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## **NEVADA SITE VISITS** - DAY 1 -**SILVER ONE RESOURCES**

#### By Brian Leni

oes successful investing within the junior resource sector start with choosing the right metal?

I've said it many times, I believe speculating in the direction of a metal price is essentially impossible to do with any consistency, and shouldn't be the reason for investing in a junior resource company.

This statement is more controversial than I had imagined and has been challenged many times over the last 3 or 4 months.

Let's use the gold price as an example. The narrative surrounding higher gold prices can take many forms, but for most people, a higher future gold price is driven by the instability of the global financial system, which has been propped up by quantitative easing and low interest rates throughout the world.

I have no issue with that argument.

we all know as junior resource sector investors, besides the 8 month blip in 2016, the juniors, on a whole, have been in a bear market since 2012.

#### SO WHY THE PRECIPITOUS FALL FROM GRACE?

- Must have been the miraculous repair of the global financial system.
- Not a chance. In my opinion, the global financial system has only worsened over the last 8 years. Countries are more in debt than ever and interest rates continue to be near record lows.
- So, it must be gold supply manipulation by the world's central banks.
- Maybe, but honestly, I find it very hard to accept any thesis on gold supply and demand considering that, essentially, all the gold ever mined still exists.
- US\$1900/oz was too high, the market over valued the amount of risk in the global market.

I'm not sure I have heard anyone use that argument to explain the fall in



However, from 2011 to 2015, the gold price was almost cut in half and, as

the gold price, but I think that there is some sensibility to it. Personally,

though, given where we are today, I think we will see the gold price break US\$2000/oz.

In reality, given a long enough timeframe, you can be right about the direction of the metal price, however, given the time value of money, are you actually right?

My point with this example is to show that while the popular narrative and the fundamentals of a metal appear to be pointing to a rising metal price, global markets are complex and hard to predict.

Thus, it's my opinion that especially for the average investor, there's very little value in trying to guess or follow someone who believes that they can predict the direction of a metal price.

If you're bullish on the metal, buy the metal – it doesn't come with the risk associated with the miners, who can lose you money due to a variety of factors that include exploration failure, poor metallurgy or political strife.

Successful investing in junior resource companies is predicated on 3 main criteria: Invest in the best people, protect your downside risk, and be a deep thinker - see through the popular narrative.



Interstate and Entrance to the project is directly behind me

#### LET'S TAKE A CLOSER LOOK.

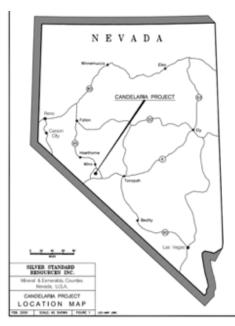
#### Reno, Nevada

On October 28th I caught the 6:20am flight out of Toronto to Denver and hopped on a connecting flight which brought me to Reno, Nevada before noon Pacific time.

Unless you're travelling to Las Vegas, in my experience, Nevada is always multiple flights from the east coast. It's even worse if you're flying into Elko, Nevada, which is located in the northeastern portion of the state - it's been a marathon 3 flights the last 3 times I've taken the trip.

Flights aside, I really enjoy this part of the United States. The air is fresh and clear and once you leave the cities and begin to travel into the smaller towns, it's like going back in time from a number of perspectives.

After landing in Reno, we made the 3ish hour drive south to Hawthorne, where we spent the night. The next morning, it was a short drive to Candelaria and a good review of what Silver One is planning at its flagship asset.



Source: Technical Report

Hawthorne sits directly south of Walker Lake and, interestingly, is home to the world's largest ammunition depot. The depot covers 147,000 acres and has over 600,000 square feet of storage space within 2,427 bunkers.

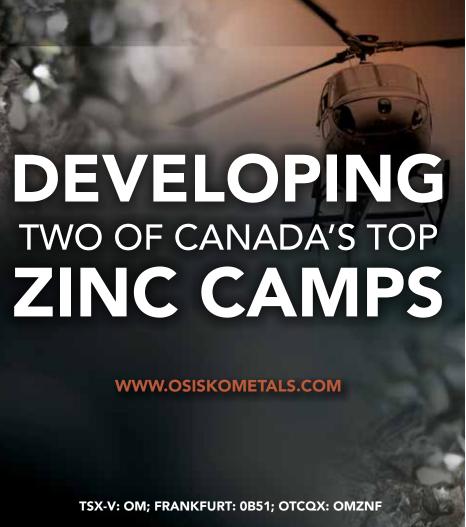


Unfortunately, I don't have a picture to share. You will have to trust me when I say that it's an amazing sight to see and really confusing if you don't know what you're looking at.

Besides being home to the world's largest ammo depot, Hawthorne is home to 3,000 people.

←View outside the door of my room at the Travel Lodge in Hawthrone, Nevada





At our hotel, at least half of the guests looked to be with the mining industry in some shape or form. The other half were older couples, whom I'm sure were using Hawthorne's Travel Lodge as a stopover on their way to Las Vegas.

#### Silver One Resources (SVE:TSXV)

MCAP - \$44.79 million (at the time of writing) Shares – 149.3 million FD - 187.1 million Strategic Shareholders - Eric Sprott 10.8%, SSR Mining 6%, Insiders 5.5%, First Mining Gold 3.4%

**NOTE:** Silver One closed a \$4.976 million financing at a share price of \$0.125 and a 3 year - 1/2 warrant at \$0.20 on July 11, 2019. The PP shares will be free trading very soon and there's a chance that some buyers may sell their shares and hold the warrants moving forward - FYI.

#### Candelaria Project



NOTE: Silver One has 1 remaining \$1 million option payment on Candelaria, which is due in January 2020 to Silver Standard.

Additionally, under the option agreement, Silver One must assume a \$2 million reclamation bond relating to the historic heap leach pads at Candelaria. Instead of coinciding with the last option payment, this will be deferred until January 2023.

Being a past producing mine site, the

Candelaria project has great infrastructure. It begins with close proximity to the interstate and a paved road right up to the main gates of the project.

Turning off the interstate, power lines follow you up and into Candelaria, with the sub-station sitting right next to a steel building. This is where Silver One is currently holding samples and other exploration equipment.

Additionally, Candelaria has access to water via wells that produce 500 to 600 gpm, I'm told, and sit in the southern portion of the property.

**NOTE:** From 1980 to 1999, the Candelaria mine produced 47 million ounces of silver before being closed due to low silver prices.

#### **HISTORICAL RESOURCE**

The Candelaria project has no 43-101 compliant resources on any of its heap leach pads or deposits - Northern Belle, Mount Diablo, Lucky Hill Mine or Georgine Pit.

Thus, the historical resource table which I have included for your reference should be taken with a grain of salt.

Silver One's CEO, Greg Crowe, who led much of the discussion during the site visit, mentioned that an updated resource was a priority for the company moving forward.

In fact, most of the drilling this fall will be used to produce a 43-101 compliant resource.

#### **METALLURGY**

In terms of priorities, next to setting a base number for Candelaria's resource estimate, the company will also focus a lot of attention on the project's metallurgy.

As it stands right now, roughly 30% of Candelaria's silver is non-recoverable through coarse grinding and cyanide leaching.

Preliminary mineralogical testing suggests that most of this nonrecoverable silver is held within jarosite.

Having 30% of your resource non -recoverable is significant and, thus, is why it's a priority for Silver One to improve.

**NOTE:** Initial metallurgical results show that 56% of the silver on the heap leach pads is cyanide soluble, leaving 44% in the non-recoverable category.

