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THE FOURTH BRANCH OF GOVERNMENT OF THE UNITED STATES OF AMERICA

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CONTENTS

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THE FOURTH BRANCH OF GOVERNMENT OF THE UNITED STATES OF AMERICA

By Mickey Fulp

The Constitution of the United States of America is a seminal document devised by the founding fathers and written largely by James Madison. It was signed by 39 of the original 55 convention delegates on September 17, 1787. The Constitution is very much a product of compromise and is short, comprising only seven articles, four pages, and 4501 words.

The Constitution was ultimately approved by 11 of the 13 States in 1789 contingent upon inclusion of an important addendum, the 10 amendments of the Bill of Rights that protect the basic rights of free American citizens.

The Constitution was unique at the time in providing for three equally independent branches of government: the executive, the legislative, and the judicial. A scheme of checks and balances prevents any one branch from exercising ruling control over citizens thru the machinations of unconstrained government and politics.

After defeat of the British in 1783 and founding of the early republic, the incipient US of A struggled financially under the Articles of Confederation and then the Constitution. The payment of foreign debt incurred from the war for independence required taxation and that came mainly from export tariffs. The financial difficulties were exacerbated by states' rights versus federal rights issues with respect to banking and fiat paper currencies.

The idea of a federally-controlled central bank fundamentally split the founding fathers from the beginning and their vehement disagreements resulted in the early establishment of two diametrically-opposed political parties.

On one hand were the largely urban Federalists represented by John Adams, Alexander Hamilton, Jon Jay, and Robert Morris. They favored establishment of a central bank similar to the Bank of England with its policy of a national debt, the issuance of bank notes to cover that debt, and as the lender of last resort during financial crises.

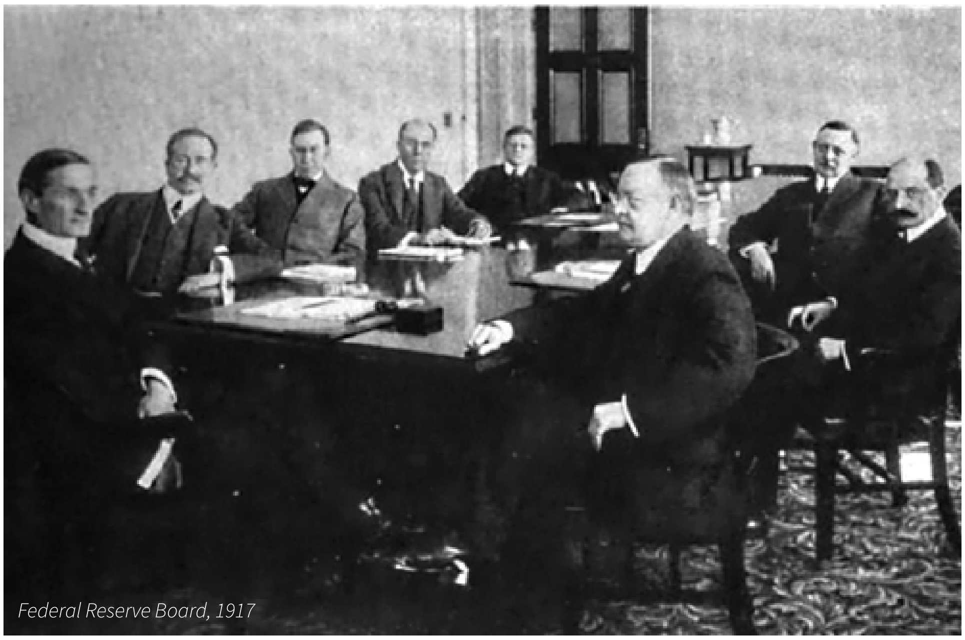
On the other were the mostly agrarian Democrat-Republicans led by Aaron Burr, Thomas Jefferson, John Madison, and John Monroe. They strongly opposed the concept of a central bank and viewed it as a financial scheme for speculation, manipulation, and corruption by elite moneyed interests. The dirty politics and yellow journalism emanating from this issue became so vitriolic that it led to the infamous duel in 1804 that left Hamilton dead and destroyed Burr's political career.

LET'S REVIEW THE CHECKERED 229-YEAR HISTORY OF CENTRAL BANKING IN THE UNITED STATES:

The Congress mandated two central banks from 1791-1811 and 1816-1836 that failed to harness periodic panics and bouts of rampant inflation. When the First Bank's 20-year charter expired, Congress did not renew it and there was a five-year period during Madison's presidency when the nation struggled mightily with debt and inflation from the War of 1812. This led to the establishment of the Second Bank of the United States.

President Andrew Jackson destroyed the second version by refusing to renew its charter in 1836 and his inaction soon led to runaway inflation. He then required all Federal land payments to be made in gold or silver coins (specie), which resulted in the Panic of 1837 and a four-year depression.

A "free banking era" existed from 1837-1862 when there was no central bank and state charter banks could issue bank notes against specie. Some private banks provided functions normally associated with a central bank such as providing deposit insurance and acting as clearing houses for bank notes. Rapid changes in money supply and unstable bank note prices occurred during this period. The average lifespan of a bank



Federal Reserve Board, 1917

was five years, half failed, and another third could not redeem their notes.

From 1863-1913 the country had a system of national banks that were first created to fund the Union's Civil War effort. They were overseen by an executive branch comptroller with regulations guiding reserve requirements and banking practices, a uniform national currency, and backing of bank notes by US Treasury securities. A series of financial panics, bank runs, and short depressions resulted when bond values fluctuated wildly or liquidity dried up.

That said, the Republic survived and largely prospered for 122 years despite these serial collapses and without significant inflation except in times of war.

Then in 1913, the United States Congress approved creation of a third central bank called the Federal Reserve. The impetuses for its creation were the financial panics and crises in the late 1800s and finally, the Panic of 1907. This latter economic collapse was caused by a Montana copper magnate and New York bankers whose failed attempt to corner the copper market via a manipulated short squeeze backfired.

Monetary intervention by financier J.P. Morgan, who pledged large sums of his own reserves and convinced other New York bankers to do the same, is credited with mitigating the severity of Wall Street failures, bank runs, and bankruptcies in 1907.

In 1908, John D. Rockefeller's father-in-law, Senator Nelson Aldrich, chaired a commission to study the previous year's financial crisis and propose solutions to avoid future ones. In 1910, Aldrich, the Assistant Secretary of the Treasury, three financiers representing J.P. Morgan's interests, and two other New York bankers met secretly at the Jekyll Island Club in Georgia and designed plans for another central bank.

Their report was delivered to Congress in 1911 and was followed by two years of contentious debate. The Federal Reserve Act eventually passed and the United States' version of a central bank was signed into law by President Woodrow Wilson on December 23, 1913. It gave the Federal Reserve System sole authority to set monetary policy in the United States.

And with Wilson's stroke of the pen, We the People of the United States were immediately burdened with a fourth branch of government.

As designed, the Federal Reserve is subject to oversight by the Congress (legislative branch) and its seven-member Board of Governors is selected by the President (executive branch) and confirmed by the Senate (legislative). However, according to the Federal Reserve itself:

- The system: "is considered an independent central bank because its monetary policy decisions do not have to be approved by the President or anyone else in the executive or legislative branches of government, it does not receive funding appropriated by the Congress, and the terms of the members of the Board of Governors span multiple presidential and congressional terms."

- It differs from other central banks because it is a hybrid public-private entity.

- It is unique in that its fiat currency is created by an entity of the executive branch, the Department of the Treasury.

The Congressional Act initially established three mandates for regulating monetary policy: maximizing employment, stabilizing prices, and moderating long-term interest rates. However, the Fed's duties have expanded dramatically over the past 106 years. They now include supervising and regulating private banks, foreign activities of domestic banks, and activities of foreign banks in the US, providing financial services to depository institutions and the U.S. government, and conducting and publishing economic research.

Unfortunately, the big money men and women who control and operate the United States Federal Reserve System are not governed by any of the checks and balances inherent in our precious Constitution.

Quite frankly, the Fed's purpose is and has always been to protect New York banksters and Wall Street speculators from financial panics, depressions, and recessions.

So in reality, this group of elitists answers to no one.

And based on recent performance, the cabal can't even set a stable interest rate policy from one quarter to the next or agree amongst themselves on the monthly missives that emanate from its Federal Open Market Committee.

The act that established the US Federal Reserve has fundamentally affected our past, present, and future financial fortunes.

- It soon begot an arguably unconstitutional income tax and established its corrupt administrator, the Internal Revenue Service.

- Its policies directly caused and lengthened the unprecedented Great Depression.

- It enabled creation of a social welfare state including Roosevelt's New Deal, Johnson's Great Society, and Obamacare.
- It saddled our economy with a steadily devaluing fiat currency via designed inflation "targets".

- Its power has grown steadily and it now influences every aspect of the global economy.

White House Economic Advisor Larry Kudlow said it best a couple of months ago: "I don't want to get into a lot of Fed bashing. Their models are highly flawed. The Deep State … staff, of course, has not been very helpful — oops, did I say that?"

Well, yes he did. And despite the flak that rained down from mainstream business TV including Bloomberg, CNBC, Fox Business, PBS, et al., I could not agree more:

THE FED IS THE DEEP STATE.

The American Dream, as proclaimed by our founding fathers in the preamble to the Declaration of Independence: *"all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness"*, is slowly wasting away.

I submit that the United States Federal Reserve is largely to blame. Its

It is run by appointed bankers. It performs functions with career civil service bureaucrats. It is unchecked and unregulated by any branch of the government. It has never been audited in a comprehensive manner over its entire 106-year history. It services the largest financial interests in our country. It is the rogue Fourth Branch of the US government.

In retrospect, Thomas Jefferson and his fellow Democratic-Republicans of the early 19th Century were right.

Fed policies over the last century have created a trifurcated society consisting of a small minority of elite moneyed insiders, a shrinking middle class, and a growing lower class that largely chooses not to work and therefore, lives "poor" via social entitlements and subsidies funded by a consortium of federal, state, and local governments.

And now we are faced with a rapidly increasing fringe culture that is urban, homeless, criminal, drug-addled, and/or mentally ill … and collectively has no hope.

constant debasing of a fiat currency backed by nothing but a bankrupt government's promise to pay has spawned an out-of-control debt load that cannot be serviced and will only end when the government defaults for the third time in a century.

In the following 62 words, I present an A to Z essay on the Federal Reserve Banking System of the United States of America:

*An **A**rmageddon spawned by **B**anksters' **C**onsummate **D**ream to **E**viscerate the **F**inancial **G**ain of common people with **H**ubris and **I**n**J**ustice, **K**ill via **L**everage the **M**iddle-class to no **N**et, **O**bfuscate **P**rincipal **Q**uickly by w**R**ecking our economic **S**ystem thru **T**axation and **U**sury, **V**iolating its **W**ealth and e**X**acting a demise that began in Year 1913 and will end when our fiat assets total less than **Z**ero.*

When all is said and done, smart money will still hold the trump card:

In Gold We Trust.

The Mercenary Geologist Michael S. "Mickey" Fulp *is a Certified Professional Geologist with a B.Sc. in Earth Sciences with honor from the University of Tulsa and a M.Sc. in Geology from the University of New Mexico. Mickey has 40 years of 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.

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CALDAS GOLD CORP: BUILDING COLOMBIA'S NEXT BIG GOLD MINE THROUGH A SPIN OUT

By David Smith

As this report is being written, Gran Colombia is in the process of spinning out its Marmato assets in Zona Baja via an RTO with Bluenose Gold, creating an entity called **Caldas Gold Corp.**, listing on the TSXV. Salient details:

- The RTO is expected to close late February 2020.
- At ~70% equity interest, the parent company (GCM)maintains a controlling position.
- A Mineral Resource estimate was updated in mid-2019 and drilling continues.
- PEA completed and a 43-101 Report was filed by GCM on SEDAR late last year.
- PFS underway for completion mid-2020, focused on expansion of mechanized underground mining incorporating the Deeps mineralization below the existing mine.
- 2019's 26k oz gold production is expected to increase in 2020 through the existing mine's optimization program.
- C$21.6m has been raised via private placements which will fund the PFS along with further drilling, and provide working capital to support mine optimization.

Marmato was acquired in Gran Colombia's 2011 merger with Medoro Resources. The Zona Baja concession in the Marmato Project contains an estimated 5.4 million ounce gold resource, along with 12.5m ounces of silver. Located in the Middle Cauca gold district by the Pan American Highway, the Project has access north to Medellin, and south to Manizales, as well as to the national electricity grid running near the property.

Even before the Spanish took control of the mines in 1527, after which it remained in almost continuous production, it had been mined since pre-Colonial times by the Quimbaya people. History records that the gold resource of Marmato was important enough that South American liberator, Simon Bolivar, used the mines as collateral with British banks to fund the war of independence against Spain. Medoro's consolidation of the Marmato mountain, 2009 -10: the Zona Alta exploration project, the producing Marmato underground mine in Zona Baja, and the Echandia exploration project, has placed Gran Colombia in a position to explore, develop and - subject to feasibility and permitting - expand mining operations at Marmato.

In late 2017, the Company changed the focus of the future mining operation at Marmato from open pit (encompassing both the Zona Alta/Echandia and Zona Baja licenses) to underground(solely Zona Baja), which included an increase in cut-off grade for the mineral resource estimate and addition of new material from the Deeps mineralization discovered in late 2012 below the existing Marmato underground mine. In 2018-2019, GCM drilled the Deeps Zone, building up the mineral resource supporting the PEA for an expansion of underground mining.

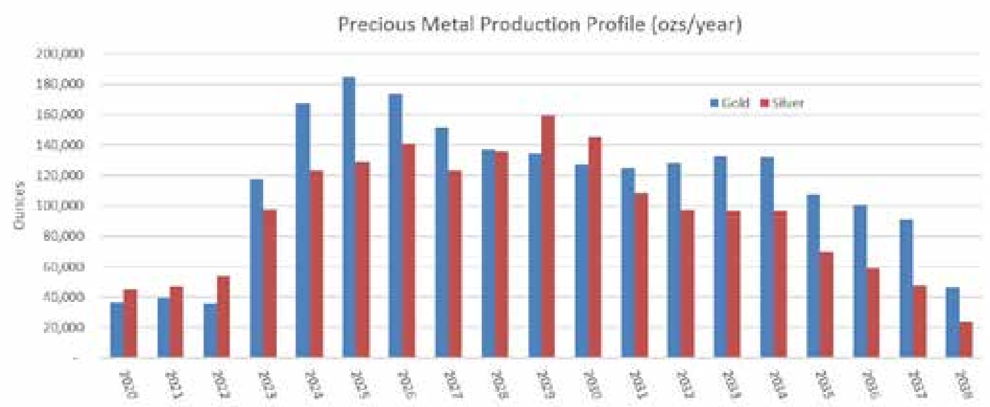
THE MARMATO PROJECT.

Life-of-Mine ("PEA) activities in the Zona Baja will be comprised of two distinct operations.

1. Optimization of the existing operating mine in the Upper Zone of Zona Baja, yielding 0.6M oz of gold over a 16 year mine life at an average grade of 3.8 g/t (AISC US$872/oz).
2. Deeps Zone operations: Over the next three years, US$269m initial capital is designated for mining/ processing, over a 16 year life starting in 2023,with average LoM grade of 2.5 g/t, yielding 1.6M gold ounces (AISC US$885/oz). (Not accounting for recently announced 2019 Phase 2 improved grades drilling results in the Deeps.)

2.2M gold ounce combined projected yield. At assumed US$1,300/oz. gold price and AISC US$882, total undiscounted LoM after-tax cash flow US$448M (NPV 5% - US$207M), a pre-financing 20% IRR,and payback by 2026.

The Caldas Gold 'A'-Team



Marmato Life of Mine (LOM) Production Profile

Improved grades in the Deeps was evidenced during Phase 2 drilling in late 2019. About this finding, Serafino Iacono, Executive Chairman of GCM and Interim CEO of Caldas Gold remarked, “I haven’t seen too many holes like MT-IU-041 with 73.63 meters at 5.72g/t.”

