric vehicle is upon us and it's not going away. While gas-powered cars will be around for some time, along with our oil-driven economy, the future is definitely going electric, and in some cases, autonomous – not only passenger vehicles but buses, municipal vehicles and semitrucks. They will all require lithium-ion batteries in various combinations. Where will they get the lithium from? The "Big Four" - Chile, Argentina, Australia and China, is the easiest answer – but North America can also be in the mix if it chooses to.

Where should we look to find more US lithium? How about right next to the only producing lithium mine in the United States – Albemarle's Silver Peak.

Cypress Development Corp is developing a huge lithium deposit. We'll find out just how big within a very short time. Or the project

could be bought out by Albemarle, which as we have shown, in four years was not able to add any new US based supply to the market. It seems to me that Albemarle could use a monster deposit such as Cypress has – making it an ideal takeout target.

Consider this: Pure Energy, which like Cypress is in the Clayton Valley next to Silver Peak, has 218,000 tonnes inferred LCE. According to my numbers, and again these are from my calculations not Cypress, at an ultraconservative estimate of 2 million tonnes LCE, that's close to 10 times as much lithium in the ground. Remember that Lithium X buyout figure of \$134 per tonne? Multiplying that by 2 million tonnes gives a value of \$268 million. The stock is currently trading at 38.5 cents, at a market cap of \$21 million, meaning that, imo, CYP is obscenely undervalued. But let's wait and see till the maiden resource comes out.

Peter Ball, VP Operations for Bonterra Resources, tells of exploration and metallurgical progress on the company's Gladiator Project in Quebec that makes this one of Jay's top picks.

http://jaytaylormedia.com/media/ BonterraResources20180423.mp3 When was the last time you saw a junior resource company that might. make such a huge impact on the world's largest lithium (or any metal), miner's bottom line? These kind of opportunities just don't come along very often. I have Cypress Development Corp, and what could be the biggest junior mining story of the year on my radar screen. Do you?

If not, perhaps you should.

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Richard owns shares of Cypress Development Corp. TSX.V - CYP



THE ABITIBI GREENSTONE BELT BONTERRA ACHIEVES UP TO 99.4% GOLD RECOVERIES FROM PRELIMINARY METALLURGICAL STUDIES, INCLUDING UP TO 76.1% FROM THE GRAVITY CIRCUIT

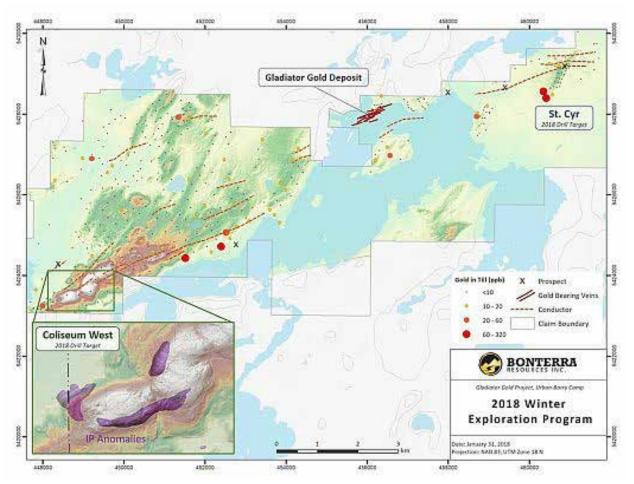
By David O'Brien



onTerra Resources Ltd. (BTR: TSX-V | BONXF: OTCQX | 9BR1:FSE) is a Canadian gold exploration company based in Vancouver, BC focused on continuing to expand its NI 43-101 compliant gold resource on its Gladiator Gold Deposit, part of the world famous **Abitibi Greenstone Belt** in miningfriendly Quebec.

