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**A LOOK AT  
BRAZIL'S MINING  
INVESTMENT  
ATTRACTIVENESS**

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# A LOOK AT BRAZIL'S MINING INVESTMENT ATTRACTIVENESS

*A mining jurisdiction's investment attractiveness is determined by a number of different criteria, such as political ideology and stability - domestically and internationally, financial position, rule of law, culture, and mineral potential.*

*By Brian Leni*

In the case of Brazil as a jurisdiction for mining investment, I believe that the next 4 years could present a great opportunity for investment. My reasoning is based on a few key points:

- Political Ideology – Current Presidential candidate favourite, Jair Bolsonaro – the “Brazilian Donald Trump,” has the potential to do a lot of good for the economy. Like Trump, judge him on his actions, not on his words!
- Political Stability – In a general sense, I believe there can be stability in the short term. My guess, however, is that the government corruption is not over, not by a long shot. While I believe corruption is inherent to government, in Brazil’s case it appears to be playfully accepted, with many Brazilians using the expression, “it will end in pizza,” when referring to the way that they deal with scandals.
- Culture – The Republic of Brazil was built around mining and farming. In my opinion, mining will always play a major role in the Brazilian economy and, therefore, in the majority of cases (not all) will be seen in a favourable light.
- Mineral Potential – Brazil has long been a world-class destination for iron ore, bauxite and gold. In my opinion, there are many more deposits to find and develop,

making Brazil an important destination for mining investment dollars over the course of the next bull market.

- While these points are the basis for my motivation to invest in Brazil, I’m still keenly aware of some of the sticking points that could quickly derail it.
- Politics - If Brazilians were to elect anyone but Bolsonaro, my economic outlook for Brazil would be much more pessimistic than it is today. Polling has two left wing candidates following Bolsonaro, and would, in my opinion, in the very best case scenario, bring about no change to the current system. However, I think it is far more likely that they would apply further socialist type policy measures to remedy the economy – and will ultimately fail.
- Culture – Government corruption is far too common in Brazil. Further scandals brought into the public eye could prove to be chaotic, given the state of the economy.
- Finances – Brazil has a major issue with their public pension obligations. A reform of this poor system is needed, but has been ingrained in the culture over the last 30 years. At some point in the future, this will be the cause of a major decline in the Brazilian economy.

No jurisdiction is perfect, weighing the risk to reward potential of any investment is key to success.

Enjoy!

### **BRAZIL BY THE NUMBERS**

Became the Republic of Brazil on Nov. 19 1889

Brazil is South America’s largest country by both population and by land size. The only two South American countries that aren’t bordered by Brazil are Ecuador and Chile.

**Population:** 209.205 million (2018)

**Capital City:** Brasilia

**Largest City:** Sao Paulo – 21.3 million

**26 States, 1 Federal District** – Acre, Alagoas, Amapa, Amazonas, Bahia, Ceara, Distrito Federal, Espirito Santo, Goias, Maranhao, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Para, Paraiba, Parana, Pernambuco, Piaui, Rio de Janeiro, Rio Grande do Norte, Rio Grande do Sul, Rondonia, Roraima, Santa Catarina, Sao Paulo, Sergipe and Tocantins

**Language:** Portuguese

**Ethnic Groups:** White – 47.7%, Mulatto – 43.1%, Black – 7.6%, Asian – 1.1%, Indigenous – 0.4% (CIA)

**Religion:** Roman Catholic – 64%, Protestant – 22.2%, Other – 13.8%

**Unemployment:** 11.8% (CIA)

**Currency:** Brazilian Real

**GDP:** \$2.1 trillion USD (2017), 8<sup>th</sup> largest in the world

**Fraser Mining Investment Attractiveness Score:** 55.12 – 11<sup>th</sup> in the category which includes Argentina, Latin America and Caribbean Basin

**Agricultural Production:** Coffee, oranges, sugar cane, beef and soybeans

**Heavy Industry:** Mining – hard rock, Oil and Gas, forestry, steel, farming

**Largest Company:** Petrobras (Brazilian Petroleum Corporation) - Produces 2.3 million barrels of oil equivalent



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> per day. Petrobras is a semi-public company, with over 50% ownership by the Brazilian government. Petrobras employs over 65,000 people and generated close to US\$ 90 billion in revenue, in 2017.

**BRAZILIAN CULTURE**

In my opinion, political risk within any jurisdiction is the result of the region's culture. Understanding the culture of a society is integral for gauging risk and predicting the future actions of the society in terms of how it will affect your prospective investment.

The vast majority of investors don't take the time to try and understand the culture of the jurisdiction with which they are investing. Thus, for those of us who are willing to put in the time, a tremendous advantage is gained over the rest of the market, especially when it comes to those of us willing to invest in some of the more risky locales.

Keep this in mind - It take hundreds of years to create cultures and hundreds of years to change them, therefore,

putting in the time to understand them is time well spent - they aren't going anywhere quickly!

In my opinion, Brazil's current culture was predominantly influenced by a few key facts:

- Politics/Governance over the course of Brazil's history - From its colonial beginnings to its first steps toward independence in 1824, to the Old Republic between 1889 to 1930, and the military dictatorship from 1964 to 1985, and finally, its present day democratic government.
- Slavery - Brazil was the recipient of close to 5 million African slaves over the course of its historical slave trade, which ended in 1866.
- Geography - Possibly the most understated of the key factors affecting Brazilian culture and future growth as a nation is its geography, or better put, its topography.

**POLITICS/GOVERNANCE - CAPTAINCIES, OLD REPUBLIC, MILITARY DICTATORSHIP AND DEMOCRACY**

The Portuguese discovered Brazil in the early 1500s. The original plan for governance over the new world didn't involve a centralized government, but instead, divided Brazil's east coast into 15 Captaincies.

These Captaincies were meant to act independently, with each individual leader to have complete control over his territory. Ultimately, these Captaincies were a failure and led to the formation of a central government around 1549.

**Religion - Jesuits**

Interestingly, in this new attempt at instituting a centralized government and garnering control over the new world, colonizers were aided by Jesuit priests, whose purpose was to bring religion - the catholic faith - to the indigenous people.

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Source: Wiki

The Jesuits' ability to earn the trust and eventually convert the indigenous peoples to the catholic faith is thought to be linked to their ability to understand the native culture, most importantly, the various languages of each tribe.

The native's assimilation into the catholic faith helped them avoid the slave trade, which was driving the new world economies of the Americas at the time. It came at a high cost,

however, as the tribal cultures of many of the indigenous people were lost in the process.

Religion has had a major effect on Brazil's history, and in my opinion, will continue to shape the destiny of this growing country.

**Old Republic**

The Old Republic period of governance began with Brazil's official recognition as a Federation, which occurred on November 19, 1889. Governance during this period began officially with the military, however, it quickly gave way to the Coffee and Milk Policy years, in which candidates from the Sao Paulo and Minas Geras States took turns holding governing power over the Federation.

Why is it referred to as Coffee and Milk Policy? Going back to the original colonization days of Captaincies, the regions of Sao Paulo and Minas Geras were the most successful economically.

Sao Paulo was a proficient coffee producer, which in those days made up the majority of the Brazilian economy, and Minas Gerais, as I'm sure you guessed it, had good dairy producing capability. The economic prowess of these states allowed them to garner influence by favours and force and, thus, control the Brazilian Federation for close to 30 years.

Eventually, the people revolted against this monopoly of power and it led to the collapse of the Brazilian economy around 1930, due to coffee

> prices and the famous American stock market crash of 1929. With crisis brings opportunity and, in this case, it allowed a new regime of governance to takeover Brazil.

**Military Dictatorship**

In 1964, the Brazilian economy was ravaged by inflation, and as a crisis usually does, presented an opportunity. In this case, it was for Brazil's military to overthrow President Joao Goulart and his government, establishing authoritarian rule over the country.

Throughout history, military coups such as this have been met with disaster, as sound economic policy has never been a military strong point. In Brazil's case, it's said that the military recognized this or at least had no interest in it, leaving economic policy to a select group of entrusted technocrats.

In the first decade of the military's 30 year occupation, Brazil experienced what is commonly referred to as "The

Brazilian Miracle," which refers to the roughly 10% in average annual growth in GDP they experienced under the military's control. Much of the growth is attributed to the industrialization of the Brazilian economy, with many people urbanizing themselves.

While the growth of the country's economy was great, it was still under a government which had not been voted in and, like any force, repressive in this instance, has an equal and opposite reaction. In this case, Brazilian teens, who are now in their sixties or seventies, were forever changed by this period in history.

The last decade of military control was met with the oil embargo in the '70s, which led to dramatically higher oil prices, sending countries dependent upon imported oil into crisis. To deal with the crisis, Brazil's military government increased their borrowing from international lenders. This move would prove to be costly, because by the end of the '70s, Brazil had become one of the most indebted nations in

the world. This opened the door for political change, which occurred in 1985.

