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CAMINO MINERALS ADVANCE IOCG IN PERU

CONTENTS

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CAMINO MINERALS ADVANCE IOCG IN PERU

CHAPITOS COPPER PROJECT, MOVING TOWARDS RESOURCE STAGE IN ONLY 18 MONTHS

By Christian Granholm

Ken McNaughton, President and CEO of Camino Minerals Corp. is justifiably pumped as he talks to The Prospector from his Burrard Street office.

Ken McNaughton, President and CEO of Camino Minerals Corp. is justifiably pumped as he talks to The Prospector from his Burrard Street office.

"Keep in mind that at the Adriana Zone, there had been no historical workings and only a minor amount of surface work prior to our optioning the property so this is truly a new discovery that we've almost advanced to resource stage in 18 months," says Ken.

'Los Chapitos' covers over 11,000 hectares in the heart of the Peruvian IOCG belt and is located roughly 8 hours south of Lima, Peru along the Pan American highway. This same trend contains the Mina Justa property, which just sold to Minsur for a whopping US$590 million price tag.

In July 2016, Camino Minerals signed an option agreement to acquire 100% of the Los Chapitos property by making staged payments over 4 years totaling US$500,000 and issuing 500,000 shares of Camino.

Jeff Auston, Project Geologist working near the Katty area.

"This is a brand new discovery that we made in July of 2016," states McNaughton. "From then until February 2017, we completed a comprehensive surface sampling and mapping program, two rounds of geophysics (magnetic and IP surveys), permitting and a $2 million financing."

"All of that provided the basis for a 5 hole reverse circulation drill program which made the initial discovery at the Adriana Zone," continues Ken. "We then completed a $5 million dollar financing in May and started diamond drilling which tested 4 zones, but focused mainly on Adriana."

Camino has completed over 16,000 meters of diamond drilling since starting work in May 2017. Most of this work was focused on the Adriana Zone where the high grade feeder zone is localized in the northwest trending Diva Fault.

Where northeast cross structures intersect the feeder zone, brecciation is enhanced in the pyroclastic beds resulting an increase in thickness and extent of the lithologically controlled mineralization.

"At Adriana, we've defined an area measuring 600 m long, by 150 meters wide and over 300 meters deep that host a structurally controlled feeder zone and stratigraphically controlled zones which are dominantly oxide and secondary sulphide mineralization," McNaughton states.

"The feeder zone ranges in width from 2 to 12 meters and grades 2% to 6% copper." "The Adriana Zone is open to depth and along trend, and potentially hosts an open pitable resource grading between 0.75% copper and 0.8%."

Camino's numbers check out: this is the average grade of the other IOCG deposits along the Andian trend including Mina Justa (100 kms to the North-West).

Of course finding the mineral wealth is paramount but often a more important question is what will it cost to extract and bring it to market?

Solvent extraction and electrowinning (SXEW) is a two-stage hydrometallurgical process that first extracts and upgrades copper ions from low-grade leach solutions into a solvent containing a chemical that selectively reacts with and binds the copper in the solvent. One of the major advantages of SXEW is that the efficiency is high while the costs are low.

CAN SXEW BE USED AT ADRIANA?

"There is a narrow zone sulphide in the feeder zone with a wide halo of oxide mineralization," explains Ken. "So yes, this would mostly be amenable to a low cost heap leach SXEW production operation. However, below this, the structurally controlled mineralization could extend to significant depths at high grade, and would thereby support an underground mining operation." For reference, at Mina Justa they followed the mineralization over 1.7 kms down dip.

Looking deeper into the graphs and presentations provided by Ken (also available on the Camino Minerals website), we see other targets of note here, which is to be expected on a property that sprawls across 105 square kilometers of broad zones defined by tectonic breccias and underlain by Jurassic age sediments and volcanoclastics of the Chocolate Formation.

"Two kilometers along trend to the southeast is the Katty zone where we intersected high grade copper oxide mineralization that was associated with broad zones of tectonic breccia's," confirms Ken.

AND HERE'S WHERE WE REALLY START PAYING ATTENTION.

"Most of these holes collared in mineralization that we suspect is actually an extension of the Adriana system,"

says McNaughton. "Katty currently hosts a small high grade resource, but if we can connect it to Adriana, there's potential for the combined zones to double or triple in size. Again this would be open pitable, copper oxide mineralization that would be amenable to heap leach, SXEW processing."

That's unconfirmed, of course. Speculation is rife with errors and missteps, but sometimes, backed by good science and careful testing, these trends do connect.

"We plan to start drilling the ground between Adriana and Katty in Q1 of this year," states Ken. "Our plans for 2018 are to run some scoping level metallurgical tests and complete enough drilling to prepare an initial resource estimation sometime in the third quarter".

While current outlook appears bright, we plan to look more at Camino in the coming quarters and look forward to what Ken and his team at Camino Minerals post in future releases.

KS FOR 2018: DRILLING FOR DISCOVERY

SILVER, LEAD & ZINC PRODUCTION ON THE HORIZON

By David O'Brien

***Klondike Silver (KS: TSX-V, K1SN: FSE)** is a one-of-a-kind junior mining company.*

To begin with, it is located in the *Silvery Slocan* mining district, one of Canada's five major known silver, lead and zinc camps. Then there is both the 'romantic' and very real presence of mine-finder **Richard W. Hughes** who spent 10 years putting together Klondike's land package, 110 square km that includes 68 past-producing mines. The most productive mine in the package, **Silvana** at Sandon, has already produced 7.8 million ounces of silver, 63.2 million lbs. of lead and 57.9 million lbs. of zinc. Average grades were 13.87 ounces per ton silver, 5.62% lead and 5.15% zinc. (Source: BC MINFILE)

SILVANA & GOLDEN MILE

The Slocan Mining District has produced more than 24 million ounces of silver since the first discoveries in the late 1800s transformed this wilderness into the ***silver mining centre*** of Western Canada.

Klondike Silver is the dominant landholder of the camp. Along with the 100-tonne-per-day, 100%-owned, permitted flotation mill in historic Sandon, Klondike Silver owns the past-producing **Silvana, Silversmith/Slocan Star** and **Violamac**, other past-producing mines and exploration properties.

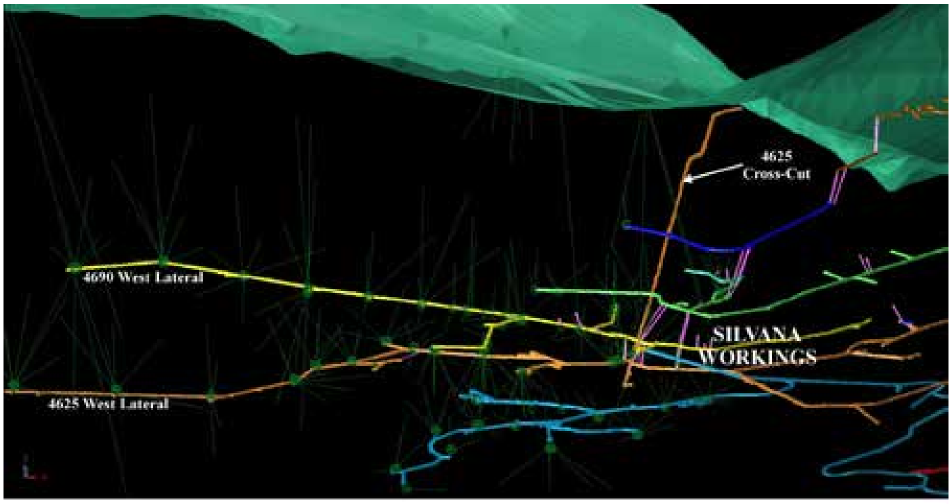
This land package has seen little modern exploration, until recently, because of the previous fragmented ownership of the claims and the presence of deep overburden. One of the recent achievements, over the past ten years, was the consolidation of these many past-producing mines by Richard W. Hughes and his team into a package completely controlled by KS.

KS' GOAL: TO REJUVENATE THE SLOCAN MINING CAMP

2018: DRILLING FOR DISCOVERY

Highlights:

- 100% Ownership of 100 sq. km Silver/Lead/Zinc Land Package.
- The fully-permitted 100 ton/day mill complex is 140 km by road from the Teck (formerly Cominco Ltd.) smelter at Trail, B.C
- Experienced hands-on management and technical team.



Silvana: Oblique View from the North
(Image compiled by Dave Makepeace , M.Eng., P.Eng. www.micon-international.com)

KS' MISSION: TO BENEFIT SHAREHOLDERS & STAKE HOLDERS

- Historically, Klondike's 100% owned Silver/Lead/Zinc land package produced 40.4 million troy ounces of silver.
- The top 10 past-producing Silver/Lead/Zinc mines within the 100 sq km Klondike Silver claim block also produced an average lead grade as high as 51.64% and zinc as high as 9.52%

In October, 2017, the **3D modelling** is nearing completion and the 2017 **LIDAR survey** is being collated, so now the strategic drilling targets are being chosen.

The initial underground drilling campaign will consist of 1,000-1,500 metres and the company will be drilling short holes because they will be working inside existing adits. If the results are good there is potential for production in 2018.

Management feels the potential for the "Silver Mile" along the "Main Lode" to contain undiscovered mineralization is very good.

As **Tom Kennedy, CEO**, says "Our **'Drilling for Discovery'** Corporate Vision is exactly what the team is determined to achieve. One of the best years in recent history for the price of zinc also bodes well for the economics of the consolidated project, suggesting that with the amount of zinc in the ground, we could change the company name to "Klondike Zinc"!"

Large, now consolidated land package in one of the top five silver, lead and zinc producing areas in the world, new techniques being employed and funding in place for their drilling program... *Check, Check and Check again.*

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. dobrien@InternationalMiningResearch.com*

BC'S 500KM GOLD BELT HAS ANOTHER SIGNIFICANT PROJECT DEVELOPING RIGHT NEXT TO PRETIVM'S KSM AND SEABRIDGE'S IRON CAP DEPOSIT: AMK IS A PARTNER IN THAT PLAY

*Recently, your author has been focusing on several prolific Gold Belts in the world, and we've been referring to one of them as **'The 500Km Gold Belt in BC'**, which includes the now famous **'Golden Triangle'** in north western BC: one of the richest areas of mineralization in the world.*

By David O'Brien

American Creek Resources Ltd. (AMK: TSX-V, ACKRF: OTCQX) is a precious metals exploration company with high quality assets in significant mineral belts of British Columbia, close to infrastructure.

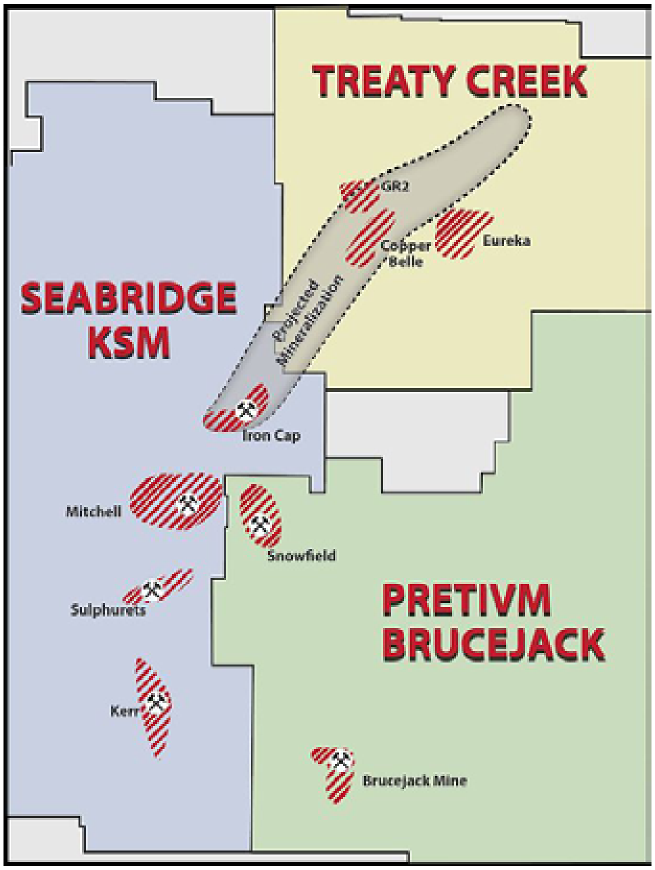
As we covered in **W.I.T. / IMR Inc.**'s **eNews News Release** of December 14, 2017, results are reaffirming management's strategy, and the Partnership (20%) with **Tudor Gold Corp. (TUD: TSX-V, TUC: FSE, TDRRF: OTC)** (60%) and **Teuton Resources Corp. (TOU: TSX-V, TFE: FSE, TEUTF: OTC)** (20%) with the following:

> "...a step-out hole drilled this year on the *Copper Belle* zone, intersected various mineralized zones where the most significant was **115.50 metres of continuous mineralization grading 1.31 g/tonne gold** from 60.50 to 176.00 metres depth, including a higher grade intercept of **57m grading 1.97 g/t gold** from 111.5 to 168.5m. A second interval occurs deeper in the hole, **grading 0.83 g/t over 60m**, from 228.5 to 268.50m. Hole CB-17-24 was collared above the ice 166 meters south of CB-16-03. Complete results are pending for the remaining 22 holes."