In February 2020, Gran Colombia announced the discovery of a potential new high-grade zone at the Marmato Project outside the Deeps Zone. They reported:

The Company plans to drill up to 15,000 meters in 2020, commencing toward the end of February. Approximately 10,000 meters of infill drilling is designed to convert Inferred mineral resources to the Indicated category and to add additional mineral resources, stepping out along the MZ’s southeast extension, with another 5,000 meters of drilling to be focused on broad mineralized zone targets outside the MDZ.

SUMMARIZING THE SPIN OUT’S POTENTIAL, SERAFINO REMARKED:

... “The future of Marmato lies underground. This is a world class mining project and the spin - out into Caldas Gold paves the way to build Colombia’s next big underground gold mine. Our drilling programs continue to provide confidence with broad intercepts of higher grade material. Completion of the prefeasibility study in mid-2020 will facilitate financing for construction of the new mining operation in the DEEPS Zone that will increase Marmato’s annual production to about 120,000 ounces by 2023 and more than 160,000 ounces annually, starting the year after. We are excited about what lies ahead in the evolution of the Caldas Gold story.”

CRITICAL ELEMENTS IN THE ATHABASCA: 'REE'ALISING 'U'NEXPLORED POTENTIAL

By Liam Hardy

Uranium and REEs, two somewhat niche markets, mentioning either on Twitter will result in a 'tweetstorm' of celebration, anger, criticism and baiting from passionate supporters and (numerous) bots designed to promote the market. They represent hotbeds of commodity discontent.

The initial REE boom of 2014 was led by panic over supply security and the outpouring of government funding into academic research, which (eventually) fed back into industry. Academic studies were launched in Europe, from the recycling of Turkish bauxite waste (surrounding ETI's Mortas deposit) to new processing methods for eudialyte (critical for the development of Leading Edge Materials' Swedish 'Norra Kärr' complex).

From 2015 to early 2019, this panic subsided and our leaders took their meds and stayed calm in the political madhouse, leaving these mid-stage development projects hung out to dry. ETI continued processing bauxite and forgot about their waste products, LEM fought with the Swedish government over environmental protection laws and are still at stalemate over waste disposal.

To your author's knowledge, one new and one old project snuck into the fray during this period with genuine potential: Strategic Resources' Ditrau REE-Moly project in Romania, which was extensively tunnelled before the country's revolution and now presents Europe's biggest potential resource of REEs. The second being E-Tech Metals' Eureka prospect in Namibia, which hosts easily winnable monazite with low Th levels and is within 1 hour from a deep-water port. These projects were both financed and developed privately, with markets too volatile to float critical metal projects.

Roll on the 2019 & 2020 'Trump Vs the world' tantrum and we're back at fearful ground zero over our security of supply for critical elements. With China controlling >90% of the world's immediately accessible supply of REEs and the US automotive and manufacturing industries on their knees for a reliable supply (and prices), a market has popped up in North America, partly due to demand, partly fuelled by nationalism and an associated interest in regional resource procurement.

Appia Energy (CSE : API) got their foot to the floor just in time for this excitement. Listed in January 2017, with their first permits and major drilling intersects announced in mid-2017 on their uranium properties, Appia enjoyed a casual increase in price and interest up until late February 2019, when Trump broke off trade talks with China and a deal failed to be reached. The first trial of this North American company's competitiveness and viability was to flourish and garner volume and interest in a hypothetical 'China-free' trade situation. During the trade talks and surrounding media panic, Appia jumped by around 1/3 of their share price with significant purchasing. The voice of nationalism spoke clearly in the markets and chose North American supply and development.

So, the company has proven some potential from a global political perspective, which is crucial for uranium and REE projects. How

Matinenda Formation - Uranium-bearing quartz pebble conglomerate with pyrite – photo courtesy of Al Workman, WGM does it stack up geologically? With other potential supply within NATO members' borders and in friendly regions worldwide, do Appia compete?

Appia's recent news releases have focussed on their 100% owned REE/U prospect at Alces Lake, with high grade 'heavy' REEs. The property has reasonable access, with winter roads and the logistics of Uranium City nearby. It is part of the 'Beaverlodge Domain' which hosts 17 uranium mines and has produced 32 million tonnes of U3O8 at an average grade over 0.20 wt% U3O8.

REEs here are hosted within monazite, a common phosphate mineral, which is a major host at Ditrau and Eureka as well. It has been processed in mineral sands since the late 1800s and can be found in pegmatitic and alkaline/carbonatite series intrusions, as well as in alkaline mesothermal alterations.

A major 'project breaker' for REE plays, such as Alces, is radioactive material disposal. Monazite presents problems for processing due to its inherent Th content. The mineral normally hosts between 6% and 12% by wt% of Th, with commercially reported ranges from (an unusually low) 0.4% at Eureka, to a whopping 14% in some Malaysian, Indian and Australian mineral sand production.

Appias high-grade zones contain between 1% and 4% Th in their high-grade zones and up to 9.9% at their 'Danny' showing. For the most part, this is comparatively low, and they have a rare advantage in the sector in being in an existing producing region for radioactive materials. The area surrounding Alces lake has the facilities to manage high-Th and radioactive waste.

Further adding to the 'radioactive bonus points', Appia are also holding onto a lot of Uranium, so, their team and project will have to adhere to the strict code of engagement with radiation and disposal anyhow. The company's Loranger U play sits along 2 NE-trending graphitic fault zones and N-S-trending Tabbernor faults, which have been historically associated with Athabasca type deposits. 10 of 13 holes at the property intersected mineralised zones within pegmatites and graphitic structures. On top of this, their major kicker at Elliot Lake, where Appia have (*with apologies for flagrant use of imperial measure*):

> 'NI 43-101 Mineral Resources of 14,435,000 tons grading 0.554 lbs. U3O8/ton and 3.30 lbs. TREE/ton for a total of 8.0 M lbs U3O8 and 47.7 M lbs TREE Indicated and 42,447,000 tons grading 0.474 lbs. U3O8/ton and 3.14 lbs. TREE/ton for a total of 20.1 M lbs. U3O8 and 133.2 M lbs. TREE Inferred in the Teasdale Zone plus 30,315,000 tons grading 0.912 lbs. U3O8/ton for a total of 27.6 M lbs U3O8 Inferred in the Banana Lake Zone in the Elliot Lake, ON, historic mining camp.'

Overall, this project is hinged on the political landscape of Uranium and REE supply, but the company have the numbers and experience to deliver, when called upon, what they have in the ground. A respectable play with KGs (not Lbs!) in reportable resources and exciting REE developments coming thick and fast. Go and have a read!

THE NEXT BIG ZINC?

By Liam Hardy

Core from Pine Point showing sphalerite mineralisation at shallow depth

Let us begin with some notes on nomenclature. 'Osisko' currently refers to three companies under one historic umbrella, which are often confused and, in honesty, I am only learning about their structure on researching this piece! **Osisko Gold Royalties (TSX : OR)**, **Osisko Mining (TSX : OSK) Osisko Metals (TSX : OM)**. These groups are, in turn, owned by an Agnico Eagle and Yamana coalition. In honesty, it's more of a family circle than a family tree, but, whatever floats their boat, seems to be working.

This article focusses on 'Osisko Metals', although, Osisko Gold Royalties own a 1.5% NSR in the Osisko metals 'Pine Point' project and gained 14,000,000 shares through this NSR sale. So, there is some overlap. Investing in Osisko Gold Royalties, also earns you a chunk of Osisko Metals and Mining, and shares in Agnico/Yamana, earn you a chunk of all Osisko related activity. So, their valuations and listings are somewhat intertwined. With this complexity, I think it best we focus on the rocks!

Osisko Metals are a zinc focused explorer with two prime deposits in the Bathurst and Pine Point mining camps. At Pine Point they hold the largest 'pit constrained' zinc resource in Canada with 52.4 Mt grading 4.64% zinc and 1.83% lead (6.47% ZnEq). In Bathurst they hold ground covering an extension of the 'Brunswick Horizon' along from 'Key Anacon' to the Brunswick 12 & 6 mines to 'Gilmour South', in all, 72km of mostly unexplored zinc trend connected to legendary historic producing deposits.

The company are not alone in the region, with expanded drill programs at Callinex and Trivali this year (to name just two of many). With global zinc supply dwindling and a pinch predicted, we could see a boom in the coming years. Zinc is the fourth most used metal in industry, being essential for stainless steel and alloy production. With potential issues in Peru and China (2 major producers), Canada may see it's time to shine and challenge Bolivia, the USA and Australia in gross tonnage.

With a large land holding across the Bathurst camp, it's clear that Osisko Metals are planning to develop this prospect, rather than just sit on it at exploration phase. Having already advanced to two 43-101 MREs in 18 months, but what are they actually drilling?

The Key Anacon target property contains two Bathurst-type volcanogenic massive sulphide deposits containing zinc, lead, copper and silver. These exhalative deposit types (normally) form in stratiform layers in ocean floor sediments. When black-smoker-type fluids are forced up into the sea, they lose temperature quickly and thus lose their ability to hold metals in solution and 'rain' these down onto the sea floor below. They're normally relative to the size of the smoker system and, in this Canadian camp, have already been proven as huge. These fluids can also permeate the surrounding rock and create more complex 'VMS type' systems (*There are rarely two alike so, a rough description is offered here*).

The region was described in 1864 by Professor Loring Bailey from the University of New Brunswick:

> *"I may yet say that in no part of the Province have I been so much pleased with the prospects of mineral wealth and the probability of valuable discoveries as in the eastern portion of Gloucester County … I have no doubt that the discovery*

of extensive and valuable metalliferous lodes would be the reward of a thorough and intelligent exploration of this district. ”

Professor Bailey was not wrong. According to the Canadian Mining Journal, 150 million tonnes of ore at grades of 8.46% Zn, 3.33% Pb, 0.37% Cu, and 99 g/t Ag were extracted from the camp between 1964 and 2013.

The company's Pine Point project is also a respectable read-up. 4 key target zones sit within view Slave Lake in the Northwest Territories of Canada. The deposits differ from most in the region as they are surface accessible and suitable for open-pit production. While Fireweed & Metalicity may have more (predicted) KG in the ground, Osisko believe there is more accessible and have a purer mineralogical set-up, which will not incur smelter penalties for silica, iron, lead or copper content when it comes to processing. An updated 43-101 and PEA are predicted for Q1 2020 (so, by the time you read this, you should have more info than me!).

Osisko Metals plan to release data from 15 holes at their Greenfield Quevillon VMS and also amalgamate data from their Grenville SEDEX type prospects throughout 2020 as well. These could produce some surprises. Grenville 'Broken Hill Type' deposits are often high grade and strata constrained within their systems so, one big hit, with Osisko's fast expansion ability could see a rally.

While the company structure is confusing and zinc may not be everybody's favourite metal, Osisko have the size to deliver an actual mine, something that shouldn't be overlooked as a long-term earner. With Osisko Gold Royalties holding a 1.5% NSR on Pine Point and offering a 5c dividend quarterly, there's potential for earning from two angles. One safer bet: buying into the royalty, one higher risk: buying into the exploration and development at Osisko Metals. Either way, it's certainly worth doing some research of your own and seeing where Osisko might fit into your plans.

Disclaimer: *Article is meant for informational purposes only and does NOT constitute investment advice. All information has been gleaned from the company website and discussions from company officials. Reader is cautioned to do their own financial due diligence and seek individual counsel before making investment decisions.*

AMERICAN MANGANESE

By Dr. Jane Lockwood, Spotlight Mining

Hopes for a greener future became a little brighter on the 6th of February, when **American Manganese Inc. (TSX-V: AMY OCTUS: AMYZF FSE: 2AM)** announced that the National Research Council of Canada's (NRC) Industrial Research Assistance Program will provide advisory services and conditional funding to its collaboration with Battery Safety Solutions B.V. (BSS). The partnership between these companies will exploit the proliferation of lithium-ion batteries in devices from mobile phones to electric cars, turning end-of-life batteries into a valuable source of raw materials for the next generation of eco-friendly products.

The collaboration will put to use AMY's innovative patented RecycLiCo process to recover up to 100% of the cathode metals from lithium-ion batteries from any source. These batteries today are generally 'recycled' by placing them in a furnace which destroys the battery and whose waste products are toxic, referred to as the pyrometallurgical approach. Here, AMY saw a wasted opportunity, because the essential components of the batteries, such as cobalt, nickel, lithium, manganese and aluminium, are already highly refined. The RecycLiCo process is hydrometallurgical, meaning that no high heat is required, and no toxic fumes are produced. The process can be applied to NCA (lithium nickel cobalt aluminium oxide), NMC (lithium nickel manganese cobalt oxide) and LCO (lithium cobalt oxide) cathodes. Recovering components from spent batteries means that expensive, environmentally damaging and often controversial mining and processing from raw materials can be reduced, and contributes to the highly palatable idea of a circular economy, in which damage to the environment is limited by re-using waste materials many times. Investors will enjoy the low reagent cost associated with the RecycLiCo method, which stands at about $1 per kilogram of processed material.

With the potential for 125,000,000 electric vehicles on the roads by 2030, not to mention a plethora of smaller devices that have embraced lithium-ion technology, it is clear that there will be no shortage of feedstock for AMY's proven recycling system. The RecycLiCo process minimizes processing steps, produces no toxic or landfill waste and uses minimal energy, which means that it aligns with global government priorities that emphasise green ventures and return on investment, as demonstrated by the grant from the NRC, as well as AMY's partnership with the US Department of Energy, announced in March 2019. AMY's partnership with BSS will provide them with the Dutch company's expertise in European markets, as well as securing the supply of feedstock through BSS's novel process for discharging lithium-ion batteries much faster than conventional methods, storing all of the discharged energy. The two companies signed a memorandum of understanding in late 2018, and intend to use the NRC funds to develop a Go-To-Market strategy for a demonstration lithium-ion battery recycling plant in Europe and North America.

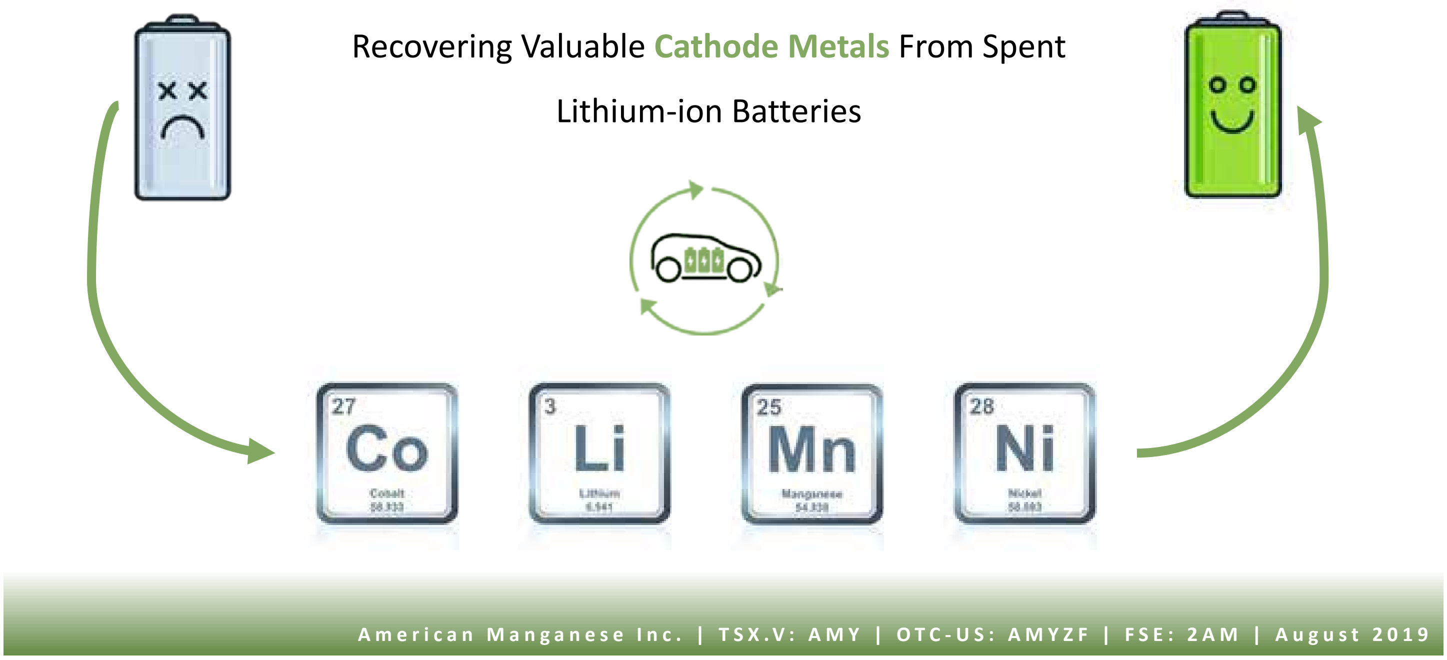
AMY has been able to produce real results with the RecycLiCo process. In November 2019, the company announced that it had produced 99.98% pure nickel-cobalt hydroxide, which set a new benchmark for the industry. These results were replicated on scrap received from two separate companies, demonstrating the reliability of the process. The recovery rate of cobalt from the waste material was 88.75%, with nickel being recovered at a rate of 84.12%. The results were analysed by private contractor Kemetco Research, with whom AMY is also in negotiations to produce a Commercial Demonstration plant with a capacity of 3 tonnes of cathode scrap per day. Larry Reaugh, President and CEO of AMY, commented that the Kemetco team had kept scaleability in mind throughout their work on the project, which should ensure a smoother transition to large-scale production.