AREA/TYPE	CLASSIFICATION	TONS	FACTORED AG GRADE (OPT AGTOTAL)	SOL AU GRADE (OPT AUSOLUBLE)	AGEQ GRADE (OPT AGEQTOTAL)	AG OUNCES (AGTOTAL)	AQ EQUIN. OUNCES (AQEQTOTAL)
Mount Diablo	Heasured	Measured 3,391,000 4,44 0,004	4.67	15,054,000	15,838,000		
Discio	Indicated	10,231,185	2.84	0.003	3.01	29,005,000	30,796,000
	Subtot, M = Ind	13,623,000	3.23	0.003	3.42	44,060,000	46,633,000
Mount Diablo	Inferred	5,191,000	2.12	0.003	2.90	11,015,000	11,939,000
Northern Belle		9,162,000	2.26	0.002	2.37	20,661,000	21,714,000
Leach Pads		37,328,000	1.29	-	129	48,153,000	48,153,000
L.G. Stockpiles		4,000,000	0.75	-	0.75	3,000,000	3,000,000
	Subtot, Inf.	55,681,000	1.49	0.002	1.52	82,829,000	84,806,000

HISTORICAL RESOURCE - NOT 43-101 Compliant

In my view, the metallurgical work represents biggest opportunity for the company. How or where else can they add that many payable ounces within a year for what is a fraction of the cost and risk of drilling.

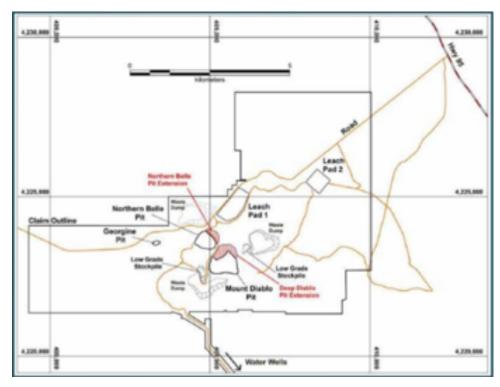
Crowe explained that they are focused on finding the optimal milling (grinding) size needed to liberate the silver from the jarosite.

Of course, the amount of milling has to be balanced with the economics of the whole process. It's one thing to liberate all the silver out of the jarosite, but if you need \$50 silver to do it, is it worth it?

It will be very interesting to watch for these results, and much like the resource estimate, see what silver price is needed for this to be economic.

#### **DRILL TARGETS**

Next to the Candelaria's priority work, the resource estimate and metallurgical testing, there are some interesting exploration drill targets across the entire property.



I will draw your attention to the image above, which gives us a top view of the project.

The Northern Belle and Mount Diablo pits are labelled and sit on either side of the red circle.















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Yours truly at Northern Belle Pit

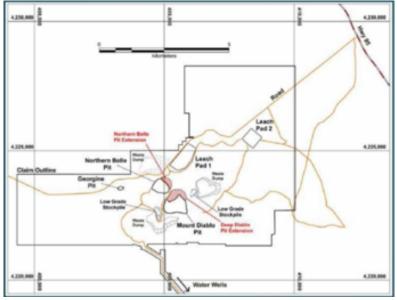
The first 2 targets are the most obvious. Silver One will be drill for down dip extensions, which I have represented using red arrows, on both pits.

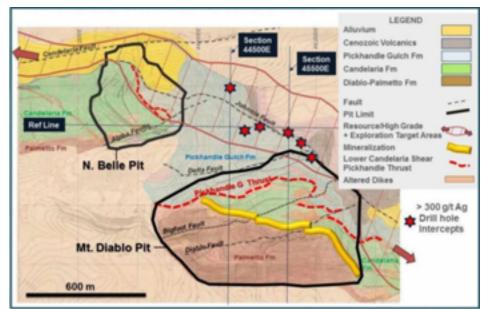
Second, both deposits will be drilled for lateral extensions, specifically in between the 2 pits to see if they connect. Represented as the area within the red circle

Historically, Silver Standard did hit silver mineralization in a number of holes in between the 2 pits, represented as stars in the image above.

#### **Georgine Pit**

Now let's take a look at the more abstract exploration targets at Candelaria.





Historic Silver Standard Drilling

In the image above, I have circled the next most prospective area within Candelaria.

This region of the property is interesting as it either represents a parallel or off-set mineralized structure to that which hosts Northern Belle and Diablo.

Currently, there are 2 known past producing pits in this area - Georgine and the Lucky Mine. Both are small, but when mixed with the magnetic anomaly the company has identified, could represent a much bigger system. I couldn't find a picture, but Crowe mentioned that the magnetic anomaly lies just north of the Georgine pit. Given this, they subsequently staked





more ground along the north claim boundary you see in the image above. The new claim block represents an area of approximately 8 square kilometres. Another interesting note on this area is the grab samples they have found. Crowe showed us one of the high grade copper, low grade gold samples they found in the immediate area



Sample found near Georgine Pit

Crowe speculated about the possibility of there being an Iron Oxide Copper Gold (IOCG) deposit in this area.

They plan to follow up the grab sample with an IP survey, which could shed some light on any concentrations of sulphide mineralization in the area.

#### **CONCLUDING REMARKS**

It was a good site visit to Silver One's Candelaria project, I believe I have a good understanding of where the company is and where they are headed. I look forward to seeing the initial drill results from the company, which I am sure we will see before the end of the year. Additionally, more geophysical work on the new claim block and area surrounding Georgine pit should be

really revealing to what may be there. I, however, am not a buyer of Silver One Resources at this point; as there are a number of questions I have yet to answer

First, will there be an onslaught of selling as this summer's private placement shares become free trading?

Second, the metallurgical work is a HUGE part of this story and, really, I think, will be the main factor in classifying it as a good or great project.

Silver One has been added to my watchlist, as I eagerly await drill and preliminary met work results.

#### Disclaimer:

This article is not an investment recommendation, it is an investment idea. I am not a certified investment professional, nor do I know you and your individual investment needs. Please perform your own due diligence to decide whether this is a company and sector that is best suited for your personal investment criteria.

I have NO business relationship with any of the companies discussed in this article, however, Silver One Resources did pay for my site visit expenses. I do NOT own shares in Silver One Resources.





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#### May 2019 Mineral Resource Estimate (175g/t AgEq cut-off)

INDICATED: 134Mozs AgEq; 37.5Mozs Ag, 40Mlbs Cu, 303Mlbs Pb, 897Mlbs Zn; and INFERRED: 138Mozs AgEq; 45.7Mozs Ag, 76Mlbs Cu, 253Mlbs Pb, 796Mlbs Zn

- Current Discovery Cost = \$0.07 / oz AgEq or \$0.005 /lb ZnEq
- 133 drill holes, 59,000 metres, US18.5M spent in acquisition and exploration to date
- Continued success in transitioning our exploration targets into additional Mineral Resources
- Recent drilling identified a silver enriched zone in new CLM West claims; similar to nearby Avino, La Preciosa vein systems
- De-risking project with continued Engineering and Metallurgy work

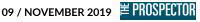
#### Oro Cu-Mo-Au Project, New Mexico, USA:

- Cu-Mo-Au Porphyry Target multiple drill-ready targets within a six sq.km alteration footprint
- Z-TEM survey over entire property completed and evaluated, additional claim staked

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## 2018 ACHIEVED **COMMERCIAL PRODUCTION ON SERIES II OF** JIAMA PHASE II EXPANSION

by Andrew O'Donnell

#### NDERVALUED AND **UNDERAPPRECIATED**

The past years have been hard on mining companies and investors alike, but gold is capturing spotlight of the mainstream once again with global uncertainties, trade wars, and peaking of company valuations on the main markets. I am far from alone seeing this as a shift in the mining sector as fund and central buying inflows to ETF rose to over 1,100 tonnes, the highest levels since Q1 2016.

Quietly growing, passing milestones and achieving excellent growth is a half-forgotten gem of a discovery and successful operations. China Gold International Resources (CGG:TSX). formerly known as Jinshan Gold Mines (JINFF:US) is a 'gold and base metal mining company engaged in the acquisition,

exploration, development, and mining of mineral reserves primarily in China, but with ambitions to grow internationally. Many will remember that Robert Friedland's Ivanhoe Mines owned 42% of Jinshan Mines. This company has taken that great gold asset, added a new one and looks toward the future with optimism through organic growth and Mergers and Acquisitions. The name China Gold International reflects that it is the international flagship vehicle for China National Gold, the parent company that owns 40% of the company is considered as a Red Chip company due to its listing on the Hong Kong Stock Exchange.