...'nuff said. Check.

Walter Storm, President and **CEO** of **Tudor Gold**, stated: "We are learning a great deal with each assayed hole at *Copper Belle* and are delighted to report long intercepts of mineralization as we move towards **Seabridge**'s *Iron Cap Deposit*. It is worthwhile to note that deeper into the mineralized system we are seeing more silver and copper. The next 22 holes still in the assay laboratory are expected to divulge the overall size and continuity of mineralization and should provide enough data to produce a resource estimate at Copper Belle."
More here: *www.tudor-gold.com*.

Darren Blaney, President and **CEO** of **American Creek**, stated: "The *Copper*



Belle deposit is proving to be as promising as we had hoped and believed it would be. This hole, with wide intervals of higher grade gold within the larger mineralized gold system, clearly shows the potential for a gold deposit of considerable scale. It also further confirms what the MT survey has suggested as to the extent of the mineralized area at *Treaty Creek*. We are looking forward to more *Copper Belle* assays."
More here:
www.AmericanCreek.com.

American Creek's portfolio includes three gold/silver properties including Treaty Creek and Electrum joint ventures with Walter Storm/Tudor, as well as the recently acquired 100%-owned past-producing Dunwell Mine. Other properties held throughout BC include the Gold Hill, Austruck-Bonanza, Ample Goldmax, Silver Side, and Glitter King.

We've reviewed management's background and hands-on experience, and Darren Blaney and team have earned industry endorsement.

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

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.*
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2018 TRIFECTA:

METALS, MINERS AND CRYPTOGRAPHIC SILVER

As 2018 dawns, an upside replay for the metals and miners looks highly probable. On January 19, 2016 when elements of the sector staged an intraday bear trap, then closed higher, the die was cast.

By David H. Smith

OMost analysts fought the tape before begrudgingly jumping on, then often took profits during brief pause points at each "resistance" layer. It would be surprising if 20% of investors took more than a bite from the middle of that epic seven month rise, while many gave back their earnings in the ensuing cyclical decline.

This was not the case for TMR members, as David Morgan letting the market dictate the move, called both the 2016 bottom and top. One of our favorites - First Majestic Silver (AG)- rose from $2.50 to over $18, where we suggested a sell. Silver needed to move from $15 to over $100 in order to match the 700% gain our members realized on just this one stock.

2017 was the year that a good many precious metals bulls "just couldn't take it anymore". Consider a high-profile analyst who, after 10 years of promoting gold and silver, sold his entire position and started a crypto-currency letter. Or a fair number of "very tired longs" - some of whom held silver for decades - selling back to dealers, who at the same time offered new buyers the lowest premiums in years. Yes, the stock market's incessant rise, and "bitcoin mania" played a role, but the truth is that "metal fatigue" finally broke the back of those long-time gold and silver bugs. They've left the game now. Regret notwithstanding, they won't be coming back. And yet...

Weekly $Gold, 2016-17

Weekly $Silver, 2016-17

THE DOUBLE-EDGED SWORD OF REGRET.
In December, all sorts of tea leaves - weekly gold and silver holding well above 2016-17 lows; GDX pricing gold at $400; the Gold Miners Bullish Percent Index ($BPGDM) flashing a rare buy signal. Elements indicating this year is offering a second chance for those who missed the boat in 2016 - or held on during the 18 month retracement. A broad-based commodities bull run led by zinc, copper, and uranium is underway. The possibility of a multiple years' set-up could once again prove Rick Rule's dictum - "You can be a contrarian or you can be road kill".

BITCOIN DIES AGAIN!

In mid-December 2017, after a breath-taking rise to nearly $20,000, bitcoin dropped to the $11,000 level - a stunning $9,000 decline (coindesk.com) - leaving in play (so far) according to Edwards and Magee, a classic 50% retracement-double bottom. The bubble-top callers, having shouted "Tulip Mania!" at each new high since $900 last January, finally got it right - for now - telling their flock to set sight on "bitcoin to zero". But they might want to step back and consider Bob Hoye's take in a post on 321gold.com where he compares this moon shot with Qualcomm in 1999. If his thesis is correct, bitcoin-blockchain pall bearers may have to rub shoulders with death-of-gold-and-silver devotees for a while longer.

The most heated arguments we've ever seen took place between these two camps. Most folks formed an either/or view. But this writer sees both bitcoin (or some other coin), along with gold-silver, existing simultaneously as transfer mechanisms and as a store of value.

THE MORGAN REPORT'S "BOTH CAN LIVE AND THRIVE" THESIS.

Three years ago, we began covering the totally-contrarian idea of a mobile gold mill, successfully mining deposits that don't justify a $20 million mill-support structure. The company advanced a non-toxic re-agent that may be amenable to - without cyanide - processing fully half the world's gold mining output. In 2017, the re-agent operation spun off from its parent and signed an agreement with one of the world's largest eWaste processors - whereby gold and other precious metals are retrieved from ground-up monitors, keyboards and CPUs. The partner could become a world-class gold producer in its own right...without digging up ore! TMR subscribers who held the parent received - for free - the spinoff, which now trades around US$1 per share. (Most members have a 500% gain, with many holding for much more)... Just two Asset Allocation Table picks informing readers ahead of the upside precious metals' run. Free mega-data access for new-to-the-sector toe-dippers can be had at richesinresources.com

CRYPTOGRAPHIC SILVER: A BLOCKCHAIN-BASED INVESTMENT/PAYMENT VEHICLE.

Stewart Thomson, gublockchain.com addresses the peril and promise of the bitcoin-blockchain environment, stating:

If none of the blockchain currencies can move beyond being a "store of value" or "unit of exchange" and start becoming a popular "unit of payment" (money used to buy stuff),the danger grows of blockchain becoming a bubble rather than being a weapon to destroy the global government and fiat bubble...Bitcoin is very low priced and risk is reasonable, right here right now, provided that bitcoin or other blockchain is/are on their way to becoming a payment mechanism". (This writer's underline.)

Set to launch in early 2018, a dual-aspect approach -"the first ever authentic cryptographic silver money system" addresses Thomson's "unit of payment" on the blockchain concerns. It also provides a vehicle for speculating or investing in physical silver, holding or spending coins/tokens, or by taking delivery of physical metal. (*Members of The Morgan Report team serve as unpaid advisors to this project.) Its organizers state the concept as follows:

(The System) presented is an idea, an abstract of what certain (project) community members have designed and scaled to fit the needs of a global society of sound money advocates who recognize that silver can serve as an affordable, verifiable, safe, and secure store of value, and that when "tokenized" upon a private blockchain, may become a superior medium of exchange, one that returns to the economic system a fungible, private, resilient, and autonomous unit of account.

This concept of cryptographic silver is headed for reality - to which you may become witness if you're reading this essay during the spring/summer of 2018; or right now in a 4,000 word "First Look" report in the January 2018 issue of The Morgan Report.

One Ring to Unite them All?
(Courtesy Steven A. Smith)

Teeka Tiwara has established himself as a pre-eminent analyst in the virtual currency/token space. Recently, he wrote the following (attributed from a considerably longer piece):

Friends, I'm here to tell you that after two millennia, government control over the money supply is about to come to an end. It all has to do with a trend called denationalization of money. It's a multi-trillion-dollar trend that will forever put a check on the government's ability to steal your wealth through currency debasement....

For thousands of years, we've accepted the fact that only governments can issue money. This has led humanity to sheepishly accept the theft of its wealth in the form of insidious currency debasement (inflation).

Whether by the threat of violence or imprisonment, we could only watch meekly as governments seized our wealth. Like a whipped dog that only knows submissive obedience to its master... we've blindly accepted this assault against our financial sovereignty.

Those days are over... Once humanity wakes up to the idea that it doesn't have to put all its wealth into fiat currencies, we'll see a tidal wave of money rotate out of paper money and into cryptographic-secured money like bitcoin.

And more than likely into cryptographic silver, as advanced by this new project...

INSTITUTIONAL MONEY WILL MOVE INTO THE METALS/MINERS/BLOCKCHAIN SPACE IN 2018

The small Metals ETF outflows during 2017 are reversing. Now that 2017 is thankfully over, we think 2018 will be as good as, if not better than 2016. Big players are taking positions in high-probability mining exploration/production stories. A rising tide of physical metals' sales continues to move Eastward, buttressed with major demand from Turkey, Dubai, and Germany. "Early money investors" - like those who read The Prospector - are placing funds in "best of class" gold, silver, and copper producers. Don't sit on the sidelines waiting for an "all clear" in order to "back up the truck". Reflect on what is stated here. Plan your work; then work your plan. The odds of substantially profiting from the metals, miners, blockchain-based trifecta getting underway have never been better. You've endured the pain. Get ready to experience the gain!

***David H. Smith** is Senior Analyst at themorganreport.com - a regular contributor to moneymetals.com - and a Ghost Writer.*

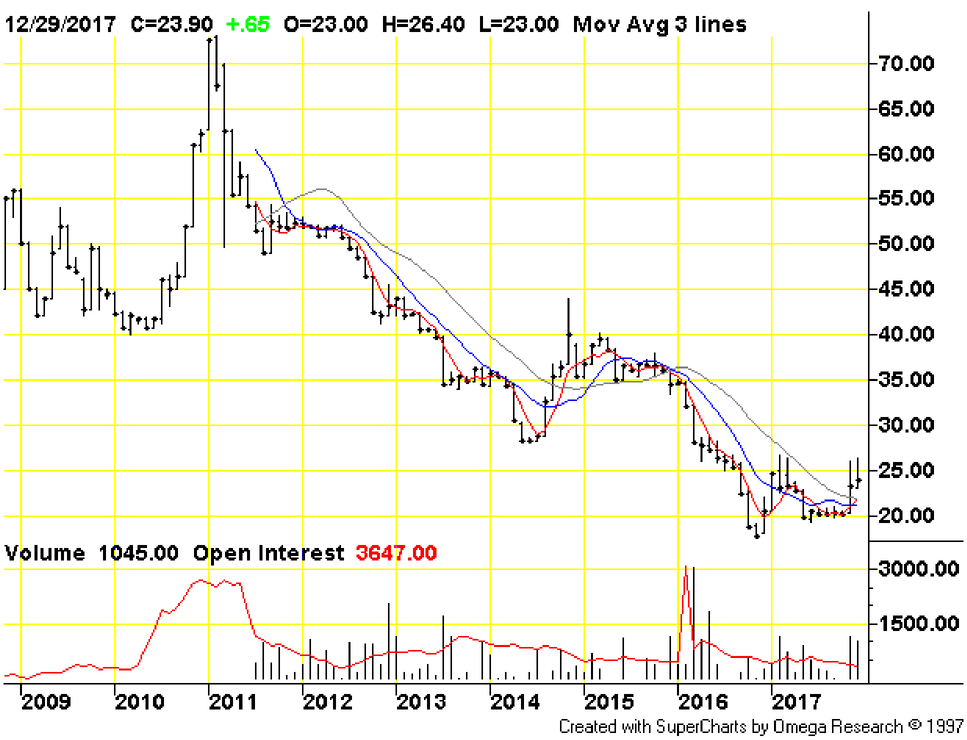
THE COMING "RIP YOUR FACE OFF RALLY" FOR URANIUM

By by Chris Temple

A steadily growing number of market watchers and pundits of various bents has been warming to the idea of a new secular bull market in commodities being underway. Although it's from apocalyptically-depressed levels, crude oil has more than doubled since its low of about two years ago.