Despite the promise of the battery recycling system, AMY remains a diverse company and holds three prospective zones in traditional mining provinces as well. The first of these is the Artillery Peak project in Arizona, which has been a site of historic mining for manganese and where the company invested significant resources in the early part of the decade in exploration and plant development. The company owns a combination of patented and unpatented claims totaling almost 3,500 acres in the area, which host around ten past-producing mines. The company also has the Rocher Deboule project in British Columbia, which is the site of three past-producing mines, focusing on various parts of a multi-mineral gold/silver/copper/cobalt/tungsten assemblage. An airborne magnetic survey from the 1960s, as well as Au, La, Fe and Cu anomalies in the 95th percentile for IOCG deposits give hope that a large magnetite body in the centre of the claim area might host such a deposit. Finally, the Lonnie-Virgil project, also in British Columbia, is prospective for niobium, with more recently-discovered REE showings as well. Exploration on this property was optioned in 2010, with Echelon Petroleum Corp. (formerly Rara Terra Capital Corp.) conducting exploration in 2011 and discovering three zones enriched in REEs and yttrium along a consistent trend.

With its interests in traditional mining complementing the innovation in lithium-ion battery recycling, AMY is a company to watch out for. The fact that its processes have attracted interest both from the government sector and other private corporations is a good indication that its ground-breaking RecycLiCo process has a solid scientific and technological foundation, and could help usher in a new way of thinking about waste in a circular economy.

Disclaimer: *Article is meant for informational purposes only and does NOT constitute investment advice. All information has been gleaned from the company website and discussions from company officials. Reader is cautioned to do their own financial due diligence and seek individual counsel before making investment decisions.*

RecycLiCo™ PATENTED PROCESS



GRAN COLOMBIA GOLD: A PRODUCER ON THE MOVE!

By David Smith

If Gran Colombia Gold's "Welcome" page doesn't offer potential investors enough information to whet their appetite for digging even deeper into the company's operations and prospects, then maybe they should read it again. Here it is:

> *Gran Colombia is a Canadian-based mid-tier gold producer with its primary focus in Colombia, where it is currently the largest underground gold and silver producer, with several mines in operation at its Segovia and Marmato Operations. Gran Colombia is focused on exploration, expansion and modernization activities at its flagship high-grade Segovia Operations and continues to explore its multi-million ounce Marmato Project while moving toward a major expansion of underground gold mining operations. It also has a 21% equity interest in GoldX Mining Corp., a Canadian junior mining company currently moving toward a feasibility study for its multi-million ounce Toroparu Project in the western Guyana gold district.*

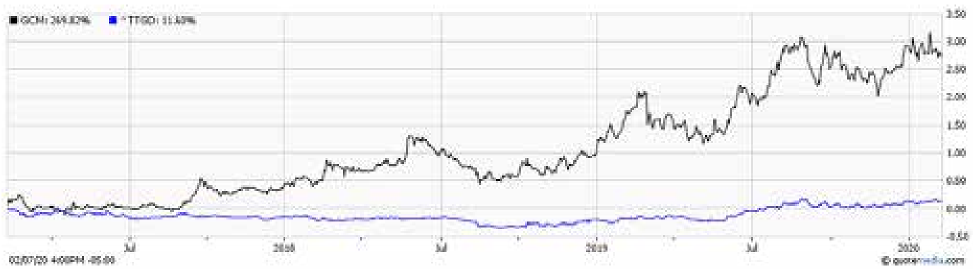
In January 2020, the Company announced record 4th Qtr and Annual gold production for the previous year, at 240,000 ounces, a 10% increase YoY. The end-of-year US$84m cash balance eclipsed 3rdQtr. 2019's US$64m and rocketed away from 2018's US$36m.

Segovia is a high-grade underground project (3 active mines) with fully 89% of production (214,000 ozs.) reporting to Gran Colombia's total gold ounces for the year. The Company holds a 9,000 ha. land package, with a license granting mining rights in perpetuity for over 3,000 ha. Head grades averaged 16.4 g/t, making it one of the 5 highest grade underground gold mines on the globe.

Segovia Underground Ops.

GRAN COLOMBIA'S GOLD NOTES EXPOSURE TO UPSIDE ON GOLD

Issued in April 2018 and set to mature early 2024, Gran Colombia's senior secured obligations (US$63.9m, January 2020) are listed on the TSX with an 8.25% annual coupon paid monthly in cash, with a gold kicker above $U.S. 1,250/oz. Physical gold is set aside monthly(@ less than 10% of projected future production) to meet quarterly principal payment obligations. GCM recently announced it will redeem 30% of its Gold Notes on March 31, 2020, including a make-whole premium of c. 10%.



GCM vs. TSX Global Gold Index 3-yrs ended 2/2020

GCM'S INVESTMENT IN SEGOVIA

Over the last 4 years, GCM has prioritizing investment in its Segovia mines, modernizing infrastructure, mechanizing underground mining operations, expanding the processing plant and constructing a new dry stack tailings storage facility to support the next 7-8 years of operations. Training its own workforce and implementing a culture of health and safety have also been key elements to GCM's success.

GCM'S THIRD PARTY MINER CONTRACTS

Engaging local miners at Segovia under operating contracts for production in designated areas within their title, Gran Colombia has hit upon a format other miners might well emulate to enhance their operating social license. Among the moving parts making this model work? Contractors manage their miners and fund the costs, while GCM provides health and safety training, monitors environmental practices and pays for recovered gold at a fixed price at a better rate than contract miners would receive from illegal mills. Workers also receive health and pension benefits under the local government system.

By processing the ore itself at its Maria Dama Processing Plant (capacity 1,500 tpd) the Company is able to reduce mercury use (eliminating over 50 tons in the last 5 years), selling the gold and silver. Receiving material from the contract miners provides a quadruple win - for the company, the miners, the Government (via tax and royalties) - and for the environment.

EXPLORATION RAMPING UP AT SEGOVIA

Key to GCM's future strategic execution is expansion of exploration at the

Segovia project to increase reserves. Historically, drilling has concentrated around the 3 existing mines to substantiate resources and qualify its first reserves. GCM will now step out in the title, and explore 24 other known veins using historical mining data, seeking areas for development and reserve expansion, continuing to drill at the 3 existing mines.

STRONG MANAGEMENT AT GRAN COLOMBIA

Serafino Iacono, Exec. Chairman - Company co-founder with 30 yrs of operations management experience in the Latin American resource sector.

Lombardo Paredes, CEO - 20+ yrs of resource sector corporate leadership

Mike Davies, CFO - CPA, CA with 20+ yrs. international/public company experience.

Alessandro Cecchi, VP Exploration - geologist, 20+ yrs. in South American-focused gold exploration and development.

Gran Colombia's across-the-board "bulk up":

- Share price almost doubled in 2019.
- Gold and Silver investing legend Eric Sprott made a C$35m strategic investment.
- Gold notes down 23% from 2019.
- 3 currently operating mines in the RPP-140 license.
- Future growth anticipated from 24 known veins not currently being mined
- An 18-month, 70,000 meter accelerated step-out and brownfield drill program.
- Maria Dama Processing Plant (1,500 tpd) head grade - doré bar production.
- Upside Marmato underground expansion potential via TSXV-Listed Caldas Gold Corp.
- Upside potential in GoldX Mining share price appreciation as Toroparu advances.

GCM.TO Weekly

TECHNICAL TAKE:

Both daily and weekly TSE charts, evince a solid uptrend of higher highs and higher lows, with prices well above 200 and 50 Day Moving Averages. 2019 volume increased substantially from previous years, robust on the upside, easing on reactions. These elements point to strong technical internals, as market participants demonstrate their faith in the build-out of Gran Colombia's business model and prospects for future growth. Compared to many (most?) other Canadian-based gold producers, GCM's back and fill price movement in 2019, and so far into 2020 offers visual evidence for an extended bull run.

CONCLUSION:

As shown in the charts and data points above, Gran Colombia Gold looks well-positioned maintain its top-tier status, as the gold and silver secular bull run's next and perhaps strongest leg to the upside gets underway in 2020, potentially for at least the next 3-5 years. Visit their website here and add the information provided to your own knowledge base.

AZIMUT EXPLORATION: DATA SCIENTIST PART II

By Thomas Calandra

I **seek** as a writer-researcher-investor to advance for our audience the 1-month-old **James Bay** gold discovery at **Elmer**. No safe harbor for me.

I am fortunate to have been in **Azimut Exploration**'s shares, and known its Québecois *chef de la direction*, before **Jean-Marc Lulín**'s company made stock-market headlines with a 3-plus grams of gold across 102 meters last month at Elmer's **Patwon** targets.

For those observing Azimut's so-called "predictive modeling" from the sidelines, or the lakesides, if you happen to live in Québec, I suggest for background, that you first read Data Scientist Unearths Veined Gold At James Bay Part I.

This small analysis piece, as promised last week and delivered today (Monday February 10, 2020), offers only fresh material *not already published* and in the free domain. This is *not* a traditional profile of a small gold (and copper, tungsten, molybdenum, etc.) explorer.

Jean-Marc Lulín, far left, & team at an outcrop – one of 27 Québec properties with 11,334 claims

Instead, this is a look into how the the 63-year-old Frenchman might theorize about his company and its large land holdings in a province where there are 10,000 lakes of at least 3 square kilometers. [*This article likely will be catalogued later in the week at thomalandra.com.*]

Jean-Marc Lulín and his **Azimut Exploration** team spend as much time walking Québec's tens of thousands of lakes as they do scanning 85 million pixels of landscape in their computer labs.

Technologists these days are exploiting **artificial intelligence** as applied to minerals properties. I find it noteworthy that Dr. Lulín has been at the data-mapping helm, assembling 50 or so parameters in each mappable Québec pixel of ground and soil, since the mid-1990s.

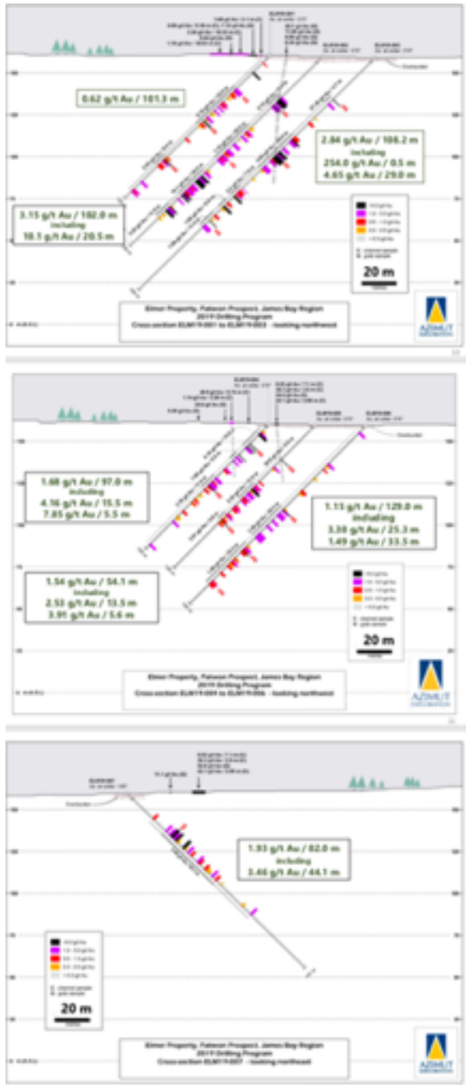
No one bird can cover Québec's mineralized lake-bottoms. Not even a programmable drone/droid.

Jean-Marc's **Azimut Exploration** has been assembling geographic, geophysical, geochemical (etc., etc.) parameters from pixelated mineral footprints in the province for 27 years. In that time, the France-born and educated geologist has covered the map. Azimut (AXM/AZMTF) has leased more mineral concessions in Québec than any other pub-co.

Some 11,000 claims across 5,400 square kilometers. That's intensive and crazy. You control 'em, but you for pay for 'em while you're pecking away at the parameters.

Dr. Lulín offers some unusual views. Of 12 or so exploration professionals I consulted, 10 said Jean-Marc was the most precise geologist and economist they have run across in Canada and elsewhere.

The PhD. data scientist's responses here are tinted with science. Jean-Marc is wary of what he calls "assumptions, *m-asummptions*" about geology, about his five or six Azimut Quebec exploration projects ... and even about the nature of a rock: "Is a rock agnostic?"



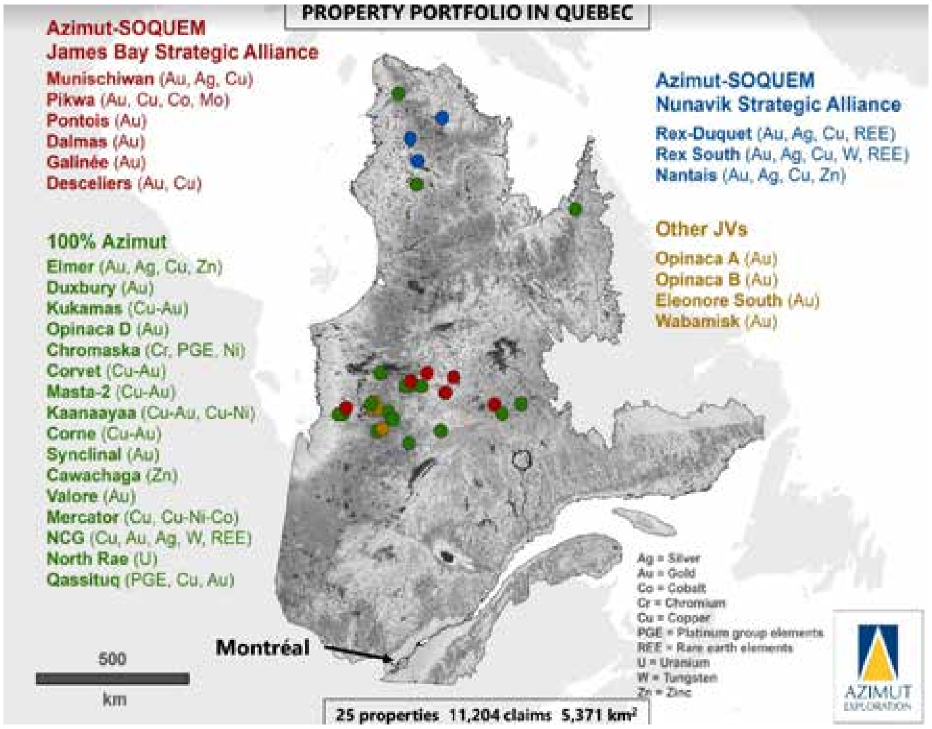
Patwon targets' cross sections

About the nature of press releases: "You write a press release," he says at dinner one evening, "and it is no longer your discovery. It becomes a transfer of common knowledge."

