THE PROSPECTOR
RESOURCE INVESTMENT NEWS
JULY, 2024

PLANES, TRAINS, AND AUTOMOBILES VOL. 2

QUANTIFYING GREEN METAL CONSUMPTION IN THE TRANSPORTATION SYSTEMS OF THE FUTURE

www. theprospectornews.com
@ProspectorNews

ABORIGINAL MINER

Pages 06 – 11

CONTENTS

PUBLISHED BY THE PROSPECTOR NEWS

www.theprospectornews.com

PUBLISHER
Michael Fox
editor@theprospectornews.com

SOCIAL MEDIA MANAGER
Parm Walia PW Communications

GRAPHIC DESIGN
George Pitaru
george.pitaru@gmail.com

CONTRIBUTORS
Ryan Blanchette, Ted Butler, Michael Fox, The Critical Investor,Christian Elferink, Rick Mills, David Morgan, Lynnel Reison, Chris Temple

THE PROSPECTOR NEWS
Telephone: 604-639-5495
sales@theprospectornews.com

ABORIGINAL MINER

Dr. John Belhumer
Founder and Co-Publisher
AboriginalMiner@TheProspectorNews.com

PLANES, TRAINS, AND AUTOMOBILES VOL. 2

QUANTIFYING GREEN METAL CONSUMPTION IN THE TRANSPORTATION SYSTEMS OF THE FUTURE

By Ted Butler

Quantifying how much metal the world will consume in the future is a highly complex task. For one, technology exists in a perpetual state of evolution. This breeds thrifting and substitution, which can instantly change the level of demand for all critical minerals.

Second, we live in an age of elevated geopolitical volatility. This can cause supply chain bottlenecks at the drop of a hat, thus altering countries' accessibility to certain green metals.

Despite these challenges, we maintain that mining stakeholders deserve to know as much as possible about the scale of future metals demand. For these reasons, we published an article in the previous edition of Prospector News that sought to establish the future critical mineral requirements of the aviation industry. In the following article, we intend to provide further value to mining stakeholders by conducting the same exercise for trains. As we begin this task, the first thing to note is that trains are practically the optimal mode of "green" transport. Accounting for only 1% of global transport emissions, rail produced a relatively inconsequential 94.64 Mt of direct CO_2 emissions in 2022. Moreover, rail boasts the lowest emissions on a well-to-wheel basis versus other transport options, such as air travel, which averages 5 times more emissions than rail per passenger kilometer.

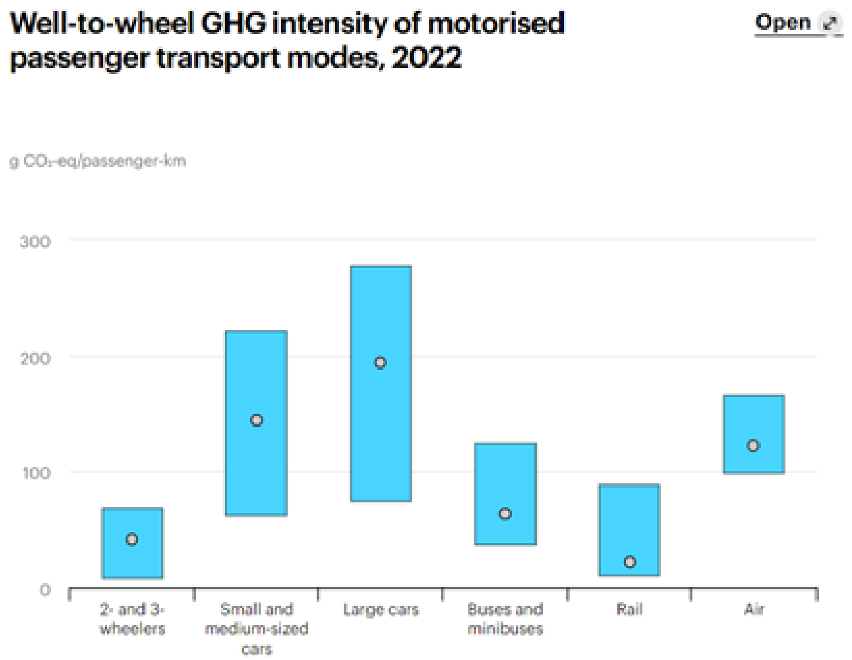


Figure 1: https://www.iea.org/energy-system/transport/rail

In part, this is because 85% of global passenger rail activity and 55% of global freight movements are powered by electricity, meaning zero direct emissions. However, this is not to say that rail is emissions free, as roughly 70% of electric rail produces indirect emissions due to a reliance on non-renewable electricity sources. Not to mention, diesel locomotives are still prevalent across the U.S, as well as in industrialising countries in Asia.

Regardless of this discrepancy, the important takeaway for the mining industry is that new, metals-intensive, rail projects are being announced across the world. Of course, some of these projects look less likely to reach completion than others, such as the UK's eternally delayed "HS2" high speed rail project. That said, the story is entirely different in the East, where bold infrastructure plans are serving as a new tailwind for metals demand.

Perhaps unsurprisingly, China is the easterly nation being referenced here. With a total rail network of 155,000 km at the end of 2022 – including 42,000 km of high speed rail - China already boasts the world's largest high speed rail system in the world. For context, this system has grown a staggering 100-fold over the last 20 years. However, it is set to expand further to 50 000 km by 2025, as part of China's Belt and Road Initiative (BRI).

One of the flagship projects of the BRI is the Sichuan-Tibet Railway - a high-altitude line connecting Chengdu in Sichuan to Lhasa in Tibet, which involves 1,011 km of railway, numerous tunnels and bridges, and an estimated cost of $50.6 billion. Similarly, the BRI also comprises the $58 billion China-Pakistan Economic Corridor railway, which links Pakistan's Gwadar Port to Akshar in Western China.