Industrial metals have surged in recent months due to a variety of factors, not the least of which is the kind of synchronized (and in some places, accelerating) global growth unlike anything that's been seen in years. Even precious metals have been strong; gold just notched its best annual gain since 2010--up 13% for 2017--despite ongoing record highs in the U.S. stock market.

Yet of all the various hard assets out there, the stars seem to be aligning at last for one that could stage a veritable rip-your-face-off rally before long: URANIUM. And unlike the cases for virtually all the other hard assets, uranium's fortunes are going to be driven almost exclusively by their own dynamics, with the overall economic/market environment having little to do with things.



As you likely remember, the nea rly seven year-long implosion of the uranium price was chiefly instigated by the inundation and failure of Japan's Fukushima-Daiichi nuclear power plant in early 2011. This older facility (which was slated to be decommissioned) suffered a catastrophic meltdown when backup power failed. Yet this and numerous other facts were minimized as many rushed anew to condemn all nuclear power/power plants as unsafe.

Even as much of the developing world continued forward (after some "reviews" in a few cases to mollify critics) with numerous multi-decade nuclear energy build-outs, developed nations acted as if the nuclear energy industry had been dealt a mortal blow. Japan shut down its nuclear industry. Germany announced plans to become nuclear power-free. France (which more than any other developed nation is reliant on nuclear energy, with fully 75% of its overall needs met thereby) said it would start to wean itself in favor of other sources. And on it went.

When at the same time uranium surplus stock piles were being bled into the overall market by both Russia and even the U.S., this caused a steady erosion in uranium's price to, lately, under $20/pound.

Yet unlike past episodes when this especially volatile commodity suffered price crashes, this latest one is unique

in that it has come at the same time that uranium demand is not only rising but set to EXPLODE higher over the next several years. Indeed, a perfect storm of factors is shaping up that will quite possibly lead to a more explosive rally for uranium ahead than will be the case for virtually any other commodity:

- **Developing nations** – Almost everywhere you look, developing nations are emphasizing a healthy nuclear industry build out. The newest kid on the block is Turkey; in December, it held a ceremony where the new Akkuyu nuclear power plant will be constructed, with help from Russia's Rosatom. This inaugural construction was hailed as the beginning of a 100-year collaboration between Russia and Turkey.

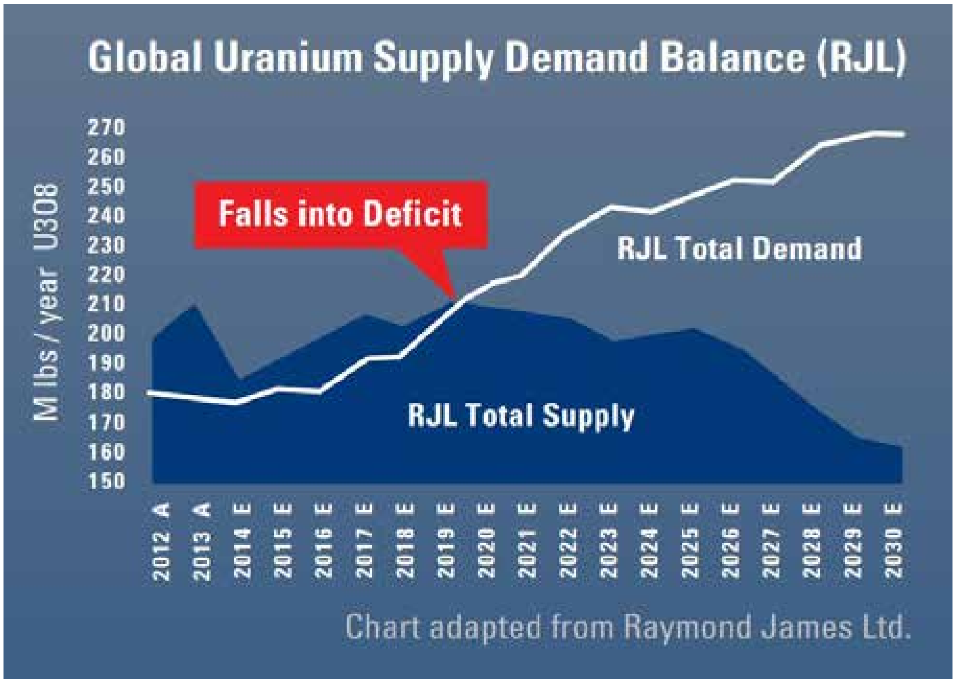
Elsewhere, India--now with the world's largest population--is looking increasingly at nuclear energy to solve its horrible pollution problems at the same time as demand for energy soars due to the country's growth. But for now the big kid on the block remains China. As the World Nuclear Association reports (check out http://www.world-nuclear.org/information-library/country-profiles/countries-a-f/china-nuclear-power.aspx) China has arguably the world's most aggressive program to build new reactors.

- **Even developed nations** – What for a while was the politically fashionable promise to cut nuclear power capacity/reliance has run into the reality of both economics and worsening pollution problems. Unlike coal and even gas, nuclear power emits NO greenhouse gases and is in fact the cleanest mass-produced and reliable energy source there is.

Japan has ever-so-slowly re-started its idled reactors. Here in the U.S., the will exists after all to keep many a nuclear plant operational, rather than shutting many down. Even France recently reversed its previous claim that it would cut back, realizing that it especially has an advantage over other nations in deriving three-fourths of its overall power from nuclear.

- **Supply cuts will matter shortly**. – Likely marking the end of the long bear market for the uranium price, Canadian energy giant Cameco and Kazakhstan's state company just delivered a one-two punch to uranium consumers thinking that they would be able in the coming few years to roll over expiring uranium supply contracts at low prices. Combined, these cuts (on top of an earlier one already inaugurated by Kazatomprom) will remove roughly 20% of global supply.

Both are making clear that if utilities think they have a lot of ability to squeeze prices anywhere near the somewhat misleading spot price out of uranium miners, they are mistaken. And similarly to the dynamic where Saudi Aramco and the crude oil price are concerned, Kazatomprom intends to do a public offering of some shares before long;



and has no intention of doing so in a still-weak market.

- Trump Administration likely to help U.S. producers especially -- though the much-ballyhooed "Uranium One Scandal" has received considerable airing in the U.S. (I provided my take on this at https://nationalinvestor.com/1361/clinton-uranium-one-scandal/) the "damage" to America's uranium reserves has been less than advertised. None the less, the mood in Washington at the Trump Administration generally and the Department of Energy in particular has come around to a desire to give domestic uranium developers/miners a fairer shake.

It's a very easy "selling point" on the administration's part to foster better health for U.S. uranium producers given that--though about 20% of the energy grid is fed by uranium fuel – *America imports 95% of the uranium used.*

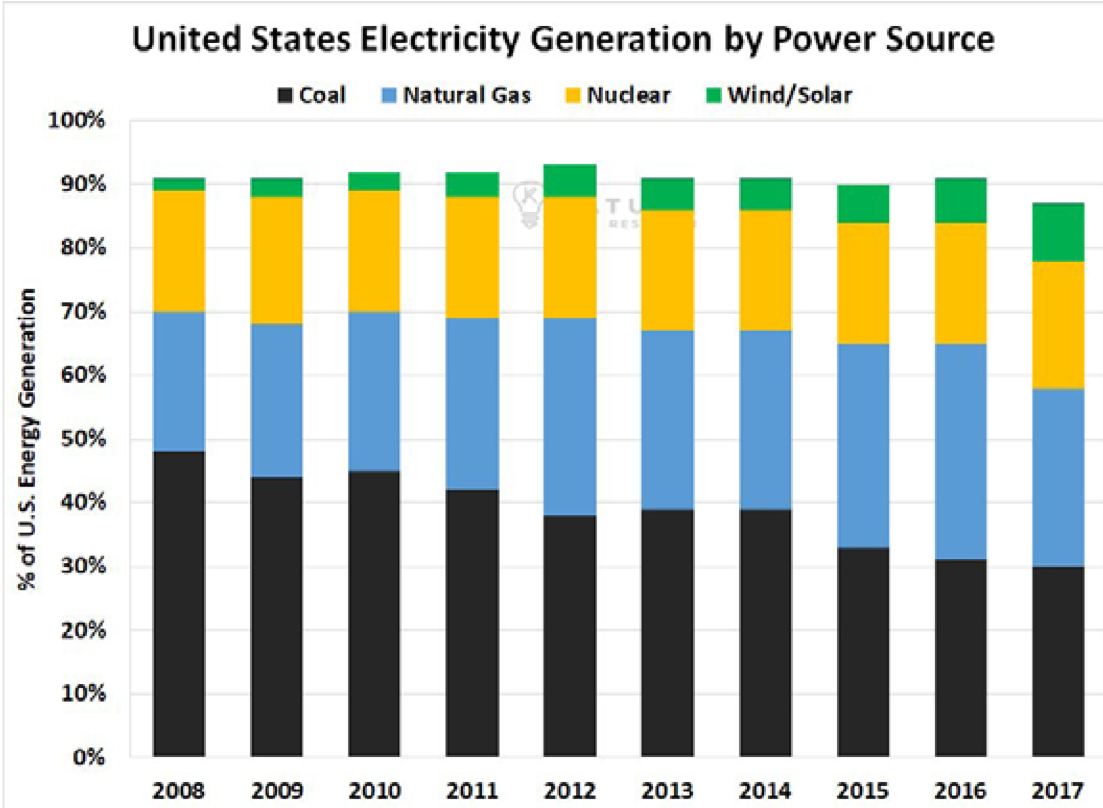
Among other things, Energy Secretary Rick Perry has taken some initial steps to shore up the spot market. He has further expressed a policy goal to allow American nuclear power technology to catch up to the burgeoning global demand, decrying how far we have fallen behind Russia in this regard.

- **Watch out when this switch gets flipped!** – I've had room here only for the highlights (a MUCH more comprehensive report on this--and my specific recommendations in the sector--is available via https://nationalinvestor.com/) But I think you get the picture.

In the past, when discussing the universe of precious metals equities (quite small in relation to the overall stock market) I have quipped that--once interest spreads beyond gold bugs to the broader market--the effect is dramatic; as if a 300-pound man jumped into a kiddie-sized wading pool.

Once the even more hollowed-out and even tinier universe of uranium stocks get this kind of attention, it may well be like a 500-pound man jumping into that same pool.

Wise investors are positioning themselves now, before the masses wake up.



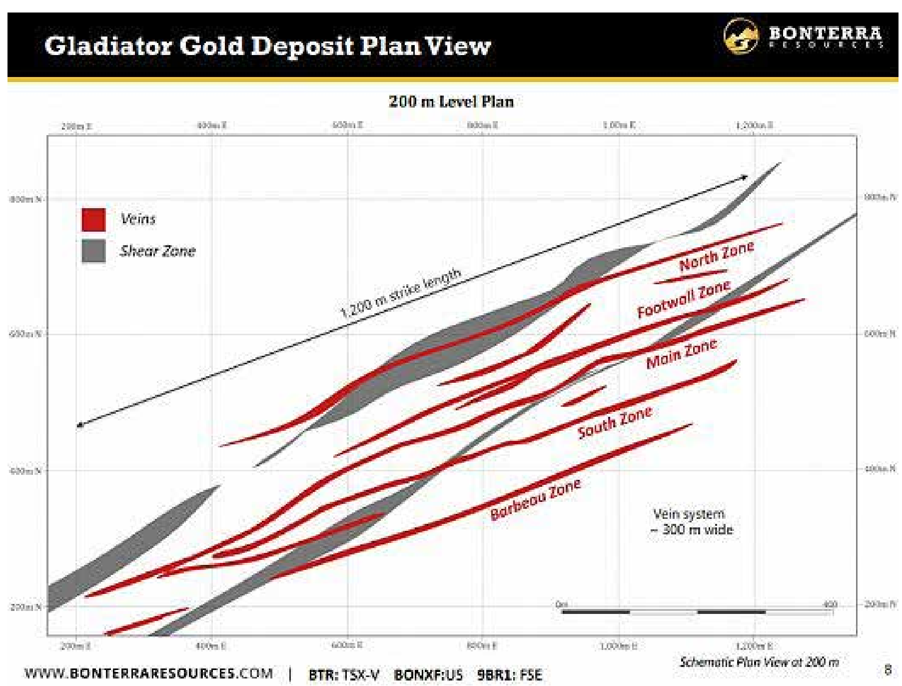
BONTERRA RESOURCES: THE VISION, THE REALITY… AND THE PROSPECTS

By David O'Brien

When Nav Dhaliwal, President, Chief Executive Officer and Director stated in early 2017 the Corporate Vision of BonTerra Resources Inc. (BTR: TSX-V, BONXF: US, 9BR1: FSE) was "… to build a multi-million ounce portfolio of quality, high-grade gold projects in the prolific Abitibi-Greenstone Gold Belt in Quebec and Ontario." the company's strategies are consistently being reaffirmed.