GLADIATOR GOLD OVERVIEW

BonTerra's 10,541-hectare Gladiator Project is located in the Urban-Barry Greenstone Belt within the Abitibi Subprovince. So far this year fully

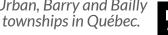


BTR's Quebec Map: Coliseum West, Gladiator Gold & St. Cyr

30,000m of drilling of the 70,000m planned has been completed.

From BTR:

Major regional crustal shear zones cross the Abitibi and is considered the plumbing system for these significant gold deposits. A related splay of a major shear zones crosses this greenstone belt, which helped fertilize the area with gold. BonTerra's Gladiator Project is comprised of the Gladiator Deposit and the Coliseum properties. These properties are contiguous. The project is located approximately 170 km NE of Val-d'Or and 125 km SW of Chibougamau in the Urban, Barry and Bailly



LARDER LAKE PROJECT, ONTARIO

Bonterra's Larder Lake Gold Project (2,165-hectare) is located in eastern Ontario, in McVittie and McGarry Townships, near the town of Virginiatown. The Bear Lake deposit hosts an historic estimate* (2011, P+E Mining) of 3,750,000 tonnes at 5.7 g/t (683,000 oz) (inferred). The Cheminis Deposit contains an historic estimate* (2011, P+E Mining) of indicated of 335,000 tonnes at 4.1 g/t (43,800 oz) and inferred of 1,391,000 tonnes at 5.2 g/t (233,400 oz).

* Please refer to cautionary information at www.bonterraresources.com regarding historic estimates. The Larder Lake Gold Property also straddles 9 km strike length of the Cadillac/Larder Lake break.

Checking senior management of **BTR**, we find **Nav Dhaliwal**, President & CEO. He has shown expertise in 'nurturing' early stage companies through their critical phases of evolution, having founded a number of companies over his career. His experience in corporate development, communications and investor relations, brings business relationships with international analysts, brokers and investment bankers from Canada, the United States and Asia.

Also, **Dale Ginn**, B.Sc., P.Geo., VP of Exploration and a Director is an experienced mining executive and geologist. He is the founder of a number of exploration and mining companies and has led and participated in numerous gold and base metal discoveries, many of which are in production today. While specializing in complex, structurally-controlled gold deposits, he also has extensive mineoperations, development and start-up experience.

Dale has held senior positions with Sprott Mining, Jerritt Canyon Gold and was a founder of San Gold Corp. He also worked with Harmony Gold Mining, Hudbay, Westmin, Goldcorp and Granges Exploration.

Do your Due Dili, of course.

David O'Brien is the owner of **Int'l Mining Research Inc.** which employs Media, Event and Online exposure, including **eNews**. O'Brien also owns **W.I.T. Marketing**, an Ad Agency, and has been contributing articles to **TheProspectorNEWS.com**, on demand. He owns no shares in the above companies. <u>dobrien@InternationalMiningResearch.com</u>



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The following 'teaser article' is actually pretty much a listing of about ten more of the ~160 Projects **Globex Mining Enterprises Inc. (GMX: TSX, GLBXF: OTCQX, G1MN: FSE)** has variously explored, defined assets, created Joint Venture Partnerships for and has available for new deals. The content is derived directly from Globex's comprehensive listing of properties on its website, and passages have been selected to reinforce various highlights of the assets, or the terms of the deals (as examples for potential **JV Partners**), and the full descriptions are available through the links. Most maps can be enlarged for clarity from that website.

By David O'Brien

o, there's not much editing from your Author, however, another great example of the many opportunities (see previous Articles in www. TheProspectorNEWS.com)... and that anyone can step up and make their best deal with **Jack Stoch**,

President. [A tout sheet, if you will. Ed.]

PARBEC GOLD (OPTIONED TO RENFORTH)

http://www.globexmining.com/property. php?id=34

RENFORTH COMPLETES PARBEC DRILL PROGRAM AND FINANCING

In January, 2018, **Renforth Resources Inc.** (**CSE-RFR**) announced that the 2017 Parbec drill program finished in December, 2017 with a total of 1,265m drilled to complete 7 of the planned drill holes. A total of 948 samples were cut and delivered to Bourlamaque Assay Laboratory of Val d'Or, Quebec for assaying greater than 10 g/t Au.