Undoubtedly, these metal-intensive undertakings will be highly dependent on copper, whose electrical conductivity, durability, and resistance to corrosion makes it perfect for uses in rail infrastructure. These include uses in busbars, overhead catenary systems, signal cables, substations and transformers. Moreover, copper's applications also extend to the rail track itself, where copper bonds are used to connect rail sections electrically.

Taking the latter component as an example, it is estimated that 2 to 5 tonnes of copper is used per every kilometre of electrified track. As such, the aforementioned 1,011 km Sichuan-Tibet Railway track should have used somewhere between 2,022 and 5,055 tonnes of copper once constructed - this is the equivalent of up to half of the 10,000 tonnes of copper held in the world's largest physical copper ETF (COP.U).

And yet, this is only the copper consumption for the track of one ‘standard’ electric railway. In actual fact, the copper consumption rises further to 10 tonnes per/km of track for high-speed rail. Based on these assumptions, the additional 8,000 km of track needed to expand China’s high-speed rail network to 50,000 km by 2025 would require 80,000 tonnes of copper – and that’s not even considering the efforts of fellow BRICS nation, India.

For instance, the national High-Speed Rail Corporation in India are constructing a “bullet train”, which will allow passengers to travel from Mumbai to Ahmedabad at speeds of 320 km/h. Once completed in 2027, the 508 km railway track alone is estimated to consume over 5,000 tonnes of copper. However, the way in which India is choosing to power its rail network will not only be intensive for copper, but also for silver too.

This is because silver is an essential component in solar panels, with roughly 685,000 Oz required to generate 1 GW of solar capacity. At the same time, Indian Railways – the state owned company responsible for the fourth largest train network in the world - has developed a mega plan to install 20GW of solar capacity, as part of its goal of becoming a ‘net-zero’ carbon emissions organization by 2030.

In short, this means that roughly 13.7 Moz of silver would have been consumed by India’s railways by 2030. However, with over 1100 Indian railway stations having already been fitted with solar capacity, and with plans being explored to directly supply solar power to one in four trains via overhead lines, the reality is that 13.7 Moz is likely an underestimate. This is especially so when considering the scale of silver imports into India this year.

Namely, India imported a record 70.7 Moz of silver in February 2024 – the equivalent of 64% of the country’s annual silver imports in 2023, and more silver than the US Mint produced in American Silver Eagle coins over the past three years combined. Admittedly, not all of this will be directly used for rail infrastructure.

Figure 2: https://m.economictimes.com/industry/renewables/adani-greens-khavda-power-plant-worlds-largest-five-times-the-size-of-paris/amp_articleshow/109107172.cms

However, it is highly likely that some of this silver will be used in solar panels that end up powering India’s railways.

In a similar vein, silver-laden solar panels could soon be helping power U.S trains. More specifically, California is targeting 100% carbon-free electricity by 2045, and already derives 29% of its electricity from solar. At the same time, more silver and copper will be required to increase electricity capacity, especially if the state is to proceed with the plan for an $80 billion high speed rail, connecting San Francisco, San Diego and Los Angeles.

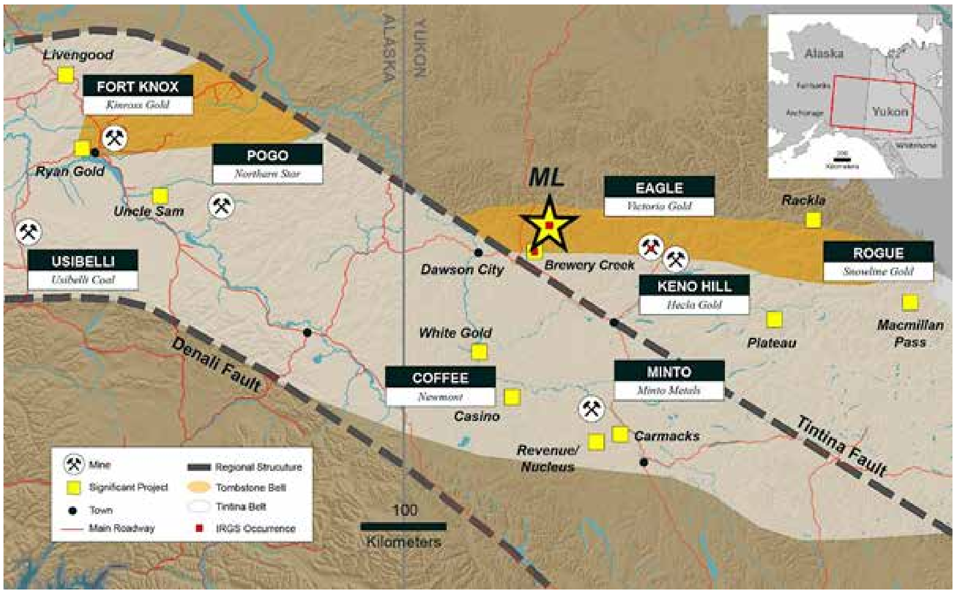
Meanwhile, the same can be said for the Grand Paris Express in France. At an estimated cost of $31 billion, this would see 200km of new automated lines and 68 new stations added to the metro system of France’s capital. However, it would also require a significant expansion of the nation’s electricity grid, which would almost certainly require more uranium, given that over 70% of France is powered by nuclear energy.

In this sense, trains may be a less reliable demand driver to hang your hat on, given that most rely upon the ability for Governments to deliver on their promises. However, on balance, the environmental benefits of trains relative to other transport methods should be enough for at least some projects to be completed. Naturally, this will translate to new demand drivers for critical minerals, with copper, silver and uranium taking centre stage.