#### THE ASSETS: **INNER MONGOLIA & TIBET**

China Gold International has a 96.5% interest in the Chang Shan Hao (CSH) Gold Mine in Inner Mongolia; and 100% interest in the Jiama Copper-Gold Polymetallic Mine in Metrorkongka County in Tibet. Two distinct producing assets together provide a portfolio of 35% gold 65% copper weighting. The Chang Shan Hao Gold Mine is entirely gold and has about a 7-year reserve while the Jaima mine, in Inner Mongolia is a copper, polymetallic producing asset with enormous growth potential. The Jaima mine is in Inner Mongolia, which is known as the Tibet Autonomous Region or simply as Tibet. This is an independent region Mongolia that is the largest subdivision of China. The main language is Mandarin. The region is under the Chinese national umbrella and would seek success for both the parent company as well as the flagship Western subsidiary.

This piece is a focus on the Jiama property as it provides enormous organic growth potential. This mine





info@chinagoldintl.com 1-604-609-0598

**CGG:TSX | 2099.HK** 

has about a 30-year life and China Gold is expanding with great operational success. The company took some time with their massive jump from

large institutional funds and the Chinese government who supported them in raising \$1.2 billion BBB (investment grade debt) at 3.25%. The



producing 6,000 tons a day to the current 50,000 tons a day operation. The market has been anxiously waiting and with no news often people get worried and sell but we see a massive opportunity. Since 2015, the company has completed 32 drill holes totalling 30,096 meters. They are conducting a PEA and expecting 'a significant increase in mineral reserves'.

#### **BUT WAIT THE DEBT!!!**

Here we have a great undervalued stock with a solid backer, both through company has access to a \$14 billion credit facility! That is an astonishing number! When your children get older many years from now and they ask you what you did when the governments of the world were almost giving money away, what will you say? Tell your kids that you could not borrow money at those incredible rates, but you found a company with financial support and backing that were producing assets needed for financial stability as well as the electrification of the future. To put things in perspective this Standards & Poor's (S&P) BBB investment grade debt is unlike the billions of junk bond debt that Netflix floats every quarter create entertainment!!! China Gold International produces assets: physical gold which is on the rise and copper which is the catalyst for the electrification of tomorrow.

#### **BUY THE NUMBERS**

More on these details in a later article but let us look at the facts:

- a book value of \$3.64 and the stock is trading at just over \$1 on the TSX with 396 million shares outstanding and no options/ warrants for around \$400 million market capitalization
- Current production profile on gold is 210,000 ounces gold and 105 million lbs copper and growing.
- 2018 \$250M EBITDA with \$200M+ operation cashflow 2018 revenue of \$570M - valuation at barely 1.5X one-year revenue and less than 2X **EBITDA**
- 0.25 Price/Book Value versus 1.4 industry peer average
- Over 30% Compound Annual Growth Rate growth revenue last 10 years





#### AGGRESSIVELY LOOKING: MERGE **OR ACOUIRE?**

The company is not shy about its intention to enter the M&A market. Recently on a call with Jerry Xie, Executive VP for China Gold they expressed interest in deals up to \$1 billion is size. This was stated recently in September 2019 at the Denver Gold Forum in a Bloomberg article:

incredible investment banking deals and mergers this year and although we are getting close to end of year 2019 there is still time left. The Financial Post reported on China Golds interest in adding to their pipeline and at that time lamgold was the potential deal. The company can finance at incredible rates without diluting the stock leaving great value. Although the discussion with lamgold has been tabled since oct.9th the future looks strong.

source, and outstanding ability to generate operational cashflow.

#### YOU ARE NOT ALONE

There is safety in investing where smart money is and whether I look at a junior explorer or an impressive producing operation like China Gold I want to know who is backing the deal. This company has institutional ownership with groups like 10% from Van Eck Associates, BlackRock, Morgan Stanley, and Dimension. What these reveals is that firms whom have great resources and depth of analysis see growth and opportunity in the stock. If you found out major shareholders in a junior miner has mining legends such as Beatty, Giustra, or Sprott in it, it would save you a lot of time in due diligence, as you know they have done the work and believe there is something tangible here. They represent long term money and will keep the company shares in good times and bad times. With smart money like China government and likes of Van Eck and Blackrock, this is a quality company that is quietly operating and growing.

This is a powerhouse of a company and there is a lot to consider and expand on. If you are a fundamental analyst who looks for value, market cycles and growth then you must look at this company. It is firm belief that this company suffers more from lack of marketing, awareness in the market and perception rather than any fundamental reason. The company will be releasing quarterly earnings on November 15th and this will provide further guidance moving forward but the expectations is that they will be strong. This is just an introduction piece to this opportunity but stay tuned for an in-depth look at the numbers and the details in the upcoming weeks. Stay tunes and watch for November 15th, 2019 when Q3 earnings come out!









We need more pipeline, especially in gold production. We're currently looking for acquisition opportunities quite aggressively. We're doing this on behalf of our parent company, not just for ourselves.

That comment was strongly reiterated in 2019 in an interview at PDAC with Small Cap Power. We have witnessed some The stock price is trading at a discount in part perhaps because the deal did not materialize and in part because of perception and politics.

This is not a technical issue, nor is it an operational issue or even and exploration issue and quite frankly those are the critical issues with any deal. Politics and PR are issues which can be resolved when you are dealing with a company with outstanding growth, stable funding

#### Securities Disclaimer:

I, Andrew O'Donnell, hold no direct investment interest in any company mentioned in this article. I did receive cash for this article.

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## An Innovation of **AMERICAN MANGANESE** NOT JUST TALKING **BUT SOLVING PROBLEMS**

AMERICAN MANGANESE TSX.V: AMY: OTC US: AMYZF: FSE: 2AM

by Andrew O'Donnell

s most of you know the exciting truth about mining is that it is the foundation for technology. We would not have any of the critical devices, equipment, energy or electrical systems without the elements and minerals from mining.

Regardless of ones' political opinions on carbon and climate change most reasonable people want to focus on solutions rather than problems. Industry experts have been concerned with a large portion of carbon coming from mining of critical metals. With many people turning to electric

vehicles whose batteries run off critical metals what other solutions do we have? One of the intelligent concerns I get from people that understand that all our solutions, if carbon is the problem, come from mining -is what do we do with end-oflife lithium-ion spent batteries?

TICKER: TSX-V: AMY OTC US: AMYZF FSE: 2AM

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American Manganese pioneered a solution based on their mining process which they coined urban mining. American Manganese is a technology and critical metals company focusing on Recycling Electric Vehicle Lithiumion Batteries Using the RecycLiCo™ Patented Process. This is an incredible opportunity for recycling cathode minerals, such as cobalt, lithium, nickel, and manganese, from end-oflife lithium-ion batteries. Most of us know that these are the most widely used type of batteries in electric vehicles today. The process originated from the company's Artillery Peak Deposit in Arizona where they patented a process for recovering electrolytic manganese metals from low-grade ores (2-3%).

There is no doubt the world is going electric and battery solutions are vital. Here is an environmentally conscious company: a company providing a patented solution for recycling electric batteries, urban mining!

#### Problem

There is increasing use of lithium batteries and currently, the huge cost to reclaiming spent batteries is troubling. Current recycling methods heat these metals (over 1,500 degrees Celsius) causing harmful emissions and low extraction results. This issue means high emissions of greenhouse gasses and high energy consumption. It is a solution but certainly not ideal for a forward-looking world.