Renforth also announced that in December of 2017 a total of \$916,480 was raised in a second closing. This closing resulted in the issuance of 3,350,000 common share units and 12,483,000 flow-through units. Combined with the previously announced closing of \$148,500 which brings the total financed in December 2017 by Renforth to \$1,064,980.

Using these funds Renforth will shortly resume drilling at Parbec with planned holes and making the January 2018 property payment due under the Parbec option agreement. **Brian H. Newton** P.Geo is the **QP** as per the requirements laid out in NI 43-101, and has read and approved all of the technical information.

JOHAN BEETZ FELDSPAR (ENERSPAR) ROYALTY

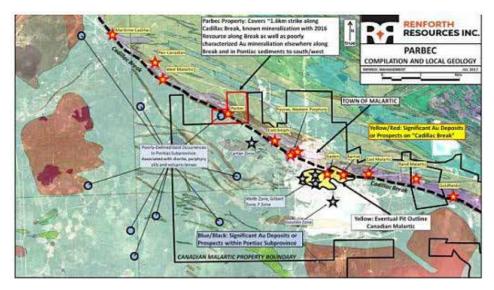
http://www.globexmining.com/
property.php?id=218

EnerSpar acquired a 100% interest in the Johan Beetz Feldspar Property from **Globex Mining Enterprises Inc. (GMX: TSX, GLBXF: OTCQX, G1MN: FSE)** as its qualifying transaction in consideration of an initial payment of \$100,000, the issuance of 2,000,000 common shares at a deemed price of \$0.05 and a gross metal royalty of 2.5% payable to GMX.

The Johan Beetz Feldspar Property is in the Johan Beetz/Iles de Mingan 03 township, Quebec, Canada within the northeastern part of the Gulf of the St. Lawrence also known as the Cote Nord region of Quebec. An adjoining claim has been staked by Globex and is in the process of being approved by the relevant authorities for transfer to the company.

EnerSpar Corp. changed its name from Walmer Capital Corp. as of March 30, 2017 and became a Tier 2 mining issuer on the TSX Venture Exchange upon completion of the Transaction and satisfaction of the requirements of the Exchange as of that date.

EnerSpar is carrying on the business of exploring and developing the Johan Beetz Feldspar Property in accordance with the recommendations of the NI



43-101 compliant Technical Report prepared by **Bill McGuinty** P. Geo., dated February 21, 2017 and filed March 22, 2017 on SEDAR which the reader is encouraged to review. www.Sedar.com

MONT SORCIER VANADIUM/IRON (VANADIUM ONE) ROYALTY

http://www.globexmining.com/
property.php?id=149

MONT SORCIER - FE, TIO2, V2O5 RoyTownship, Quebec http://www.chibougamaumines. com/p_MontSorcier.htm

This property consists of 37 irregularlyshaped staked claims covering 1,919 hectares located immediately adjacent to the NE extremity of the Lac Chibougamau claim block and is subject to a **1% gross metal royalty to Globex**.

HISTORY

This magnetite/titanium/vanadium in the layered portion of the LDC has been explored by various major companies including Dome Mines, Noranda Mines, Consolidated Chibougamau Goldfields, Sulphur Converting Corp. and Campbell Campbell Chibougamau Mines, Resources and others during the period 1920 to the present. A historical non NI 43-101 compliant resource estimate on what is termed the North Zone was calculated by Campbell Chibougamau Mines Ltd. in 1974 and is available on the Quebec Government E-Sigeom (Examine) site under GM.3.1867.

The report indicated approximately 171,571,000 tons of open pittable ore with a head grade of 30.0 % Fe and 1.06% TiO2. Additional testing at a Quebec Government Laboratory in 1975 using Davis Tube testers indicated an average grade of 66.2% Fe, 1.32% TiO2 and 0.57% V2O5 in concentrate with P2O5 (an impurity) content of less than 0.001%. It is projected that the North Zone, within the area defined by the historical drilling, can generate 95.2 million tons of concentrate.