First, to aggressively expand, advance, and de-risk its 100%-controlled **Gladiator Gold Deposit** through a focused exploration program; and the results are bearing fruit, having expanded the resource through the utilization of four drill rigs and ~50,000 metres of drilling in 2017. Their News Release (November 9th, 2017, *www.BonTerraResources.com*) concludes "Results from six recent drill holes have increased the width of the Main Zone and have extended the strike length of the Footwall and North Zones."

Second, to advance its 100%-controlled 2,221-hectare **Larder Lake Gold Project** in the *Cadillac-Larder Break* camp in Ontario through extensive geological and resource modelling; the property hosts the *Bear Lake*, *Cheminis* and *Fernland Gold Deposits* that extend along 10 km of the Cadillac-Larder Break between Kirkland Lake and Virginiatown.



Third, for **BTR** to evaluate, acquire, and develop new high-grade gold opportunities.

By year-end we can say 'Check, check and check.'

What has helped corporately is the $40 million raised earlier in the year, the support of a strong shareholder base including **Sprott Capital Group, VanEck** and **Kirkland Lake Gold (KGI: TSX & AIM)**; complimenting the in-house expertise of **Dale Ginn, P.Geo.**, VP Exploration & Director, with 30 years of experience in exploration and mining.

Of course, the well-developed infrastructure of being right in the prolific Abitibi-Greenstone Gold Belt with year-round road access helps considerably… this apparently is going to be even further facilitated this coming winter season… *as the 'iceman cometh' early. [Ed.]*

At **Gladiator**, the Deposit has been outlined to a depth of 1,200m below surface, and to a strike length of 1,200m. Gladiator remains open in all directions with drilling currently focussed on the Rivage Gap western side, new north and south veins infill and Coliseum exploration. At least five distinct sub-parallel zones or mineralized horizons have been identified with high grades and mineable thicknesses.

As a result of the almost 50 holes drilled in 2016 and 2017 with average intercepts of 2 - 4m and average grade about 10g Au / T, BonTerra is planning to produce a new NI 43-101 Mineral Resource update in 2018. Going forward, BTR intends to complete the 2017 and 2018 winter drilling including metallurgical sampling and testing.

At **Larder Lake**, management was originally encouraged by the proximity (7Km) of the *Kerr Addison Mine*, which produced 11 million ounces of gold.

On the property itself, there was also the $7m in new work and a database from the previous optionee, **Goldfields**, based on 25,000m of drilling, plus extensive infrastructure including both highway and power access. Collectively, over 100,000 metres of historical diamond drilling has been completed.

The real 'scoop' here is the very low purchase price, working out to only CA$5 per ounce in the ground!
Check.

Going forward, there will be an ongoing geological modelling and resource development program and an updated resource model to NI 43-101 compliant status.

Another encouraging sign is the coverage BTR now receives from the respected **Fundamental Research Corp. (RFC)**, which has been followed by your Author for over 15 years. (Report dated September 28, 2017) Siddharth Rajeev (of RFC) conveys confidence in management's leadership, corporate and business development experience, with Nav Dhaliwal having successful start-ups including financing numerous active junior resource companies.
Check.

The company's **Larder Lake Property** acquisition "*...elevates BonTerra's position among its peers with a significant gold resource portfolio contained at the Gladiator Gold Project, and now the Larder Lake Project.*" said **Nav Dhaliwal**, CEO.

Sounds good... especially with the majors' vote of confidence in both the properties and ***BTR****'s management. A longer-term investor would take note.*

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. dobrien@InternationalMiningResearch.com*

INFINITE POSSIBILITIES FOR INFINITE LITHIUM

AS THE WORLD TURNS TO ELECTRIC POWER

By David O'Brien

It's the name that starts to tell the story of* Infinite Lithium Inc. (ILI: TSX-V) *hinting at the potential of their predominantly 'hard rock' pegmatite resources, with some claystones.

A priority among the current projects is the Jackpot in Ontario, with at least two discovered dykes and an historical resource on the Dyke No. 2 pegmatite zone, reported as **2Mt @ 1.09 Li_2O** estimated in 1956 by **Ontario Lithium Company Limited**. Located in the Georgia Lake Area about 140 km NNE of Thunder Bay, it is situated approximately 12 km by air from the TransCanada Highway (Hwy 11) and the main railroad which connects to the port town of Nipigon, on Lake Superior.

Infrastructure and proximity to services... Check, Check.

Mining-friendly Ontario... Check.

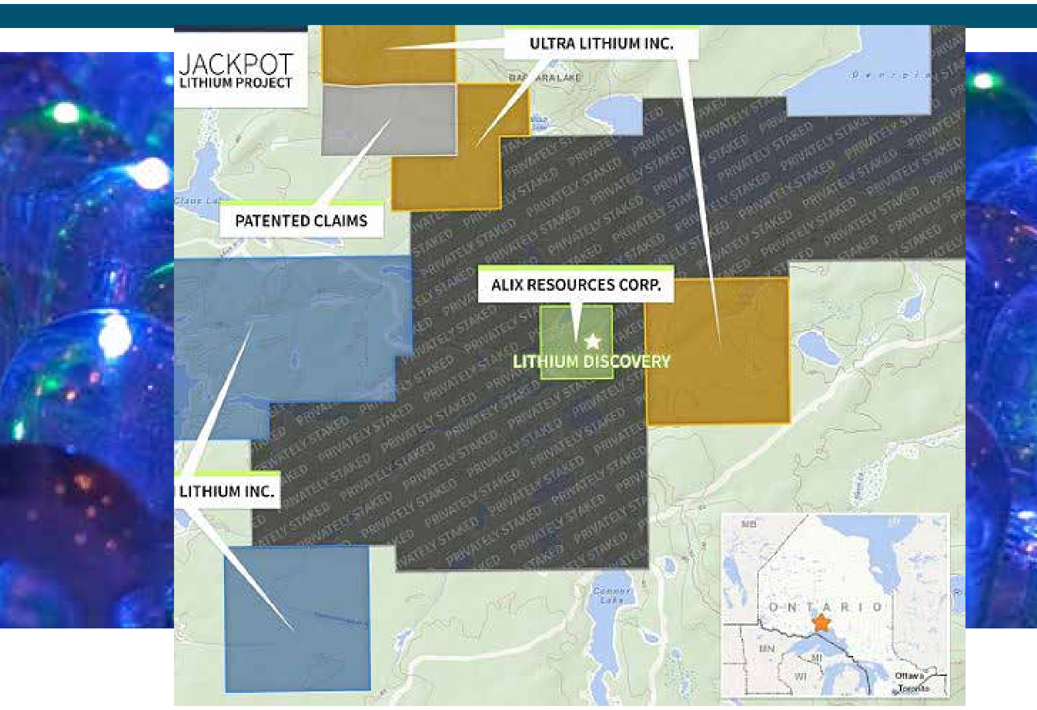
When we spoke with **Mike England, President and Director**, in mid-December he was commenting that drilling was commencing that week. The goal is to 'prove up' the historical resource and since the property is still open in many directions, management is confident that this may in fact be a 'world class' deposit with perhaps 10mm+ tons.

That, of course, is their F-LS.

They recently raised CA$4.8mm, so a lot of progress is imminent, and under the direction of a very experienced team both on the Board and in the field, **Michel Boily PhD Geo**, a specialist in rare earths, and **Gerhard Jacob**, a **Pure Energy Minerals Ltd. (PE: TSX-V, HMGLF: OTC) Q.P.**, Infinite is anticipating their ambitions to be achieved.

Other assets in the ILI portfolio include the Electra Project, funded by **Lithium Australia (LIT: ASX)**, which is a clay-hosted lithium scenario. The Electra concessions are comprised of a lithium resource hosted in hectorite and polylithionite clays within a volcano-sedimentary sequence. The Electra Project hosts projected extensions of the Sonora lithium clay deposit located in Mexico under development by **Bacanora Minerals Ltd. (BCN-TSX:V)** and **Rare Earths Minerals PLC (REM)**.

LIT can earn up to 65% of this project, and is currently at 54%.



ILI is along for the ride on LIT's efforts and funding.
De-risked... Check.

The Cross Lake prospect in Manitoba, with past drilling that hit wide sections of spodumene that, at the time, was not assayed for lithium. 'Exciting targets' are to be re-drilled, according to England. The property covers the Cross Lake pegmatite field, including the *Liz Lithium* prospect, located on Spodumene and Metis Islands in the southwestern corner of Cross Lake. It's 100%-owned by Infinite.
No sharing the potential upside... Check.

In Quebec, ILI's portfolio is under option to **Jourdan Resources Inc. (JOR: TSX-V, 2JR1: Stuttgart Stock Exchange)** which can earn up to 75%.

Infinite Lithium, another classic **P**roject **G**enerator, typical of England's companies over the years... part of the legacy of raising about $50mm, while **J**oint **V**enture Partners spend even more to advance the prospects.
We like this leverage, too... Check.

Do your Due Dili, of course.

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WHAT TRUMPS DOLLARS AND GOLD?

I have commented and written extensively on the generally negative correlation of the US dollar and gold. In simple terms, when the US dollar moves up or down, the price of gold tends to do the opposite. This makes sense because the price of gold is quoted on world markets in good ol' American greenbacks.

By Mickey Fulp
Mercenary Geologist

That said, there are many other factors that contribute to the price of gold. These include: world economic health; geopolitical events; physical demand for jewelry, investment, hoarding, and industrial use; central bank buying and selling; ETF purchase and redemption; and speculative trading of gold in paper markets and derivative instruments such as futures and options.

Strong negative correlations of the US dollar and gold usually occur during times of volatility and sustained movements to the upside or downside in said fiat currency. United States dollar metrics are best determined by the dollar index (DXY), a weighted basket of six relatively stable, developed-world currencies that include the Euro (57.6%), Japanese Yen (13.6%), UK Pound (11.9%), Canadian Dollar (9.1%), Swedish Krona (4.2%) and Swiss Franc (3.6%).

Indeed, my friends at Kitco.com track the change in gold price attributable to the change in the US dollar index on a daily basis.
The benchmark price of gold in US dollars and other currencies is fixed twice daily (am and pm) by a consortium of 12 large banks and financial institutions and is based on the spot price of gold traded by the London Bullion Market Association (LBMA). The LBMA is a highly-leveraged, fractionally reserved, paper gold system with daily trading volumes averaging 1.7 times the amount of gold that is mined on an annual basis. In 2015, 88% of the world's paper gold trade occurred there.

Another daily metric for gold is the New York spot closing price, posted seven hours after the London afternoon fix. In the treatments below, I use NY close for both the dollar index and gold.

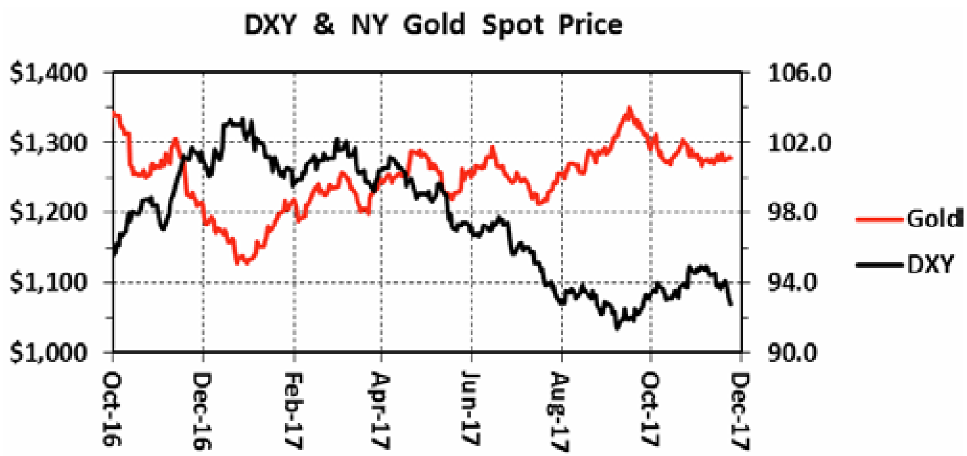
The correlation coefficient of DXY and Au is one of the derivatives that my research assistant compiles, tracks, and analyzes on a daily basis in our proprietary commodity and economic database.