RESPECTED MINING INDUSTRY LEADER GOES BACK TO HIS ROOTS

By Christian Elferink

Leveraging his over 30 years of experience in mineral exploration, Rob Carpenter – the co-founder and former CEO of Kaminak Gold Corporation – is back in the Yukon with a new venture. Kaminak's success story under Carpenter's leadership is well-known, with the company's discovery and development of the 5-million-ounce Coffee Gold Project and subsequently selling the company for $520 million to Goldcorp Inc. in 2016..Now, Carpenter sets his sights on a new challenge: the Mike Lake (ML) property. **Prospector Metals Corp. (TSX-V: PPP) (OTCQB: PMCOF) (FSE: 1ET)**, a Discovery Group company, is the owner of the ML Property and is focused on district scale, early-stage exploration of gold and base metal prospects. Creating shareholder value through new discoveries, the Company identifies underexplored or overlooked mineral districts displaying important structural and mineralogical occurrences similar to more established mining operations.



THE ML PROPERTY

The ML Project targets a high-grade Intrusion-Related Gold System (IRGS) in the Yukon. This promising exploration project spans 4,757 hectares within the Tintina Gold Belt, a region famed for its significant gold deposits. Strategically located approximately 80 kilometers from Dawson City and 25 kilometers northeast of the former Brewery Creek Gold Mine, the ML Project benefits from proximity to historical gold-producing areas and established mining infrastructure.

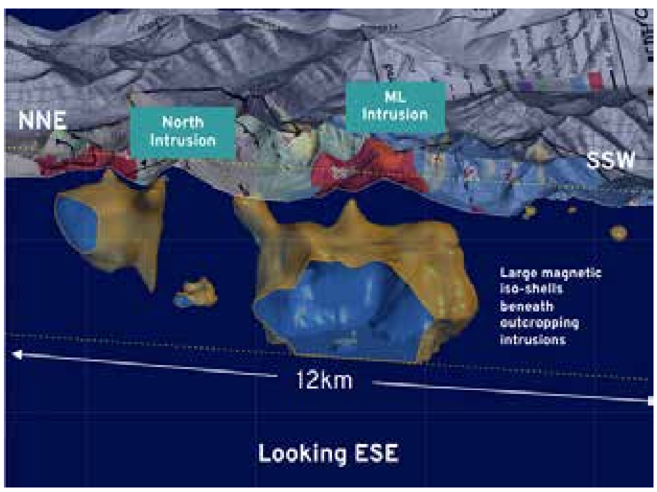
Prospector obtained C$12 million worth of historical geological data that includes 6,700 metres of drilling over 117 holes. Most of this exploration took place from 2004 to 2008, a period when most drilling was focussed on two specific skarn/replacement type targets: Skarn Ridge (71 drillholes) and North Vein (23 drillholes). No significant work has been carried out since 2008, and there remain large parts of the property that have received little or no exploration and evaluation.

Highlight drill results include:

- Skarn Ridge:
  - SK07-001: 1.38 g/t Au & 0.61% Cu over 89.31m(1)
  - SK08-019: 3.07 g/t Au & 0.74% Cu over 76.18m, including 3.56 g/t Au & 0.9% Cu over 56.58m(1)

- North Vein
  - NV05-12: 7.86 g/t Au over 12.09m(1)
  - NV05-02: 7.67 g/t Au over 18.43m(1)

The presence of skarn Au-Cu mineralization together with a high-tenor IRGS-like geochemical footprint of at least 12 kilometres, and the gold bearing sheeted veins with elevated bismuth, provides key evidence of an active, metal-rich intrusive system. The historic aeromagnetic and Falcon gravity gradiometric data suggests the presence of multiple plutonic centres ranging in size from 300 ha to 800 ha and having a depth extent of 2.3 km to 3.6 km. The presence of these intrusions at ML provides excellent targets for future exploration.



MAJOR MINING COMPANY INVESTS

On June 28th, Prospector Metals received a significant boost with a strategic investment from B2Gold Corp., a major mining company. B2Gold acquired a 9.99% stake in Prospector for C$900,000. This isn't B2Gold's first foray into the Tintina Gold Belt and intrusion-related gold systems. They previously invested in Snowline Gold, which just released a promising maiden mineral resource estimate of 7.3 million ounces of gold for its IGRS Valley Deposit.

Interestingly, B2Gold and the ML Property are not total strangers to each other. Their current Evaluation Geologist, Martin Nunez, co-authored an assessment report on the property back in 2006 while working for Archer Cathro. This investment underscores B2Gold's belief in the ML property's potential and strengthens their foothold in the Yukon's mining scene.

Rob Carpenter, CEO and Director of Prospector, said, ***"We are excited to have B2Gold as a keystone shareholder in Prospector Metals and our team is looking forward to their technical input on our flagship ML Project, Yukon. B2Gold is a major global gold producer with a strong commitment to communities, sustainable mining and employee safety. This investment and technical partnership will allow Prospector to advance the ML project more efficiently and it represents an endorsement of our exploration philosophy and targeting methods."***

2024 EXPLORATION PLANS

This summer, Prospector Metals is launching a Phase 1 exploration program at their ML gold property in the Yukon. This initial 4-6 week venture, budgeted at $750,000, aims to bring several targets to drill ready status for the company's first ever drilling program in 2025.

The program will involve both validating past exploration data and acquiring new information. Geologists will verify known targets and promising geological features on the ground. Additionally, advanced technologies like airborne LiDAR and high-resolution satellite imagery will be used to identify new high-priority areas.

A crucial aspect involves a comprehensive review of the existing historical exploration data. This includes re-compiling, analyzing, and verifying all past exploration efforts. Core samples will also be re-examined, potentially with additional sampling conducted.

Taken together, the Mike Lake project, led by a seasoned exploration team, and backed by a major mining company familiar with the geology and jurisdiction, presents a compelling case for a potentially world-class IRGS deposit. With significant areas unexplored, promising historical results, and signs of a hidden metal-rich system, Mike Lake offers significant upside for future exploration endeavours.