(The resource calculation is historical in nature and has not been confirmed by Chibougamau Independent Mines. Therefore it should not be relied upon.)

AUTHIER LITHIUM (SAYONA) ROYALTY

http://www.globexmining.com/property.php?id=102

LA MOTTE TOWNSHIP, QUEBEC

The Authier property is located in the Abitibi Témiscamingue Region of the Quebec, approximately 45 km northeast of the city of Val d'Or and 15 km north of the town of Rivière Héva.

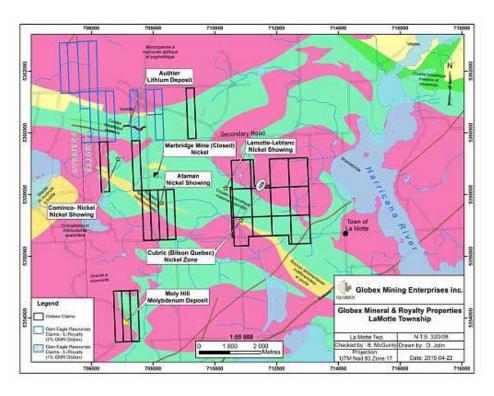
OWNERSHIP

Globex vended 100% interest in the property to Glen Eagle Resources Inc. ("Glen Eagle") on October 5, 2010 in exchange for a **cash payment, shares and a retained a Gross Metal Royalty** (**GMR**). Option terms terms include 2% GMR on 12 claims and 1% GMR on 1 claim which is situated over the centre of the lithium deposit.

On July 21, 2016 Glen Eagle announced the sale of the Authier property to **Sayona Mining Ltd.** of Australia.

In a Power Point Presentation dated September 2016, Sayona announced that the Authier Lithium Deposit had been defined by 123 drill holes totalling 15,000 m and 2,143 assays.

A new resource calculation of 9.12 million tonnes grading 0.96% Li20 is indicated as follows:



NEW RICHMOND ANTIMONY/GOLD, EXPLORATION THIS SUMMER BY GLOBEX.

http://www.globexmining.com/
property.php?id=209

NEW RICHMOND TOWNSHIP, QUEBEC

OWNERSHIP AND LOCATION

Globex owns a 100% interest in 18 staked claims in New Richmond Township in the Gaspé region of Group. Rocks are generally fine- to coarse-grained siliciclastic sediments including ranging from black shale and siltstones to sandstones and conglomerates.

The Garin formation is folded into large anticlinal and synclinal folds along NE-SW axes with shallow to moderate plunges of 150 to 600SW. The rocks are cut by faults (Harriman, Grande Cascapedia and others) which trend from NNE-SSW to NE-SW and are believed to be reverse faults with steep WNW dips. The Harriman fault is approximately 12 km long and crosses the New Richmond property for more than 2 km. It is a known locus for known gold and antimony mineralization. It is poorly exposed along much of its trend. Felsic and feldspar porphyry dykes are known to intrude the structure.

Tonnes (Mt)	Grade Li ₂ 0%	Resource Category
2.08	0.95	Measured
5.16	0.97	Indicated
1.88	0.93	Inferred

GEOLOGY

The Authier property is located in the southeast part of the Superior Province of the Canadian Shield craton, more specifically in the Southern Volcanic Zone of the Abitibi Greenstone Belt.