Two variables with no relationship give a correlation coefficient of 0.0. A perfect positive or negative correlation is equal to + 1.0. We define the threshold for a "significant correlation" at > + 0.6.

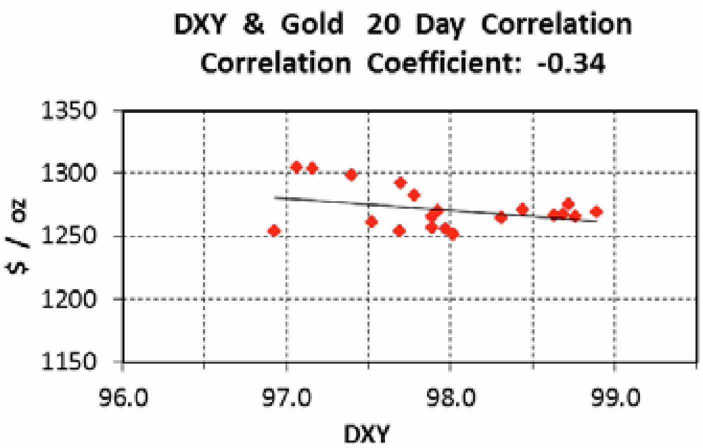
Today, I present our research on the relationship of the US dollar and gold price over the past 13 months.

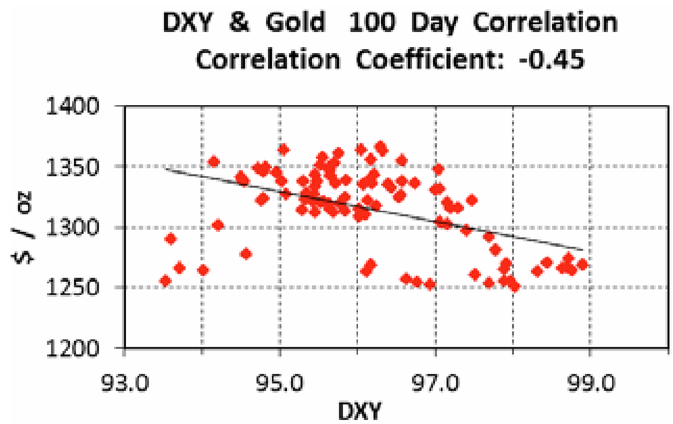
A composite chart of DXY values and Au prices since October 1, 2016 illustrates the on-again and offagain negative relationship of dollars and gold:
With this composite chart as background, let's go to the gist of my missive:

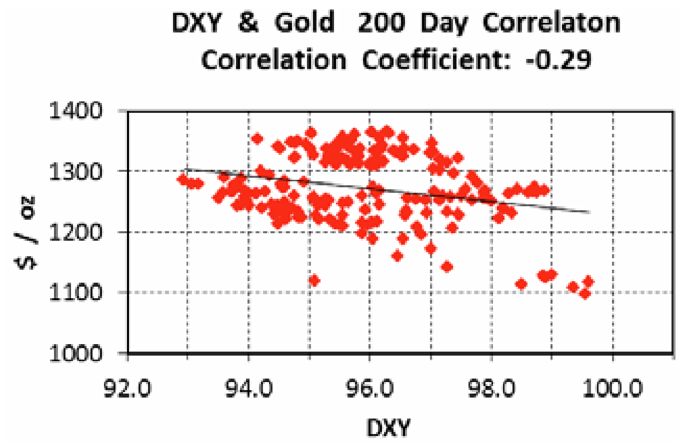
In a stunning upset a little more than one year ago, Donald John Trump was elected the 45th President of the United States of America.



Prior to his election on November 8, 2016, there was no significant correlation between the dollar index and the price of gold over short, medium, and longer terms as shown by the 20-day, 100-day, and 200-day DXY-Au correlation charts compiled for November 7, 2016:



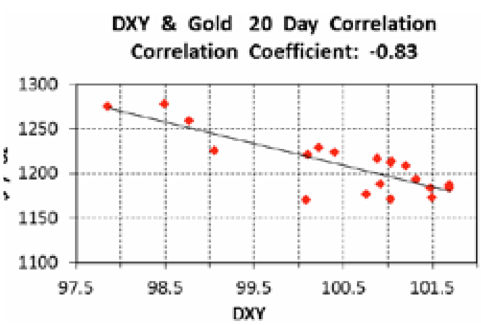




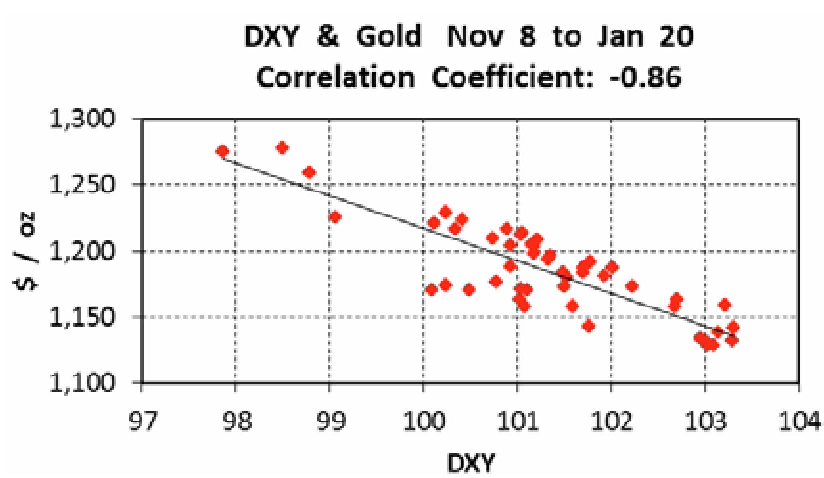
Investors know that markets do not like surprise or change. News of Trump's victory roiled markets overseas overnight but they started recovering once US equities markets and commodities exchanges opened the following morning.

After eight years of weathering Obama-style socialism with its onerous regulations and burdensome bureaucracies, savvy New York investors quickly realized that the new President would usher in a profound attitude change toward business and capitalism. Simply put, we would have a "can-do" versus a "can't do" executive branch of government for the next four years.

This correlation chart compiled for December 5, i.e., 20 trading days after the election, shows the dramatic shift to a very strong inverse relationship for dollars and gold:



Moreover, the robust inverse correlation between the dollar and gold continued for a total of ten weeks. Here is the chart from election day on November 8, 2016 to inauguration day on January 20, 2017:

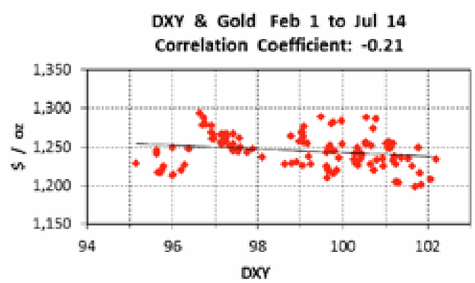


.US markets ticked up and the dollar surged from less than 98 on November 8 to around 103 from mid-December to early January. Meanwhile, gold dropped from $1275 to seasonal lows below $1150 per ounce in mid- to late December.

After the New Year, the overbought dollar backed off and gold rose in its normal seasonal pattern. By inauguration day, DXY was below 101 and gold closed at $1210, $7 off its year-to-date high.

Once Trump took control of the executive branch, the strong inverse relationship of dollars and gold began to break down and it did so quickly.

In stark contrast to the 10 week pre-inauguration period, dollars and gold subsequently recorded a 5.5 month period with no discernable relationship:

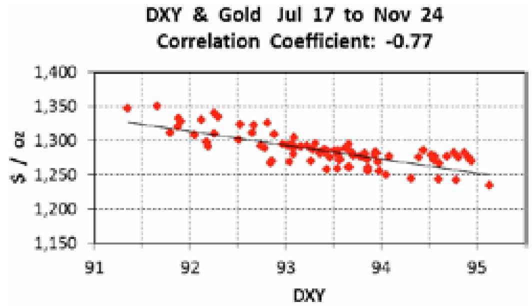


Both DXY (99-102) and gold ($1200-$1280) were range-bound, vacillating, and directionless from February thru mid-May.

Commencing in late spring, Trump's policy of a weak dollar to help mitigate the long-lived US trade deficit took effect. DXY lost over four points, from 99 in mid-May to 95 and change in mid-July.

Meanwhile, gold fell from a high of $1294 in early June to its summer doldrums' low of $1212 in the first week of July.

From mid-summer to the present, gold has again inversely tracked movement in the US dollar index:



DXY was weak from mid-July thru mid-September, hitting lows below 92. Gold climbed steadily with the falling dollar and reached its yearly high of $1349 per ounce in early September.

By mid-September, DXY was oversold and speculators turned bullish. It steadily rose to just below 95 in early November while gold lost ground and bottomed at $1266.

For Friday's half-day session, the US dollar closed down sharply at 92.76, largely because the Euro was up on strong German economic data; gold settled at $1288 an ounce. The strong negative correlation continues.

With this series of correlation charts, I have shown that since Trump's election the relationship of dollars and gold can be broken into three distinct segments. Macroeconomic and geopolitical factors are in play for each time period and are discussed below:

NOVEMBER 8 TO JANUARY 20: DXY-AU = -0.86. The euphoria created with a free-market capitalist occupying the White House thru 2020 caused US markets and dollars to surge. In mid-December, the Federal Reserve came in with its long-anticipated 0.25% interest rate increase and that also boosted the dollar to the detriment of gold.

Until the new year, Trump' platform of American nationalism, deregulation of business, corporate and individual tax reductions, infrastructure build-out, and repeal of nanny state-mandated health care favored the US dollar, US equities, industrial metals, and conventional energy markets at the expense of the precious metals.Gold traded in its seasonal pattern, falling thru the third week of December as year-end international settlements were made in US dollars, and then steadily rising thru the third week of January in conjunction with a weaker dollar.

This period was widely recognized as "The Trump Honeymoon" but alas, was not destined to last.

FEBRUARY 1 TO JULY 14: DXY-AU = -0.21. A modicum of reality set in by late January. While equities markets continued to boom, energy staples (oil, gas, and uranium) lost 15-20% over the next five months and industrial metal prices went flat to negative once Trump's infrastructure build-out plans were put on the backburner.

On the political front, Democrats and the left-leaning mainstream media relentlessly opposed and attacked everything Trump. Although attempts at health care reform took center stage, Senate Republicans were rendered impotent by internal factions and did nothing to repeal or replace Obama-care. Trump signed executive orders rolling back Obama-era regulations and that pleased small businesses, large corporations, and big equities markets.

The Federal Reserve feigned an interest rate increase but Old Yeller did nothing but vacillate in her monthly missives until mid-June when a 0.25% increase was approved. This event spawned a short interval when DXY and gold had an inverse correlation. However, since the markets had already baked in this increase, there was little movement in either dollars or gold.

Trump's administration implemented aggressive trade policies toward North American and Asia countries that helped bring an overpriced dollar down. Gold went up briefly then straight down despite the declining dollar from mid-May to mid-July.

JULY 17 TO NOVEMBER 24: DXY-AU = -0.77. This period of strong correlation was initially influenced by geopolitical events that created safe haven buying of gold and a weakening US dollar. North Korea exploded a nuclear bomb and sent ballistic missiles flying out into the Pacific Ocean, including two over Japan. Tensions flared as Trump ridiculed Kim Jong-un, calling him "little rocket man' in tweets and speeches; North Korean responded by calling The Donald an "old dotard".

This incessant war of words gave currency markets the jitters and gold spiked to a 2017 high of $1346 an ounce. But after a couple of months, the soap opera went into seasonal reruns and financial markets became numb to the noise.

By mid-October when Trump announced he would undo Obama's Iran nuclear deal that was done without the approval of Congress, neither the dollar nor gold reacted to any significant degree.