**Democratically Elected Government**

The 'New Republic' began a new era of democratically elected government and reflects the system which is currently in place. Fast-forwarding to the 2000's, and we begin to see the political products of the military dictatorship emerge, beginning with one of today's key political figures in Brazil; Lula da Silva, Brazil's President from 2003 to 2011. In his early 20's, Lula came of age, so to speak, during the military regime's reign. He spoke out against the dictatorship, making him an enemy of the government and a hero to the people who followed him.

Parlaying this experience and recognition, Lula later became the leader of the Worker's Party- which has a left-centre leaning social democratic ideology.

In the 2003 election, Lula and the Worker' Party won the Presidency with more than 60% of the national vote, and



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P17-08	30.5	39.6	9.15	27.80
P17-10	25.9	38.1	12.20	49.49
Including	27.4	29.0	1.52	340.90
P17-12	57.9	62.5	4.57	14.52
P17-17	8.4	13.0	4.57	43.80
P17-18	54.1	64.0	9.91	15.27

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so began da Silva's two terms in office. Following Lula was Dilma Rousseff, a Worker's Party member who was elected as Brazil's first female President.

Unfortunately, unlike Lula, Rousseff didn't make it to the end of her term as President as she was impeached for breaking budget rules while in the middle of one of the biggest scandals in Brazilian history – Operation Car Wash.

### **Operation Car Wash**

In March 2014, in what began as a sting operation focused on money launderers, Operation Car Wash ended up becoming one of the biggest corruption scandals in the history of Brazil. Prosecutors uncovered a scandal that centred around the State-owned Petrobras, in which more than \$5 billion in illegal payments were made to Brazilian politicians.

The political corruption surrounding Operation Car Wash wasn't isolated to any one party or set of political ideology, as politicians on both sides have been implicated and charged.

One of the most notable politicians caught up in this mess was former President, Lula da Silva. Lula was sentenced to 9.5 years in prison after being found guilty on corruption and money-laundering charges-\$1.1 million.

### **Presidential Election 2018**

2018 is an election year in Brazil and its result could have a major impact on the short term outlook for the country. This year's election is headlined by current Presidential favourite, Jair Bolsonaro, who was just downgraded from intensive care to semi-intensive care after being stabbed at a political rally on September 6<sup>th</sup>.

Bolsonaro leads the Social Liberal Party (PSL), which is considered to be right leaning in its political ideology. Bolsonaro began his career in the military before entering politics in 1988 as a city councillor in Rio de Janeiro.

The left wing media has attacked Bolsonaro for being what they say is sympathetic to the former military dictatorship and for his connection to the catholic faith. Many pundits

have compared him to U.S. President, Donald Trump, for his promotion of nationalism.

There is an interesting video which looks at the role of religion in the coming Brazilian election and how it may affect its outcome. The video is produced by VICE Media and is worth watching, however, I do believe the content is presented from a leftist view point, so keep that in mind.

Talk is cheap, especially when it comes from politicians.

If Bolsonaro is elected, however, it's my belief that it would mean good things for the economy and, in at least the short term, could provide a nice boost to the Brazilian economy.

### **Fernando Haddad**

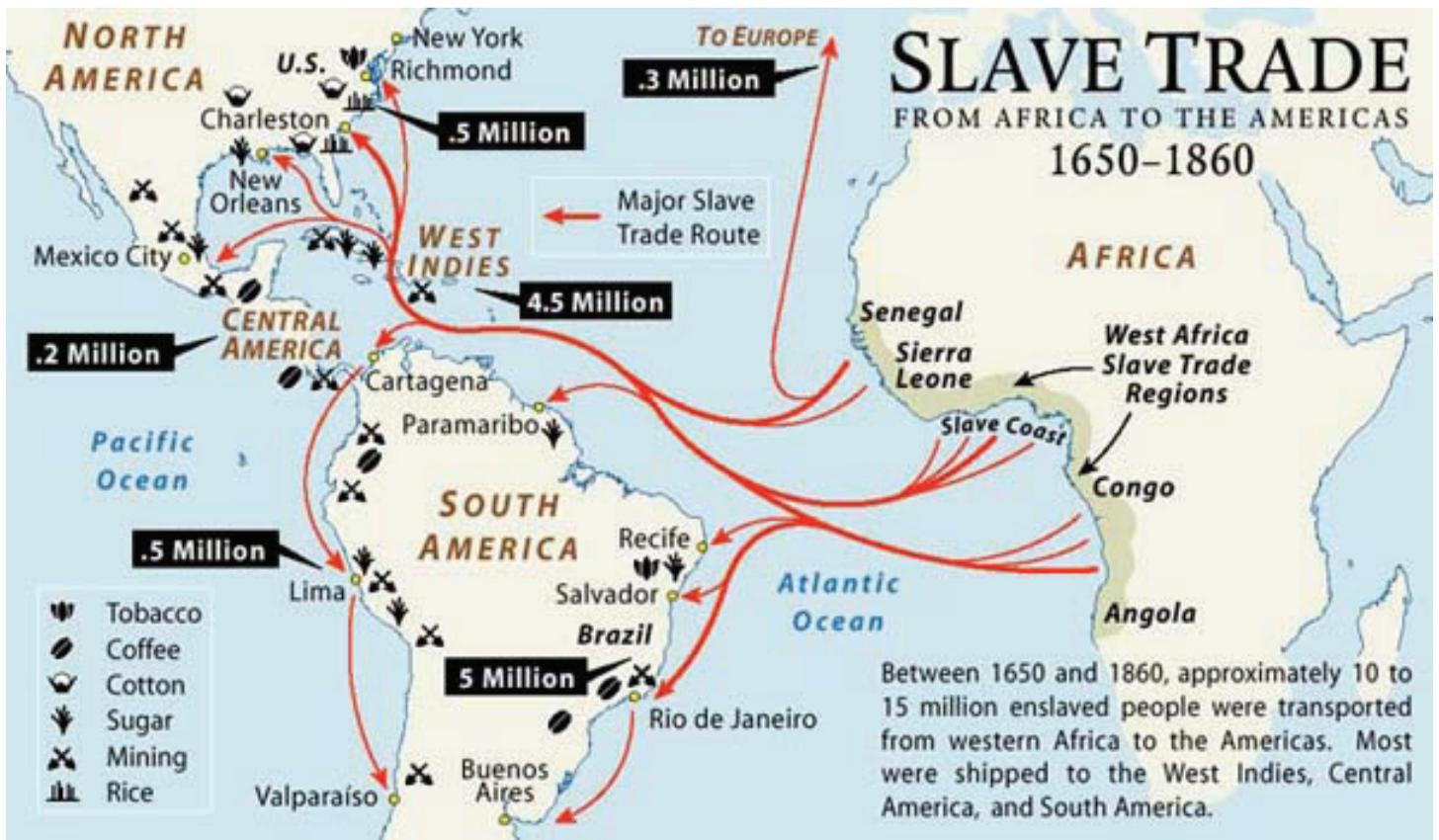
Ironically, before Bolsonaro was given the crown as the Presidential front runner in this year's election, it was former President and now convicted criminal, Lula da Silva, who wore the crown. Brazilian authorities, however,

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denied Lula’s candidacy, eliminating him from eligibility for the 2018 election.

**NOTE:** One of the craziest suggestions I think I have ever heard, the United Nations (UN) supported Lula in his attempt to run for the Brazilian Presidency from prison, citing it is his right to exercise his political rights while in prison. What’s wrong with people?!

With his removal from the race, Lula publically stated his support for the new Worker’s Party leader, Fernando Haddad. Haddad, the former Mayor of Sao Paulo, is a career public servant who spent most of his working life in some part of the government.

If Haddad were to be elected, I’m sure we could expect much of the same policy decisions that we saw during the Lula and Rousseff years. Leftist ideology is not akin to great economics and, therefore, if Haddad or any of the other candidates of that persuasion were elected, it would be unfortunate, in my opinion.

**SLAVERY**

The world slave trade took place between roughly 1650 and 1860. Over the course of 200ish years, millions of Africans were enslaved and transported around the world – the Americas, Europe, Middle East and South East Asia - to work in many of the most labour-intensive jobs of that time, which included farming (sugar, cotton, coffee) and mining.

Brazil was one of the main destinations of the slave trade, with approximately 5 million slaves being transported over the course of history. The main ports for their entry were along the east coast, mainly Recife, Salvador and Rio de Janeiro.

Today, their influence on modern day Brazil is especially felt in these cities, with Salvador leading the way in Afro-Brazilian culture. Beginning with food, many of Brazil’s most famous dishes, including its national dish, Feijoada, a pork and bean stew, are derived from the staples of the African slave diet.

Musically, Samba is one of Brazil’s most recognized forms of dance and is derived from the Angola (West African

nation) word semba, which means “a touch of the bellies.” Samba music and dance is featured in Brazil’s world famous Carnival celebration each year, between the Friday afternoon before Ash Wednesday and Ash Wednesday at noon, which, to those who aren’t familiar with the catholic faith, marks the beginning of lent.