**Solution:** Urban Mining, RecycLiCo™ As mentioned before, the company

had to solve the problem of processing low-grade manganese at their Artillery Peak Property in Arizona. The manganese market prices were not favourable for the project to continue so the project was shelved. Kemetco Research Inc., who immediately saw the potential application towards the lithium-ion battery market. From this collaboration, the RecycLiCo™ process was developed from multiple lab tests, which has led to the current pilot plant testing. The patented process reduces the waste in landfills and even the need for new battery metal production. It captures the asset for reuse rather than lost capital and assets while eliminating carbon emissions. We want to do right by the planet and watch our overall greenhouse gas emissions. The solution is promising because of the cost-effectiveness of recycling these minerals critical to our future rather than the enormous cost of exploration and production. The trend locally, federally and globally is towards environmental solutions and this process not only meets those trends but is viewed favorably by governments because RecycLiCo™ produces no greenhouse gases, reduces landfill waste, has low overall energy consumption while reducing the need to replace lost minerals. The process has a recovery rate up

The process has a recovery rate up to 100% at battery-grade purity for metals like lithium, cobalt, nickel, and manganese.

#### **Business Plan**

The company has already met substantial milestones and continues to build out its model. American

Manganese has identified a low hanging fruit in cathode production scrap from battery manufacturers, which the company has sourced for testing. The key is to engage in joint venture agreements, royalty agreements, or license out the patented technology to business leaders. Is the company able to meet the scope and size of this massive market? They believe they have the solution and there is a potential for highly profitable recycling of thousands of tonnes of existing and commercially available lithium-ion battery cathode scrap material. One of the keys as mentioned is a patent and they have two:

- Patent No. 10,246,343 United States Patent and Trademark Office granted a patent for lithium-ion battery recycling process and recovery of cathode materials on April 2, 2019
- Patent No. 10,308,523 United States Patent and Trademark Office granted a patent on June 4, 2019, for:
  - **a** Recovery of graphite and carbon from ground battery concentrates
  - **b** Treatment of fluoride originating from the electrolyte solution
  - **c** Separation of aluminum from cathode active material

A key realization is that the company has partnered with the US Department of Energy to advance the recovery of lithium-ion batteries from electric vehicles and other consumer electronics.

New Electric Vehicles on the road by 2030\* Metric Tonnes of spent Lithium-ion batteries per year by 2030\*\*

22

Additional battery Megafactories by 2028\*\*\*

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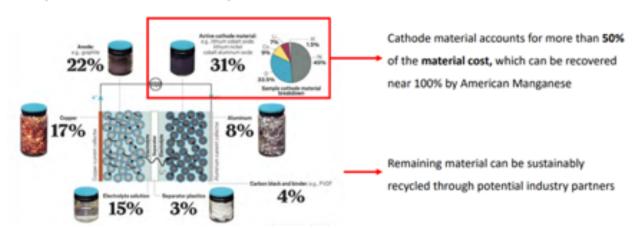
Patented Process to recover spent Lithium-ion cathode materials



#### Inside Lithium-ion Batteries



All Components Of A Lithium-ion Battery Have Value And Can Be Recovered



The company is led by Larry W. Reaugh President & CEO, Director who brings 55+ years' experience in the mining and technology industry. Several of his companies have made significant discoveries, three of which (gold/ silver) went on to be producing mines. Mr. Reaugh restructured American Manganese Inc. in 1998 and has served as its President and CEO since that time. Through his career, Mr. Reaugh has raised over of \$300 million. The

company has a well-rounded team, advisors, and directors with financial and technical expertise balanced towards their business plan. One of the directors is Kurt Lageschulte, Partner and Senior Analyst at

#### **Digital Phone** Multi-line 40% Savings\* On System (PBX) **Business Phones** Monthly Phone Bill Individual staff phone Access discounted Compact design extensions. long-distance rates. operates quietly. Very low power Support for on-site Reduce your line cost and remote phones. to \$32/month. consumption. Call Hold, Transfer & 1-2-3 set-up & √ Keep your existing 3-Way Conferencing. telephone number. web configuration. √ Voicemail & Advanced Text & Auto-forward calls USIDES Number Call Display to mobile staff. Voicemail-to-Email ✓ Do-Not-Disturb & Call No need for long-Auto-Attendant & Forward. term contracts. Off-Hours Menus ✓ Staff Directory & ✓ XLS call records Intelligent call forwarding. Speed-dial. available for easy accounting. √ Conferencing rooms Uses analog or digital lines. & Call Agent Queues. Simple PDF invoicing. ✓ Remote & on-site ✓ Uses Existing PC ✓ Free quotation & Ethernet Wiring savings assessment. support available. telephonic<sup>®</sup> phones from business lines systems from \$**875**.00 \$155.00 www.telephonic.ca \$32/month Call 604.638.3848

Broadbill Investment Partners, LLC in New York. Broadbill Partners is an investment firm with offices in New York, Florida, and California and manages \$130 million. Of course, we cannot forget Dr. Shailesh Upreti, who sits on the Advisory Board, has worked closely with lithium-ion battery Nobel laureate, Professor Stan Whittingham, in the past and holds multiple US

patents and their foreign equivalents in more than 30 countries. Back in October 4, 2017, New York Governor Andrew M. Cuomo announced that Dr. Upreti will lead an initiative to establish a lithium-ion battery gigafactory in New York state.

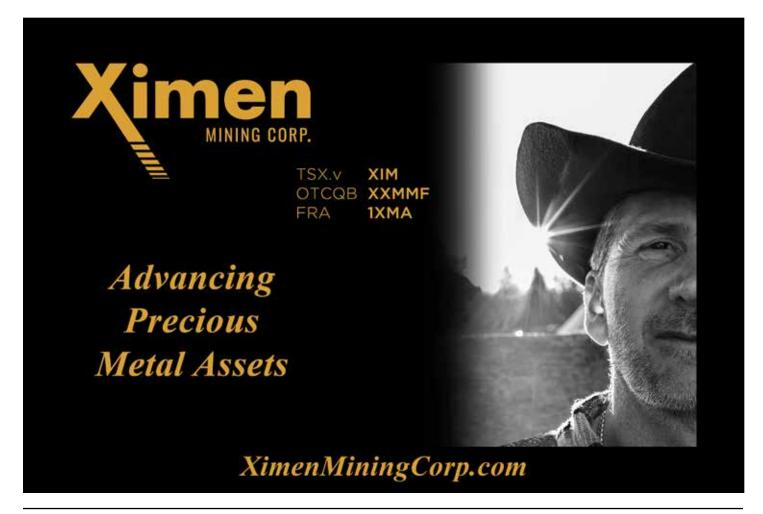
This is a passionate company looking to move solutions forward to meet environmental challenges. The company statement is that it: 'promotes a circular economy solution in the lithium-ion battery supply chain, for battery metals such as lithium, nickel, manganese, and cobalt' but we see it as an ingenious way to solve a major world problem.

#### Securities Disclaimer:

I, Andrew O'Donnell, hold no direct investment interest in any company mentioned in this article. I did receive cash for this article.

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## GLOBEX IS ALWAYS ASSISTING **IN GOALS**

By David O'Brien

There's nothing quite like a 'power play' in hockey... dominance and usually great scoring opportunities... just like mining. In this article we focus on the Partnerships that MAKE THINGS HAPPEN.

The Saxony & Excellon Partnership: "They Shoot! ... They SCORE!"

Globex's (GMX-TSX, GLBXF-OTCQX International, G1MN-Frankfurt) Braunsdorf Licence property in Saxony is a target Excellon Resources Inc. (EXNTSX, EXLLF-OTC, E4X1-Frankfurt) a silver producer which operates the Platosa Mine, Mexico's highest grade silver mine, found to be attractive, so the expert miner with 'tons' of international experience, took aim... The two companies will benefit by the structure of their deal in both the short and long terms, and potentially greatly if their geos are proven correct in their assessments of the potential of this silver and polymetallic prospect... mined on and off for 750+ years.

- Excellon's News Release of Sept. 24, 2019
- "The Silver City Project is located within a large, high-grade epithermal system and has a long history of mining dating back to the 12th century, with no modern exploration for precious metals.