Over the past month, as equity markets continue to set seemingly endless highs in a risk-on, low volatility trading paradigm, the dollar has fallen and gold has risen. With both moving in a saw tooth fashion, the strong negative correlation continues.

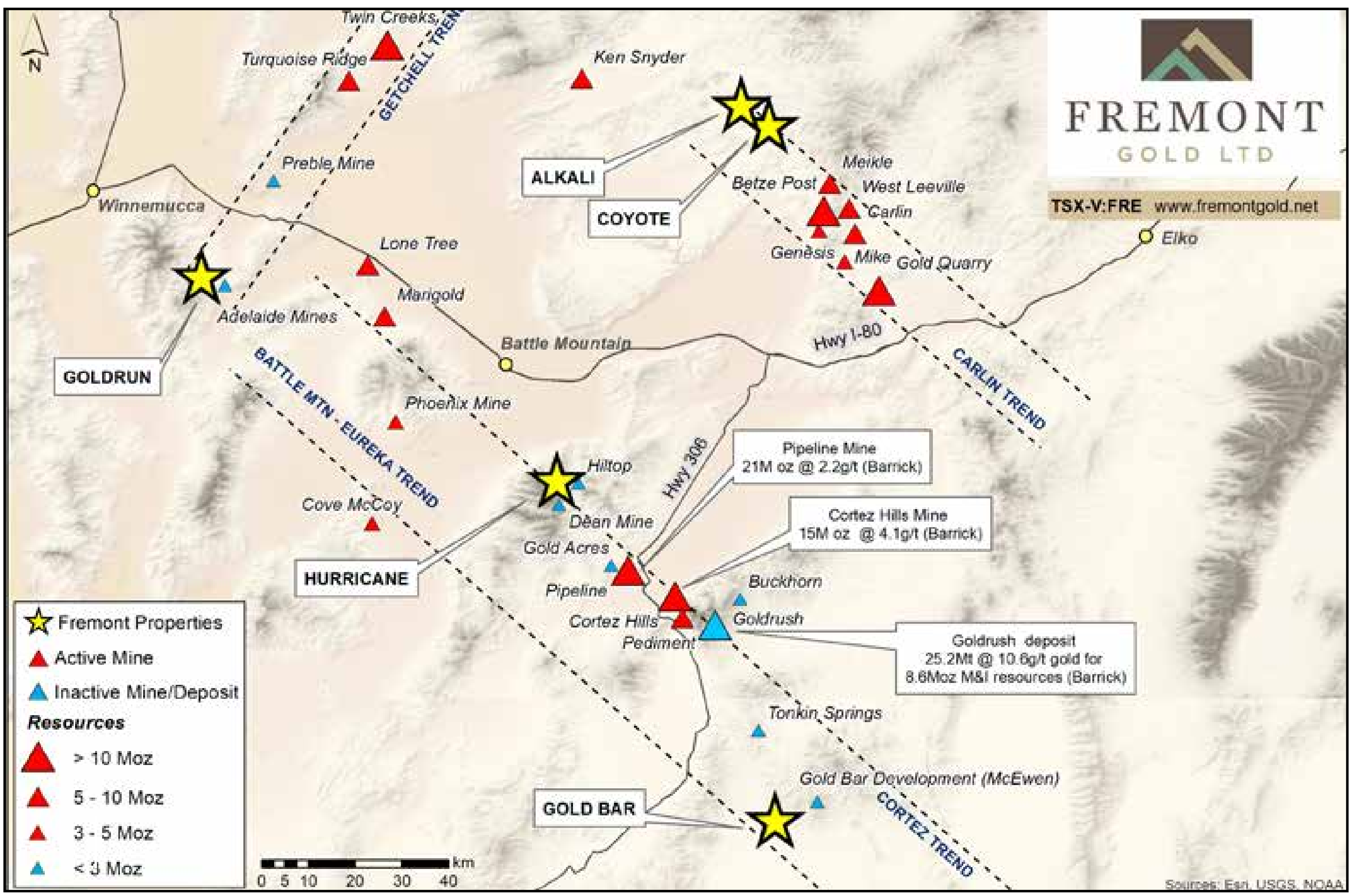
In this musing, I have focused on the apparent effects of the POTUS' platform, politics, and policies on the price of gold and specifically, its correlation to the US dollar.

Always remember though, that correlation does not imply causality. There are undoubtedly many other factors that I have not considered and are beyond the scope of my analysis.

Regardless of your personal views of the man, we can surely agree that Donald J. Trump has significantly influenced the relationship between the world's reserve currency and the world's only real money since he was chosen as our 45th President of the United States of America on November 8, 2016.

And finally, back to the beginning:
The Question: What Trumps Dollars and Gold?
My Answer: Nothing … Duh.

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 is subject to change without notice, may become outdated, and may not be updated. A report, commentary, 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 part or portion of this website, report, commentary, interview, and other content may be altered, reproduced, copied, emailed, faxed, or distributed in any form without the express written consent of Michael S. (Mickey) Fulp, MercenaryGeologist.com LLC.



TO THE EARLY BIRD, GOES THE WORM

IS PISTOL BAY MINING IN THE RIGHT PLACE, AT THE RIGHT TIME?

By Christian Granholm

Sitting somewhere on a hard drive in what I assume is a landfill is about one half of a Bitcoin that used to belong to me. Or more precisely, the 'wallet' which holds the private key which would allow me to access that Bitcoin is stored on the hard drive – never to be seen again.

Some time ago, I received the fraction of a coin as a tip for helping some anonymous person over the internet with a particularly vexing computer problem. I thanked them for the gesture, briefly marveled at the wonder of the modern world, and promptly forgot about the whole thing, eventually discarding that hard drive when I needed a faster computer for work.

Until a few years later when Bitcoin exploded.

From it's first transaction, where 10,000 bitcoins was used to buy 2 Papa John pizzas, the cryptocurrency has soared to a current market value many thousands of times greater.

Today that tipped half coin is worth roughly US $7,600.

If I had recognized the value of getting in early, being an early adopter of new technology, I would have been about CDN$10 grand richer.

Oh well, we can't always see what's going to take off and be a run-away success, can we?

Charles Desjardins, President and CEO of Pistol Bay Mining, just might.

"The Company is in discussions to create a wholly-owned subsidiary focused on blockchain applications for mining and resource company management," he says.

Now hold the phone; bitcoin mining isn't our type of mining. It's not digging holes in the ground and issuing NI43-101's. It's about having computers spend increasingly vast amounts of computational power to figure out complex blockchains. And it's not what we're talking about here either; this is blockchains.

Blockchain is sometimes used interchangeably with bitcoins (or any cryptocurrency) but they're quite different things. Think of blockchain as a way to structure data; an incorruptible ledger for sending sensitive data. It allows peer-to-peer digital transactions while for the first time virtually wiping out the possibility of fraudulent activity.

Now think of how that sort of application can be used: executing contracts, exchanging digital property (as in cryptocurrencies yes, but also so much more), distributing critical medical information or protecting electronic voting, for example. The possibilities for the technology are endless.

It's hard not to feel as if history is repeating itself already. This is the ground floor of blockchain right now. Fortune 500 companies are looking into this. Some of them are just starting to make it work.

Getting in at the right time; it's something we all dream of doing.
Pistol Bay Mining plans on making that happen for them.

In November of 2017 they announced they were in discussions to create a wholly-owned subsidiary focused on blockchain applications for mining and resource company management.

"Pistol Bay will be leveraging the work of other Application Program Interface companies to build a suite of blockchain products to address needs that are particular to the data management and security of mining/ oil and gas companies," they state. "It is expected that many of these blockchain products could have crossover to other industries."

"As blockchain technology is adapted at an ever-increasing rate by individuals and industry worldwide, we believe a unique opportunity exists to lead the mineral development industry by building a resource focused blockchain company to facilitate modern mining related transactions," quotes CEO Desjardins.

"This represents an exciting opportunity for the shareholders of Pistol Bay and as a founder of the original investment. com portal, I have always recognized the need to be early in adapting to new technologies," says Charles.

To that end, Pistol Bay has hired themselves a 'big gun'.

Just last month (Dec.2017), PB Blockchain Inc., a newly created Pistol Bay wholly-owned subsidiary, welcomed Brad Moynes to its advisory board.

If you don't know Brad yet, it's OK – as we stated earlier, he's famous for a different type of mining. But in the cryptomining circle he touts an impressive CV.

Founder of DigaTrade Financial Corp., Moynes' unique blend of cryptocurrency and blockchain experience is coupled with his history as a senior executive of a junior mining exploration company.

So, both kinds of mining, ours and the digital, as it were.

"We are excited to have the experience of such a visionary as Brad to call upon as the company moves forward in its development of blockchain applications specific to the mining industry," says Desjardin.
While expanding new horizons, Pistol Bay would like to point out that they continue to focus on their core business, that of a diversified Junior Canadian Mineral Exploration Company with a focus on zinc and base metal properties in North America.

CEO Desjardins acknowledges their advances over the last year.

"The year started off with the company receiving exchange approval to proceed with acquiring the AurCrest properties in Confederation Lake," he states. "These properties expanded our holdings in Confederation Lake making us the dominant landholder in this VMS-rich greenstone belt. As a result of all our acquisitions, we now have a total of 297 claim units bringing Pistol Bay's total land package in the Confederation Lake greenstone belt to over 42,000 acres."

"We also closed a private placement financing and received a cash infusion of $750,000 from Rio Tinto exercising part of their option for our Athabascan Basin uranium property."

Pistol Bay was invited by the Province of Ontario to be part of their delegation at the Mines and Money Conference in London, England held in November 2017.

"This conference provided many leads which the company is currently in discussions with," says Desjardins. "With the data in hand from the VTEM PlusTM survey, we had several Joint Ventures discussions with companies wanting to get involved with the claims Pistol Bay holds in the Confederation Lake area. Some of these discussions are ongoing and we hope to announce the first joint venture in the very near term."

NEWRANGE DIGS DEEP IN NEVADA

PAMLICO GOLD PROJECT TESTS POSITIVE FOR HOST ROCK

By Christian Granholm

Newrange Gold Corp. strides into 2018 with news of a "host rock" find in the Nevada desert.

Host rock is a body of rock which serves as a host for mineral deposits such as gold. Lode gold, for example, is often hosted in quartz veins, basalt or sediments.

On January 9th of this year the company announced multiple new rock units favourable for hosting gold mineralization.

"We are pleased to announce the new host rock finds, discovered in the Merritt target area of the company's 100% controlled Pamlico Project in western Nevada," says Robert Carrington, President and CEO of Newrange Gold.

Verified quartz veining and silicification are present in favorable volcanic and limestone sedimentary host rock. These units extend over a vertical range of at least 366 meters, far deeper than any previous exploration efforts.

Beginning in 2006 as Colombia Mines Corp, the company advanced several high quality mineral properties in Colombia before diversifying into the US in 2016.

Seizing the opportunity to exploit a high-grade mineral operation in North America, the firm capitalized on their new venture quickly, making the Pamlico project their flagship operation and changing their name to Newrange Gold Corp. to better reflect their new focus.

Work continues at their twin Colombian properties, Yarumalito and El Dovio, where they are expanding operations on high-grade gold-silver-copper-zinc ore; but it is from Nevada that emerges the findings which draw our attention.

"We've targeted and been aggressively exploring at Pamlico since February of 2017," says Carrington.

From 32 reverse circulation (RC) drill holes, Newrange was able to identify 4 new target horizons for follow-up exploration within a newly recognized deeper favourable host rock sequence and additional targets in overlying host rocks.

Of note, these RC holes included two deeper stratigraphic holes which Newrange classifies as "highly successful". Designed to test for favourable host rocks at depth, the drilling also encountered geochemically significant gold (10 to 150 ppb) and silver (25.6 grams per metric tonne) associated with elevated levels of iron, sulfur, copper, zinc and thallium. These are common accessory metals found in Nevada gold

Geologists Nate Tewalt, Tom Chadwick and Jeff Rassuchine observing Televiewer down hole logging.

The combination of aggressive exploration with deep drilling could indicate that Newrange's Nevada gamble might be more of a safe bet. *Disclaimer: rarely is anything in mining a *"safe bet". Invest wisely at all times.* But we like where this is headed.

10X magnification of coarse gold on quartz Pamlico Ridge.

systems and are exactly what you'd like to see from these kind of test drills.

This is all important because it confirms the presence of a metal rich system at Pamlico in these deeper volcanic units, with similar geochemical characteristics as previously observed in near surface mineralization.