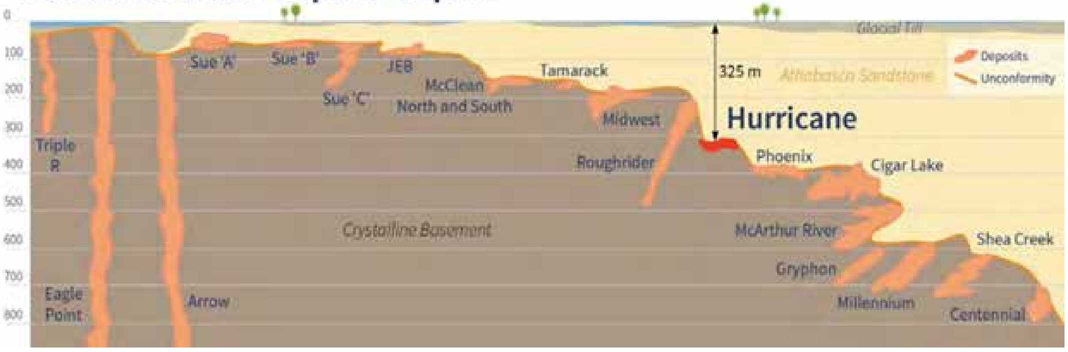
Disclaimer:
The author is not a registered investment advisor, currently has a long position in this stock. All facts are to be checked by the reader. For more information go to https://prospectormetalscorp.com/. com and read the company's profile and official documents on www.sedar.com, also for important risk disclosures. This article is provided for information purposes only, and is not intended to be investment advice of any kind, and all readers are encouraged to do their own due diligence, and talk to their own licensed investment advisors prior to making any investment decisions.

UNTAPPED RICHES: ISOENERGY PREPARES FOR HURRICANE & BEYOND

By Christian Elferink

Canada's Athabasca Basin is a geological treasure trove, boasting some of the world's richest uranium deposits. This vast region, spanning over 100,000 square kilometers, is primarily located within mining friendly Saskatchewan. The Athabasca Basin is currently responsible for roughly 20% of the world's uranium. Nestled in the eastern part of the basin is the the world's highest grade indicated uranium resource. Classified as an indicated resource, Hurricane boasts the highest-grade uranium deposit globally, with a staggering 48.6 million pounds of uranium at an average grade of 34.5%. This exceptional grade translates to significant advantages for potential future mine development. Lower volumes of material would need to be processed, minimizing environmental impact and operational costs. Additionally, high-grade deposits are more attractive to potential mill partners, a crucial consideration in the uranium mining life cycle.

Athabasca Basin Deposit Depths



The Hurricane Deposit is part of the Larocque East project which is a 100% owned by **IsoEnergy Ltd. ("IsoEnergy") (TSX: ISO) (OTCQX: ISENF)**. The Mineral Resource Estimate, completed in July 2022, consisting of 52 drillholes, totalling 20,387 meters, looks as follows:

- Indicated resource of 48.6Mlbs U3O8 at 34.5% U3O8
- Inferred resource of 2.7Mlbs at 2.2% U3O8

Unlike some deep and challenging uranium deposits, Hurricanes mineralization is relatively shallow at a depth of 325 meters. Additionally, there's no water at the surface, simplifying access and minimizing potential environmental concerns.

BUILDING BRIDGES WITH FIRST NATIONS: A COLLABORATIVE APPROACH

IsoEnergy recognizes the importance of working collaboratively with First Nations communities in whose territories it operates. In April 2024, the company signed a significant collaboration agreement with Ya' thi Néné Lands and Resources, an organization representing seven communities within which IsoEnergy conducts some of itsactivities, including that related to its Hurricane deposit.

This agreement outlines a framework for open communication, information sharing, and joint environmental monitoring. It ensures IsoEnergy's exploration activities are conducted with respect for the cultural values and traditional practices of the First Nations. This collaborative approach fosters trust and paves the way for a mutually beneficial relationship.

YNLR Board Chair, Mary Denechezhe stated, *"I am proud to announce the signing of this agreement with IsoEnergy. This agreement marks an important milestone for our communities and future generations. Together, we are laying the groundwork for sustainable development in Nuhenéné, ensuring that our people are involved and empowered throughout the process. We look forward to the positive impact this partnership will have on our communities."*

IsoEnergy President, Tim Gabruch stated, *"Since incorporation, IsoEnergy has developed a collaborative relationship with the communities in which we operate. This is reflected in the trust, confidence, respect, and beneficial outcomes that have been incorporated into all aspects of our exploration and resource development. Today's agreement formalizes that relationship and demonstrates IsoEnergy's continued commitment to the successful conduct of our activities."*

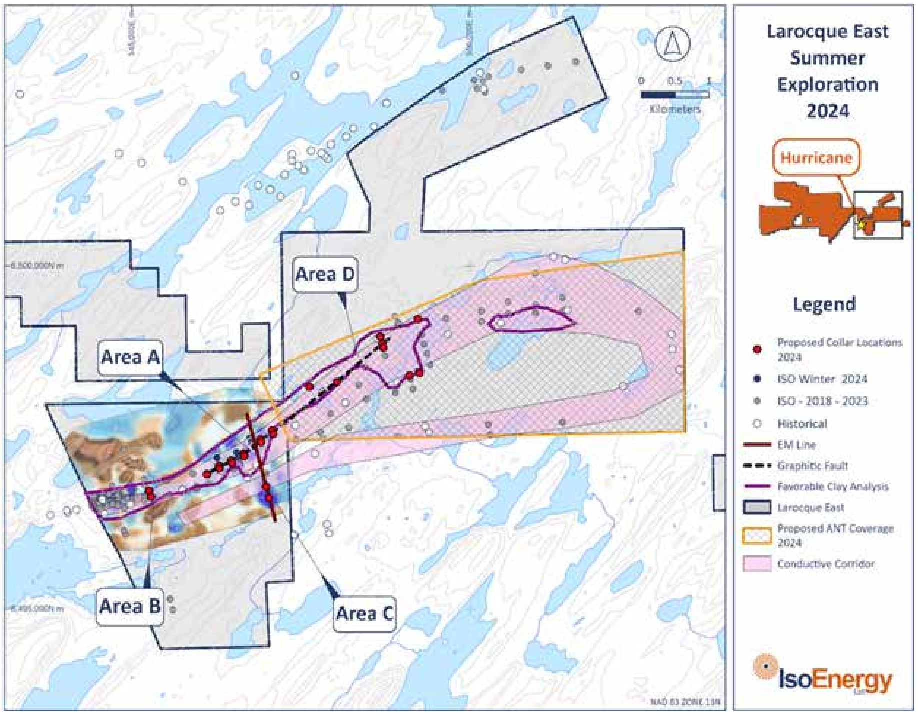
DIVERSIFICATION THROUGH ACCRETIVE ACQUISITION