(I saw this appropriation happen within a day of Azimut's Elmer strike at Patwon. (Release: here.) Four (by my count) Canada-based sell-side analysts were questioning the orientation of the 7 holes, the reference to the Éléonore gold camp in James Bay, and a couple even were ka-vetching about their perceived lack of detailed cross-sections from Azimut. Yet that material is all in the latest Azimut update and investor deck.)

About metals juniors' relentless quest for other people's cash for their treasure hunts? "When you issue shares you have to think, are you ready to create your own inflation? You are just weakening the torque effect." Azimut, Jean-Marc boasts, has never shrunk or consolidated its shares for the common nominal multiplier effect.

AZM/AZMTF's trade-able "float" is about 21 million shares of an outstanding common about three times that amount. His backers are Québec's labor, teacher and other funds, and the province's SOQUEM, SIDEX and other institutions intent on leveraging metals' discoveries for the sake of jobs and the provincial economy.



About the (**AZtechMine**) methodology, which is my prime interest, as I am always searching for a holy data-grail? "We convert footprints into targets on the nature of the parameters shaping the target. Purely data driven. No interpretation. Then we rank them."

You can retrieve an outline of Azimut's "white box" from several bookmarks on the Azimut web site and most recently, from a January 7, 2020, press release.

Leave it said that the computing power needed to parse Québec's enormous minerals databases needs cold storage to keep computer circuits from overheating. "We use numerical parameters to identify targets with discovery probabilities," says Jean-Marc, a transplant to Québec during the 1990s. Parameters include gravity, radioactivity, geochemistry, magnetics, IP, soil type, geophysical traits such as shear zones and mafic intrusions; maybe 50 others that create a statistical footprint of an area, usually based on lakeside and lake-bottom sediments.

This sort of dizzying spatial analysis, thanks to computing power, is improving daily in many industries. Not just metals.

For our interests as investors, metals hounds and observers, this goes to the "AI" in Au, Ag and so on. Data: finding it, parsing it, analyzing it, presenting it. Artificial intelligence is supposed to speed the search and shed the irrelevant collateral.

Yet like all human endeavours, pioneering a data enterprise of such a large scale requires a team with legs to perform traditional follow-ups that lead to discovery hypotheses. That is, grunt work, field work: channeling, grab samples at surface, outcrop examination (less than 10% of the ground at these Québec sites have meaningful outcrop), boulder examination, structural and metamorphic lay of the land (faults, shear zones, etc), and mineral mix of soil, with and without anomalies.

To date, AZM has collected more than 17,500 lake-bottom sediment samples. I believe Jean-Marc said his team's field surveys require at least 1 sample per square kilometer.

I mention also the P-factor of probabilities: such as the potential of kilometric strike extensions, which can make a deposit economic and valuable if proven.

Naturally, this is what his corporate partners during decades are most into: can we expect a deposit of 2 million or more ounce of gold there? Or a billion pounds of copper? Those partners, Rio Tinto, Newmont Mining, Hecla Mining, others, have spent $67 million with Azimut as compared with $18 million of Azimut's cash. The number of strategic partnerships or signed options for Azimut number about 30, with three or four documented discoveries.

At any rate, the headlines right now are these **Patwon** targets at Elmer. The intercepts look like they could lead to multiple quartz veins splaying in at least three directions laterally and vertically, as I understand from observers and geologists in Québec.

Eric Lemieux, an independent analyst and geologist in Montreál, is submitting good and in some cases superb insights into several of Azimut's exploration prospects, including **Elmer** and also the copper targets at Pikwa -- https://www.linkedin.com/pulse/azimut-exploration-inc-azm-v-copperfield-trend-pikwa-being-lemieux/.

What could set Dr. Lulín and his team apart from most geologist-driven explorers is their **validation process**. About 9 in number, the team will not shovel any data to feed or support a preliminary hypothesis. "We validate the sample; this is routine for us. The 11,000 claims, this is for us real estate; no emotion. We are linking data, large mineral footprints close to surface, with field validation."


Field work at Elmer Property, James Bay: June 2019

The team in June 2019 saw its pixels produce parameters at the Elmer property that lit up switches: circuit boards. So Jean-Marc and his crew dropped into **James Bay**, saw-cut a large sample from a flat outcrop (*see image above*), got something like 54 grams of gold/tonne, and proceeded to apply more data from the statistical footprints to the lakeside and lake-bottom sediments.

"A piece of a rock is very local. A lake-bottom sample in a basin is much more representative of an average than just adding up geophysical information," he says.

Jean-Marc is unwilling to speculate about Elmer, or about any of the other four or five main projects that are ongoing. He loathes promotion and even cringes knowing this small report from a layman (moi) might lead investors to

AZM shares, or individuals to pick-axe around Elmer and the other projects.

Azimut has about 12,000 meters of further drilling aligned for the properties in James Bay, Nunavik and elsewhere in the province for 2020. Azimut is the geologist/economist/data scientist's only professional pursuit.

"If we consider the targets as real and prospective, AZM will stake them. We focus on poorly explored / previously unrecognized targets that may correspond to the footprint of major mineralized systems."

I asked Jean-Marc what he considers the most important component of his system and without pausing to swallow a swallow of rack of lamb, said, "Systematic field validation -- a lot of work for 400 prospective discoveries." (*Please see a line or two of philosophy from the CEO at the close of this report.**)

Aside from gold, copper, silver and zinc, there is tungsten in the mix, and there are some rare earth elements at various locations.

The Calandra Report/TCR audience: I am glad to funnel specific questions about a future financing (I hope we do not see one before the March drill results are published regarding Elmer, which has the wherewithal to take AZM/AZMTF shares to fresh highs. Perhaps above $2 CAD a share if I am proven just half-right about the dimensions of this possible gold deposit.

Those who desire more lines about Jean-Marc, his exploration experiences in Africa, his education in France; or his company's documented discoveries and partnerships with Rio Tinto, SOQUEM and other companies; or the sparse financing history these past 17 years; or most importantly, what the next drilling bodes not just for Elmer (Patwon) but also for Azimut's Copperfield Trend at its Pikwa Property, its gold-silver-copper-zinc project in Nunavik; and what to me look like exemplary results for copper-gold at the Rex Property in Nunavik, the Azimut web site is detailed and user-amenable. [I suggest also the exhaustive MDA management discussions in its SEDAR.ca regulatory filings.]*

Jean-Marc Lulín: "Very clearly there are cycles in the mining business. But if we exhausted our possibilities, we would have 1 billion shares outstanding and not 57 million shares. We look for Tier 1 deposits, and close to surface. We work in very remote regions, so if we don't find close to surface, then capital costs will be much too expensive."

"Exploration is driven by ideas ... there is a lot of freedom in ideas. You have to be open to ideas (because) sometimes knowledge limits your ability to learn. It is a pitfall driven by knowledge."

"When we see a big discovery, we see the professor saying, *why this discovery*; but better might be, where is the discovery? Why we went there, not why the geology supports the existence of the discovery."

***Thom Calandra** [All quotations verbatim from my notes, my interviews, my phone calls, my texts and my electronic mail. And a dinner. I look to see two or three Azimut projects in late spring.]*

RARE EARTHS AND THE STRATEGIC BATTLE FOR CONTROL

By Joe Martin, Founder of Cambridge House Int'l

This past December, Canada signed into the US-led Memorandum of Understanding to reduce global reliance on China's supply of Rare Earth Elements -REEs - that are essential in the high-tech industries for everything from lithium batteries to magnets for smart phones, computers, wind turbines, and fighter jets.

REES ARE NOT RARE. IT IS ALL ABOUT POLITICS.

A rude awakening took place when the world woke up and found out that these metals, which are essential to just about every technical advance, come almost exclusively from China.

Awareness became front page news in 2010, when China seized a Japanese fishing trawler in waters they claimed to own in the East China Sea. China released the vessel but imprisoned the captain. Japan launched a significant protest. China responded by blocking exports of REEs to Japan. It also dropped its exports from 40% of its output to 30%. Japan, joined by the US, the European Union and Mexico, made unenforceable complaints to the WTO - World Trade Organization.

Reality was that China, at the time, was mining 93% of the world's REEs and accounting for up to 99% of the supply of some of these most prized metals.

Imagine the looks on the faces of the world's leading military officials when they learned that their $1billion fighting jets needed a few thousand dollars worth of metals, available only from China, for them to work.

It wasn't always that way but the change happened quietly over time and caught the world off guard.

Americans believed that the Californian Mountain Pass mine, which first began production in 1952, was in good shape. Between 1965 and 1995 it supplied most of the worldwide consumption of REEs.

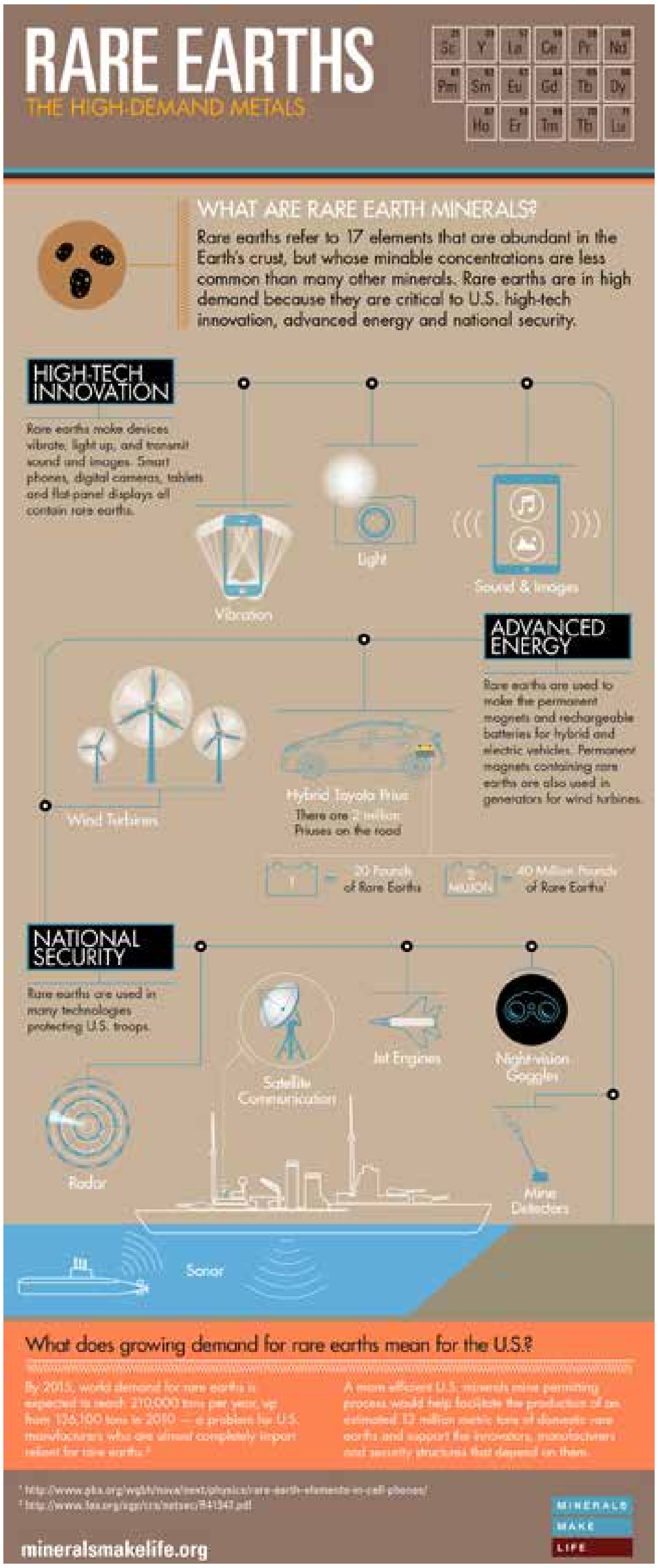
This mine's production slowed and China, which always had extensive reserves, began production - and cut prices to put all competition out of business.

The Mountain Pass mine closed in 2002. In 2008, Molycorp Minerals LLC was formed to revive it but later filed for Chapter 11 bankruptcy to the tune of US$ 1.4 billion.

In 2017, MP Materials, acquired Mountain Pass. This company is controlled by Chicago hedge fund JHL Capital Group and New York's QVT Financial LPL, with Chinas's, Leshan Shenghe Rare Earth Co. Ltd. holding 9.9 percent. It claims it produces 15% of all REEs' annual production.. The ore is sent to China for processing. The company states it has plans to begin refining at its California location by late 2020.

The REEs problem remains critical. According to Bloomberg, (May 20, 2019), the US relies on China for 80% of its requirements.

So what does it really mean when a bunch of frustrated politicians sign an agreement that they must do something. What can



they do? Not much. Here is a reality check for these agreements.

The problems associated with the supply of REEs will be solved by traditional supply and demand methods. The exploration and mining companies of the world are beginning to answer that challenge.

THE MAJORITY OF THOSE COMPANIES ARE CANADIAN.

Canadian mineral exploration companies have a long history of being world leaders in finding mineable deposits of all types of minerals and then turning them over to mining companies, many of them also Canadian, to put them into production.

The activities of Canadian mineral exploration companies are not confined to Canada. These companies account for about 60% of worldwide exploration. Their headquarters are in Canada and they trade publicly on the CSE, the TSX-V and the TSX. Their work forces are heading up projects around the world.

In my many years with Cambridge House, I have had the opportunity to see many of these companies in action including sites in China, Viet Nam, Cambodia, Laos, South America, Nevada, Alaska, Colorado, Montana, Utah, Washington, Yukon, the Northwest Territories, BC, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Newfoundland, and more.

CANADA HAS SOME OF THE LARGEST KNOWN RESERVES AND RESOURCES (MEASURED AND INDICATED) OF REES WORLDWIDE, ESTIMATED AT OVER 15 MILLION TONNES. EXPLORATION IS ACTIVE IN MOST PROVINCES.

The manufacturing of magnets represents the single largest and most important end use for REEs, accounting for 21% of total consumption. Electric vehicles are extremely magnet dependent. In early February of this year, Investment Quebec (IQ)- ,announced it would provide debt financing of $1.72 million for Geomega Resources Inc. (GMA.V) to create a North American first recycling plant for REEs. The challenge for finding REEs and guaranteeing supply is what prompted US President Trump to initiate the memorandum.

A memorandum is basically an unenforceable good will agreement to get parties to work towards a common desire. Canada was a bit late in signing the US led effort as it joined nine countries that had already signed - Australia, Botswana, Peru, Argentina, Brazil, Democratic Republic of the Congo, Namibia, the Philippines and Zambia.

China? In the recent trade agreement signed with the US, it agreed to buy two types of REEs,from the US. - scandium and yttrium, two of the 17 rare earths commonly used in lighting and computers. The US does not produce either metal.

China has also signed to purchase ore from companies exploring for REEs in Africa.

COULD SILVER BREAK-OUT LIKE IT DID IN 2011?

By Richard (Rick) Mills

Silver is expected to begin the 2020s newly burnished, through a combination of higher industrial and investment demand, and tightened supply owing to mine production issues and output cuts. If it does, it would be the continuation of a trend that started last year.

2019 was an excellent year for gold and silver. Both metals began to run last summer after the US Federal Reserve started cutting interest rates. In July the Fed lowered rates three times before freezing the (benchmark) federal funds rate at a range of 1.5 - 1.75% in November. The market is reportedly expecting multiple cuts in 2020.