What this all means in terms of the coming year is that Newrange has it's work cut out for it; but it's the sort of work that an aggressive, well-managed mining company relishes.

Next steps would indicate the following: expanded surface and underground mapping and sampling programs need to be run. Further drill results and geophysical programs should help narrow their focus and identify high value targets.

To this end, the company has already announced their intent to resume drilling in Q1 2018, which includes maiden drill testing of select sediment hosted mineralization as well as expanded step-out drilling of volcanic hosted mineralization along trend and in multiple new target areas.

The major take-away for us is that preliminary results confirms widespread, extremely deep levels of oxidation which extends approximately 200 meters below the surface, resulting in a potentially highly favourable metallurgical characteristic.

All of the recent work combined with the property-wide geophysical surveys highlights Pamlico's upside exploration potential for bulk mineable gold mineralization in addition to zones of high-grade gold like those drilled by Newrange in the Merritt area, and historically mined in shallow underground mines throughout the district.

At the time of this writing, not all of the data was available to measure the magnitude of Newrange's finds, as assay results from the Phase II drilling program, completed last year remain pending due to a backlog at the independent laboratory. We hope to examine that data soon, as we follow the company's profile with interest.

HOW CHINA IS LOCKING UP CRITICAL RESOURCES IN THE US'S OWN BACKYARD

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

By Richard (Rick) Mills

In the 1800's the United States under President James Monroe invoked the Monroe Doctrine, which stated that any effort by European nations to control any independent state in North or South America would be viewed as "an unfriendly disposition towards the United States."

The intent of the Monroe Doctrine was to free the newly independent colonies of Latin America from mostly Spain and Portugal, so that the States could exert its influence undisturbed.

> *The Monroe Doctrine, first articulated in 1823 as a means of blocking external interference in the Western Hemisphere, was the central pillar of US policy toward Latin America until Barack Obama's secretary of State, John Kerry, told a roomful of Latin American diplomats in 2013 that "the era of the Monroe Doctrine is over." The statement was part of an effort to rehabilitate the US image in a region long accustomed to seeing the United States as seeking to control it through persuasion when possible, and force when necessary. In a policy paper published last December, Craig Deare, a dean at the US National Defense University and now Mr. Trump's top Latin America advisor on the National Security Council staff, denounced Kerry's statement "as a clear invitation to those extra-regional actors looking for opportunities to increase their influence. He specifically mentioned China. Is Trump resurrecting the Monroe Doctrine? – Max Paul Friedman.*

The point of mentioning the Monroe Doctrine is to illustrate just how far the United States has moved away from it. Now, the real influencer in Latin America is China, evidenced by the billions worth of investment either through the purchase of mining and energy company stakes, or outright mine acquisitions.

The reason, of course, is to feed China's insatiable appetite for commodities. As an example, the Chinese are both the largest producers and consumers of aluminum and iron ore, with iron ore imports exceeding the 100-million-tonne threshold for the first time in September 2017.

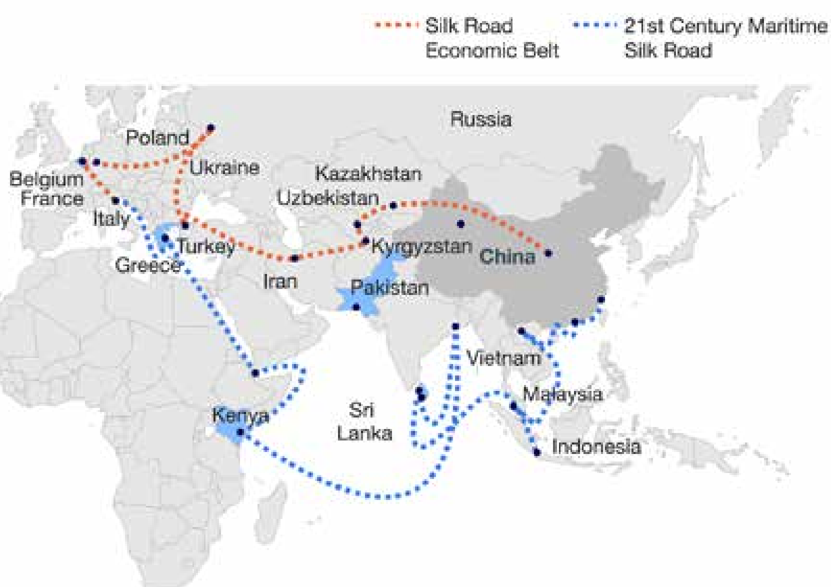
The enormous political, economic and cultural shift in China, from a developing agrarian society to a modern, urban one, has led to some remarkable developments, all of which are good for commodities.

China's New Silk Road is a $900 billion initiative meant to open channels between China and its neighbors, mostly through infrastructure investments. China, long ago put a lock on much of Africa's vast resources.

Last April President Xi Jinping announced a grand scheme to transform a backwater called Xiongan, south of Beijing, into a city triple the size of New York. Consulting firm Wood Mackenzie estimates that building the city will call for around 20 million tonnes of steel, 400,000 tonnes of aluminum, and 250,000 tonnes of copper during the first 10 years of construction.

The Made in China 2025 initiative, which aims to make China's copper industry more efficient, is expected to grow Chinese copper demand by an additional 232,000 tonnes by 2025. This isn't counting the need for more copper for railways, electric vehicles, car motors and power transformers.

While iron ore and copper have been the hot targets of overseas acquisitions by Chinese firms as they seek to feed an



economy that up until 2015 was growing at double digits, the Chinese have also gone after gold, nickel, tin and coking coal. More recently the most desired metals are those that feed into a tectonic global shift from fossil fuels to the electrification of vehicles. This has meant a hunt for lithium, cobalt, graphite, copper and rare earths - metals that are used in electric vehicles, of which China has become the world leader.

The most interesting part of this trend is not that China is acquiring mines and mining company stakes abroad - that has been going on for at least a decade - but that the overt attempts to lock up the world's mining and energy resources, some of which are critical to the future world economy, are happening under the nose of the United States in Latin America, in countries previously subject to the Monroe Doctrine and in one case, right in their own front yard.

RARE EARTH ROBBERY

In 2016 Molycorp's Mountain Pass Mine in California was shut down because it couldn't compete with the low rare earth oxide prices coming out of China - which has cornered the market in REOs with about 95% of the world's production. The timing was bad because Molycorp had just invested $1.25 billion to expand the light rare earths facility. It was forced into bankruptcy, until last summer when an investor group with ties to the Chinese government bought the mine for $20.5 million, beating out American bidders including ERP Strategic Minerals.

While this purchase likely flew under many radars (rare earths haven't been in vogue among investors for years), it should be greeted with considerable alarm. The Coalition for a Prosperous America is calling on the US government to block the sale on national security and economic grounds. Why? Because rare earths are critical to US military technology, and Mountain Pass was the only rare earths mine in the country. Electric systems in manned and unmanned aircraft, atomic batteries that power guided missiles, and lightweight materials used to make jet engines and rocket noses, all rely on REEs. Without a domestic supply, the Americans must rely on Chinese sources of rare earths to build "made in America" military and space equipment.

MISSION CRITICAL FOR "THE BIG FOUR"

Rare earths aren't the only minerals that the United States is woefully dependent on foreign mines. While the US has consistently maintained that a strong domestic metals industry is an essential contributor to the nation's economic and security interests, the fact remains that since the 1990s the US has lost control of several critical mined commodities. Written about in a previous Ahead of the Herd post, chromium, cobalt, manganese and platinum group metals represent the metallurgical Achilles' heel of the United States because of their widespread role and vulnerability to supply disruptions. Six of the world's top 10 cobalt mines are in the DRC, hardly a stable jurisdiction for mining, where resource nationalism - the tendency of governments to grab control of their own natural resources - is a continuous threat.

Manganese is another striking example. Most of the world's manganese comes from South Africa, Gabon and China. There are no producing manganese mines in North America. Aside from iron ore, manganese is the most essential mineral in the production of steel. If manganese imports were suddenly stopped, there would be no US steel industry - making this one of the most critical, and vulnerable, supply chains for the nation. The States gets most of its electrolytic manganese from China. EM is used as an aluminum and copper alloy, but its most important application is in lithium-ion-manganese batteries. If the US can't access competitively priced and reliable supplies of EM, a host of high-tech new applications will be lost to foreign competitors.

While much of the rest of the world is scrambling to tie up control of strategic minerals, America has deliberately hamstrung itself. After World War II the US set up the National Defense Stockpile to acquire and store strategic minerals for national defense purposes, but in 1992, the bulk of these stored commodities were sold off. In 1985 the secretary of the US Army testified before Congress that America was more than 50 percent dependent on foreign sources for 23 of 40 critical materials essential to US security.

TRUMP GETS IT

In December Donald Trump issued a directive that aims to identify new domestic sources of strategic metals. The thrust of the directive is to reduce US dependence of foreign supplies of these materials. "The United States must not remain reliant on foreign competitors like Russia and China for the critical minerals needed to keep our economy and our country safe," Reuters quoted President Trump saying.

While this is certainly a step in the right direction, the United States appears to be doing little to gain access, through acquisitions, joint ventures or off-take agreements, to the materials of the future that are essential in the making of smart phones, computers, military equipment and renewable energy technologies.

The Chinese, on the other hand, are way ahead in foreign mine acquisitions and off-takes. So far ahead that it is unlikely that the United States will ever be able to catch up, and break free of their current state of critical metal dependence. Below are just a few examples.

ARGENTINE GOLD TIE-UP

Last summer Shandong Gold partnered with Barrick, the world's biggest gold producer, to purchase a 50% stake in the Veladero gold mine on the Chile-Argentina border. The $960 million deal included Shandong, China's top gold miner, studying the possibility of building the massive Pascua Lama gold deposit Barrick has been trying to develop on the same border. The Chinese firm could also work with Barrick to explore other mines in the El Indio gold belt of Chile.

BRAZIL'S VULNERABILITY IS CHINA'S GAIN

Brazil, one of the best mining jurisdictions with a wealth of minerals including iron ore, gold, copper, manganese and bauxite, should be tightening control of its mineral riches as it struggles through a major recession fueled by a corruption scandal. Instead the country has opened its doors to foreign investment: namely, Chinese.

According to Dealogic Chinese M&A of Brazilian companies totalled $10.8 billion in 2017 and $11.9 billion in 2016. Chinese banks and investment groups have committed $15 billion of a $20-billion China-Brazil Fund, a Beijing-managed fund to finance infrastructure projects that was launched in 2016. The fund is to speed resource development, including rail projects. There's also the $10 billion "dollars for oil" loan between China Development Bank and Petrobas, the Brazilian state oil company. In return for paying off Petrobas' debts, China gets oil supply commitments for Chinese buyers. Next door in Venezuela, despite the basketcase of an economy run under President Nicolas Maduro, China is also investing heavily, hoping to cash in on the country's natural resources that were plundered by the late dictator Hugo Chavez. In July the government signed agreements totaling just over $1 billion to expand mining in the country gripped by low oil prices and hyperinflation. Venezuelan state-owned CARBOZULIA will partner with Chinese state mining giant Yuankuang Group, as well as a Colombian engineering firm, to renovate mining and port infrastructure in Zulia state to the tune of $400 million. A second $180 million deal has the Venezuelan government working with Yuankuang and China CAMC to jumpstart nickel mining. In a third agreement, Defense Ministry-owned CAMIMPEG signed a $580 million deal backed by joint Chinese and Venezuelan investment to provide services in the areas of mining and gas production, reports Venezuelanalysis.com.

THE GREAT LITHIUM GRAB

Speculation of a lithium shortage, led by Tesla which is helping to drive demand for EVs, almost tripled the price of lithium carbonate to over $20,000 a ton in 10 months. The burgeoning energy storage market for intermittent wind and solar power is also poised to become a major demand driver for lithium.

It is no surprise then that China, where the market for EVs is booming, wants to lock up lithium supply contracts before the price shoots up any further, and to meet the government's ambitious plans to expand EV production.

Last July, among the bidders interested in Potash Corp's 32% position in Chilean major lithium producer SQM, was Chinese private equity firm GSR Capital. A few months later Sinochem, China's state chemical firm, joined the race for the $4-billion stake. In August GSR bought Nissan's electric vehicle battery business and last fall Chinese carmaker Great Wall Motor signed an agreement with Pilbara Minerals, the Australian lithium miner, to secure supplies for the next five years, the Financial Times reported.