While the Hurricane deposit stands as the flagship asset of IsoEnergy's portfolio, the company doesn't shy away from diversification. The merger with Consolidated Uranium, announced in December 2023, has broadened IsoEnergy's reach considerably, expanding into the United States, Australia, and Argentina. This strategic move positions the company to capitalize on opportunities in additional top tier uranium jurisdictions.

One of the most exciting additions from the merger is the Tony M project in Utah. This past-producing mine presents the opportunity for near-term production of uranium. Leveraging existing infrastructure and a toll milling arrangement with Energy Fuels, IsoEnergy could potentially bring Tony M online within a year, a significant development that could provide valuable cash flow to support further exploration and development activities.

2024 AND BEYOND

This June the company announced a 30-hole summer exploration program on their Larocque East and East Rim projects in the Athabasca Basin. 8,775 metres over 27 diamond drill holes are planned for the Larocque East



Project following up on a 7-hole winter program. The winter program defined a large hydrothermal system typically associated with unconformity uranium deposits in the Athabasca basin.

Three exploration diamond drill holes for 1,050 metres are planned for the East Rim Project targeting coincident geophysical anomalies located on the eastern edge of the Athabasca Basin, only ~45 kms east of the McArthur Mine. A 2024 exploration program for the Utah Projects is underway, executing a geophysical survey on all 4 projects and sedimentological outcrop mapping at Tony M. The company just reopened the mining portal in order to complete a comprehensive program assessing ground and underground structure conditions and is collecting data to complete a technical and economic study. The company is fast-tracking a late 2024/early 2025 restart of uranium mining at Tony M, aligning with Energy Fuels' White Mesa Mill reopening. A toll milling agreement with Energy Fuels is secured, eliminating the need for on-site processing. State and federal operating permits are already in place, saving 3-5 years and over $1 million per mine in permitting costs. This strategic move positions IsoEnergy for near-term uranium production as market demand rises.

With the world-class Hurricane deposit, near-term production potential in Utah, and a focus on responsible exploration and development, IsoEnergy is a compelling uranium play worth keeping a close eye on.

INDIGENOUS BUSINESS PARTNERSHIPS HELPING FUND EXPLORATION AT NICOLA MINING

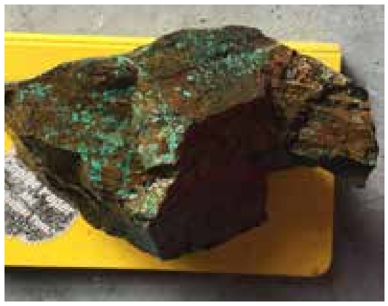
By Lynnel Reinson Communications

Nicola Mining Inc. (TSX-V: NIM) (FSE: HLIA) (OTCQB: HUSIF) is a Canadian junior mining company based in Vancouver, British Columbia that maintains multiple synergistic assets in the province. The axiom of its assets are two permitted mine properties, the historic Craigmont Copper Mine (Permit M-68), Treasure Mountain Silver Mine (Permit M-239), and the Merritt Mill, which is the province's only site permitted to process gold and silver ore from sources located throughout the province. However, less known, but also coadjutant, is its operating gravel pit, an operating rock quarry, and a 75 percent economic stake in the Dominion Creek Property.

The gravel pit and rock quarry (above left) are operated through a strong and mutually beneficial partnership with Lower Nicola Site Services (*www.LNSS.ca*), which is a joint venture between the Lower Nicola Indian Band Corporation and Infracon Construction of Kamloops. The uniqueness of the Merritt Mill (above right) is highlighted by Nicola's ability to enter into multiple mining and milling agreements with other miners, such as Talisker Resources Inc., Osisko Development Corporation, Blue Lagoon Resources, and several others. Monetization of gold and silver concentrate sales is augmented by Nicola's strong relationship with Ocean Partners UK Limited, a leading trader of precious metals globally, and also an investor in the Company.

Strategic asset diversification coupled with operational focus allows Nicola to aggressively commit to copper exploration while minimizing dilution, and creates multiple win-win situations with local communities. It also allows the Company to garner strong Indigenous partner(s) for larger projects. Ultimately a major benefactory of this scenario is its shareholders, as can be seen by a share price that continues to outpace its peers.

At the helm of Nicola is its President, CEO, and Director Peter Espig, whose stellar global financial career includes executive roles at Goldman Sachs and Olympic Capital and as being a pioneer of SPACs. *Click link to hear CEO discuss* the particular location and possibilities presented with the New Craigmont location at the intersection of two of British Columbia's major copper strikes. Mr. Espig was brought on in 2013 to guide Nicola through CCAA, increasing the stock price from below five cents to its current trading level of over thirty-five by assembling a strong and active board and building a success-driven team of employees. His decade of leadership demonstrated a commitment to long-term strategy and execution along with the patience required for developing key relationships, ultimately creating cash-flowing assets and developing exploration projects with a balanced approach.