#### Highlights of the Silver City Project

First mover advantage in the historic mining district of Bräunsdorf, which boasts 750-year history of silver mining, immediately west of Freiberg (known as Silberne Stadt or Silver City);

exploration Bräunsdorf license (the Silver City Project) totals 164 km2 encompassing 36 km of strike, including six major historic silver mine camps, five minor camps and other prospects, with no modern exploration completed to date;

Historically reported veins ranged from 0.5 to 10 metres width, with grades of over 3,500 g/t Ag and no

assaying for gold or zinc available at the time:

Petrographic and fluid inclusion studies recently conducted by the Mineral Systems Analysis Group at the Freiberg University of Mining and Technology suggest a productive depth for precious metals from 50 to 450 metres below surface;

Additional information on the project is available on **Excellon**'s website at:

http://www.excellonresources.com/ operations/silver-city/snapshot/.

"This low-risk, low-cost option gives us first mover advantage in a large highgrade epithermal silver district," stated Brendan Cahill, President and CEO. "With historic, high-grade mines seldom reaching depths of 200 metres, Silver

City may be akin to turning the clock back 100 years on the Fresnillo trend.

This opportunity aligns perfectly with our focus on exploring large, underexplored properties for highgrade discoveries on world-class precious metal belts."

Mr. Cahill continued, "Exploration and miningareonthebrinkofarenaissance in Saxony and significant talent is readily available in the broader region. The Freiberg University of Mining and Technology, the world's oldest mining and metallurgy college, is within 10 km of the Silver City Project and is actively training geologists and metallurgists, while the Helmholtz **Institute** Freiberg is developing high technology solutions for the mining industry in Germany and globally."





Francouer / Arntfield "Heavily Favoured to Win..."

Recently, on October 3, Globex released this NR:

"Globex Begins Stripping, Channel Sampling and Drilling at Francoeur/ Arntfield Gold Mines Property".

Following considerable prospecting, mapping and compilation effort, work has begun on stripping several areas of the Francoeur/Arntfield Gold Mines Property. In particular, an area adjoining the previously stripped and channel-sampled 450 Gold Zone is being cleared, stripped and pressure washed.

This work will extend exposure of outcrop where previous channel sampling returned 7.04 g/t Au over 9.50 m.

In addition, an area south of the Francoeur # 8 Gold Zone will be stripped and pressure washed.

Grab sampling by **Globex** in this area returned assays such as 25.41 g/t Au, 13.06 g/t Au, 11.45 g/t Au, 5.93 g/t Au and 2.67 g/t Au. Once the outcrops exposed are stripped and washed, we intend to undertake channel sampling of the new exposures.

Overlapping with the stripping, washing and channel sampling program, Globex has started a drill program. The targets in this drill program will be to test the potential down dip of the 450 Gold Zone at a

shallow depth, to verify and test the up dip projection of a wide gold zone reported in a historical drill hole, to test two areas where strong induced polarization anomalies were outlined in our previous work along what is thought to be the western extension of the South Shear and an area between the shafts where historical trenching suggests the presence of two gold horizons rather than one. Historical trench assays are the following:

In February 2017 **GMX** reported "Gold Intersections up to 5.37 gpt Au **over 14 m** at Maude Lake Property" **RJK Explorations Ltd.** has received assays from four holes (578 m) of its 5,000 m drill program at **Globex**'s Maude Lake Gold Property, northeast of Matheson, Ontario.

The Maude Lake property is under option to RJK for annual cash payments of \$250,000 per year

Historical Trenches - Gold Assays	
10.61 g/t Au over 1.52 m and 6.53 g/t Au over 1.52 m	
6.86 g/t Au over 3.76 m	
6.63 g/t Au over 5.49 m	
9.60 g/t Au over 3.05 m	
7.20 g/t Au over 2.13 m	
8.40 g/t Au over 10.36 m	
14.93 g/t Au over 0.71 m	
15.97 g/t Au over 2.13 m	
8.86 g/t Au over 2.44 m	

Sources: Plan Trenches and Drill Holes Francoeur-Arntfield Ore Zone, 1927, GM 6148 and Arntfield Gold Mines Ltd. map (not dated).

Maude Lake (Ramp Mine) - Gold "Two on one and with the Puck..."

Beatty, Carr, Coulson, Wilkie Townships, Ontario

#### Summary / Overview:

Resource of over 700,000 tonnes grading 8 g/t Au. Portion open-pittable. Ramp with 5 levels in place. Surface prestripped. Large exploration package.

adjusted for inflation and a 2.5% Gross Metal Royalty (GMR), 1% of which may be purchased for \$2,000,000.

Once production is achieved, the GMR may not be less than \$250,000 per annum.

RJK announced the following results from drill holes at the "5 Zone": Despite the favourable drill results RJK was unable to raise sufficient funds to

maintain the option and the property remains 100% owned by Globex.

property and working to secure a new mining partner for the project.

Hole	From (m)	To (m)	Core Length (m)*	Gold (gpt)
RJK17-01	74.40	77.7	3.30	2.10
	119.90	121.8	1.90	11.82
Including	119.90	120.4	0.50	36.84
And	121.25	121.8	0.55	5.95
RJK17-02	98.50	101.0	2.50	9.05
Including	98.50	99.4	0.90	5.88
And	99.40	100.3	0.90	17.42
RJK17-04	89.00	103.0	14.00	5.37
Including	89.00	90.0	1.00	12.49
And	98.00	103.0	5.00	9.86

<sup>\*</sup>True widths are unknown.

Magusi River and Fabie Bay Mines - Polymetallic "It's a Complete Breakaway..."

Duparquet, Duprat, Hebecourt, Montbray Townships, Quebec

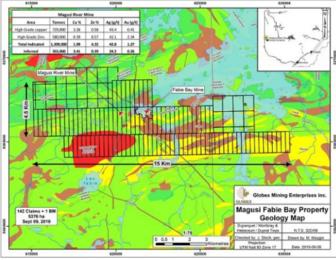
> Summary / Overview: Huge land package, 1.6 million ore resource of Cu, Zn, Au, Ag. Road and power installed. Portal built and first 100 metres of ramp completed. Settling ponds in place. Permit to extract a 50,000-tonne bulk sample.

The Magusi River Deposit is situated in a geological environment with good potential to increase the extent of the currently known massive sulphide mineralization.

One potential target is the gap between the Main and East Zones where, due to the lack of drilling, the continuity of mineralization between the lenses has not been demonstrated to date. Drilling indicates the presence of other, currently low-grade sulphide lenses that could be further explored for continuity and extensions with a view to generating higher grade zones both along strike and dip.

The Magusi River Deposit is open at depth and laterally with a few drill holes which indicate a good potential for additional mineralization at depth. There appears to be potential for economic mineralization along the Magusi River Deposit volcanogenic horizon or other sub-parallel horizons.

updating Globex İS now the environmental permitting at the



Joutel Mining Camp "Tic, Tac, Toe Passing Play..."

GMX owns 100% of Eagle, Joutel and Poirier Mines. Some resources. Also, large exploration package with gold in surface showings and drill holes. **Perfect** package for an area play spin out.

#### Globex Adds More Claims at Joutel

"We have acquired additional mineral rights in the loutel gold and base metal mining camp of Quebec.

**Globex** already owns three former mines in the Joutel Mining Camp; the Poirier Mine (copper/zinc), the Joutel Mine (copper/zinc) and the Eagle Mine (gold). All three former mines have historical resources and underground access via shafts and drifts.

Recently, over 10 kilometers of the Eagle Mine horizon became

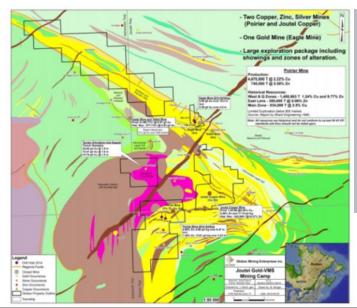
> available and Globex was able to acquire the entire strike length. The claims have seen historical exploration including drilling. The drilling defined the underlying mine horizon of interest over the entire acquired property. Numerous gold intersections are reported or indicated. Many of the older drill records report prospective geology (quartz veins, sulphides, alteration) but often, little or no assaying.