China Molybdenum bought the Tenke copper and cobalt mine in the Democratic Republic of Congo last year for $2.65 billion in an effort to secure a supply of cobalt for EV batteries. In November Chinese battery maker Contemporary Amperex Technology Co Ltd (CATL) said it is "looking into upstream investments in raw materials, mostly cobalt" to ensure stable supply as demand for electric vehicles (EVs) soars, according to Reuters.

The Chinese are also investing in early-stage lithium plays. In December Bacanora Minerals, which has a lithium project in Mexico, announced that NextView Capital, a Chinese institutional fund manager, has acquired a 19.89% equity interest, in exchange for a lithium battery offtake agreement.

While most North American EV enthusiasts are focused on Tesla and its Nevada gigafactory, experts see the real growth happening in China. According to a report by Bloomberg Intelligence, Chinese gigafactories will pump out 120 gigawatt hours annually worth of electric batteries by 2021, compared to Tesla's 35.

That's enough to supply batteries for around 1.5 million Tesla Model S vehicles or 13.7 million Toyota Prius Plug-in Hybrids per year according to Bloomberg New Energy Finance.

WARMING UP TO SOUTH AMERICAN COPPER

Electric vehicles use a lot of copper, and China hasn't been shy about orchestrating a major increase in copper imports to meet the expected demand. Geologist and newsletter writer Dave Forest noticed that Chinese imports of copper concentrate from both world-leading copper nation Chile and less prolific red metal producer Peru, have both increased in the past couple of years.

He notes that together, Chile and Peru accounted for 55% of China's total copper concentrate imports of 17.05 million tonnes in 2016. The next-biggest supplier, Mongolia, only shipped 1.50 million tonnes.

Two large Peruvian copper mines are owned by Chinese companies. Chinese state-run Chinalco owns the Toromocho copper mine, while the La Bambas mine is a joint venture between operator MMG (62.5%), a subsidiary of Guoxin International Investment Co. Ltd (22.5%) and CITIC Metal Co. Ltd (15.0%). The Chinese-backed Mirador mine in Ecuador is slated to open in 2018.

Most of the metal produced under these off-take agreements will NEVER come to the market anyplace other then in China. Those metals that do can have their China to U.S. supply shut down any time the Chinese want.

RISE OF THE PETRO-YUAN

There is one more important development set to increase China's global commodities dominance, and that is the recent announcement that China is shaking up the oil futures market. Because most commodities are traded in USD, the greenback has a huge advantage over other currencies.

China has long wanted to reduce the dominance of the USD in commodities markets, and its strategy is to launch a crude oil futures contract priced in yuan and convertible into gold. Crude oil futures, either Brent or WTI, are currently priced in USD.

The yuan-denominated oil futures will allow exporters like Russia and Iran to avoid US economic sanctions and circumvent the US dollar. Zerohedge quotes Adam Levinson, CEO at Graticule Management Asia, warning Washington that besides allowing Chinese companies to hedge oil prices, the futures contract will also increase the use of the yuan, "and thus the acceleration of de-dollarization and the rise of the petro-yuan. "I don't think there's any doubt we're going to see use of the renminbi in reserves go up substantially," says Levinson.

CONCLUSION

It's hard to escape the conclusion that China, both through its enormous purchasing power, and its financial muscle that allows it to make substantial investments in mining and energy resources overseas, is assuming a position of world dominance in the commodities markets. Credit must be given to Chinese leadership for forward-thinking in developing its EV industry and for making strategic acquisitions of commodities like copper, manganese, vanadium, lithium and other battery metals that will provide a steady feedstock for the new electrified economy. But scorn must also be heaped on the United States and other countries that have failed to prepare. In the US, public infrastructure is crumbling, the automobile is still king in most states, few cities have decent transit, and many still consider global warming to be a hoax. The situation isn't much better in Canada.

North American politicians really need to get with the program; to invest in and facilitate the mining of critical metals in North America; to scour the globe for mines that can provide the feedstock for the industries of the future, and invest in them; and to block the sale of strategic mineral assets like Mountain Pass to foreign buyers. If none of this is done, we are quickly heading into a two-tier world of haves and have-nots. Where the haves are countries like China that seized the opportunity to acquire the world's finite resources while they were still available, and the have-nots are forced to cow to the victors who will control and set the prices of the spoils.

China's global resource grab, and the ramifications for the rest of the world, are on my radar screen.

Are they on yours?

PDAC 2018 CONVENTION
THE MUST ATTEND MINING EVENT OF THE YEAR

The world's premier mineral exploration and mining convention is gearing up for a return to downtown Toronto, featuring another outstanding lineup of speakers, short courses, technical sessions, investment opportunities and networking events.

The Prospectors & Developers Association of Canada's (PDAC) International Convention, Trade Show & Investors Exchange—celebrating 86 years in 2018—will take place at the Metro Toronto Convention Centre (MTCC) from March 4 to 7.

In 2017, the PDAC Convention attracted more than 24,000 attendees from 130 countries, including analysts, mining executives, geologists, prospectors, investors, students and government officials from all over the world.

"The PDAC Convention is an iconic event for the industry, one that is renowned internationally for its unrivalled ability to bring the world's mineral exploration and mining industry together every year," says PDAC President Glenn Mullan. "Every

March, companies, governments and stakeholders who are involved in the minerals sector descend on Toronto for our event, and it's something we are very proud of".

The Aboriginal Program, Capital Markets Program, CSR Event Series, Short Courses and Technical Program return, along with a Keynote Session that will provide an objective review of the industry's past performance.

"PDAC Convention programming reflects the current economic and industry trends, challenges and opportunities being faced by the global mineral exploration and mining sector," says Mullan. "These learning opportunities along with more than 1,000 exhibitors and an unmatched lineup of social and networking events are what keep them returning each year".

The International Mines Ministers' Summit (IMMS)—a unique event that brings together Mines Ministers from around the world—returns for the third year in 2018. This event is co-hosted with the World Economic Forum and provides an important setting for the global mining community to have an open discussion and work on resolving any issues affecting the industry.

"The PDAC Convention is renowned for bringing countries across the world together each year, including international governments and representatives who oversee mining operations," says Mullan. "The IMMS in particular is an opportunity for governments to ask questions to each other, to learn, and then take that knowledge back to their respective countries and apply it".

Some highlights to look forward to at PDAC 2018 Convention include:

- **Awards Gala & After Party:** A prestigious event where outstanding achievements in the Canadian and international mineral exploration and mining industry are celebrated.
- **Mineral Outlook Luncheon:** A. Gary Shilling is an economic consultant, investment adviser and best-selling author who will discuss "Opportunities for the mining and metals industry in an excess supply world".
- **Student-Industry Networking Luncheon:** This reception-style buffet luncheon provides an opportunity to make valuable connections with industry professionals and peers.
- **Trade Show Reception:** Network with Trade Show North exhibitors and attendees from international and domestic companies, including organizations promoting technology, products, services and mining jurisdictions.
- **Grand Finale:** After four outstanding days at the world's hottest convention for mineral exploration and mining, it's time to party at this free event! Enjoy the action and network, while the Dave Murphy Band performs live.

PDAC is the leading voice of the mineral exploration and development community. With over 7,500 members around the world, PDAC's mission is to promote a globally responsible, vibrant and sustainable minerals industry. As the trusted representative of the sector, PDAC encourages best practices in technical, operational, environmental, safety and social performance.

More information about the PDAC 2018 Convention is available at www.pdac.ca/convention.

SOUTHERN SILVER SEES 318% INCREASE IN INDICATED RESOURCES

by Christian Granholm

Sometimes it's hard not to cram too much info into the headline of a mining story. You have exciting statistics that you know are important and you want to shout it out at the top of the page.

But there's a balance between historical outcomes and raw data that needs to be maintained so we can gain perspective and understand why the numbers matter.

When we received the latest figures from Southern Silver regarding their Cerro Las Minitas project, the first thing we wanted to do was to cram all the juicy numbers in at the top of the article.

Indicated! 33.6Mozs Ag, 319Mlbs Pb and 813Mlbs Zn (116.1Mozs AgEq; 1.69Blbs ZnEq). Inferred! 20.7Mozs Ag, 131Mlbs Pb and 870Mlbs Zn (92.7Mozs AgEq; 1.35Blbs ZnEq).

But we realize that while the raw numbers are exciting to us, it makes for a poor headline. So let's unpack that piece by piece, beginning with a little historical perspective.

Cerro Las Minitas is a silver-lead-zinc project in the same district which hosts multiple world-class mineral deposits such as Penasquito, San Martin, Naica, Los Gatos and Pitarrilla. At over 260 km2 in size, the project features a large land position within the prolific Faja de Plata (or Belt of Silver for us gringos) in northern Mexico, with historic production and resources of over three billion ounces of silver.

To exploit these resources, Southern Silver have assembled a team of highly-experienced technical, operational and transactional professionals.

The company also continues to advance their Oro property, a 100% owned 2,237 hectare, gold-silver-copper-lead mine in New Mexico.

However, it should be noted here that the Cerro Las Minitas property is a joint venture, with Southern Silver owning 40% as operator and their partner Electrum Global Holdings LP controlling the remaining 60%.

Thanks to the latest report just released by an independent laboratory (Kirkham Geosystems Ltd.), Southern Silver is pleased to announce an update to their Mineral Resource Estimate.

The latest figures arguably dominate those previously released in March of 2016. The new Resource Estimate incorporates additional data from drilling conducted in 2016 and 2017 that has successfully delineated a major new deposit on the project and significantly increased the resource base in both the Indicated and Inferred Resource categories as well as improving the overall grade of the resource, most significantly in the Indicated category.

Indicated mineral resources are boosted by a hefty 318% over previous estimates, rising to 10.1 million tons averaging 102 grams per ton of silver, 0.1 grams per ton of gold, 0.15% copper, 1.4% lead and 3.6% zinc. For the Geo's in the audience, that's also 356g/t AgEq, 7.6% ZnEq.

Inferred resources saw growth as well, but at a much smaller rate. Even so, with an overall increase of 18%, the tonnages being inferred here are nothing less than impressive.

In Geo-speak its: 8.7Mt averaging 74g/t Ag, 0.04g/t Au, 0.15% Cu, 0.7% Pb and 4.5% Zn (332g/t AgEq, 7.0% ZnEq), or for more simple men like myself, that's 8.7 million tons averaging 74 grams per ton of silver, 0.04 grams per ton of gold, 0.15% copper, 0.7% lead and 4.5% zinc.

“Location, location, location must be strongly emphasized when assessing the value of a resource,” quotes Lawrence Page, President of Southern Silver. “CLM (Cerra Las Minitas) is located in the middle of the Mexican silver district, in a miner-friendly jurisdiction surrounded by producing mines.”

“Since acquisition in September 2010, CLM continues to develop Mineral Resources with great potential to become a significant economic deposit,” he continues. “Exploration since 2016 has resulted in a 318% increase in Indicated Resources and an 18% increase in Inferred Resources, largely through the delineation of the new Skarn Front deposit which significantly remains open in several directions.”

“During the past year, we have added at nominal cost 19,500 hectares of prospective ground to our property base, and have developed drill targets for exploration to begin here within the next few months.”

“Metal prices continue to enhance the value of the project with silver, lead and zinc; all industrial metals, increasing in demand as evidenced by their respective market prices with silver having a duality in value as a currency.”

“The property is not burdened with royalties which enhances the prospects of mining and processing. Aggregate acquisition and exploration costs of $15.1 million, equate to a ‘finding’ cost of approximately $0.07 per silver equivalent ounce with continued upside to add further resources.”

In closing, Page adds,”We are confident that additional exploratory drilling during 2018 will continue adding great value to the present Resource. Concurrently with the continued development of the resource, we continue to obtain independent reports on metallurgy and mining parameters to de-risk the project and increase value.”

What we expect to see from Southern Silver this year and into next is that they continue to define the overall size of the project, with an eye towards testing the immediate offsets at the North Skarn extension, which means more drilling.

In response, the company has stated that they intend to do exactly that, with reverse circulation drilling of the newly defined targets on the schedule for Q2 2018. As new epithermal vein systems become apparent, we’re confident that we will hear more from Southern Silver in the coming quarters.