Finally, while not having a major influence overall in the country, the main source of the Muslim faith within Brazil is derived from the West African nations - Nigeria, Gold Coast, Angola and Zaire - from which the slaves came.

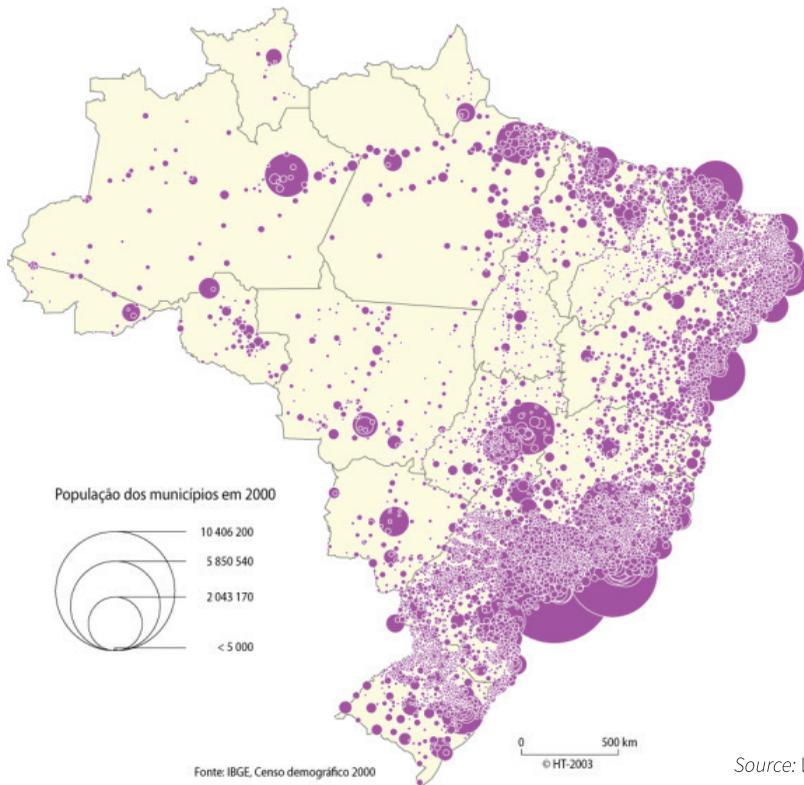
Brazil’s northeast coast remains heavily influenced by its African roots and, as such, maintains its own unique sub-culture.

**BRAZIL’S GEOGRAPHY**

There are many things that affect the evolution of a society’s culture. In my opinion, one of the most forgotten influences on culture is the physical geography of the land with which the society resides.

A country’s topography has a major influence on its growth and how

### Distribuição da população em 2000



communities interact with one another. Today, most of the world's economic powers have the vast majority of their population located around water – either on the coast or on rivers that have access to the coast. The northeast portion of the United States is great example of this, as the low lying land provides plenty of opportunity for growth in both population and the transportation of goods between mega cities such a New York and Boston.

Brazil is no different with the vast majority of its population located around its Atlantic coastline. Brazil's topography, however, may also be a hindrance to its future growth potential, as a few of its most populated centres, Sao Paulo, Rio de Janeiro and Belo Horizonte, are separated by large stretches of mountainous terrain.

The difficult topography surrounding and between these cities, limits the amount and type of infrastructure that can be developed - with reasonable cost, at least. While these are large cities, especially Sao Paulo with a

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> population of roughly 21 million, we may be at a point where they have hit their peaks in terms of population growth potential.

As you can see in the image above, the population density is sparse throughout the central and northwestern portion of the country. This is both a good and a bad thing. Firstly, the once acidic and

nutrient deficient soils of the central portion of Brazil have been transformed by the addition of lime to neutralize its acidity and fertilizers, such as phosphorus, to enrich its quality. The central region, while remaining relatively unpopulated has become a major source of agricultural products for the country.

On the other hand, the northwestern portion of Brazil has remained, comparatively, undeveloped. The clear reason for the lack of development, at this point in time, is the Amazon rainforest. Not only is it a matter of preserving biodiversity, but also a matter of topography, as this region doesn't lack water, at least during the rainy season.



Source: Chicago-Kent College of Law

The State of Amazonas (2.25 times the size of Texas), Brazil's largest State, has a population of just over 4 million, and over 50% of that population resides in Manaus, its capital city. Moreover, a great example of a lack of infrastructure is the fact that there is no bridge across the Amazon River, cutting off the northern portion of the state - unless you have a boat.

In the last couple of years, much controversy has surrounded the proposed development of some of the Amazonian lands for agricultural purposes and mining. Current President, Michel Temer's, attempt to open up large parcels of land in the Amazon rainforest, mainly the National Reserve of Copper and Associates (RENCA), was quashed in 2017 by a federal judge.

An interesting mining story in relation to the Amazon is the precarious case of Belo Sun Mining. Belo Sun is a junior resource company listed on the Toronto Venture Exchange. In 2013, a Brazilian court suspended Belo Sun's environmental and provisional licenses, essentially halting all development of their Volta Grande project, which is located in the State of Para (apart of the Amazon Basin).

The court stated, "Belo Sun had not taken necessary steps to analyze the mine's potential impact on indigenous peoples who live within a few kilometers of the mine site." ~ Globe and Mail

Fast-forwarding to 2017, and Belo Sun had their construction license

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suspended once more, again citing the need for the completion of an indigenous study. This is an interesting situation; I'm not sure if this is a reflection of a tough Brazilian regulatory body or incompetency on Belo Sun's part. Maybe it's both. Regardless, it should be weighed when considering investments in the highly contentious region of the Amazon.

For me, when I'm considering investing in a Brazilian junior mining company, its location will be a big factor in my analysis. Proximity to an existing mining operation gets priority over projects that are essentially on their own.

**Personal Note:** In 2011, my wife and I spent 2 weeks in Brazil, visiting Sao Paulo, Rio de Janeiro and a few smaller towns along the coast. I can attest to the mountainous terrain between Sao Paulo and Rio, and the fact that there aren't really any significantly sized towns or infrastructure besides the road itself and a few gas stops.

Another interesting cultural reference that we experienced firsthand, and one which many Brazilians will attest to is 'Brazilian time.' 'Brazilian time' can mean a couple of things but we heard it used most in reference to (especially in the smaller towns) the amount of time it takes to get your lunch or Caipirinha at a restaurant. It wasn't uncommon for it to take well over an hour to receive a 'quick bite,' and this had nothing to do with cooking time or how (not) busy the restaurant was at the time.

This, I'm sure, is by no means typical of the entire Brazilian population, but it's interesting and different from how many of us, at least in Canada, tend to operate.

### PENSION LIABILITIES

When scanning articles surrounding Brazil's economic outlook, it's hard to find one that doesn't reference Brazil's large pension obligation. Thus far, attempts to reform the public pension plan have been rejected, and many pundits believe they have now passed

the point in which a reform would even make a difference.

The Brazilian public pension policy is very generous; it allows men to retire at 55 and women at 53, while retaining nearly the same salary that they did when they worked. Additionally, pensions are transferrable to surviving spouses, pushing the obligation even further into the future.

The current pension system was born in 1988, just after the Brazilian democratic revolution ousted the military dictatorship and took control of the country. For more than 30 years, the pension plan system has worked, for the most part, because there were enough new workers entering the economy to pay into the pension. Times, however, are changing.

In Brazil, workers are taxed 20% of their income toward the public pension system. As a comparison, Canadians currently pay 4.95% of their salaries into the Canadian Pension Plan (CPP), up to



Streets of Paraty

a maximum income level of \$54, 900. The Brazilian contribution percentage drastically out-weighs that of the Canadians and, yet, it still comes up short of their future obligations. This tells us just how lucrative the Brazilian pension is and, more importantly, how radically the retiree to worker ratio must be changing.

In my research, I have found estimates stretching out to 2060 which suggest the ratio could get as high as 44 retirees to every 100 workers, which is 4 times higher than the current calculated ratio of 11 to 100. In 2017, the Brazilian government experienced a 181 billion real (\$US 318.58 million) gap between contributions and pension obligations. With deficits like that, you may think it's a no brainer, something needs to change, but you would be wrong.

In April of 2017, the Globe and Mail reported that 75% of Brazilians opposed the reform of the pension plan, and given Brazil's cultural dynamics, I would bet against any significant change occurring before this causes some real damage.

**CONCLUDING REMARKS**

Understanding a culture is not easy; our own cultural bias sometimes prevents us from objectively analyzing the nuances of another culture. Brazilian culture is diverse and has been influenced by many different events and groups throughout its history.

In terms of Brazil's culture and how it pertains to investments, provided Bolsanaro, the Brazilian Donald Trump, is able to win the Presidential election, I believe the short-term prospects for Brazil are very good.

The public pension system, however, needs to be reformed and political corruption needs to be drastically reduced for the future of Brazil to remain bright for the long term. To this, I'm highly skeptical and would suggest that the Brazilian culture, as it stands right now, is unable to reconcile these major hurdles.