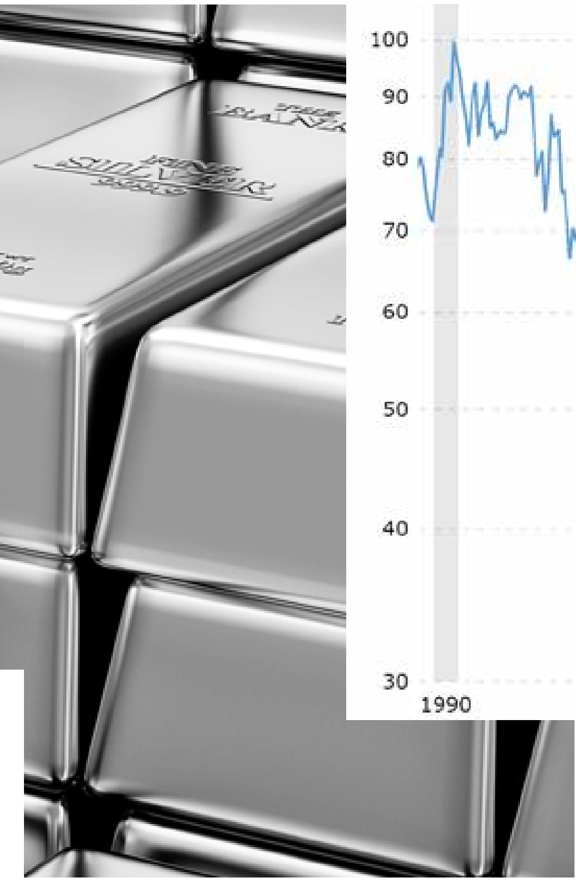
That, along with similarly dovish policies among other central banks, a record $17-trillion of negative-yielding sovereign bonds, and fresh safe haven demand due to tensions with Iran, and a lack of progress on trade talks, to name two key issues, powered precious metals to new heights.

Spot gold and silver both peaked in early September at a respective $1,552.00/oz and $19.67/oz. Taking a long-term view of silver and gold prices reveals that the precious metals move in almost identical patterns. Over the last year gold and silver have each gained about 25% (trough to peak); over the last five years gold gained 45% to silver's 40%.

Charting the metals back to 2010, the correlation is tight. When gold goes up, it almost always takes silver with it.

It's actually fascinating to examine these charts closely. At face value the red lines appear to show a very similar pattern. The spike in both gold and silver happened in 2011, when gold shot up to a record $1,900 an ounce and silver approached $50/oz. But in fact, silver's streak occurred in April, five months *before* gold's big run. This contradicts the prevailing wisdom that silver prices follow gold prices.

Silver and gold trade fairly closely for the next nine years but diverge towards the end of the charts; notice the column between Jan '19 and Feb '20. At the start of 2019 gold turns sharply upward, for a whole year, even touching $1,600 very recently. Silver still lags.



Gold/silver ratio

The gold-silver ratio is simply the amount of silver one can buy with an ounce of gold. To find the ratio, divide the current gold price by the price of silver.

Studying the three charts tells me I need to position myself in silver and silver stocks.

Silver price

Gold Price

On June 12, the gold-silver ratio hit a 26-year high by breaking through the 90-ounce mark - meaning it took over 90 ounces of silver to purchase one ounce of gold. The higher the number, the more undervalued is silver or, to put it another way, the farther gold prices are pulling away from silver prices.

The gold-silver ratio tells precious metals investors, which is under-valued (or over-valued), silver or gold? At the current ratio of 88:1, a trader who has an ounce of gold could sell his gold for 88 ounces of silver, compared to the historical average of 56 silver ounces to one gold ounce. Historically, then, silver is right now extremely under-priced compared to gold.

Incidentally, the 2019 gold-silver ratio of 86:1 ranks among the highest 2% of all time, dating back to 1687! There have been only two years since the US government removed the dollar from the gold peg - 1991 and 1992 - that there were higher ratios.

If silver is still so under-valued, we got to thinking, what would it take for silver prices to rise to the levels of nearly a decade ago? What were the silver market conditions in 2011 that could reveal clues as to where silver is going in 2020? This article attempts to answer these questions.

2011 BOOM AND BUST

There are numerous suppositions as to why silver climbed 175% in one year before suddenly falling "off a cliff". (silver plummeted over 25% in two days).

Many observers looked to investment banks like JP Morgan, suspected of manipulating the silver market,

which at the time was known to be shorting silver even though prices kept rising. Conspiracy theorists recalled what happened to Warren Buffet's ill-fated silver squeeze in the 1990s that propelled the price up 80% before crashing.

Dovish monetary policy at the US Federal Reserve was another reason to be bullish on precious metals in early 2011. Three years after the Great Recession, the US economy was still reeling from the mortgage crisis and collapse of Lehman Brothers. Confidence in the US economy was at a record low. The eurozone was in trouble, with Greece, Ireland, Portugal, Italy and Spain all reporting financial problems.

The Fed announced a third round of quantitative easing and reaffirmed it would hold interest rates at zero for at least two years. In August 2011 the Swiss National Bank stunned financial markets by promising to print the Swiss franc in "unlimited quantities" as necessary, to maintain a peg between the franc and the euro - resulting in a flood of investments out of the franc and into other safe-haven currencies or precious metals.

Elsewhere in Europe, central banks remained committed to resolving the debt crisis by even more borrowing.

The result of all of these economic factors, including a belief that the dollar was under siege, was for investors to seek safe-haven assets like gold and silver.

A more intricate reasoning for silver's rise involved the use of silver in solar panels. This theory begins with the belief that industrial demand for silver was surging in 2011, due in part to the photovoltaic industry consuming silver in much higher quantities than previously. Supply wasn't able to keep up, leaving a shortfall. This, it turns out, wasn't quite true. While the industry did experience massive growth between 2008 and 2011 - silver demand rose 338%! - it barely registered as a demand driver, according to BullionVault.

The silver market was also thought to be tight due to a shortage of high-purity bars required for the silver paste that goes into solar panels. These 0.9999 fine silver bars are less common than the regular 0.999 bars, so when the supply of high-purity bars ran low, corresponding with the hike in the silver price, a cause and effect was assumed. There was in fact a shortage of 0.9999 bars, but the supply of raw-material (mined) silver remained well stocked. Between 2003 and 2012 the silver market was in a significant surplus six times, BullionVault notes.

Whatever the reason, or reasons, for its jump, silver's surprising journey to $49 stopped abruptly in mid-September, 2011. Initiated by then-Fed Chairman Ben Bernanke's decision not to proceed with more quantitative easing, Money Metals Exchange explains what happened next:

Disappointed "long" traders began selling their contracts. As prices fell, the margin calls began – forcing weak hands to sell. Then major U.S. and Asian exchanges increased margin requirements. The result of these rapid-fire events was a near-term rout in the paper prices for gold and silver.

The precious metal plunged from a peak of $49 an ounce to under $40 within a week - silver's biggest three-day plunge in 28 years.

Silver investors and traders know the metal to be thinly traded and therefore volatile, but the scope of the correction raised eyebrows.

Some traders blamed the unwinding of the long-silver, short-dollar hedge for the scale of the correction. The Telegraph quotes the president of the precious metals trading firm Dillon Gage, saying "US investors bought silver and gold as a way to hedge against further erosion in the dollar's buying power."

Conspiracy theorists appeared to be validated when a rumor circulated about massive selling out of George Soros's hedge fund. In the following weeks a lawsuit was filed against JP Morgan and HSBC, alleging market manipulation. However both the CFTC and a New York appeals court found no indications of collusion or criminal abuse of the silver market.

GOLD-SILVER RATIO AS INDICATOR

Wouldn't it be great if we had a tried and true forecasting tool that could tell us when silver (and gold) prices are going to take off? Of course possessing such a thing would stand to make us A LOT of money! Sadly, we don't.

What we do have is the gold-silver ratio, and the knowledge that the precious metals usually move in the same direction - although silver historically leaps faster and higher than gold.

As mentioned at the top, the current gold-silver ratio of 88:1 is near historic highs. For the ratio to drop, either gold needs to fall or silver to rise. The question silver investors want answered is, when are rising silver prices going to bring the ratio down to a more reasonable level, that reflects the bullish fundamentals for silver?

We get some help here from a May 2019 column in Kitco. The author notices that since 2011, instead of trailing along with gold, silver keeps getting cheaper and cheaper relative to gold. So what gives?

We don't know the answer to why silver investors aren't acting on the flashing-red neon "Buy now!" sign indicated by the high gold-silver ratio. But according to a commodities analyst article on Seeking Alpha, the ratio is one of the most reliable "buy" indicators for silver whenever it is above 80. (ie., now). All of the charts above confirm.

Silver Mines Ltd. Managing Director Anthony McLure confirms this, reportedly telling the Denver Gold Forum last September that the higher-than-normal ratio is often the "precursor to a [silver] bull run."

Peter Schiff, in a recent column, states that because silver is, despite its many industrial uses, still a monetary metal, *it tends to track relatively consistently with gold over time. When gold goes up [as it is doing now], it almost always takes silver with it.*

Furthermore, it may well mean the silver-gold ratio will shrink again as it did in the years after the '08 crash. Historically, during a bull market in gold, silver outperforms. If this holds trues, that ratio will close.

CONCLUSION

The silver market today is obviously quite different from the one in 2011 that saw silver jump to an all-time high of $49 an ounce. But could it run that far again? We believe so.

Consider: industrial demand for silver, particularly photovoltaics, is heading up, and should get another lift, if and when, the trade war with China is put to rest. Investment demand for silver also looks solid, with no end in sight to the low-interest-rate policy direction of central banks.

Add higher demand to shrinking supply, lower grades, and less silver by-product credits from falling lead and zinc mine production, we see a floor forming under silver prices.

The 88:1 gold-silver ratio is very high by historical standards. This is a warning to investors that at any time, the ratio could correct, either meaning a move up in silver prices or a move down in gold prices. Gold is holding up very well despite a Phase 1 trade deal with China, a continued strong dollar and higher sovereign bond yields in the US than elsewhere. At AOTH we do not believe the gold price is going to fall, quite the opposite.

Peter Schiff, states, *Silver has hit an all-time high of $49 per ounce twice – in January 1980 and then again in April 2011. If you adjust that $49 high for inflation, you're looking at a price of around $150 per ounce. In other words, silver has a long way to run up. As one analyst put it, "With the long-term downside potential of silver very low versus its current valuation, the risk/reward is one of the best investments on the planet."*

We don't know what will be the catalyst that makes silver leap again, like it did in 2011, or when it will happen, but one thing is for sure: when silver runs, volatility will be high. It will likely spike fast, without warning, probably much higher than gold.

We wouldn't want you to miss it.

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THE FED'S NEXT ACT: BUT JUDY SHELTON MAY NOT BE AROUND FOR IT.

Congress can do no more than play confused, partisan politics with the central bank—and a new nominee—at a "Waterloo Moment" for the Fed, the economy and markets.

By Chris Temple

> ***"A double-minded man is unstable in all his ways"***
> ** James 1:9 – KJV*
> ***"Whom the gods would destroy, they first make mad."***
> ** Euripedes*

I'm writing after having just watched the questions directed by members of the Senate Banking Committee to President Trump's nominees to fill vacancies on the Federal Reserve's Board of Governors. They are Dr. Judy Shelton and Dr. Christopher Waller. Waller is 110% Establishment; and a lead-pipe cinch to be confirmed.

An "outside the mainstream" Dr. Shelton, however, is not. While her nomination as of this writing is still in play—and President Trump is publicly supporting her and expressing optimism—I'll be quite surprised if she makes it.

And perhaps that's the way it should be. America today does not deserve a policy maker who actually can *think*.

"BORKED"

Not since the late summer, 1987 Senate confirmation hearing for Reagan Supreme Court nominee Robert Bork have I personally been so interested in such a key nominee to a post which—while not a lifetime one as at SCOTUS had Bork been confirmed—would nonetheless for Dr. Shelton likely run as long as a decade and a half.

Bork possessed the greatest legal mind—and with the greatest fidelity to the original intent of the Constitution of the United States of America, including in its giving only *enumerated* (not unlimited) powers to the federal government—of anyone nominated to the Supreme Court *in the last century*. **Yet by the time the America of his day had so deteriorated in so many respects, Bork was anathema; a relic of a bygone time.** Bork's view of things was deemed outdated at best; "extremist" at worst.
His reasoned arguments on numerous positions were lost on many senators who are incapable of reasoned, meaningful discussion on *much of anything*. And in the instances where he backtracked and/or "repented" for views previously taken, it gained him nothing.


The first nominee of the Modern Age to be "Borked"

The most memorable instance (to me) of that latter deals very much with the subject at hand today. As his grilling proceeded, one senator asked him (I paraphrase)

> *"You have expressed your view that, on many occasions, the Supreme Court has essentially legislated, going outside the original intent and authority of the Constitution to create new laws, rights, powers for the federal government, etc. that did not exist before. Will you please give this committee an example?"*

Everybody was waiting for Bork to single out the infamous *Roe v. Wade decision* legalizing aborticide.
He did not.

Instead—without a moment's hesitation, he singled out the Legal Tender Cases; two decisions rendered by the Supreme Court in 1871 that ratified the Lincoln Administration's creation of paper money a decade earlier. The Constitution clearly, in his mind, allows for no such thing; and—as I was sitting in my living room watching the hearing with a dear, late mentor of mine who himself was a great historian and an expert on monetary issues—Bork eloquently explained *why*.

Yet—in a pointless attempt to assure the esteemed solons (BARF!) of the Senate he would not upset things—he quickly *added* that he would never think to vote to overrule the *Legal Tender Cases* in the event a new case on such issues properly came before the Court.

It didn't matter.

SHELTON'S "EXTREMISM"

As was the case with Bork, Shelton was forced during this recent hearing (fellow nominee Waller was quickly rendered a wallflower; everyone need to get their shots in at *her*) to alternately deny, explain, rationalize or promise penance for numerous past pronouncements on a host of issues. Space here does not allow for a more complete recap, but here are a few key thoughts:

Gold – It's a measure of just how far gone things are that most *Republican* senators took issue with Shelton's past embrace of gold or a "gold standard." Even they for the most part have long since abandoned any pretense for supporting *truly* sound money; they endorse the G.O.P. game plan of *borrow and spend*—running up trillions in debt—while castigating the Democrat Party's "socialist" tax and spend platform. And as with Bork's softening some of his tone a generation ago to no avail, Shelton's explanation of her views on gold—and assurance that such past episodes in American history when gold mattered were merely *instructive* for today—counted for little, if anything.

Another former "gold bug"

Among the more comical things about this, by the way, is that few *even now* (certainly among Republicans) have much bad to say about former Fed Chairman Alan Greenspan, a.k.a. "The Maestro." His bona fides as a gold bug prior to working for Republican administrations and then the Federal Reserve were even more solid than Shelton's. **Yet that did not stop him from—once at the wheel—becoming the single-most destructive policymaker in American history; unleashing unregulated derivatives, newfangled securitization schemes and layers of debt on top of debt.**

AND under his watch, incidentally, came the ONLY *demonstrable* episode I have personally ever seen where the Fed *directly acted* to meaningfully suppress the price of gold. (For the history of that, check out https://nationalinvestor.com/1490/gold-manipulation-history-lesson-feb-20-2018-issue/ and https://nationalinvestor.com/1482/now-gold-suppression/.

Shelton has ZERO desire or intent to change the status quo in this regard. But the "Borking" process isn't concerned with such facts.

E-Z Money – Indeed, Shelton has increasingly been articulating more creative reasons why the Federal Reserve should be *even more accommodative* today than it has been! For most of the double minded Republican senators, though, this caused their brains to half explode; now she's for *cheap money*? And as for the Democrat nitwits, all this change of heart meant to *them* was that she is merely a pawn of the hated occupant of the Oval Office, whose constant carping about the Fed not being easy enough—and allowing a too-strong dollar—is irritating just about *everyone*.