The Company's greatest focus is exploration of its 100% owned New Craigmont Copper Project. The drilling campaign that commenced July 3, 2024 is the culmination of three years of commitment to geotechnical investment and review. After completing a 3D induced polarization survey (3D IP Survey) of two zones in the claim block, Company geologists are keen and thinking they could find copper deposits matching those that made the original Craigmont Open Pit - Underground Mine so successful. *The Historic Craigmont Mine 20+yrs. of prosperity*.

Skarn alteration with chalcopyrite and quartz mineralization from the Embayment Zone, west of the old Craigmont Mine. This high grade zone is interpreted as a faulted and dismembered extension of the historic ore body

Mr. Espig commented, ***"The 3D IP Survey is only one of numerous studies that we committed to prior to commencing drilling. Our geological team combine numerous geological and geophysical parameters, including but not limited to bedrock mapping, airborne magnetic survey, and ZTEM survey to create a very exciting exploration program. Currently, we have planned for 5000 metres of drilling, which we expect will become the base of subsequent exploration."***

Another key to unlocking New Craigmont's potential is Nicola's partnership with the University of British Columbia's *Mineral Deposit Research Unit (MDRU)*, a globally distinguished research group operating with the mineral industry to undertake cutting edge studies and provide lab services to its members and partners. The partnership between Nicola, the MDRU, Lakehead University, the University of Alberta, the University of Calgary, and 14 other industry partners, is focused on "improving the rate at which porphyry copper deposits can be discovered." This effort could lead to significant discoveries for Nicola and its New Craigmont Project, which sits adjacent to Teck Corp.'s Highland Valley Copper, the largest copper mine in Canada.

CEO, Peter Espig's enthusiasm is evident, ***"We are very excited to team with the MDRU on New Craigmont because historically, it was one of North America's highest*** *grade copper mines. Leveraging newer technologies, such as ZTEM Surveys, and working closely with UBC's geological team could be very fruitful towards finding porphyry copper targets."*

In addition to the work being undertaken at New Craigmont, Nicola Mining recently announced it had transferred fifty thousand dollars to High Range Exploration Limited, the other owner of the Dominion Creek Gold and Silver Project, to facilitate High Range's exploration efforts on the project. Nicola's continuing activities in the region include receiving a letter of support for The Dominion Creek Project from the Chief and Council of the Lheidli T'enneh First Nation. The Company has also completed their application for a Bulk Sample Permit. In addition to exploration at the Dominion Creek Project, the Company sees significant potential at its wholly-owned Treasure Mountain silver-lead-zinc mine asset as a revived polymetallic project. With full permitting in place for Treasure Mountain, and First Nations support of the Dominion Creek project, the Company sees a bright future for their operations, projects, and the region.

Nicola Mining stands as a bit of a maverick amongst its peers in its pursuit of operational cash-flow to support ongoing copper exploration. It already has established permitting on its properties, beneficial cooperative agreements, and multiple First Nations support and partnerships. There are many reasons for believing this unique organization will continue to find success with their innovative, yet well-considered approach. Furthermore, any future dollars it adds to the province's GDP will themselves add an addition 93 cents of economic activity to the region, according to the *Fraser Institute's Report*. Nicola Mining's transparency and willingness to engage with all the First Nations communities and businesses has them positioned to lead the region in not only exploration, but sustainable business development with both Indigenous and non-Indigenous partners.

For More Information go to *www.nicolamining.com*

FRANK CALLAHAN TAKES ANOTHER RUN AT THE CARIBOO GOLD RUSH

By Michael Fox

"JUST WHEN I THINK I'M OUT THEY PULL ME BACK IN" - MICHAEL CORLEONE FROM "THE GODFATHER 3"

I recently noticed a trend where experienced miners who have supposedly retired find yet another project that excites them and draws them back into the industry. We can add Frank Callaghan, former CEO of Barkerville Gold Mines, to the list.

Frank is back to take another run at success in BC's lucrative Cariboo District. For the history bugs out there, this is the district responsible for the Cariboo Gold Rush from 1861 to 1867. His new Company, **Golden Cariboo Resources (CSE:GCC) (OTC:GCCFF)** has ground, a mere 75 km northwest of the Cariboo Gold Mine that Osisko Gold Royalties acquired from Frank's previous company, Barkerville Gold Mines, in November 2019 for $338 Million.

"Stepping out of retirement for Golden Cariboo's exciting project is like rekindling an old flame – it brings back the passion, ignites new possibilities, and reminds you that the best adventures are often built on past experiences and successes" says Frank.

The Company owns the Quesnelle Gold Quartz Mine property near Hixon, BC, 55 KM south of Prince George and 50 km North of Quesnel. The 3814ha property comprises 21 contiguous mineral tenures and is accessible year-round via forest service roads. The property is surrounded to the north, south and west by Osisko Development, which followed Frank's lead and acquired its property after Frank secured his ground for Golden Cariboo. The location and geology make this very familiar territory for Frank and his exploration team, headed by Jean Pautler, P.Geo..

The property is described as the northern bookend to the Cariboo Gold District, with Spanish Mountain as the southern bookend. The team believes they are looking at a mirror image of what Spanish Mountain Gold has in the South. They have even drawn comparisons to the deposit New Found Gold has in Eastern Canada.

The deposit model is epizonal orogenic, consisting of gold-bearing quartz veins and quartz-carbonate-pyrite replacement-style mineralization, such as Frank found with his last company.

The company's consulting structural geologist, Dr. Sarah Palmer, P.Geo. commented *"I'm very excited to be on this project. We anticipated there was the potential for high grade zones early on to boost the project and are delighted to be proving out our expectations."*

Drilling is in progress on the property, and recent drill results included intercepts of 0.29 g/t gold over 263.10m (863.2 ft) and a new zone of 0.68 g/t gold over 41.85m (137.3 ft). As it is noted, every journey starts with a first step. Drilling has indicated that they have found the start of a large vein system on their property.