As well, extra marks are given to companies that have projects located

in close proximity to existing mining operations. This point is especially important in the Amazon Basin, where there is obvious risk associated with satisfying both biodiversity and indigenous groups.

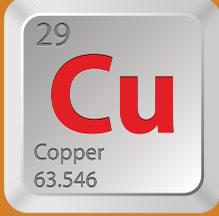
I'm invested in Brazil and believe, at least in the short term, there is money to be made in this beautiful South American country.

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# CHARTING A COURSE THROUGH TROUBLED WATERS

## HOW FREMONT GOLD SHRUGS OFF GOLD PRICE TO DIG DEEPER

By Christian Granholm

*It's hard to see good companies go wanting for lack of investors.*

**W**hen the markets are tough, even the well-managed, well-positioned guys can lose the steam they need to push those drill intercepts into the gold.

But the solid, credible guys with the right properties always seem to find a way to get their minerals to market. Guys like Blaine Monaghan, CEO and Director of Fremont Gold Ltd. (TSX:FRE) out of Nevada.

Blaine prefers the three-pronged approach when the gold prices are taking a beating.

"I'm a big believer in the KISS principle," Blaine told The Prospector. "Keep it simple, stupid. So I've really boiled down the essence of this company to three bullet points."

"One is management; we have a mine-finding management team. Dennis Moore, our President, has discovered more than 4 million ounces gold. We're looking to replicate his success in Nevada."

"And that leads to my second bullet point: jurisdiction. We have six gold projects all located in the state of Nevada, which I consider the world's greatest mining jurisdiction. Two of those projects are past producers: Gold Bar and Gold Canyon."

"And we have four earlier stage exploration projects that we consider having great opportunity for new discovery."

"The last bullet point is this: we are aligned with our shareholders. We own 26% of the company's shares and that is far greater than the average insider-ownership of other junior exploration companies."

"So we've put our money where our mouth is; we are aligned with our shareholders. Our goal is to get out there and make a new discovery and create shareholder value."

We pressed him on how much he's got in the bank and what challenges Fremont was facing.

"In the Treasury right now there's approximately a half a million dollars," answered Blaine.

"I think like most junior exploration companies that the biggest stumbling block is capital."

"We've been successful in raising the capital required to date and we'll be out there again shortly. I don't anticipate any problems raising the amount of money we need."

"But I'd certainly like to see a return to the markets of 2005 and 2007 when people were actually calling us and banging down the door to give us money versus how it is right now."

"However, we're lucky because we've got the team, we've got the projects, we're in the right jurisdiction so it hasn't proven to be too challenging to raise the sort of money we have needed so far, but it does require effort."

### HOW HAS THE SHARE PRICE PERFORMED?

"Since listing in 2017 we're approximately the same, so we have outperformed our peers by not losing money," said Monaghan who could be heard grinning through the phone.

"Our first raise was at 15 cents, with the half warrant at .25, and we raised \$1.5 million. We did a second raise at 16 cents with no warrants; that's another \$1.5 million."

"And we're trading at 15 cents today."

### OK SO FINANCES CHECK OUT; WHAT'S GOING ON AT THE GROUND LEVEL?

"So the first drilling we did at Gold Bar and Gold Canyon was confirmatory type drilling. We drilled the mill site deposit which is located on our Gold Bar claim and returned a very nice drill intercept. We also drilled Gold Canyon and returned some pretty good drill intercepts there."

"But more importantly, it indicated that there is another potentially mineralized horizon below what was



four 300 meter holes - that could be very exciting.”

“We have a new structural interpretation of the Gold Bar mine. The Millsite deposit, we believe is a continuation of the Gold Bar mine, but offset and dropped to the northeast.”

“Based on that, we hypothesized that there could be an extension to the Gold Bar mine to the southeast. And while past operators did drill immediately along strike from the historic Gold Bar mine they didn’t intersect any mineralization. We believe that’s because the possible extension to the Gold Bar mine has been offset by a fault or faults to the southeast.”

“We did some early stage exploration work and identified a large gold geochem anomaly. So we’re going to look to test that and see if indeed there is a possible extension to the historic Gold Bar mine to the southeast.”

We asked Blaine what the best thing to happen to Fremont this year was.

“I can’t pinpoint one thing exactly – I think it’s a confluence of factors. I mean, since the company listed in 2017, we’ve managed to put together what I consider to be one of the best property portfolios in Nevada. Both brownfield and greenfield projects.”

**“** We think there’s further potential to expand mineralization at both Gold Bar and Gold Canyon and we have some excellent earlier stage exploration projects with drill targets. There’s been a lot of activity, but we’re now at the point where 2019 should **“** set us up for success.

“We’ve outlined all of our targets; we know what we want to do. We have our budgets in place; we have our team in place. And frankly, I think the company is undervalued when you look at our market capitalization versus what we have.”

“I think there’s a lot of upside,” states Monaghan.

mined in the past, so we’re pretty excited by that.”

**AND INTO 2019?**

“In the first quarter next year we’ll get back to both Gold Bar and Gold Canyon. At Gold Bar we’ve identified a possible extension to the historic Gold Bar mine - we’ll look to test that with



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Blaine Monaghan, CEO 1.604.676.5664 blaine@fremontgold.net 1500 - 409 Granville Street Vancouver, BC, Canada V6C 1T2 www.fremontgold.net

# WITHIN “THE 500KM GOLD BELT IN B.C.” WE FIND ROMIOS GOLD WITH SIGNIFICANT COBALT IN SEVERAL OF THE KNOWN COPPER-GOLD-SILVER SHOWINGS

By David O'Brien

**T**he 2018 field work on **Romios Gold Resources Inc. (RG: TSX-V RMIOF: OTC-PK D4R: FSE)**'s *Newmont Lake Copper-Gold* property in the 'Golden Triangle' of B.C. is now complete, including:

- Two phases of mapping and prospecting that increased the potential to expand known Cu-Au-Ag-Co mineralization down-dip and along strike at three major prospects.
- First-ever drilling completed on the extensive *Burgundy Ridge Copper-Gold-Silver-(Cobalt-Zinc) skarn zones*. Four holes complete, assays pending.

- Recent Option Agreement with **Crystal Lake Mining Corp. (CLM: TSX.V, SIOCF: OTCQX)** to fund \$3 million in drilling and other exploration by summer 2019.
- New style of Cu-Au mineralization discovered in widespread late-stage iron carbonate veins up to 5 metres wide, local Bonanza grades. Extensively sampled in September, assays pending.

*“Results of the summer mapping program are very encouraging in that they revealed the abundance of significant cobalt in several of the known copper-gold-silver showings and also that the geology as we now know it allows room for the significant expansion of these resources. We look forward to seeing the drill results from Burgundy Ridge shortly and to a drilling program on several other prospects in 2019.”* effuses **John Biczok**, P.Geo., VP Exploration.



*Burgundy Ridge Lower Hi-grade Cu-Au-Ag-Zn-Co skarn zone copper staining*



*Ken Zone Copper bearing iron carbonate vein*



Over the past 20 years, your Author has been 'touting' the promise of B.C.'s vast exploration and development potential... as you may recall **'BritishColumbiaGOLD.com'**.

Recently, due to some great new discoveries in the Stewart area of NW B.C., 'everyone' has jumped into the now famous '**Golden Triangle**'... which just happens to be roughly triangular in shape, even though it's actually part of the gargantuan twin-trend of mineralization belts that stretch from the Yukon right through B.C. and down the Coastal Mountains. Geologically, over the past 300 - 400 million years as the North American tectonic plate has been subducting the Pacific plate... mineralization has been percolating up into massive high grade and other deposits. Plenty of porphyries...

Once again, following this trend, Romios Gold epitomizes the potential, and as Biczok says, it's a polymetallic field that now includes the in-demand minerals such as Co and Zn to complement the known Cu, Au & Ag.

Energy storage is one thing driving the Co demand, and sources outside of the 'tainted' Congo (with child labour and 'conflicts' affecting investors' perception) are being sourced as part of the U.S. and other countries declaring Co and other minerals and metals as '*Critical*' or '*Strategic*'. Having a North American source will be key to Explorationists' and Developers' successful capitalization of this political will.

Zn is used in steel-making and many other high tech applications, so it's been generally rising in price, as the world just isn't going to stop building.