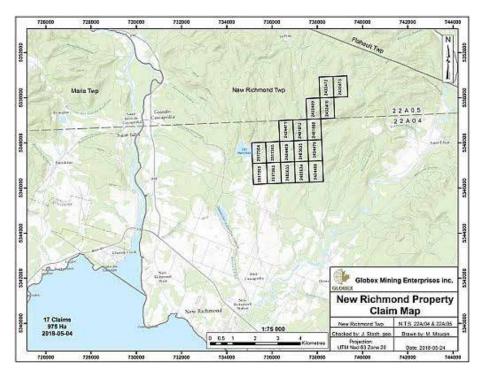
The spodumene bearing pegmatites observed on the Property are genetically related to the Preissac Lacorne batholiths located 40 km northeast of the city of Val d'Or. Québec, located 6 Km north of the town of New Richmond. The property can be accessed from the town of New Richmond by following Fallow road to 5th line then to Dee Road which crosses the NW corner of the property. There are several secondary roads which traverse the claims.

GEOLOGY

The property is underlain by the Ordovician / Silurian age sedimentary Garin Formation, part of the d'Honorat

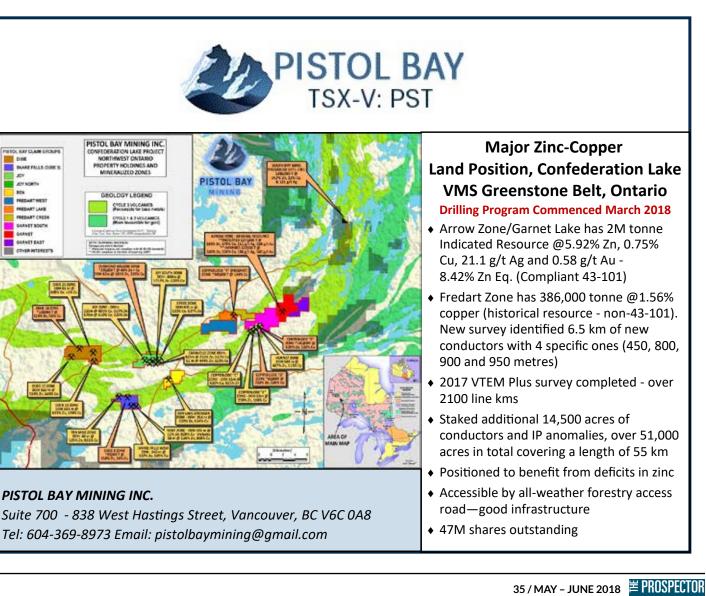
Rocks in the area are cut by numerous fractures and smaller structures which may have been affected by the regional folding.

Gold and antimony (Sb, found mainly as the mineral stibnite) mineralization is related to cherty silica flooding in fold axes and fold noses in sediments in the Garin Formation as well as fill in structures and breccias including the Harriman fault. There is also antimony sulphide replacement in conglomerate beds.



OUTLOOK

Property exploration to date has primarily focused on the Harriman-1 Au-Sb showing where the Harriman fault has been suspected of driving the emplacement of Au-Sb mineralization. Detailed testing in the form of drilling has occurred over a very limited strike length (50 m) and only to shallow depth (75 m) while geophysical and geochemical work indicate up to 1 km of strike potential for exploration. Additionally, a larger study of local fold structures and related plunges on their influence on Au-Sb deposition as well as locating and studying the effect of quartz feldspar and felsic intrusions could assist in developing new, larger Gold -Antimony targets on the property and extending the Harriman-1.



PYROX PROPERTY PLATINUM, PAL-LADIUM, COPPER EXPLORATION BY GLOBEX THIS SUMMER

http://www.globexmining.com/ property.php?id=234

PYROX - PLATINUM, PALLADIUM, COPPER, NICKEL, CHROMITE Clairy Township, Quebec

The Pyrox property hosts a 12km long layered ultramafic complex in the metalliferous Frotet-Troylus Archean greenstone belt, of northern Quebec. This layered complex is of interest because it contains 55 unexplained airborne input conductors and a ground HEM survey that maps out 4 conductive horizons. What makes these conductive horizons even more attractive is they are stacked one on top of the next and parallel to the geologic trend. Arranged in this way, gives the impression these stacked horizons could be stratabound massive sulphide lenses. To date these

conductors remain unexplained as there has only been a limited amount of work done to date.