The current drill program is ongoing. Three drill holes, QGQ24-13 through QGQ24-15, indicate early success. These holes have intersected multiple examples of visible gold within quartz-carbonate +/—pyrite veins, ranging in size from 0.5 to 3.0mm. The first observed example of visible gold is present at 32.00m (104.99 feet) in QGQ24-13.

"The presence of multiple visible gold intersections in the three drill holes at the Halo zone constitutes a new discovery on the property and a considerable step forward for this project. This adds to our previous successes where The Company has intersected gold mineralization in all holes to date, including multiple broad intercepts." – Frank Callaghan

The plans for the remainder of 2024 include:

- Property mapping and sampling
- Trenching program
- 2500m drill program over 20-24 holes

As is often noted, the best place to find a new mine is next to an old mine. The Quesnelle Gold Quartz mine the company is currently exploring has history on its side. The old timers often left lots of material behind and modern mining techniques can improve on past results. The potential for further discoveries is there. Riding with Frank is always an adventure, but arriving at the destination is worth the ride. So best to hang on and enjoy the trip.

It is no wonder Frank came out of Retirement!

SHINY NEW RESULTS FOR NEWFOUNDLAND EXPLOITS DISCOVERY CORPORATION

By Lynnel Reinson Communications

Exploits Discovery Corporation (CSE: NFLD) (OTCQB: NFLDF) (FSE: 634) is an emerging explorer in the junior mining sector with offices and claims in a highly prospective region of Newfoundland in eastern Canada. The company holds 100 percent stake in seven claims (Bullseye, Gazeebow South, Dog Bay, Mt. Peyton, Jonathan's Pond, True Grit, and Great Bend) in a highly accessible region in the northeast of the province home to many significant gold discoveries. Exploits Discovery is currently focused on the Bullseye property, which not only has shown promise in assay results, but is also in close proximity to New Found Gold's Jackpot and Honeypot targets which have shown evidence of high-grade mineralization. The company began a new round of drilling and surveying at the property in mid-June, in addition to collecting till samples at the Gazeebow South property and mapping at the Dog Bay and Mt. Peyton properties. They are pleased to announce initial results from recent diamond drilling operations at their Bullseye property, located along the Appleton Fault Zone in Central Newfoundland. Results from the initial three drill holes have been received with assay values of up to 254.08 g/t Au over 0.80 m. This newly discovered mineralized zone has been named the "Saddle Zone."

The Saddle Zone is located in the vicinity of the company's hole # BE-23-028, where several clusters of quartz veining were intersected over approximately 18 m of core (see news release dated August 14, 2023). Visible gold was observed within a network of quartz veins in drill hole BE-24-015 with best reported assay value of 67.55 g/t Au over 3.30 m, which was drilled northwestwards across the previous path of hole BE-23-028.

Jeff Swinoga, President and CEO, comments, *"On our first three drill holes, we are very excited to hit high grade gold intercepts with visible gold readily observed. Our team first discovered the mineralization of this northeast interpreted splay branching off the Appleton Fault when our drill program last year reported gold intercepts in holes 28 and 30 that appeared to line up. After completing a deep dive analysis into all available geological and technical information, ranking numerous opportunities and using televiewer to assist in drill design orientation, we announced this focused drill program, and we are very encouraged by its early results."*

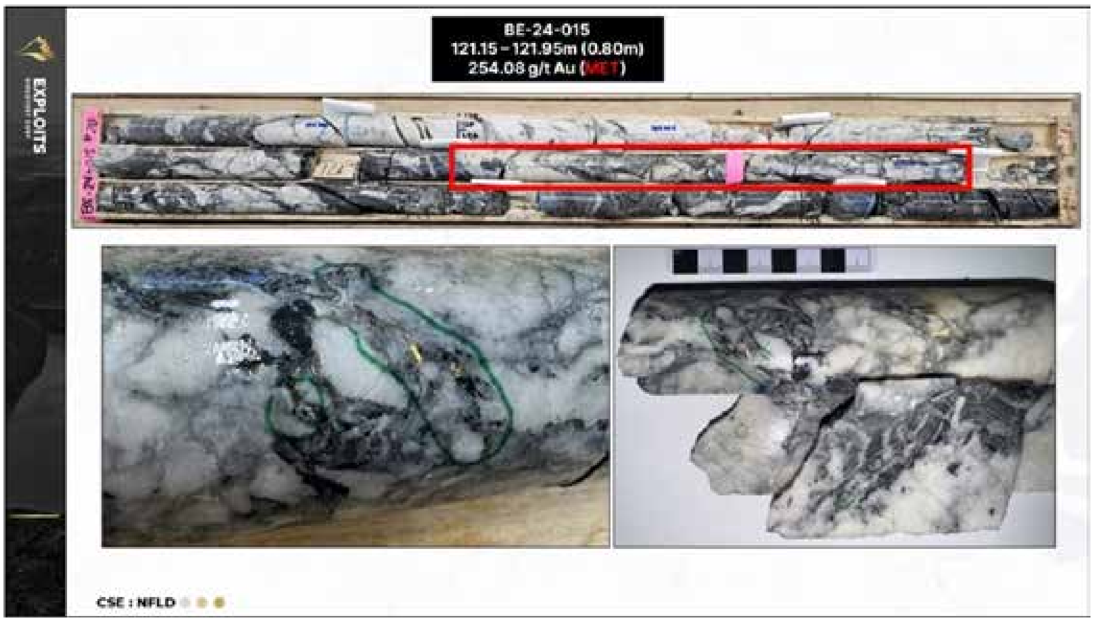
Specifically, the latest drilling highlights reveal:

- BE-24-015:
  - Intersected 67.55 g/t Au over 3.30 m core-length from a swarm of quartz veins where multiple flecks of visible gold were observed, located at a vertical depth of approximately 85 m below surface. (Including 254.08 g/t Au contribution from a 0.80 m sample.)
  - Intersected 2.89 g/t Au over 3.55 m core-length, located at a vertical depth of approximately 80 m below surface. (Including 15.05 g/t Au contribution from a 0.45 m sample.)