*For most of our readers, the gold, silver and copper demand/supply stories are surely known, and despite fluctuations in prices, will be in greater and greater demand. No doubt, in your Author's humble opinion.*

Heck, when your Author was born in '52, there were less than three billion people on the planet, now there are well over seven billion, in only ~65 years... and everyone wants a television, a computer, a cell phone, a car, and many other high-tech devices. Demand for all metals and energy minerals is only going up... *prices follow*. The economics of bringing them out of the ground means that even with 'bumps in the road' investors will surely benefit. *A collective sentiment, so do your Due Dili, of course.*

*Your Author, David O'Brien, is not a financial advisor, and has taken information believed to be reliable from many sources... please Do Your Due Diligence and consult your financial advisor(s). O'Brien owns no shares in any of the above-mentioned companies. O'Brien owns an Ad Agency, **W.I.T. Marketing Writing & Media**, and a media, research and event company, **Int'l Mining Research CENTRE**; both often retained to publicize investment opportunities, predominantly in mining, high tech, green tech and real estate.*



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# THE ABC'S OF MINING

## ALTIPLANO, BENCHMARK, CAMINO - JEREMY YASENIUK ON WHY HE DOESN'T NEED YOUR MONEY (BUT IT'S A GOOD IDEA TO GIVE IT TO HIM)

By Christian Granholm

***“Okay, first of all, we don’t need your money,” Jeremy Yaseniuk, Director of Business Development for Camino Minerals Corp. told The Prospector. “So please go buy the stock out of the open market.”***

I’ll admit, Jeremy caught us off guard right off the bat – this is the opposite of what we’re used to hearing. Shouldn’t he be asking politely for our money, like everyone else?

But now he had our interest. What exactly is going on at Camino that sets them apart from seemingly every other Canadian junior who have their hat in their hands while the market recovers from a late season depression?

“We have a mechanism for financing and we’ve already made a plan for that,” explained Jeremy patiently.

“Right now, we have about a million dollars of working capital. We have warrants that we believe will get exercised once we start our marketing that could possibly bring in an additional \$2 million.”

“We’ve lowered the price of the warrants and we plan on doing some marketing and telling our story. The story being that Camino is one of three companies that is part of what’s called the Metals Group.”

Here’s where Jeremy delves into the master plan a bit and we begin to see the depth of his vision, and the strength of his backing.

“It started off with Altiplano Metals; we lowered the price of our warrants and our marketing efforts provided liquidity to finance the company, then we did Benchmark Metals, again lowered the price of the warrants and we are currently providing liquidity for the warrant holders in the company and now we’re working with Camino. That’s A, B and C - Altiplano, Benchmark, Camino. We’ll probably march our way up the alphabet with other companies,” he picks up the pace.

“**“** The group is led by John Williamson who has a history of building up companies based on technical expertise, marketing excellence, as well as uncompromising corporate governance. **“**

“John and his group have successfully built more than a dozen junior mining companies and successfully sold or joint ventured to major companies projects. These companies have been involved in Nickel Mining, Gold Mining, Diamond Exploration. These companies have twice been awarded the TSX Ventures Award for best junior Companies, have successfully battled

a sovereign government and been awarded \$40 million in settlement.”

“He was a founder of the Discovery Group, which at its peak were conducting \$50 million in exploration per year. Now John Williamson, Sean Major, Justin Bourassa and myself have founded a new group named the Metals Group. We are once again working towards building successful exploration and development companies. Camino is the third company of our kind of reincarnation.”

“So we took over the management of Camino here in the last probably six months, John Williamson and myself.”

“We went back and they had some very good initial drill results, but we had a difficult time following up those good results. We’ve gone back and done all the real technical, simple, basic stuff: soil and rock sampling, and geological mapping across the entire property.”

“So we are going back to the basics to unravel the complex history of the mineralization. In addition, we will be adding airborne and IP geophysics on the project; we saw where they drilled and why they drilled it with the information that they had.”

“And we realized that they were on the right track. But there’s some other really, really good targets on the project that we feel are actually even more prospective.”

“*Since taking over management, we’ve continued to delineate two parallel zones of mineralization that are exclusively copper that run for approximately eight kilometres.*”

“We found a new zone that is about 4 km in diameter that has gold grades as high as 11 grams per tonne, but the average of these gold samples is about 0.2 or 0.3 g/t gold with about .78% copper that we think may be related to an epithermal system or a porphyry.”

“Our projects are in Peru. The Peruvian government is getting better at working with mining companies, but the really big strides comes with our Community Relations people.”

“We have people on it full time down there, building relationships between the individuals and the communities and our project and the company.”

“Like for instance, there’s a lot of fog that rolls in off the ocean over the mountains; we’re able to install special netting that can collect that moisture, turn it into water that farmers can use to nurture their crops.”

“We do all kinds of similar things in the community.”

**WHAT ELSE IS GOING ON AT CAMINO?**

“We’ve got this really prospective regional scale copper project which is to the south and into the north of Peru we have a very high-grade gold project that we’re working.”

“*We have a lot of news to flow over the next couple months as well,”* hinted Jeremy. *“Probably from December right through to February and we*

*plan on increasing our marketing to provide liquidity so that our warrants will be exercised, which will put enough money in the till for us to do an initial drill program on our property.*”

“We’ve identified through the soil sampling and geochem several new big targets that were previously unknown.”

“So, the 2019 program will consist of a drill program to build on the past significant drill results and increase our resource base and of course with drilling we could hit something really exciting. I would expect some positive results in 2019.”

“We also have some really interesting and high grade gold numbers to start talking about on our project to the north and once we have more details we can start promoting and speaking with more detail on this very shortly. So in December and January we can talk in more detail about our project to the north.”



**Los Chapitos Copper Project**

- Located in southern Peru in the Peruvian iron ore-copper-silver belt
- Over 16,000 m of diamond drilling in 2017 with up to 0.93% copper over 96.5 meters
- 2018 will see drilling between two significant new copper oxide discoveries and testing of new targets
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# PATENT IMMINENT FOR AMERICAN MANGANESE

## 100% RECOVERY OF VALUABLE BATTERY METALS FOR REUSE

By Christian Granholm

*What's the only guaranteed business to grow this century  
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**H**ere in North America, where it seems blue bins are ubiquitous in the lane-ways of suburbia, recycling has long been a part of our daily life. But have you ever been to Mexico and had to throw out your aluminum pop can, because they have no recycling plan in place whatsoever? Didn't it just feel, wrong?

While most nations are still playing catch-up to our recycling programs, we share the same global blame when it comes to one of the biggest polluters this century will ever know.

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If you said "burning them", you'd be right. Horrifically right.

And if you said, "Whoever figures out how to recycle those things is going to be rich," well you'd probably be right too.



Meet Larry Reaugh, the man who figured it out.

President and CEO of American Manganese, Larry's company is pioneering the science of disassembling and recycling the scrap material from lithium-ion batteries. With a predicted 125 million electric vehicles expected to be on the road by 2030, Larry's technology might be both the safest bet and one of the most important inventions of our time.

"There are a lot of offers out there that the company could possibly be entering into agreements with," Larry told The Prospector, "but we haven't locked ourselves into any one just yet."

Reaugh is concentrating first on the immediate next steps for American Manganese.

"The big thing that's right on the horizon and could happen any day is the granting of the US Patent," he says. The US Patent Office has published it and there seem to be nothing in there that would stop or slow down the patent application for any significant time, so I would expect no more than 60 days from now we should have a patent granted."

"That's one of the big situations that's happening. Another one is we've got a ton of scrap material that we will be pushing through the pilot plant as soon as it's all assembled."

Independent laboratory Kemetco Research confirmed that American Manganese has

indeed demonstrated their proprietary process is capable of recovering 100% of the lithium, cobalt, nickel, manganese and aluminum from cathode materials used in lithium-ion batteries.

“What this allows us to do is offer a solution to battery manufacturers and the car manufacturers to actually recycle their batteries,” explains Larry. “Hydro-metallurgically we’ve been getting 100% of the cathode materials such as lithium, cobalt, nickel, manganese and aluminum so we’re very confident that we will have a cradle-to-grave solution here for the industry.”

One of the challenges the company had to overcome was the separation of the active material from the cathode foils.

“We’ve been highly successful with the separation technology and in fact we’ll be filing a patent for that process as well,” states Reaugh.

“So those things are really coming together quickly; we will have a pilot plant up and running in Richmond at Kemetco’s lab shortly.”

“And remember, Kemetco is arm’s length to our company, of course. They don’t own any shares and they don’t have any ownership in the patents. So when they say that they’re getting something out of a product, that’s what they’re getting. Their reputation is on the line.”

#### SO ONCE THE PATENT IS FINAL?

“Well, that’ll be an intellectual property that can produce billions of dollars worth of cathode material down the road.”

“On our first demonstration commercial plant capable of processing 3 tonnes of scrap per day, this could produce over \$20 million in revenue. So if you went up to 30 tons that would be \$200 million. If you went up to 60 tons, that would be \$400 million. That’s a lot of money in a very small area.”

How soon does Larry expect to be producing good production numbers?

“On a commercial plant, in a couple of years we could be processing up to 50 tonnes a day of cathode scrap,” he says.

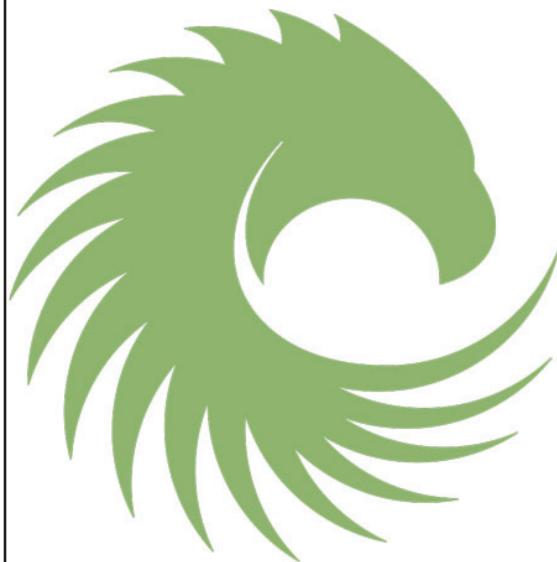
#### OTHER THAN THE PATENT, WHAT ARE THEY WAITING FOR?