"Devaluing" the Dollar – And on the subject of the greenback, that Shelton is attempting to force a discussion on a subject even Fed Chairman

Powell grudgingly admits from time to time—**that the Federal Reserve is the *de facto* central bank *of the world*, given the world lives with a dollar standard globally**—is perhaps the most needed discussion right now given our present landscape and circumstances. But here too, Republican senators even more than Democrat ones went after her for wanting to address the dollar's LEGITIMATE custodianship in a world that today is *not* a level playing field.

She was most eloquent on this issue, as she has been for a while. But again, there is no room in ossified (and hyper-partisan) Washington, or perhaps even at the Fed itself, for someone bringing up hard truths and "out of the box" potential solutions to problems.

About all the senators of either party have the political will or the brain power to embrace, it seems, was the slavish and pablum-like response by Waller (on the gold issue) he gave on one of the relatively few occasions we heard from him:

> *The fiat monetary system we have around the world works well as long as it is managed well by the central bank.*

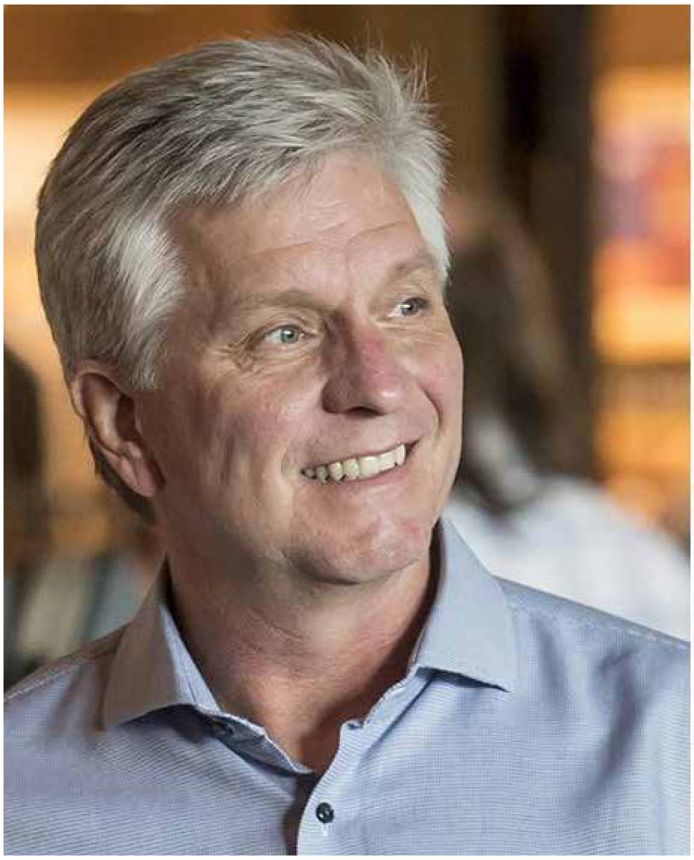
You're hired!

SHELTON AND WALLER, HOWEVER, WOULD LIKELY END UP IN THE SAME PLACE POLICY-WISE

The irony of all this is that the Fed as an institution is at a crossroads; and its bag of tricks to ameliorate any coming economic weakness or market shocks is admittedly nearly empty. At such a time—as I wrote last summer, when the president first voiced his desire for Waller and Shelton to fill those two empty chairs on the Fed's Board of Governors— somebody has to come up with both the game plan and sales pitch for what comes next.

And perhaps it's appropriate (as those two quotes at the beginning of this piece suggest) that a Dr. Judy Shelton is rejected. It matters not that—for the most part—the Dr. Shelton of 2020 would arguably be even more of a monetary "dove" perhaps than even Waller (who will be one also.) In her specific case she can at least ably explain WHY, notwithstanding her previously-held views to the contrary (for more on this, listen in on a podcast I did following the hearing that went into more detail: it's at http://www.kereport.com/2020/02/13/judy-sheldon-has-some-good-ideas-for-the-fed-but-her-confirmation-hearing-is-not-going-smoothly/)

In the end, Democrat senators (who would be lionizing her had she been appointed by a Democrat president and expressed the SAME policy goals on interest rates and the dollar she is now) will oppose her for no other reason than that she is a Trump appointee. And in the case of some of the double-minded Republicans who may end up killing her nomination, do they *really* want us to believe that they are somehow for sound money? Give me a break.




Waller (above left) and Shelton (above right.) Two fresh nominees. Same "Inflate or Die" agenda. But in Dr. Shelton's case, with so thoughtful a rationale behind it as to be doomed to failure?

NOUVEAU MONDE GRAPHITE; WE ARE NOT JUST TALKING PENCILS, ANYMORE!

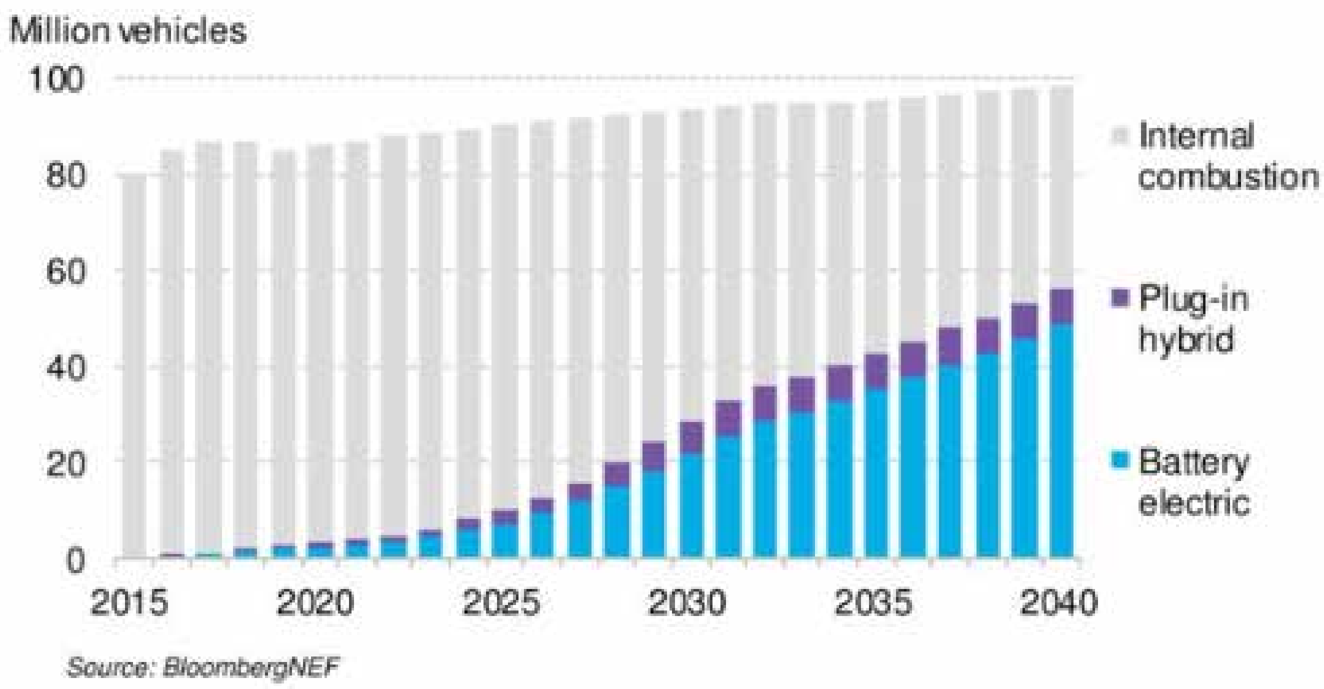
By Andrew O'Donnell

Nouveau Monde Graphite (TSXV: NOU; OTCQX: NMGRF) is a company that I have liked for well over a year. It was before going to Mines and Money NY and I was researching graphite and came across this incredible developing story in Quebec. What is so impressive about this story is not just the discovery of an impressive amount of graphite but the fact that this will be the first all electric open put mine in the world: 0% emission graphite. This is the leadership we have been expecting from Canada and once again it comes from the private sector, from the capital markets.

GRAPHITE AND EVM

Graphite can be found in 3 forms: flake, amorphous and vein graphite. Flake is the most common accounting for 50% of all production while vein graphite represents only 1% of production and can only be found in Sri Lanka.

The key driver is the electric revolution, the electrification of the future. The demand for emission free energy is putting politics in the focal point pinning energy versus environment. The truth though is that this fight is being solved by the mining sector. There are solutions if one believes carbon is the issue causing climate change. The critical metals solving all the 'carbon' issues such as graphite, lithium, cobalt, copper and nickel are revolutionizing the electric vehicle market. Graphite



Passenger electric vehicle sales are expected to continue rising after hitting a record 2 million sold in 2018. By 2040, BloombergNEF expects more than 500 million passenger EVs on the road, up from just over 5 million today.

is a key component in the lithium-ion battery. Nouveau Monde Graphite is leading this revolution with providing the graphite required for lithium-ion batteries and developing the first all electric open pit mine.

A # 2 graphite pencil made of wood weighs between 6 and 10 grams there is up to 70 kgs in an EV. In 2020 we still use a lot of pencils but let's look at the real market and the future for graphite with a projection from BloombergNEF: 500 million EV's on the road by 2040.

We all know Tesla but VW, BMW, Audi, Rolls Royce – you name it they are making electric versions of their cars. The solution is clear but still the issue is the means by which you recover the metal from the ground. Since the discovery in 2015.

GIGAFACTORY'S

There are 39 Li-Ion battery mega-factories under construction or expansion in the world. Elon Musk suggested you would need 100 Gigafactory's. Nouveau Monde is strategically positioned to fuel this emerging market. This is the future and having the first all electric open pit mine cannot be celebrated enough!


Tesla Gigafactory 1

ALL ELECTRIC OPEN PIT MINE

As mentioned, Nouveau Monde Graphite is a world leader meeting the call to highlight mining as the solution for carbon emission. An all electric open pit mine! This is the leadership we need to see in Canada and as an investor you should be applauding. The ingenuity, the chutzpah the gauntlet has been dropped. Many see the mining industry as antiquated and Nouveau Monde is rising to the challenge.

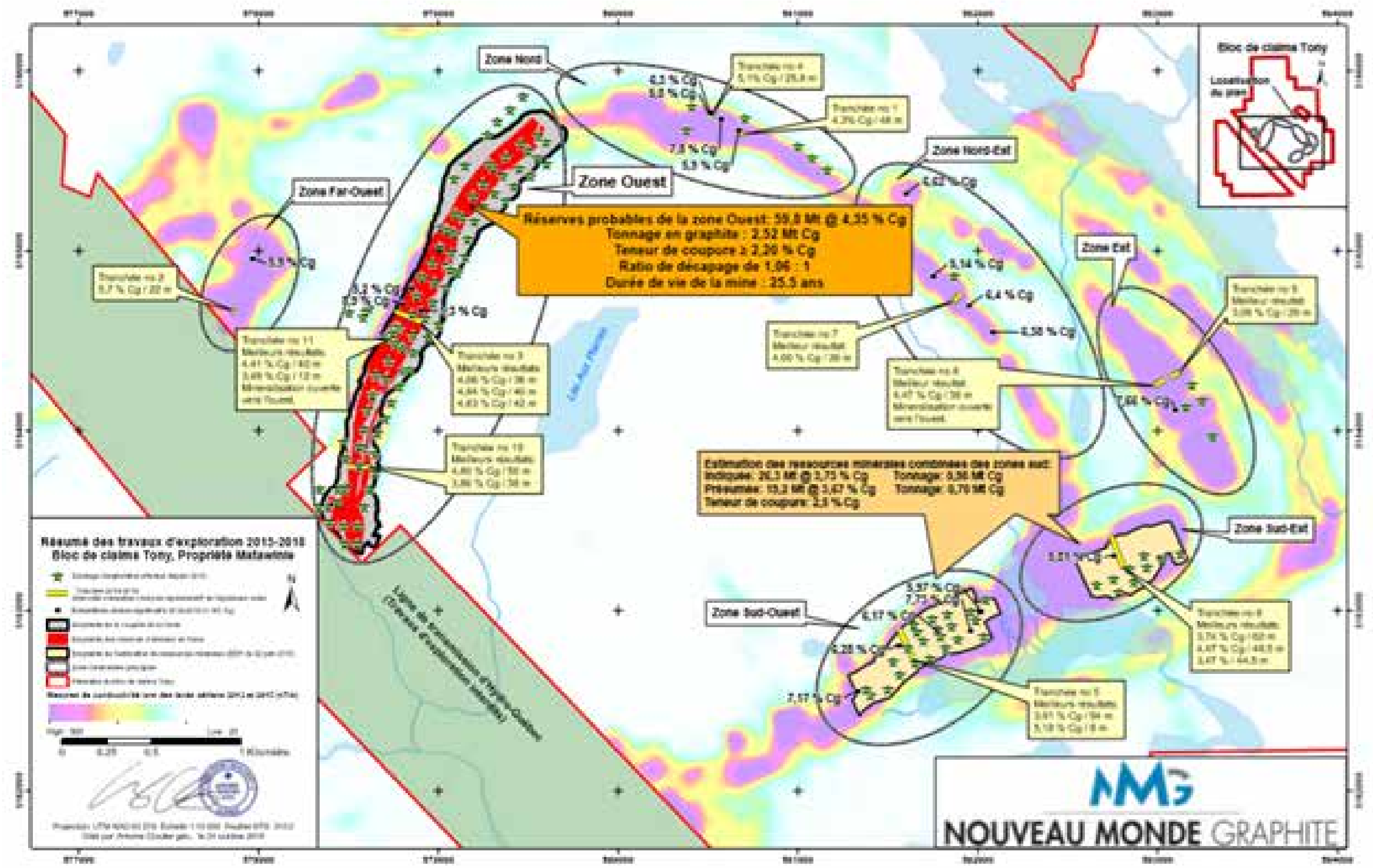
This is a pivotal year from NOU. Not only is this the start of a major mining boom but NM has a long list of milestones to achieve in the next year and you can keep track of them with us. The press release from January 14, 2020 lists the plan. This is outstanding because you can reward the company as they continue to meet milestones and expectations along the way.

THE PROJECT

In 2015, Nouveau Monde Graphite discovered a high-quality graphite deposit on its Matawinie property located in Saint-Michel-des-Saints, 150 km north of Montreal, Quebec. This discovery led to the results of a feasibility study announced on October 25, 2018. The feasibility study demonstrated the high profitability of the project with a projected production of 100,000 tonnes per year of graphite concentrate over a period 25.5 year with a total probable reserve of 59.8 Mt graded at 4.35 % Cg. Annual production of 100 000 tonnes of graphite concentrate with a recovery rate is 94% and a Purity of finished product: greater than 97 %

The company has a busy year ahead with plans to obtain the required permits for its Matawinie mining project, start construction of its commercial facilities, and launch demonstration operations for its value-added graphite products (including spherical graphite, used in a Li-Ion battery).

There are few campaigns out there that are as impressive, fun and direct in explaining mining than this one: www.GotGraf.ca (dial 1-883-Got-Graff). This conveys the message that so many of us having been trying to get out there but focuses in on graphite which most people have no idea is a key component on the electrification of the future.



OVERVIEW OF 2019

- Offtake and joint marketing and agreement with Traxys Group for 25,000 tonnes of flake graphite concentrate.

- CA$22 million raised in combined capital, including a private placement with leading global mining investor Pallinghurst Group for the operation of the existing flake graphite plant, the construction of a demonstration VAP plant, and working capital.

- A CA$4.2-million grant from the Sustainable Development Technology Canada program to build a pilot plant for purified spherical graphite. Signing of a predevelopment agreement with the Manawan Atikamekw Council and the Atikamekw Nation Council. Receipt of notice of admissibility initiating public hearings for the Matawinie project.

- Winner of the Quebec Mineral Exploration Association's Award of Excellence in Sustainable Development

The global demand of graphite is expanding rapidly in part because of electric vehicle growth, and in part to the growth in battery technology and the electrification of the future. This is a chance to take part in a company leading the way towards a green future. This is a chance to make money, a chance to take part in history; a chance to spur innovation and the economy in our resource-based country.