> **Globex** intends to compile the historical data and seek an option partner or buyer for the prospective Joutel Mining

Camp package."

Playmakers step right up... there's goals in them thar hills...

Do your Due Diligence, of course.



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## **PLAYFAIR IN NORWAY...** AI AND EXPLORATION

By Andrew O'Donnell

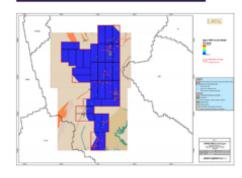
Norway get a lot of news for a number of reasons: Roald Amundsen who led the first Antarctic trip, the invention of the paperclip, winning a ton of speedskating and cross country skiing Olympic golds and being the standard for clean and green tech. Environmentalist, lobbyist and activist hold up Norway as a standard for the West to meet. By data, Norway is best known for energy, oil and gas and its Sovereign Fund has reached over a trillion. It is moving forward from its incredible oil and gas activities to diversify into the electric market. Norway still drill offshore and is a titan in the petroleum market to activist dismay, but it is mobilizing its 4.5 million people to this economic shift of climate change, certainly faster than a country of 100 million.

orway has vast reserves of petroleum, titanium, nickel, natural gas, iron ore and coal. Globally, it ranked fifth in the production of natural gas and second in export of natural gas. The country's titanium production accounts for 6% of the total world production of titanium. It is a globally leading producer of ferroalloys and aluminium.

Playfair Mining is a Canadian junior mining company looking to capitalize on the rich resources of Norway; specifically, copper, nickel and cobalt the building blocks for the electric revolution. Whether it is electric vehicles, power grids, solar power, wind turbines or any battery these minerals are critical. country has several active and past producing mines including. The team is employing technical expertise in Al coupled with current, advanced geological surveying and sampling to identify potential targets. And they have found a great deal of potential targets; 24 to be exact. What is fascinating about this company is the

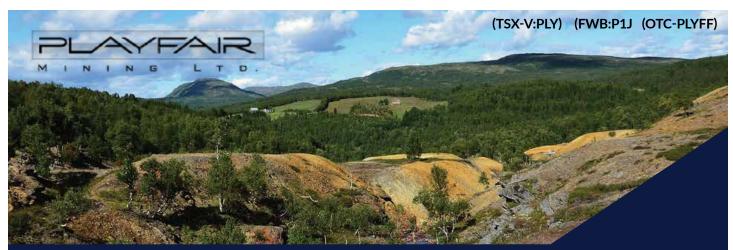
#### CARDS EVALUATION

#### VIEW CARDS EVALUATION REPORT



marriage of Artificial Intelligence and mining. Playfair combines the process of Windfall Geotek CARDS and the SGS - MMI geochemical evaluation, both relatively new techniques in the exploration tool box, to uncover the hidden potential of this old but underexplored district. MMI The 24 selected targets generated by the AI are being confirmed and prioritized using the soil geochemical technique MMI (mobile metal ion) to identify

metals present in each of the targets. MMI™ measures metal ions that travel upward from mineralization to unconsolidated surface materials such soil, till, sand and so on. These mobile metal ions are released from mineralized material and travel upward toward the surface. The SGS Lab in Burnaby, British Columbia, Canada can measure these ions and interpret them. SGS has completed testing samples from the 24 targets,



RKV PROJECT- COPPER NICKEL COBALT IN SOUTH CENTRAL NORWAY

BEGINNING WITH ARTIFICIAL INTELLIGENCE, PLAYFAIR IS USING MODERN EXPLORATION METHODS TO EXPLORE THIS 330SQKM HISTORIC COPPER NICKEL DISTRICT.

THE RKV PROJECT COVERS 2 PAST PRODUCING VMS COPPER MINES, A NICKEL-COPPER DEPOSIT AND OVER 20 ADDITIONAL KNOWN MINERAL OCCURRENCES

EXCELLENT SUMMER EXPLORATION RESULTS AT WWW.PLAYFAIRMINING.COM

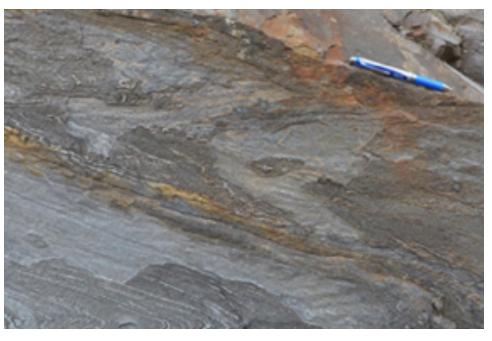
Contact: Donald G Moore CEO | dmoore@wascomgt.com | 604-687-7178 roughly 1050 samples and a final report is pending. One of the key reasons this technique was chosen was that many target areas are covered by overburden and traditional lidar/ mag cannot penetrate with strong accuracy deeper deposits.

#### **CARDS**

Let's touch on Albert Mining's CARDS a bit more so we can see how some of these key targets were mapped. The software is a pattern recognition algorithm. The foundation or power comes from MCubiX-KE (Knowledge Extraction) data mining engine. By feeding the application historical data, rock samples, soil samples, Geochem (MAG and EM), surveys, topography and geography the program deduces targets. This is not only a mining opportunity, but it is a fascinating application of Artificial Intelligence and Machine Learning in the mining sector. Like all foundational shifts in civilization it would seem an application like this holds great promise to the future of finding deeper, hidden and hard to reach deposits. The low hanging fruit has been picked and despite glacial abatement revealing untouched land this tool may add the next leap forward in mining.

#### **NICKEL MATTERS**

The type of nickel matters when you are looking for battery grade nickel. Not all nickel is created equal. There



are two Classes of nickel: Class 2 nickel impure and is used as stainless steel while Class 1 nickel is defined as having 99.8% purity. Sid Rajeev, analyst at Fundamental Research, notes, "A lot of people don't understand that only 50 per cent of the nickel supply is suitable for batteries." Playfair's Vakkerlien deposit is Nickel Sulphide. Brien Lundin (Jefferson group of companies) has recognized the potential and highlighted the opportunity in his GOLDEN OPPORTUNITIES.

The Playfair opportunity is a brownfield exploration focused on 300 square km of road accessible land

with 2 past producing copper mines and 1 Nickel/Copper Deposit and Drill. The company is on track and schedule with all their permits applied for in order to drill over the winter.

On Thursday November 7th Playfair posted a news release:

RKV Project contains a good number of samples with very high (MMI Cu>10,000 ppb) Cu values...All or most of these will be indicative of weathering copper sulphides". The highest value is 48,400 ppb Cu which the report notes is "one of the highest recorded values of MMI Cu in a soil.

This MMI Survey is extremely optimistic Proven and Provable also included a quote from President and CEO Don Moore stating: "Saying we are pleased with the results so far is an understatement. The number of CARDS targets that produced outstanding results in the MMI evaluation process exceeded our expectations. Playfair's innovative approach has certainly optimized our ability to move the project forward with a sharp focus in a short timeframe.

#### THE MANAGEMENT

President and CEO, Donald G Moore began over thirty years ago while working summers in the Dickinson Mine (Goldcorp) in Red Lake. Mr. Moore



joined the Mining brokerage firm Doherty Roadhouse & McQuaig (which eventually became Midland Walwyn) in 1968, where the foundation of his experience in the Mining investment industry evolved. In 1976 he accepted the challenge of reviving the economy of the mining town of Kirkland Lake, Ontario, where, in his role of Director of Economic Development, he conceptualized, raised funds for and had implemented a number of Geoscientific programs that became the standard for Ontario.

D. Neil Briggs is a director of Playfair and holds a Bachelor of Science degree in geology from the University of Durham, England. He held a senior exploration position with Falconbridge Nickel Mines Limited, during which time he established the company's regional exploration office for the Atlantic Provinces of Canada.

Another key member is Director, Steven Chan. Mr. Chan was formerly vice-president of Cambridge House International Inc. He was instrumental

Cambridge building House into Canada's leading investment conference company, serving the mining and natural resource industry.