Another important aspect of this layered ultramafic complex is the possibility of vanadium rich zones, as in Chibougamau. Also of interest on the property are 3 input conductors located at the center of a fold. The conductors are hosted in gabbro but the surrounding rocks are pyroxenite, lapilli tuff and granophyre / tonalite.

FONTBONNE PROPERTY ZINC/LEAD, EXPLORATION BY GLOBEX THIS SUMMER

http://www.globexmining.com/ property.php?id=168

FONTBONNE LAKE -COPPER, ZINC

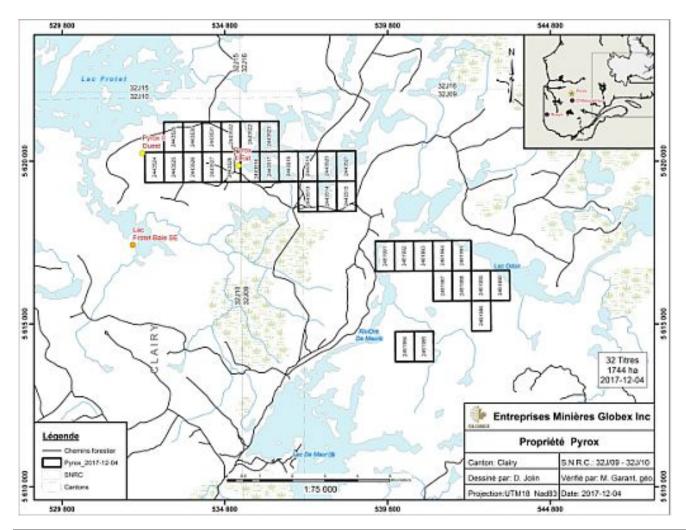
Preissac Township, Quebec

Fontbonne property hosts the Zn-Ag-Pb Kerwin showing just south of the Mandeville fault. The mineralization is present in a brecciated quartz-calcite sub-vertical vein oriented N100. A 2002 IP survey has defined a conductor over 1km in length associated with or spatially related to the mineralized structure. Shallow drilling under the Kerwin showing had returned 2.01% Zn, 1.68 % Pb and 3.23g/t Ag over 2.1m as well as 2.40% Zn, 1.29 % Pb and 2.58g/t Ag over 0.66m. The conductor has not been tested along strike and at depth. (See Pyrex map above for Fontbonne Lake claims.)

DALHOUSIE COPPER/NICKEL, EXPLORATION BY GLOBEX THIS SUMMER

http://www.globexmining.com/
property.php?id=211

DALHOUSIE -COPPER, NICKEL Bourbaux & Berthiaume Townships, Ouebec



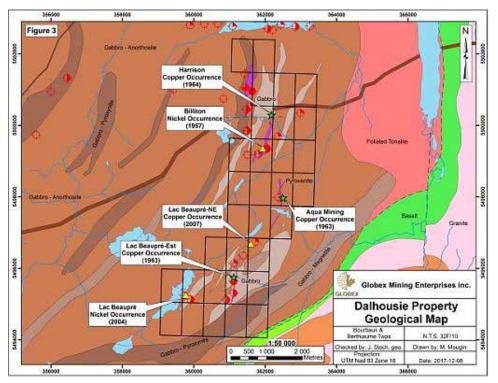
SUMMARY

The Dalhousie property contains 32 claims and is located 53km ESE of the town of Matagami. The property is underlain by the layered intrusive Bell River Complex which on its western end is responsible for the Matagami mining camp. The eastern end of the complex has seen much less attention. Most all the work occurred between 1956 and 1969, where the focus was drilling input conductors. Sulphide horizons, located in the ultramafic units of the layered complex, tend to have low Cu-Ni values, less than 1% Cu and 0.5% Ni, respectively. However, work in 2007 has shown there is untested copper potential in zones of limited to no conductivity. Specifically, Beep-Mat prospecting returning copper values up to 4.5% in grab samples. The 2007 exploration program also located 6 untested conductors, one of which is where the 4.5% Cu grab sample was obtained. Also of note is the lack of attentions paid to PGE's, even though the mineralization is magmatic Cu-Ni.