CHINA INTERNATIONAL GOLD

By Andrew O'Donnell

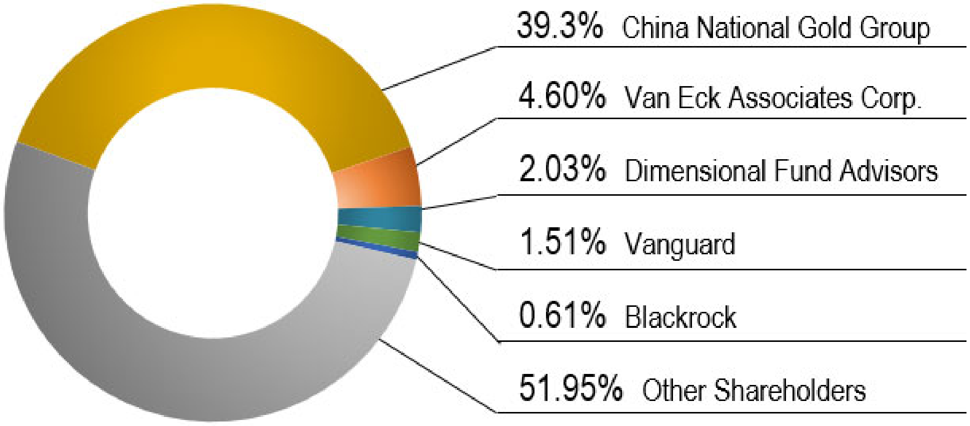
The mining market is getting attention, and this is going to be a remarkable year for the mining sector. Especially gold and copper companies like China Gold International Resources (TSX: CGG/HKEX: 2099). People like billionaire Stan Drukenmiller Founding and managing Duquesne Capital Managing the Quantum Fund with George Soros who loves copper and Ray Dalio who loves both copper and gold. I mention them, as well as Warren Buffet who loves silver in my VRIC presentation in Vancouver back in January. I mention these pillars of the hedge fund world because we sometimes feel we live in a 'bubble' hearing from the talent in our own sector. We have had a rough go of it lately and sometimes the belief drops a bit, the faith stumbles. Having wildly impressive and successful parties chime in on what remarkable talents of our industry are saying is encouraging. Most of us know the names like Sprott, Rick Rule, Marin Katusa and the myriad of exceptional companies out there but having Buffet, Dalio and Drunkenmiller commenting on the promise of these metals is further evidence to the good times coming. China Gold International is poised, ready for success.

There is no doubt that there is concern for China, for Chinese markets and investment with the scare of coronavirus. What sets CGG apart is that it's the International arm China National Gold (CNG) which is by law the largest gold miner in China. The stock has been off a bit of late despite

metallurgical efficiencies, beating forecasts and meeting objectives, with 2019 financials expected to reach over $200 million CAD EBITDA, growing year over year from 2018. The political and health concerns now put the company in an inefficient stock price. One of the key foundations of investing by Warren Buffet is to analyze and identify inefficient markets to take advantage of. The mining sector is clearly that undervalued and inefficient market with CGG being a strong candidate of mispriced risk.

The big news from China Gold Intl is preliminary full year production results for 2019 and announce annual production guidance for 2020 sometime in March. Do look forward to seeing those numbers particularly, during such a tumultuous time. I am optimistic that they will continue to hit milestones, improve metallurgy and deliver growth. With backing from CNG akin to having cornerstone investor like Beatty and Giustra, but with over 50,000 employees and access to full engineering and construction expertise, investors need not to worry about long term commitment on CGG.

> *"In 2020, the Company is committed to continuing its growth through the development of its existing projects, exploration and the pursuit of additional accretive acquisitions."*



MAJOR SHAREHOLDERS

China National Gold Group, the largest gold producer in China, owns 39.30% of China Gold International. This is a point of contention with people and there are strong opinions about this relationship. I think all are justified and fair, but I am of the belief of Didier Rault from World Mining Investments that there is an incredible opportunity with investing in the Chinese mining sector. There is a massive opportunity for those that have the relationships and the contacts. China Gold International obviously has this relationship, as does World Mining Investments. I look at having access to the depth of technology, engineering, operating, government relationships, financing capabilities and international project pipeline of China National Gold Group

FINANCIALS

The biggest concern that I hear from people is also CGG's greatest strength. The debt on the books does trouble people with over $500 million bond due in Q2 200 - but this is a special scenario. The company has the support of a nation behind them and it's not often in mining you see cost of capital at 3%. It is not merely a province or country but support from a nation. This is not your regular private enterprise raising money at whim of New York hedge funds. The company has large potential for growth but like many stocks to day politics and perception is having an effect. To me this is the most opportune time to act. It is as Warren Buffet says: you look for undervalued and inefficient markets and act. I am paraphrasing but you see my point: the numbers do not lie as we can see below.

This company is hungry, has a natural market to supply resources to and can leverage at remarkable rates. It is an incredible vehicle for growth potential with assets over $1.8 billion and market cap just ¼ of that.

VALUATION OF JIAMA AND CSH VS. MARKET VALUE OF CGG

Estimated Value of Jiama (Feasibility Study and Internal Estimates)	US$1,240,000,000
Estimated Value of CSH (Feasibility Study and Internal Estimates)	$640,000,000
Combined Estimated Value	**$1,880,000,000**
Current Market Capitalization	**$0.74 Billion**

SMT: THREE PRODUCING MINES IN TWO CO-OPERATIVE JURISDICTIONS AND GREAT GROWTH POTENTIAL

By David O'Brien

Based on the past two decades of coverage of South American mining investment opportunities, both Peru and Mexico (generally) are felt to rank highly as supportive jurisdictions. For **Sierra Metals Inc. (SMT: TSX, SMT: BVL, SMTS: NYSE American)** to have three producing mines is already an accomplishment, and with their current plans to reach out into surrounding highly prospective ground is also encouraging.

Some of the more advanced companies we've covered have been particularly successful, such as **Great Panther Ltd. (GPR: TSX, GPL: NYSE MKT)** and **MAG Silver Corp. (MAG: TSX MAG: NYSE.A)**... now both producers.

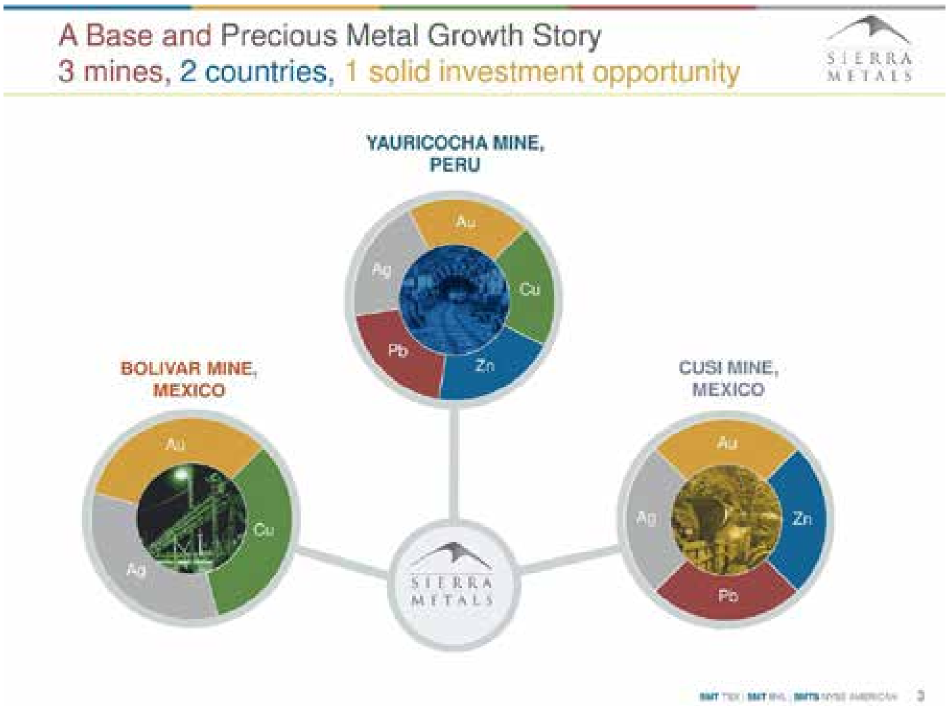
It bodes well.

Sierra Metals Inc. is a growing and profitable polymetallic mining company with production from its *Yauricocha Mine in Peru*, and its *Bolivar* and *Cusi Mines* in Mexico. **SMT**'s focus is on increasing profitability, production volume and mineral resources growth. As **Igor Gonzales** President & CEO says *"With over 150 years of combined experience, Sierra Metals' senior management team have successfully utilized its capital to optimize the mines and create opportunities for further efficiencies and increased production capacity."*

In 2019, **Sierra** was successful in its expansion efforts at its Mexican operations, having completed a 40% production increase at the *Bolivar Mine*: growing to 4,200 TPD (from 3,000 TPD). Results of the upcoming **P**reliminary **E**conomic **A**ssessment at *Bolivar* will help management assess further production increases which would further reduce costs and improve valuation of this mine. The *Cusi Mine* nearly doubled production, growing from 650 TPD to 1,200 TPD. These expansions will allow **Sierra** to improve profitability and reduce unit costs in 2020. At its *Yauricocha Mine* in Peru, **SMT** continues to work through the permitting process to increase tonnage to 3,600 TPD in 2020 and then again to 5,500 TPD in the coming years.

The real story here then… is growth.

between US$109 to US$126 million the **Sierra** has committed to returning up to **US$30 Million** in capital to its shareholders in 2020! A strategic consideration for management is that this Return to Shareholders will provide stronger value in the stock and allow larger shareholders



Sierra Metals has reached a profitability level where it now has ample free cash flow to be able to return cash to its shareholders. With 2020 EBITDA levels forecast to be

an opportunity to reduce their ownership if they wish, which would help improve trading liquidity.

Everyone wins.

An updated NI 43-101 report was recently filed for reserves and resources at the *Yauricocha Mine* and **SMT** expects to update Reserves and Resources at *Bolivar* by the end of Q1 2020 through an increase in the expected Reserve estimate and expected Mine Life. At *Cusi*, the technical report is expected in July 2020 and it should provide a maiden Reserve estimate.

This would provide for further potential production expansions, which would further lower costs.

Sierra Metals has large land packages with many more exciting brownfield and greenfield exploration opportunities at all three mines providing for favourable longer-term exploration upside and mineral resource growth potential.

Do your Due Diligence, of course.

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*David O'Brien is the owner of **Int'l Mining Research Inc.** which employs Media, Event and Online exposure, including **eNews News Release Reprints & 3rd-Party Articles**.*

*O'Brien also owns **W.I.T. Marketing**, an Ad Agency, and has been contributing articles to **TheProspectorNEWS.com**, on demand.*

He owns no shares in the above companies.

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FINLAY MINERALS: PUTTING YOUR MONEY WHERE YOUR MOUTH IS!

By David O'Brien

With the successful closing of the $1.0M financing in late 2019, **Finlay Minerals Ltd. (FYL: TSX-V)** is gearing up for field programs on both its *Silver Hope* and *PIL Properties* this summer.

Chairman and Director **John Barakso** is so enthusiastic about the prospects of this year's Programs, he filled almost the entire **P**rivate **P**lacement and now owns ~59% of the O/S Shares of **FYL**! *Now that's putting your money where your mouth is. [Ed.]*

At *Silver Hope*, **Finlay** will be doing further data mining and compilation on the extensive geological, geochemical and geophysical data that has previously been gathered on the property, with a view to creating a geological model for honing drill locations and further exploration targets.

From **Finlay**'s website, we quote

> *“**Finlay**'s exploration on the **Silver Hope** Property from 2010 to 2014 has seen the discovery of the Main Deep Horizon Cu-Ag-Au mineralization which is viewed as the southern continuation of the past-producing Equity Silver Mine (owned by **Newmont Goldcorp**). In addition, a copper-molybdenum (Cu-Mo) porphyry was discovered west of the Main Deep in an area known as the West Horizon. These exciting new discoveries have yielded numerous significant drill intersections and present the Company with excellent potential for future exploration.”*

Drilling is planned for this summer to test a series of these targets.

POTENTIAL AT THE PIL

At the *PIL* Property, plans are underway to conduct a multi-week exploration program that would include deep induced polarization geophysics, extensive geological mapping and possibly a property-wide geophysical survey.

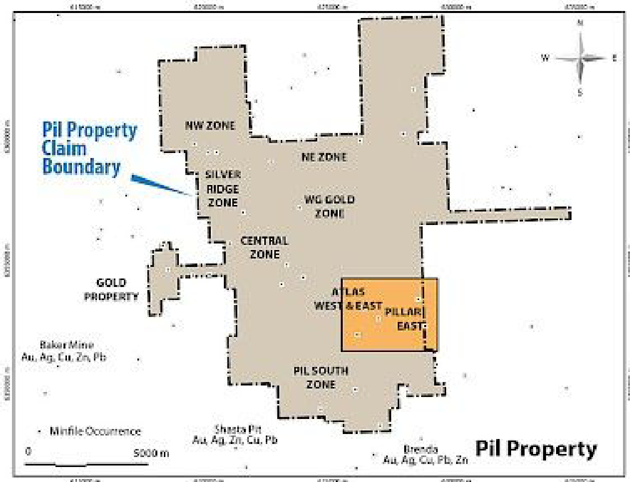
The *PIL* Property, Finlay's largest holding, is situated in north-central British Columbia; it is 100% owned by the Company and consists of a contiguous block of 48 tenures covering 17,006 hectares (170 Km2).

The *PIL* is situated in the Toodoggone mining district, a mineral-rich belt that hosts numerous porphyry copper-gold (Cu-Au) and epithermal gold-silver (Au-Ag) deposits. The property lies east of the former *Baker Au-Ag Mine* (**Sable Resources**) and 35 km northwest of the former Kemess copper-gold open pit mine.

A more technical argument is generated by the "… surveys over BC porphyry copper deposits such as Afton and Mt. Milligan have yielded positive results. Radiometric (Potassium, Thorium/Potassium – Th/K ratio) and magnetic data are useful in finding potassic alteration and magnetite enrichment or depletion zones associated with porphyry deposits." offers **Robert Brown**, President & CEO.

Over the past 18 years, **Finlay** has made numerous discoveries of porphyry copper (Cu) and epithermal Au-Ag type occurrences at the *PIL*.

The *PIL* Property encompasses several distinct areas of mineralization; these include from north to south: the *NW, Silver Ridge, NE, WG, Central, Gold, Atlas, Pillar East* and *PIL South Zones*.



PIL Property with Zones

DATA ROOMS

Data Rooms are also being created for both of the above properties. These Data Rooms will be employed by JV Partners and Optionees to facilitate the development of exploration and drilling programs, such as the one going on at **FYL**'s *Atty Project* in co-ordination with **Serengeti Resources Inc. (SIR: TSX-V, 34S: FSE)**.