“We’ve got to raise another one and a half million dollars here shortly to help complete Pilot Plant construction and testing.”

“We may get some grants that the government’s offer and we’re in a position now where we can actually fully apply for those grants. We’re working on something now that would require a grant but we’re not ready to release specific information about that yet.”

“I can say that from the general discussions that we’ve had with these battery companies, they would like to partner with us. China, Japan, South Korea, North America and Europe have all shown great interest.”

“The market looks like it’s starting to develop some legs again and I think this is a great buying opportunity that shareholders should look at. This is a really good inroad, it could be a really big cash cow.”



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# MERCENARY ALERT: THE FIRST WORLD'S BEST COPPER BET

By Michael S. "Mickey" Fulp

I have talked and written on this subject many times before: Good copper projects are hard to find. I am on the constant lookout but with not much luck over the past few years. There have been few copper plays in my stock portfolio.

That said, my best performing pick since early 2017 has been a copper company.

Trilogy Metals Inc (TMQ.AM; TMQ.TSX) has been under continuous coverage since late May of 2017 and has returned well over a three-bagger over the past 17 months. Witness this chart:

In particular, notice that the stock has continued to prosper since copper hit a 2.5-year high mark of \$3.29 per pound on June 8. In the interim, copper fell as low as \$2.61 and currently trades at \$2.81, down 15%. Meanwhile, TMQ has gone from \$1.51 to as high as \$2.34 per share last Monday. It closed Friday at \$2.08 for a gain of 38 % since early June.

Indeed folks, Trilogy stock has been on an impressive run that has occurred directly in the face of a bear market for copper. Although Dr. Copper's supply-demand fundamentals are strong across the board with record high demand, record Chinese concentrate imports, low warehouse inventories in all three world exchanges, and in supply deficit for 2018,



the metal remains in severe futures backwardation ranging from the third to the 20th month contract on any given day.

Quite frankly, bearish speculators are in control of the derivative markets. They are massively net-short and have skewed the copper market to the downside. A stronger US dollar has been a contributing factor, having risen 7% since mid-April while copper has lost 10%.

Given that TMQ has performed so well during a time of falling copper prices, I can surmise that additional upside lies ahead.

Let's take a look at Trilogy Metal's news flow since my last alert on the company after delivery of a pre-feasibility study on its Arctic polymetallic deposit in late winter (Mercenary Alert, February 24, 2018):

- In mid-April, TMQ completed an oversubscribed bought deal financing underwritten by a trio of North American-based investment banks. It raised \$28.7 million at \$1.16 per share. Participants included those that already held substantial positions such as major miner and joint venture partner South32 Ltd (40%) and private equity funds Electrum (20%) and Baupost (10%). A new fund, Selz Capital LLC, also took down 4% of this placement.
- In late May, the company announced the return of geologist and friend Patrick Donnelly to its management team as VP-Corporate Development and also the hiring of mine engineer Bob Jacko as VP-Projects. Bob is the former mine manager at Teck's Red Dog mine and was previously contracted to TMQ.
- In early June, Trilogy tabled a cobalt resource estimate for the Bornite copper project. The base case inferred resource contains 77 million lbs Co at a grade of 0.019% using a 0.5% Cu cutoff grade. Initial metallurgical test work is encouraging and indicates that 80-90% of cobalt content reports to the copper tails as cobalt-bearing pyrite. This suggests it perhaps can be recovered thru pyrite flotation and subsequent processing.
- In the fourth week of August, the company provided expedited drill results for an intercept in the first deep drill hole at Bornite in 2018. At a copper cut-off of 1.5%, RC18-0247 contains an interval of 16.4 m grading 5.34% copper and 0.21% cobalt beginning at a depth of 792 meters. With South32 financing, it announced expansion of the summer deep drill program at Bornite.
- TMQ also provided progress updates for cobalt metallurgy, a second resource estimate and preliminary economic assessment at Bornite, ore sorting and permitting at Arctic, and the Ambler Mining District Industrial Access Project. Both local governments, the Northwest Arctic Borough and the North Slope Borough, announced their full support for the environmental evaluation of the access road.



**Bravada Gold Corporation (BVA-TSX.V; BGAUF-OTCQB; BRTN-Stuttgart)** is an exploration and development company with a portfolio of eleven high-quality properties in Nevada. During the past 14 years, the Company has successfully identified and advanced properties that have the potential to host high-margin deposits while successfully attracting partners to fund later stages of project development. Currently, three of its properties are funded by partners. The Company also holds a royalty on a high-grade gold property in Ontario.

Partners spent approximately US\$750,000 on Bravada's properties during 2017, resulting in the discovery of shallow, oxide gold mineralization at the Sinter Target on the Baxter property and in the refinement of the high-grade Quito Extension Target, which was successfully permitted for 2018 drilling.

- **Wind Mountain** – Mapping, assaying, IP followed by drilling to discover the high-grade “feeder” responsible for the large, disseminated Indicated + Inferred Gold/Silver Resource.
- **SF** – Initial Proof-of-concept drill holes to discover gold deposit in similar host rocks & structure as the nearby large, high-grade Goldrush deposit.
- **Quito** – Drilling planned to extend historically mined high-grade mineralization at this Carlin-type property.
- **Baxter** – Drilling planned to expand shallow, oxide mineralization discovered at the Sinter target to a new target ~500m to the west.
- **Highland & East Manhattan** – Drill ready, subject to funding.
- **Pete Hanson & Gabel** – Expected to be drill ready after a soil-sampling program on each.
- **North Lone Mtn** – Initial drilling of zinc and gold soil anomalies planned.
- **Shoshone Pediment** – Permitting two barite open pits continues by Baker Hughes, royalty to Bravada possible in 2019/2020.

TSX: BVA.V | BRTN: STUTTGART | BGAUF: OTCQB | WEBSITE: www.bravadagold.com | EMAIL: ir@mnx ltd.com

- In early October, the company reported assay results on the first four holes at the Bornite project. At a 0.5% copper cutoff, highlights include:

**Hole 246** intersected three intervals with 19.6 metres averaging 2.06% copper, 6.1 metres averaging 2.36% copper, and 7.6 metres averaging 1.04% copper.

**Hole 243** intersected one mineralized interval of 2.0 metres averaging 2.23% copper.

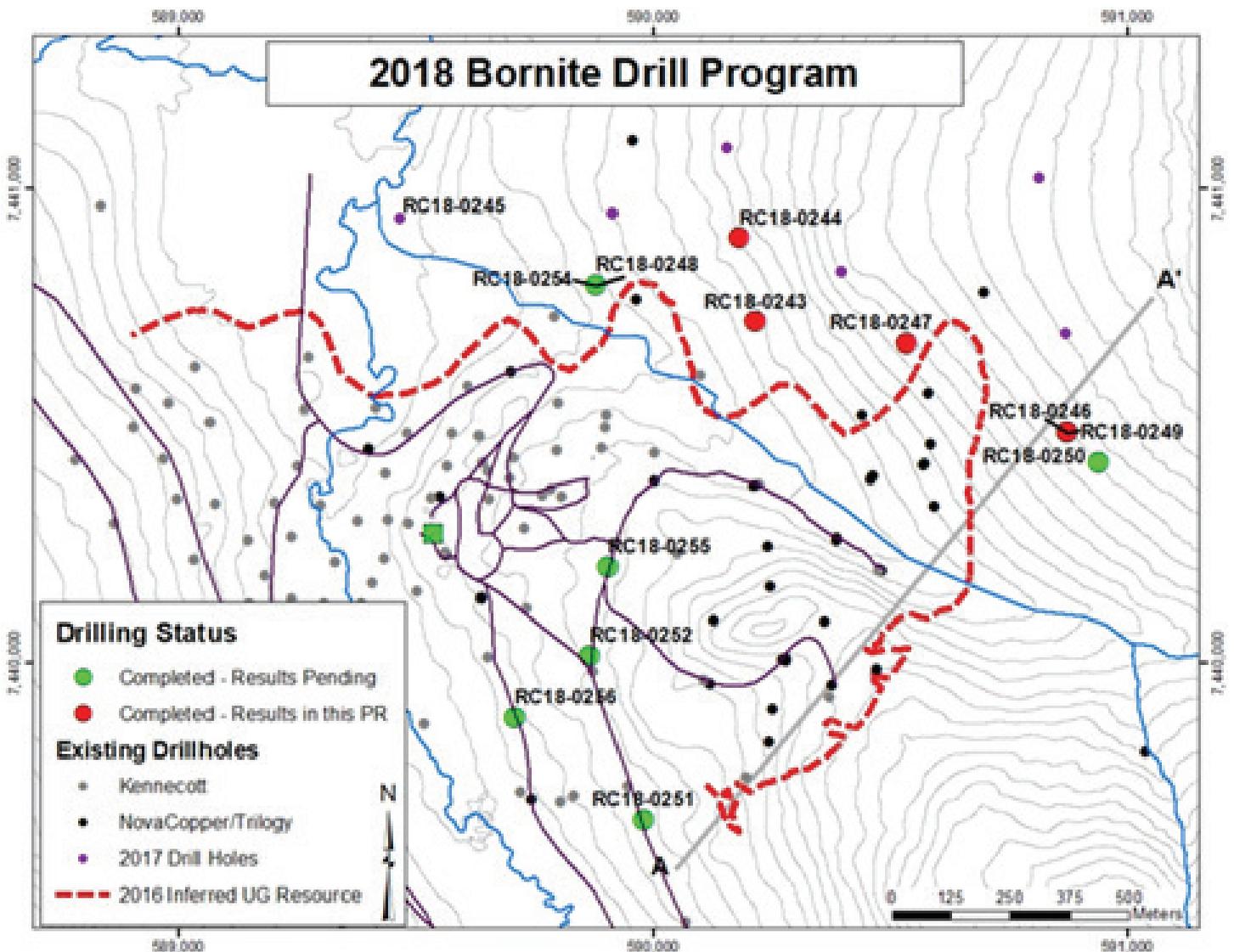
**Hole 244** intersected one mineralized interval of 20.4 metres averaging 0.83% copper.