LOCATION - ACCESS - CLAIM DESCRIPTION

The Dalhousie property is located 53km ESE of Matagami Quebec and 4km South of Ramsay Bay at Lac au Goeland. Access is possible from either Matagami or Lebel-Sur-Quevillon, 70 km to the south. The property consists of 32 contiguous cells 100% owned by Globex Mining (1,786 Ha).



CSE: PSE FSE: PNX

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LAKE ONTARIO PROJECT IN QUE-BEC, TITANIUM, EXPLORATION BY GLOBEX THIS SUMMER

http://www.globexmining.com/property. php?id=185

ONTARIO LAKE -TITANIUM DIOXIDE, IRON

Côte-de-Beaupré Township, Quebec

LOCATION

The Lake Ontario Property consists of 38 cells totaling 2,202 ha (5,441 acres) located in Côte-de-Beaupré Township, approximately 12 km north of the Village of St-Urbain and 90 km Northeast of Quebec City.

ACCESS

The property is easily reached by all weather and seasonal roads. A key must be obtained in order to open one barrier on private land.

USES

Titanium dioxide is used as a white powder pigment because of its brightness and high refractive index in the manufacture of paints, plastics, paper, textiles, cosmetics, sunscreen and ceramics.

Titanium dioxide is seeing growing demand in photocatalysts due to its oxidative and hydrolysis properties. As a photocatalyst, it can improve the efficiency of electrolytically splitting water into hydrogen and oxygen, and it can produce electricity in nanoparticles form. Applications include light-emitting diodes, liquid crystal displays (LCDs) and electrodes for plasma displays.

FONTANA/DUVAY GOLD PROPER-TIES OPTIONED TO TRES-OR

http://www.globexmining.com/property.
php?id=13

FONTANA - GOLD OPTIONED Duverny Township, Quebec

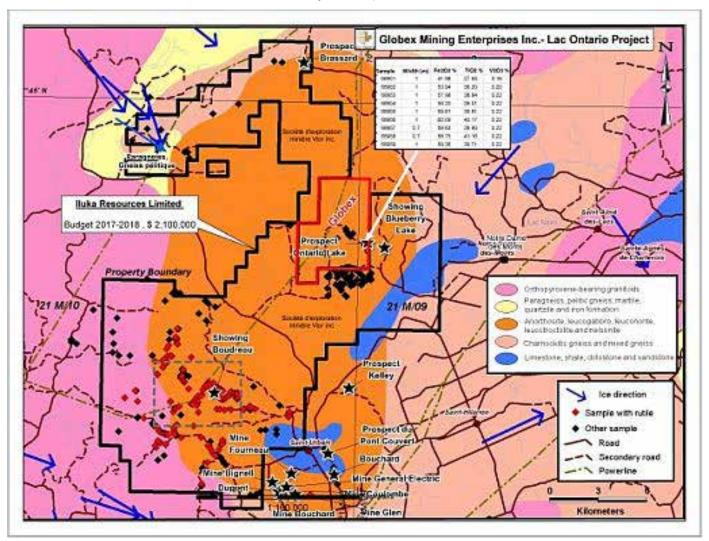
OWNERSHIP

Globex acquired a 75% interest in the 16 claims of the Fontana Project in 2001. Globex later acquired a further 6 claims.

On November 15th, 2011 Globex and **Tres-Or Resources Ltd.** (Tres-Or) announced that a definitive agreement for the acquisition of the Fontana Project. Tres Or was granted an option to acquire the interests of Globex, being a 75% interest in 16 claims and a 100% interest in the remaining 6 claims. **Globex retains a 3% Gross Metals Royalty on all claims and the 75% interest in the 16 claims optioned by Globex is also subject to a 15% Net Profits Interest**.