This is an exciting time for Playfair Mining. This Marriage of AI and mining may be the big leap forward to a discovery. The science is impressive and encouraging and we look forward to keeping an eye on all milestones and upcoming drilling of these prized targets.

#### Securities Disclaimer:

I, Andrew O'Donnell, hold no direct investment interest in any company mentioned in this article. I did receive cash for this article.

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PRODUCED OVER 232.960 OZS OF GOLD IN THE LAST 12 MONTHS\*





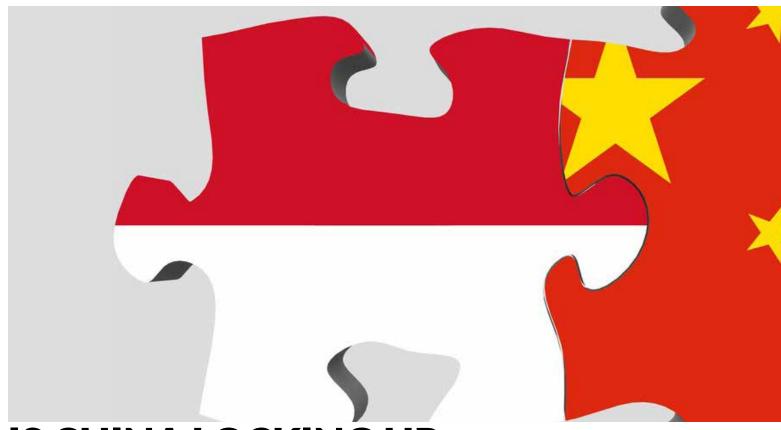


\*At the end of October 2019.

OTCQX: TPRFF

www.grancolombiagold.com

TSX: GCM



## IS CHINA LOCKING UP **INDONESIAN NICKEL?**

By Richard (Rick) Mills

As it has done with cobalt, graphite and rare earths, China appears to be locking up the nickel market.

ickel's producer, Indonesia, early September decided accelerate a scheduled ban on ore export shipments, from 2022 to January 1, 2020. The ban which instead took immediate effect on Oct. 28, is to encourage the building of domestic smelters instead of exporting raw nickel, and other metals, for processing abroad. (the country did the same thing in 2014 but lifted the ban three years later).

#### **NO COINCIDENCE**

Is it any coincidence that Indonesia decided in September to ban nickel ore exports, just a few weeks after a meeting between Indonesian president Joko Widodo and Chinese industrial

executives, including Xiang Guanda, who in partnership with his wife, runs Tsingshan Holding Group?

We think not. Tsingshan is the world's biggest stainless steel-maker, and has substantial investments in Indonesian

The Chinese metals giant is known for causing a major disruption to the nickel market in the mid-2000s, when it and other Chinese companies massively adopted nickel pig iron (NPI), crushing the nickel price. The firm went on to build low-cost NPI plants in Indonesia.

Tsingshan now plans to construct an Indonesian plant to produce nickelcobalt salts from nickel laterite ores. Using previously uneconomic technology Tsingshan says it will

transform class 2 laterite deposits into class 1 metal for the battery market.

Class 2 nickel is primarily used to make stainless steel, which accounts for two-thirds of global nickel demand. Sulfide deposits provide ore for Class 1 nickel users which includes battery manufacturers. These battery-cos purchase nickel sulfate, derived from high-grade nickel sulfide deposits. It's important to note that less than half of the world's nickel is suitable for the biggest growth market - EV batteries.

At the July meeting in the presidential palace, Xiang reportedly offered several policy suggestions" on improving Indonesia's business environment and briefed the group on plans to expand Tsingshan's total investment in the country to \$15 billion, including a plant



making nickel chemicals for electric-car batteries, according to a press release from the company. Two months later, Indonesia announced it would bring forward a ban on nickel ore exports by two years.

Tsingshan has also raised eyebrows among metal traders in London for drawing down abnormally large quantities of metal from LME warehouses - causing nickel stockpiles to fall to an 11-year low.

The draw-downs occurred in two phases. In July nickel prices shot past \$6.00 per pound as a result of nickel inventories in LME warehouses dropping to 150,000 tonnes.

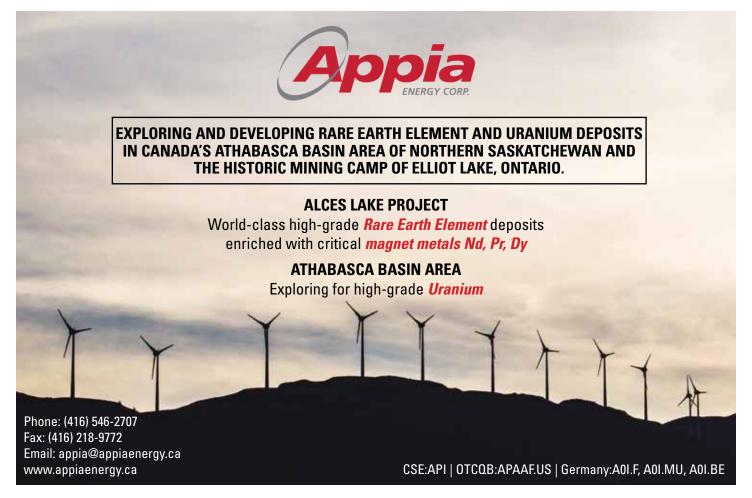
September, Indonesia early announced the nickel export ban would be moved forward two years, causing nickel to jump 8.8% to its highest price in five years.

Between the last week of September and October 24, another nickel buying binge took place. Warehouse inventories plummeted from 152,000 tonnes to 87,132t - their lowest since 2012. The 25,000 tonnes that left storage was the largest amount withdrawn in the 40 years of the nickel contract.

A media report says Tsingshan Holding Group was one of the main forces behind the record draw-down, along with JP Morgan. The LME is reportedly reviewing recent trading in the nickel market to "ensure that the client's activity is not conducive to an abusive squeeze or other pattern of market abuse/disorderly market conduct," according to an email sent to LME members.

At Ahead of the Herd we find the timing extremely suspicious. Tsingshan says it took so much metal out of warehouses to secure supplies, ahead of the looming ban on Indonesia raw metal exports. That seems plausible. And perfectly legit, if it didn't know about the ban until it was announced early September.

But how about the significant draw-down in July? Could it be that Tsingshan's Xiang Guanda was told



during his meeting with the President and those Chinese officials, about the export ban being imposed earlier than 2022 (or perhaps that was part of a deal made during the meeting), and took the opportunity to move nickel out of storage before prices went up following the official ban announcement?

Being the paranoid type, I find it very unlikely there is a coincidence between Tsingshan buying up record nickel inventories, and the nickel export ban being imposed, just weeks apart.

It appears to me that China, through its "Trojan Horse" Tsingshan Holdings, is trying to corner the nickel market - or at the very least, Indonesia's share of it.

#### **THE PROOF**

It didn't take long to find evidence to support my hypothesis; it's right in the news release issued on July 15 by Tsingshan Holding Group. The bottom of the page shows six Chinese men posing for a photo. Apart from Xiang Guanda, who are the others? The group includes You Xiaoping (any relation to Deng Xiaoping, the former Chinese President?), chairman of Zheijiang Huayou Cobalt Co.; the president of Guangdong Brunp

Recycling Technology Co., Ltd.; and Huang Weifeng, chair of Shanghai Decent Investment (Group) Co., Ltd., a subsidiary of Tsingshan.

Cobalt eh? We know from a previous article that China basically owns cobalt processing - the country is heavily invested in the DRC, by far the world's biggest cobalt producer, mining about two-thirds of the critical metal - as it works towards its goal of mass EV adoption, and ensures its factories have access to clean-technology raw materials like cobalt, lithium and graphite.