**Hole 247** intersected two mineralized intervals of 20.1 metres averaging 4.55% copper, including 16.4 meters grading 5.34% copper and 0.21% cobalt, and 33.4 metres averaging 0.82% copper.

The above compendium documents what has occurred at Trilogy Metals Inc over the past eight months. The following is what is expected going forward:

- Assay results from eight holes comprising the remainder of 2018's 10,100 meter Bornite drill program are expected in November and December.

- Initial results from the Arctic ore sorting program are scheduled prior to year's end.
- The National Park Service has published a schedule indicating completion of its final environmental and economic analysis on 20 km of lands within the road access corridor by the end of 2018.
- Metallurgical studies for recovery of both copper and cobalt at Bornite are ongoing with initial results to be delivered in Q1 2019.
- Per the BLM's website, the Draft EIS for the Ambler District Access project is scheduled for the end of March 2019.
- The updated Bornite resource estimate is expected in the first half of 2019 and will soon be followed by a preliminary economic assessment.
- In addition, South32 will announce a decision by year's end on the third and final year of the Bornite exploration option for \$9.2 million. Based on its \$11 million investment in the recent financing, expansion of the 2018 drill



program, and current position at 12.5% of outstanding shares, I fully expect this commitment will be made.

These seven items are scheduled for completion within the next one to eight months and are all potential catalysts for incremental increases in Trilogy Metals' market capitalization. That said, I opine that the most important factor for near-term upside in TMQ's share price is a rise in the copper price. The company's 38% uptick in the wake of a 15% fall in the price of copper over the past four months is impressive indeed.

I wrote on the supply-demand fundamentals of copper last week and the ideas therein form the backdrop for my bullish outlook on prices in the short-term (Mercenary Musing, October 15, 2018).

When (not if) that happens, I think Trilogy Metals Inc shareholders will be duly rewarded yet again.

Please realize that I am conflicted in my opinions because my hard-earned dollars are invested in the company and I am compensated for coverage.

And do not depend on me as I only inform followers of a portion of my activity in the marketplace. You must do your own due diligence before speculating in any junior resource explorer, developer, or miner.

**The Mercenary Geologist Michael S. "Mickey" Fulp** is a Certified Professional Geologist with a B.Sc. Earth Sciences with honor from the University of Tulsa, and M.Sc. Geology from the University of New Mexico. Mickey has 35 years experience as an exploration geologist and analyst searching for economic deposits of base and precious metals, industrial minerals, uranium, coal, oil and gas, and water in North and South America, Europe, and Asia. Mickey worked for junior explorers, major mining companies, private companies, and investors as a consulting economic geologist for over 20 years, specializing in geological mapping, property evaluation, and business development. In addition to Mickey's professional credentials and experience, he is high-altitude proficient, and is bilingual in English and Spanish. From 2003 to 2006, he made four outcrop ore discoveries in Peru, Nevada, Chile, and British Columbia. Mickey is well-known and highly respected throughout the mining and exploration community due to his ongoing work as an analyst, writer, and speaker. Contact: Contact@MercenaryGeologist.com

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**Cerro Las Minitas Ag-Pb-Zn, 265 sq. km Project, Durango, Mexico (Faja de Plata):**

Updated January 2018 Mineral Resource Estimate (175g/t AgEq cut-off):

**Indicated:** 33.6Mozs Ag, 319Mlbs Pb and 813Mlbs Zn (116.1Mozs AgEq; 1.69Blbs ZnEq); and

**Inferred:** 20.7Mozs Ag, 131Mlbs Pb and 870Mlbs Zn (92.7Mozs AgEq; 1.35Blbs ZnEq)

**Near-term resource expansion target: +30Mt grading 80-120g/t Ag and 4-8% Pb/Zn (+300Mozs AgEq)**

- US\$ 3.0M 2018 Drill Program underway continues to extend HG mineralization; adding tonnage/ounces and continues to define the overall size of the project
- 70% of resource Identified in new high-grade Ag-Zn-Pb-Cu Skarn Front Deposit; open for expansion
- 2<sup>nd</sup> drill testing strategic new claims w/ Au-Ag targets similar to vein systems in nearby Avino or La Preciosa mines
- 108 drill holes, 49,500 metres, US\$15.5M spent in acquisition and exploration to date

**Oro Cu-Mo-Au Project, New Mexico, USA:**

- Cu-Mo-Au Porphyry Target - multiple drill-ready targets within six sq km alteration footprint
- Stockpond Gold Target -Phase II drill program 8-10 holes, 1500metres completed
- Z-TEM survey over entire property completed and evaluated; additional claims staked

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*Delio Tortosa, Chief Consulting Geologist, Argo Gold in the field at Argo Gold's Wawa area gold projects*

# ALL STARS ASSEMBLE IN ONTARIO

## ARGO GOLD SNAPS UP CHEAP PROPERTY, TEAM READY TO EXPLOIT

*"We have assembled an all-star technical team," Judy Baker, Founder, CEO and Director of Argo Gold told The Prospector, "Delio Tortosa, Bill Kerr, Jay Hodgson and John Walmsley bring a lot of experience to the table."*

*By Christian Granholm*

Judy Baker has over 25 years of extensive experience in the mining and resources markets. Baker also founded Superior Copper and Canada Lithium and raised the initial capital to get these companies going.

Baker's newest venture Argo Gold (CSE:ARQ), is focused on their 100%-owned gold projects in Ontario. "We are targeting high-grade gold

projects in Northwest Ontario because we didn't see much exploration activity there, relative to other mining camps in central Canada" explains Judy. "The low interest at the time allowed us to acquire excellent gold exploration properties inexpensively. Argo Gold carried out exploration at all of its projects in the 2017 field season and proceeded to consolidate around core gold projects like Woco and spin out non-core assets.

Baker is easy to talk to in part because she's so honest and forthcoming about where her company is right now.

"Yes, Argo Gold is now in financing mode!" she exclaims.

Most CEO's are reluctant to be so upfront with me, especially when they're looking for cash. Judy is having none of that and drives straight to her point. Frankly, it's refreshing.

“The plan is to raise \$1.5 million, that’s a million flow through and a half a million hard, with which we will drill our high grade Woco Gold Project.”

“The last financing was in May of 2017,” she explains, “we raised just over \$800,000 and carried out field work on all of our 100% -owned projects.”

The Woco Gold Project – discovered in 1993 and drilled in 93/94 has drill intercepts of mineable gold grades over mineable widths. The project is located in the Birch-Uchi Greenstone Belt which also hosts the multi-million ounce Springpole deposit. Located 1.5 kilometres south of the past-producing Uchi Mine, 1993.

Drill intercept highlights include:

- 1.89 ounces per ton over 11.9 feet and 1.83 ounces per ton over 6 feet.
- Down-plunge and strike extension drilling highlights in 1994 include 4.08 ounces per ton over 6.9 feet and 1.24 ounces per ton over 5.6 feet.

“Our flagship project Woco has a historic resource of .33 ounce/tonne,” says Baker.

“The Woco Gold Project has a lot of comparables to Great Bear’s Dixie Gold Project.”

“In late August, Great Bear announced spectacular results at Dixie. What Dixie and Woco have in common is that both projects are located in the Confederation volcanics which are about 2.75 billion years old. These volcanics overly the 2.9 billion years old Balmer volcanics, which host the Red Lake mines. As well, both Dixie and

the Woco Gold projects are proximal to a major structural feature that forms the south boundary of the Uchi geologic sub province which hosts the Greenstone belts in northwestern Ontario – a very important area with significant gold mineralization and long life gold mines.”