In order to exercise the Option, Tres-Or is required to pay Globex \$300,000 and is required to purchase the NPI from Globex for a total of \$1,200,000 payable in increments over 84 months.

In September 2014, Globex and Tres-Or agreed to amend the terms of the



Option Agreement to extend certain payment obligations.

On April 30, 2015 Tres-Or announced the acquisition from Merrex Gold Inc. of Merrex's 25% interest in 16 claims for a consideration of \$125,000.

Recently Globex acquired 3 additional claims by staking which are not currently part of the Tres-Or agreement.

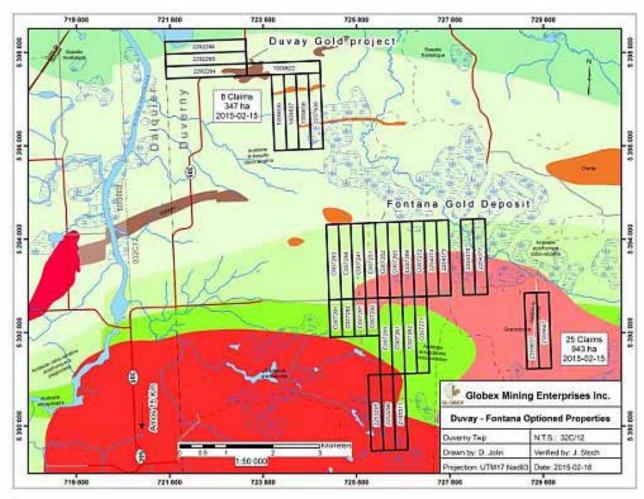
which joins directly to St. Maurice-de-Dalquier, 5 km to the south.

FONTANA DUVAY PROPERTY

In November, 2011 the property was optioned through a third party to Tres-Or Resources Ltd. ('Tres-Or') subject to certain payments and retains a Gross Metal Royalty of 1.5% where the price of gold is

property (an additional 25% ownership) by funding a pre-feasibility study and making aggregate expenditures of \$12 million to bring the property towards production.

On April 15, 2015, Globex provided consent to Tres-Or for the transaction, subject to the assumption of Tres-Or's obligations to Globex by Secova. Payment and royalty obligations to Globex must be maintained under the agreement.



DUVAY ZONE PROJECT - GOLD OPTIONED

http://www.globexmining.com/property. php?id=16

DUVERNY TOWNSHIP, QUEBEC

PROPERTY DESCRIPTION AND LOCATION

The Duvay Project consists of 8 claims (347 ha) situated in Duverny Township, Quebec, covering lots 10 to 13 inclusive, range 8 and lots 2 to 4 inclusive and lot 13, range 9.

The claims are located approximately 17 km northeast of Amos, Quebec and are accessible by an all-weather gravel road

at US\$800/oz or less and of 2% when gold is over that price.

On January 6, 2015 Tres-Or announced that Secova Metals Corp. ("Secova") had executed a term sheet to option up to a 90% interest in the Tres-Or's Duvay Gold Project, comprising 105 claims including Globex's Duvay property. Under the provisions of the term sheet and pending a definitive acquisition agreement, Tres-Or grants to Secova the sole and exclusive right and option to acquire a 65% right, title and interest in and to the Duvay claims by paying to the optionor the sum of \$500,000 and incurring \$3,750,000 in exploration expenses over a four (4) year period. Secova can earn the full 90% of the

Your 'Author' has selected and **highlighted** various aspects of these properties, projects and deals as teasers for the many options available from **GMX**.

Do your Due Diligence, of course.

David O'Brien is the owner of Int'l Mining Research Inc. which employs Media, Event and Online exposure, including eNews. O'Brien also owns W.I.T. Marketing, an Ad Agency, and has been contributing articles to TheProspectorNEWS.com, on demand. He owns no shares in the above companies. dobrien@InternationalMiningResearch.com



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