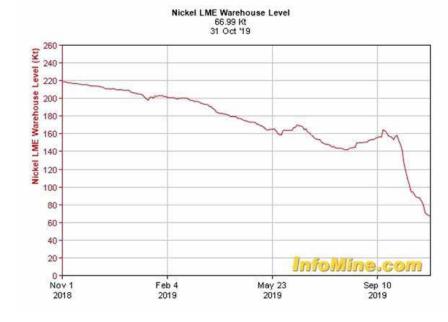
In a \$9 billion joint venture with the DRC government, China got the rights to the vast copper and cobalt resources of the North Kivu in exchange for providing \$6 billion worth of infrastructure including roads, dams, hospitals, schools and railway links. China controls about 85% of global cobalt supply, including an offtake agreement with Glencore, the largest producer of the mineral, to sell cobalt hydroxide to Chinese chemicals firm GEM. China Molybdenum is the largest shareholder in the major DRC coppercobalt mine Tenke Fungurume, which supplies cobalt to the Kokkola refinery in Finland. China imports 98% of its cobalt from the DRC and produces around half of the world's refined cobalt.

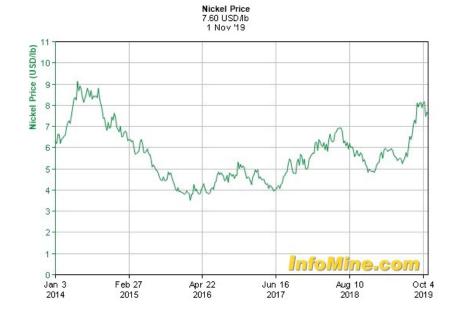
Interesting. We learn from the news release that the Huafon Group and Tsingshan Holding Group signed an agreement on Aug. 27 establishing a joint venture in Indonesia. The \$3 billion JV is expected to produce 12 million tonnes of coke fuel per annum; coke is made from metallurgical coal in iron and steel-making.

A nugget appears a bit further down in a comment from You Xiaoping:

You [Xiaoping] added that the cooperation marks another milestone for Huafon in expanding abroad, after the company established industrial bases and sales branches in many countries involved in the Belt and Road *Initiative*, such as Turkey, Vietnam, India and Pakistan."

Now we're getting somewhere. These two Chinese conglomerates are cooperating in a large industrial







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industrial enterprise to produce coke made for iron and steel production, presumably for sale to some of the nearly 150 countries (according to China) that have signed up for its Belt and Road Initiative (BRI).

Our analysis has shown that the BRI poses more risks for developing countries than rewards. This IV presumably will use Indonesian coal to meet Chinese objectives in pulling central Asian, and other markets within its own trading orbit.

It's also interesting to note from Tsingshan's news release, how the promised \$15 billion will be allocated to Indonesia. Eight billion has already been sunk into the Morowali industrial park on the island of Sulawesi. Tsingshan's stainless steel mill on the island started in 2017 with a capacity of 2 million tonnes per annum and has since been upgraded to 3Mtpa of stainless steel hot-rolled coils.

Chinese investment in the 2,000-hectare industrial park is expected to reach \$15 billion. We know that part of the remaining investment by Tsingshan is a plant making nickel chemicals for electric-car batteries.

In February Reuters reported on the \$4 billion Chinese-led project to produce battery-grade nickel chemicals, that Indonesia hopes will attract electricvehicle makers into the country, which is the second-largest car-maker in Southeast Asia.

The group of islands nation wants to become a global hub for producing and exporting electric vehicles to Asia and possibly Australia.

Toyota already plans to invest \$2 billion over four years in developing EVs, starting with hybrids. Hyundai says it will produce EVs as part of an \$880 million investment in the country.

In January construction started on the battery plant in Morowali, led by a consortium of Chinese developers including Tsingshan, battery company GEM Co Ltd., and units of CATL - the

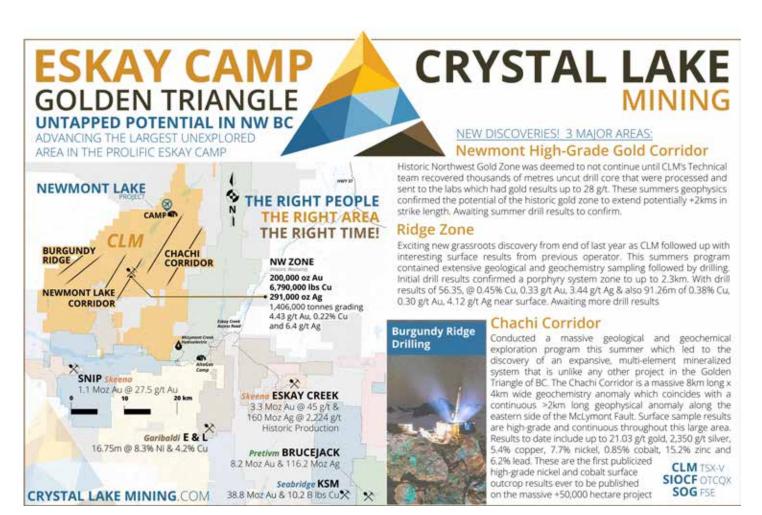
largest EV battery company in the world. Nickel feedstock for the plant would come from Indonesia's nickel laterite ores (Tsingshan says the feed would be abandoned low-grade nickel ores).

Cobalt may also be part of the facility, according to electrive.com, as EV automakers aim to diversify supply from cobalt controversially sourced from the DRC. PR Newswire names a number of companies exploring for cobalt within Indonesia's nickel laterite deposits. Ninetynine percent of cobalt is unearthed as a byproduct of copper and nickel mining.

#### CONCLUSION

Nickel is used in two of the dominant battery chemistries for EVs, the nickelmanganese-cobalt (NMC) battery used in the Chevy Bolt (also the Nissan Leaf and BMW i3) and the nickel-cobaltaluminum (NCA) battery manufactured by Panasonic/Tesla.

Battery manufacturers have been developing nickel-rich NCM 811 batteries



(80% nickel, 10% cobalt and 10% manganese) because they have longer lifespans and allows electric vehicles to go further on a single charge.

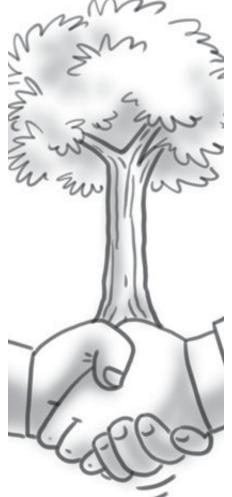
Most Chinese battery manufacturers use lower-cost lithium-iron-phosphate batteries ie. no nickel, but they are looking to migrate to nickel-containing batteries with several including Shanshan, Nichia, L&F & Reshine producing them. China's biggest battery manufacturer, Contemporary Amperex Technology (CATL) told investors it has begun mass production of the NCM 811.

Jinchuan, China's top nickel producer, plans to build a project in Guangxi that will produce raw materials for the EV battery market.

It makes sense to use more nickel in EV batteries, because doing so increases the battery's energy density, thereby extending the vehicle's range.

It also explains why China needs nickel sources to fuel its booming electricvehicle industry. (China is by far the largest EV manufacturer, followed by the US) In 2018 China only produced 110,000 tonnes of nickel compared to 560,000t in Indonesia and 340,000 in the Philippines. If it's switching from phosphate-based lithium-ion batteries to nickel-based, it needs a large, secure supply of the base metal.

The country already has a lock on cobalt, graphite and rare earths production, so why not get a monopoly on the nickel market, too? China appears to be using Indonesia's ban on raw nickel exports to do just that. Not only did China buy up most of the world's nickel stockpiles from under the nose of the LME, it also



managed to give itself a two-year headstart on the rest of the world in working with Indonesia to develop a huge facility for developing battery-grade nickel. Chinese-led, of course. Because China doesn't really care about helping Indonesia to become an EV battery hub. Its real goal is to establish a nickelprocessing beach-head in the largest nickel producer in the world, using

> Chinese technology to process class nickel laterite deposits into class battery-grade metal. Then sell its nickel chemicals to battery companies China either in or Belt and Road countries, as continues on the path to complete global metals domination.



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