“The historic drill results at Dixie and Woco are very comparable in terms of grade and depth. The Woco Project was a 1993 discovery by St. Jude Resources - there was gold identified in outcrop in the 1930’s that was initially drilled in 1993 and intersected multi-ounce intercepts over a true width of about a meter. Most of the drilling was only carried out to about 100 metres in depth and there hasn’t been any material work done on site until Argo Gold started field exploration in May of 2017.”

“Argo Gold acquired the project in November of 2016. Bill Kerr started field work in May of 2017. He liked the rocks so Argo began to consolidate ground with the acquisition of the Northgate Project and the Giesler Patents and then Argo Gold doubled ground position with staking in the spring of 2018.”

“In 2019, we will start drilling the Woco Project – as of now it’s only been drilled about a hundred meters or so – and the blue sky potential is that we continue to intercept high-grade gold mineralization at depth.”

Argo is poised to take advantage of several benefiting factors. The only thing stopping them for now is the pause while they gather funds.

“Argo Gold has 30 million shares outstanding. Management and the Board own a solid 20, in terms of



Bill Kerr, Senior Geologist, Argo Gold sampling at the Woco Gold Project, Summer 2017

stock ownership.” Also, all of Argo Gold’s projects are 100% owned by the company and its shareholders.

The time for getting on board with Baker and her team is now.

“We’ve just come out of meetings in Toronto with investors, during which there was very good response as well as a lot of interest in the financing,” closes Baker.

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# APPIA ENERGY'S TWO-PRONGED APPROACH: CRITICAL REES & U<sub>3</sub>O<sub>8</sub>

By David O'Brien

**A**ppia Energy Corp. (API: CSE, APAAF: OTCQB, "Aol.F", "Aol.MU", "Aol.BE": Germany) is actively exploring for high-grade critical rare earth elements and uranium in the Athabasca Basin area of northern Saskatchewan, and the historic mining camp of Elliot Lake, Ontario, Canada.

## HIGHLIGHTS:

Completion of the summer exploration program at *Alces Lake property*, northern Saskatchewan.

*Alces Lake* is host to some of the highest concentrations of **critical rare earth elements ("REEs")** in the world; critical REEs are defined as those that are in short-supply and high-demand for use in permanent magnets, electric vehicles, wind turbines and other modern electronic applications. They have commonly been called the "seeds of technology".

All REEs at *Alces Lake* are hosted in the mineral monazite, as previously identified by a few mineralization characterization studies. Monazite is 1 of 3 REE-bearing minerals for which the REE extraction processes have been successfully established and are very well understood.

## THE SUMMER PROGRAM CONSISTED OF:

Overburden stripping exposed seven monazite-rich zones at surface: *Bell, Charles, Dante, Dylan, Ivan, Wilson and Wilson South-Central*.

The best results to date include 22.35 wt% **Total Rare Earth Oxide ("TREO")** over 6.21 m at the *Ivan Zone*. Six out of seven zones returned high-grades that exceed 10 wt% TREO, making the *Alces Lake* zones some of the highest grade REO zones in the world.

**API** drilled 15 drill holes in three zones: *Charles, Ivan and Wilson*... which led to the discovery of three new monazite-rich zones below the *Charles and Ivan* zones.

Geochemical assay results are still pending for drill hole samples. Results will be announced as they become available within the next few weeks.

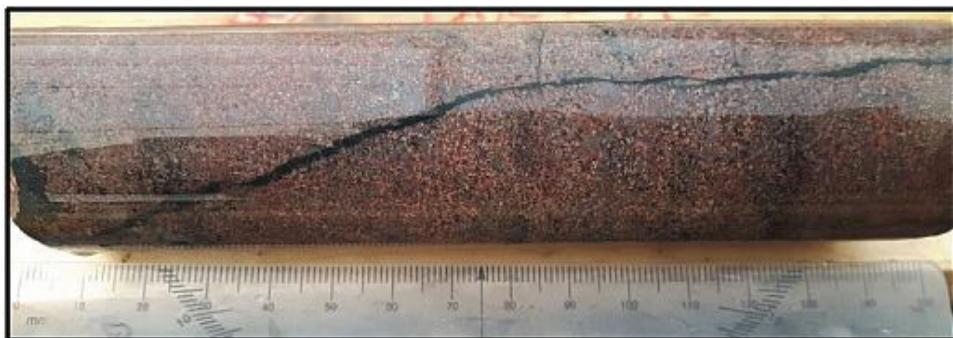
*"The Alces Lake property Summer exploration program was a huge step forward for Appia. We established a*

*working camp sufficient to support field crews for future exploration programs. We successfully excavated seven zones with visible monazite at surface hosting high-grade critical REEs. We implemented the very first diamond drill program ever on the Alces Lake property.*



API Appia Energy Aerial of the Alces Lake 6 REE Zones

*Our exploration efforts have provided us with valuable information, including; establishing high-grade REO continuity at all zones, and gaining knowledge regarding the monazite deposit geometries and potential mineralization system pattern.*



API Drill core Charles Zone  
CH 18-006 18 10 10

Your Author, David O'Brien, is not a financial advisor, and has taken information believed to be reliable from many sources... please Do Your Due Diligence and consult your financial advisor(s). O'Brien owns no shares in any of the above-mentioned companies. O'Brien owns an Ad Agency, **W.I.T. Marketing Writing & Media**, and a media, research and event company, **Int'l Mining Research CENTRE**; both often retained to publicize investment opportunities, predominantly in mining, high tech, green tech and real estate.

We are equally excited that the drilling phase of the Program discovered three new monazite occurrences between 8 and 15 m below surface at the Charles and Ivan zones. These new discoveries are still open in all directions and prove the sub-surface of the Property remains highly prospective for more concentrated REE zones similar to those discovered at surface to date" said **James Sykes**, Vice-President of Exploration and Development.

After I took the briefing summarized above I reviewed API's website ([www.AppiaEnergy.ca](http://www.AppiaEnergy.ca)) and recent News Releases, all of which have been Reprinted in **W.I.T. Mktg's & Int'l Mining Research's eNews Campaigns** recently (to get on my eList please email me at [BCGOLDsite@gmail.com](mailto:BCGOLDsite@gmail.com) with "Subscribe me, please!" in the Subject Line}.

Do Your Due Diligence, of course... including contacting me with any research questions, or contacting the company directly. Both **Tom Drivas** and **James Sykes** ([jsykes@uraniumgeologist.com](mailto:jsykes@uraniumgeologist.com)) have expressed their enthusiasm for being approachable. Ask them, especially for their 'forward-looking statements';=}

CSE:API, OTCQB:APAAF.US, Germany:A0I.F, A0I.MU, A0I.BE



# Exploring for high-grade critical rare earth elements and uranium in Canada

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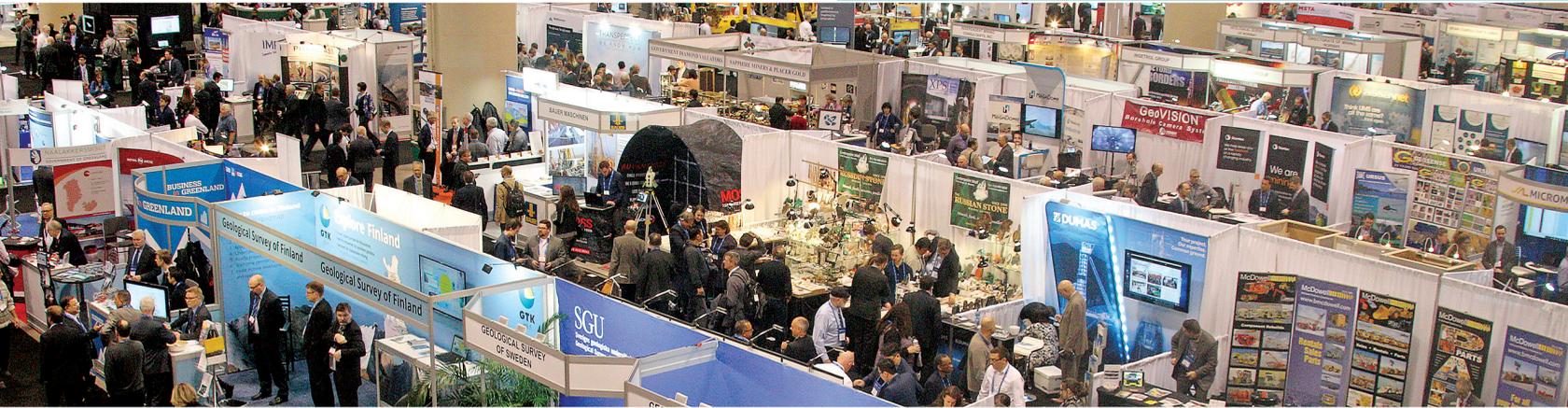


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