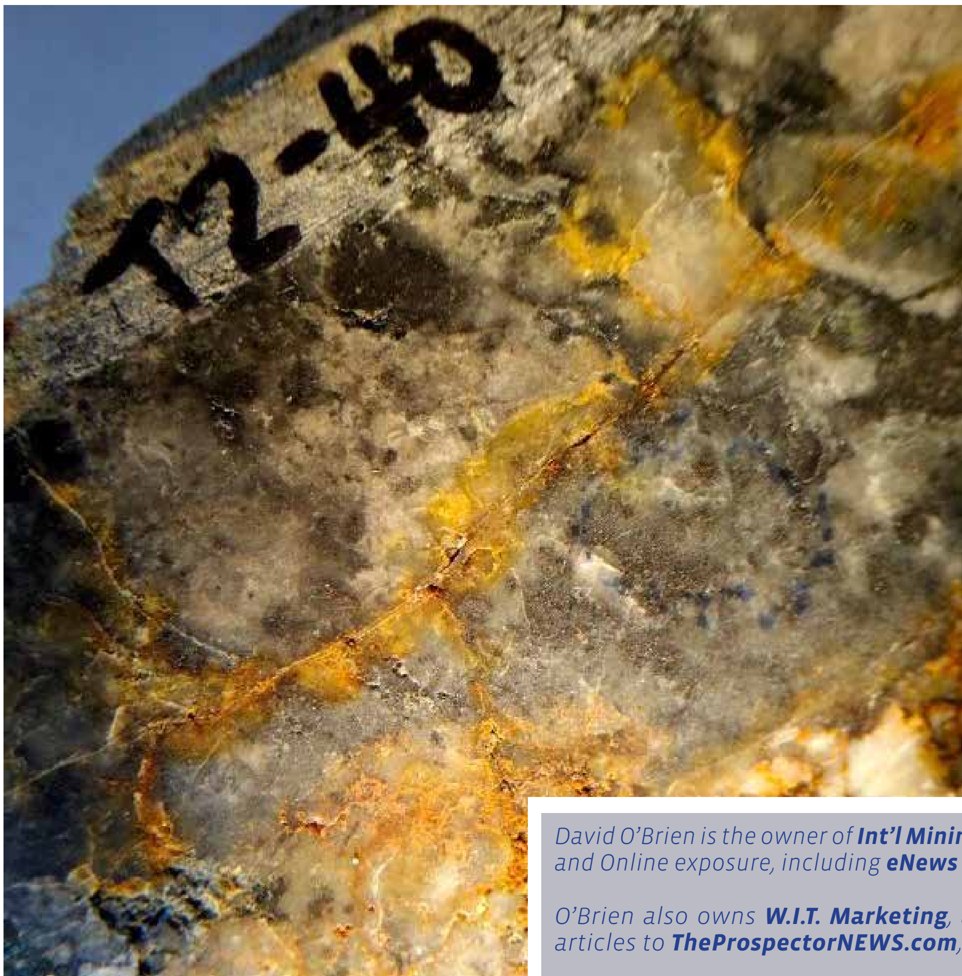
GOING FORWARD

On a macro sense, management feels that the market is undervaluing assets such as **Finlay**'s predominantly copper, silver, gold, molybdenum and polymetallic resources, especially considering the recent strength of metals prices. Many recent **N**ewsletter **W**riters' comments reflect this sentiment, with five out of seven at the recent **M**etals **I**nvestor **F**orum in Vancouver 'predicting' further price increases, almost across the board.

In particular, zinc, silver and copper head your Author's list of metals that are also strongly linked to the rise of alternative energies, energy storage technologies and/or the 'Green Metals'.

With the strategy to add Partners to the process, and with stronger metal prices in the offing, this Junior ranks well in the 'medium to longer' term investment plays… literally, a 'buy and hold'.

Do your Due Diligence, of course.



FYL's Mineral-laden Rock at the PIL

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ARTICLE 3 BUILT UPON DIAMONDS AND GOLD

By Andrew O'Donnell

The great expanse of the Canadian Shield is mesmerizing. The aurora borealis lights up the sky while the ground hides riches – Yellowknife was built upon diamonds and gold. All these things are natural, beautiful and conjure a deep spirit within us. Our love of diamonds and gold is obvious, while those who have experienced the haunting beauty of an aurora borealis describe a mystic experience. The area attracts environmentalist, those who love nature and those who mine. Mining, after all, is the foundation of all green and clean technology.

So why, with such incredible mines like Giant and Con in the region, did the Mon mine shut down in 1997 and the last of the gold mines close in 2004?

It was the heyday of the internet bubble and gold dropped to USD$287. It's hard to imagine gold being so low and at that price it was flat out not economically feasible. The market spoke and funds reallocated towards internet stocks.

This led to the first meltdown of 2001, which reminded us of the importance of fundamentals like revenue, cash flow, assets and price-to-earning ratios. Afterwards, e thought we had learned from the past. But, like those before us we soon had another meltdown, in 2008. It was, on the surface, a housing market bubble, but in truth so much more That failure in the market helped spur interest in gold, again. It helped to remind us of value.

That banking fiasco was never resolved but pushed forward as gold had its time in the sun for a few years. It has been more then 7 years now and we are waiting for a combination of factors to unravel: overvalued real estate markets, 'disruptive new valuation model internet stocks' again, $13 trillion in negative-yielding sovereign debt, hundreds of trillions of flaccid corporate debts. All this is to explain the cyclical nature of gold and the recognition of it being a smart haven when bubbles occur and pop.

Knowing all this, there is nothing I want more than a small producing gold mine.

Well, maybe a big producing one!

Now, nothing great is ever achieved without extreme hardship and sacrifice. Let me share an example, borrowed from Dr. David Webb, president and CEO of 60 North Gold.

Sixty North Gold CEO Dave Webb

Dr. Webb was an athlete – a high-level hockey player and swimmer – so the rugged and gruelling work of geology and prospecting is a good fit for him. He's drawn to nature, to the land, so it wasn't surprising to learn that he was prospecting up in the Northwest Territories with a friend while doing his Master's.

On one cool September day they were faced with the dilemma of crossing a 50m stretch of water. It was an easy swim for two high-level swimmers or a further two-hour pack hike. As they pondered the solution, they turned to their specialized pack of gear that prospectors have always carried. Not unlike a soldier's pack, it serves as life support, with practical work tools like axes and picks.

They decided to make a flotation device, much like Tom Hanks did in Castaway. I would never call into question either's engineering capabilities, but as they made their way into the cold, far North water their newly constructed vessel upended. They were then forced to push the packs for the 15-minutes swim. Near hypothermia set in due to the intense cold. Few can truly appreciate this endeavor.

What is the moral of the story? That you must be a bit a crazy to love mining and prospecting!

Mining provides the electrification of the future and gold is still to this day arguably the foundation of all currency and economics. All the metals and elements in your phone, your car, your mobile come from mining. Finding deposits is vital, crucial and necessary for our future.

It may seem obvious as we realize how critical mining is, how it truly is the foundation of the modern world, but it is just as easy getting distracted by another weed stock or another crypto/blockchain stock. These are new, exciting and dynamic but there is a reason why crypto currency developers are called miners. They mine a ton of data. You cannot even have crypto mining without actual mining! It is arduous and necessary to create value, and with that comes a cost in electricity.

As I always say in times of uncertainty, I prefer caution. and the motto of sticking with the 'things that makes things' is most prudent. I want the copper, lithium, silver, gold and graphite that make the mobile phone rather than the brand-new version of last years model. Give me a $1,000 worth of gold or copper any day.

That thinking brings me back to Dr. Webb. He's taken the Mon project to 60 North Gold -- a perfect vehicle for it. The financial team understood that this was a radical shift in direction for a junior, but the concept was exciting. It uses a strategy implemented in the past, in a similar geological formation with similar strategy just down the road.

The story of Mon is about practicality and elephant hunting at the same time. This sounds like an incredible contradiction but hear me out. The team intends to mine, produce ore and generate revenue while leaving optionality from the extended gold opportunity at A-Zone, which runs possibly 3km.

The Mon is a quartz shear/vein deposit that operated as an underground mine from 1989 – 1997. It closed due to low gold prices. 60 North Gold has an option to earn an 80% interest in the project, subject to a 20% carried interest held by New Discovery Mines Limited, the current property owner, and a 2.0% net smelter returns royalty.

The mine produced one million troy ounces (31,000 kg) of gold from one million tons of ore. The abandoned townsite, not accessible by road, was demolished in 2005. Several gold-bearing quartz veins occur on the Mon Gold Property. Mechanized trenching in 2017 of the A-Zone crown Pillar showed samples ranging in grade from 1.2 gpt gold over 0.90m to 688 gpt gold over 0.50m.

Often when we cab get focused on the details about drill core, intersect, vein width and grams per tonne we forget about the metallurgy. Mon comes with a tailing pond and metallurgical testing with a simple gravity and flotation mill circuit yielded recoveries averaging 98.8%.

Next phases of work planned:

- Airborne geophysics program across the entire property to define drill targets
- Logistically getting ice road truckers to deliver the equipment for the bulk sample extraction and testing program
- Future A-Zone program calls for underground drilling as warranted

- Install mill and dry stack tailings facility
- Process bulk sample and continue mining at an initial rate of 100 tpd

60 North Gold plans to conduct underground bulk sampling on the former-producing A-Zone, and to conduct surface exploration of various gold and VMS targets on the project. The project has operating permits for mining and milling at 100 tpd.

Under the current financing agreement 60 North must spend 6 million on the Mon property by December 31, 2020. A portion of that money has already been funded and interest in the region is heating up.

Next door neighbor Terrax has already filed a Technical report for the 100%-owned Yellowknife City Gold Project.
All good projects test a theory and hitting milestones is a bitter indicator in the junior mining market then share price. There are a lot of reasons for this from the cynical to the practical.

Mining equipment acquired for the Mon Gold Project - Wagner ST-2D Scoop tram

Let's recap: past production in this Belt exceeds 15 million ounces of gold at grades >0.5 oz/tonne, including the Con, Giant and Discovery Mines operated between 1950 and 1969. Does that mean that there is going to be a bonanza discovery? It is too early to tell but what we do know is that there are similarities, good results and a great deal of information to make an informed decision to mine and build out the opportunity. This is not a shot in the dark, this is a small production story with a big upside. It is a different but perhaps that is what this market needs to get people excited about building out the future.

XIMEN MINING: CHARTING A NEW PATH CAN CHANGE YOUR OUTLOOK

By Michael Fox

Recalibrating... That's what I hear when my GPS finds me stuck in traffic. In 2018, I imagine that had to be what **Ximen Mining Corp (TSX-V:XIM) (FRA:1XMA) (OTCQB:XXMMF)** management was hearing in their heads.

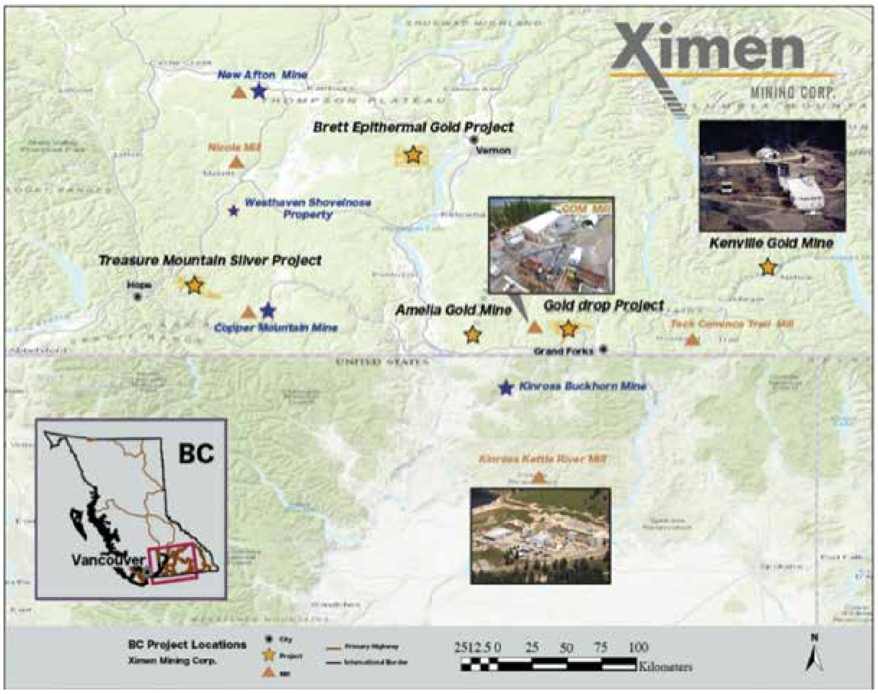
Since 2013 through the turbulent market downturn in precious metals Ximen Mining fought hard to raise capital and advance their Brett Epithermal Gold Project in Southern British Columbia just outside of the Okanagan city of Vernon. Management thought that there had to be a better way forward.

Looking at the strategies of other exploration companies, the one that seemed to have the best success used profitable small scale mining to fund exploration. It was a eureka moment that set forth the new strategy for the company. They would find a small scale mine that could fund exploration.

The best place to find a new mine you can put into production quickly is to find an old mine.

Just 385 km to the south-east of their Brett property, Ximen CEO, Chris Anderson had his eye on the past producing Kenville Gold Mine outside of the town of Nelson for several years. The company acquired the property in April 2019, along with all existing permits, infrastructure and equipment. The historic Kenville Mine produced 65,236 oz of gold between 1889 and 1956.

Kenville Gold Mine



A 2009 historical NI 43-101 compliant resource estimate for previous mine workings e showed Measured and Indicated resources of 24, 624 tonnes grading 20.58 grams per tonne gold (16,289 ounces gold) plus Inferred resources of 522,321 tonnes grading 23.01 grams per tonne gold (356,949 ounces gold).

A qualified person has not done sufficient work to classify the historic estimate as current mineral resources or mineral reserves. As such the issuer, Ximen Mining Corp., is not treating this historical estimate as current mineral resources or mineral reserves. Ximen considers this historic mineral resource estimate to be relevant and reliable in that it was based upon the results of underground sampling and diamond drill information available at the time.

Diamond drilling conducted after the 2009 resource estimate was made intersected 4 new mineralized veins with potential strike lengths of over 700 metres.

Ximen's mission is to exploit the high-grade vein structures with current technology and become a high-grade producing gold mine on what they believe to be the extention of the previous mine while concurrently exploring the limits of the resource.

Since acquisition, the Company initiated permitting to develop a new 1200 metre decline and do underground drilling. Once this work gets underway, the Company will move toward extracting a bulk sample for offsite processing. To date, surface buildings and roads were rehabilitated, the portal site for the decline was stripped, a transformer for hydro power supply was installed, and a new mine compressor was purchased. Water and waste rock quality surveys were completed, showing that the mine drainage water is high quality and the waste rock is non acid generating. The Company intends to be extracting a bulk sample this year and then be in a position to move toward continuous production once the final permitting is granted. The company plans on mining 125 tonnes daily at an average grade of

15 grams per tonne (1/2 ounce per tonne). . The expectation is to mine 20k oz gold annually. Projected costs are more than reasonable in a range of $625 - $725 US per oz all in.

Ximen CEO Christopher Anderson

> *The Kenville Mine is a pristine small underground mine project that is ready to move forward on and start producing high grade gold. If you can't get this mine in production, I don't think you can ever get a small mine into production in BC.*

Not bad for an asset that was only acquired this past spring!

That alone will fund healthy drill programs on the Brett property. But there's more, on January 28 of this year, Ximen agreed to purchase from a private individual 100% interests in the California Gold Nelson mineral claim in the Nelson Gold Camp. Located 6.5 km east south east of Kenville this brings into Ximen's fold another former mine with large unexplored area that could extend the known vein network.

All this recalibration through 2019 until now has been to find a far less dilutive way to finance the exploration work on the Brett Epithermal Gold Project. Epithermal gold deposits offer some of the largest and highest grade gold mines in the world. Epithermal deposits are the products of large-scale hydrothermal convective systems driven by magmatic heat in the upper 5–10 km of the Earth's crust.

Since 2013, Ximen has owned and controlled 100% of this 20,025 ha. epithermal gold district. The Brett property has a history of surface exploration drilling, geophysical and geochemical surveys, as well as approximately 240 meters of underground drifting and raising, and a 291 tonne bulk sample processed at the Trail smelter for a recovered grade of 27.7 grams per tonne. Bonanza high-grade and bulk low-grade types of epithermal-style gold mineralization have been identified on surface and in previous drill holes.

In 2019 Ximen initiated a permit to extend the underground workings and do diamond drilling to further define the main zone and explore parallel zones. This program is expected to be started this year.

As recalibrating can get you out of a traffic jam. It can also change the outlook for a mining company. Perhaps it is a good time to recalibrate your investment route and plug Ximen Mining into your GPS

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