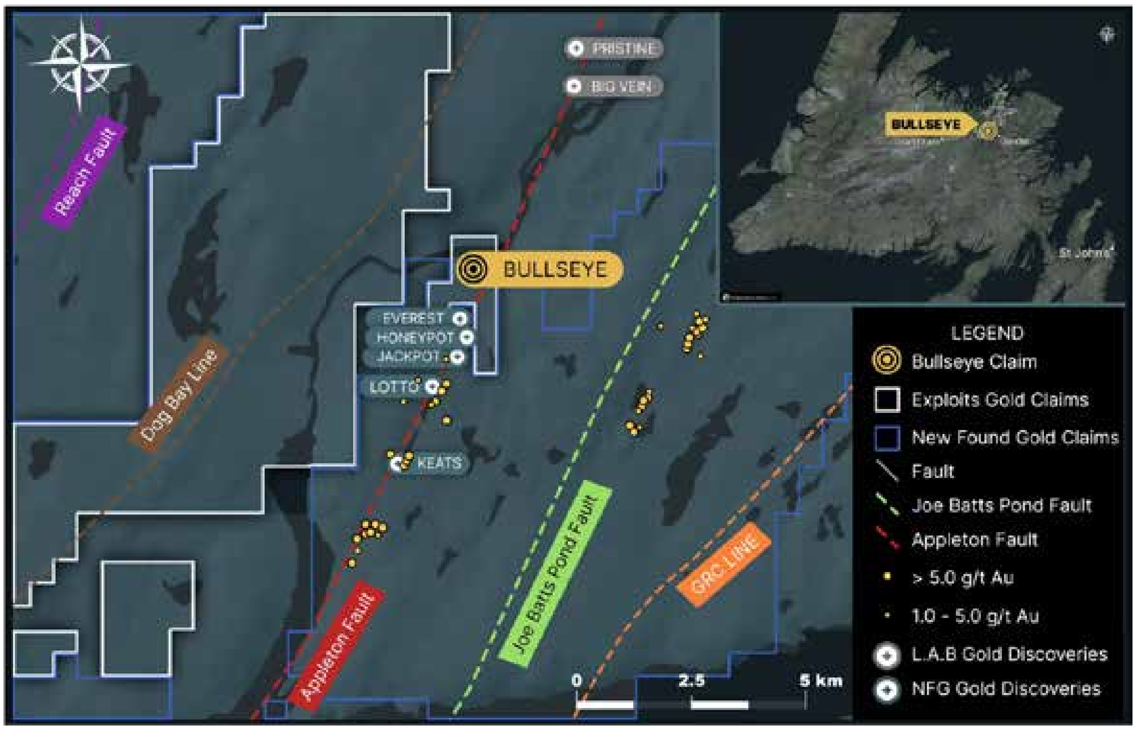
- BE-24-014:
  - Intersected 53.37 g/t Au over 0.60 m core-length, located at a vertical depth of approximately 141 m below surface.
  - Intersected 32.71 g/t Au over 0.40 m core-length, located at a vertical depth of approximately 164 m below surface.

- BE-24-013:
  - Intersected 35.82 g/t Au over 0.90 m core-length, located at a vertical depth of approximately 105 m below surface. (Including 78.99 g/t Au contribution from a 0.40 m sample.)

- The Saddle Zone appears to remain open in all directions.



In addition to the encouragement provided by their recently released drill results, Exploits Discovery is operating with over six million dollars in cash and as of March 31, 2024 and was carrying no debt. The group is positioned well with their gold-focused portfolio as the price of gold continues to climb to record heights. Guiding Exploits Discovery down this promising road is their experienced four-



person management team; President, CEO, and Director, Jeff Swinoga brings over 25 years of management and executive experience, having held CFO and CEO positions in various mining companies; VP Exploration, Ken Tylee has over 35 years of experience in mineral exploration focused in eastern Canada; CFO, Fiona Fitzmaurice is a chartered accountant with over 15 years of experience, she has also been working in the exploration sector for a significant portion of her career; and VP Corporate Development and Investor Relations, Shanda Kilborn, who has built her career in mining with over 15 years of experience handling corporate affairs. In addition to the company's management team, their 'boots on the ground' team is completely local to the area and brings their expertise to bear as Exploits Discovery continues their drilling and assaying programs in Newfoundland. With a strong group of local talent and experienced executives, the company is certainly notable in an emerging Canadian mining region.

Mr. Swinoga, while speaking on the plans for the Bullseye property, shares their optimistic outlook for the property along with the technologies and methods Exploits Discovery's team are employing in their exploration: ***"In just the last few months, we have received all the 3D seismic data from NFG [New Found Gold] on our Bullseye gold property and engaged HiSeis (a reputable seismic survey data consultant) for its analysis. We have also utilized televiewer down-hole survey data and analysis with DGI Geoscience on key drill holes that assisted in the design of our new drill program announced today. More positive results continue to be announced by NFG in four gold zones sitting in close proximity to our Bullseye project borders. This current drill campaign will primarily focus on testing the gold intercepts at our drill hole 028 as well as along the network of second-order splay structures reported at NFG's Honeypot and Everest."***

In an interview with RCTV Mr. Swinoga further emphasized the value brought to Exploit Discovery's shareholders by the gold discoveries of New Found Gold, some of which are ***"only about a hundred meters away from [the company's] property boundary,"*** having their properties being so close to each other, New Found Gold and Exploits Discovery both benefit greatly from all geophysical evidence of gold in the region near the Bullseye property.

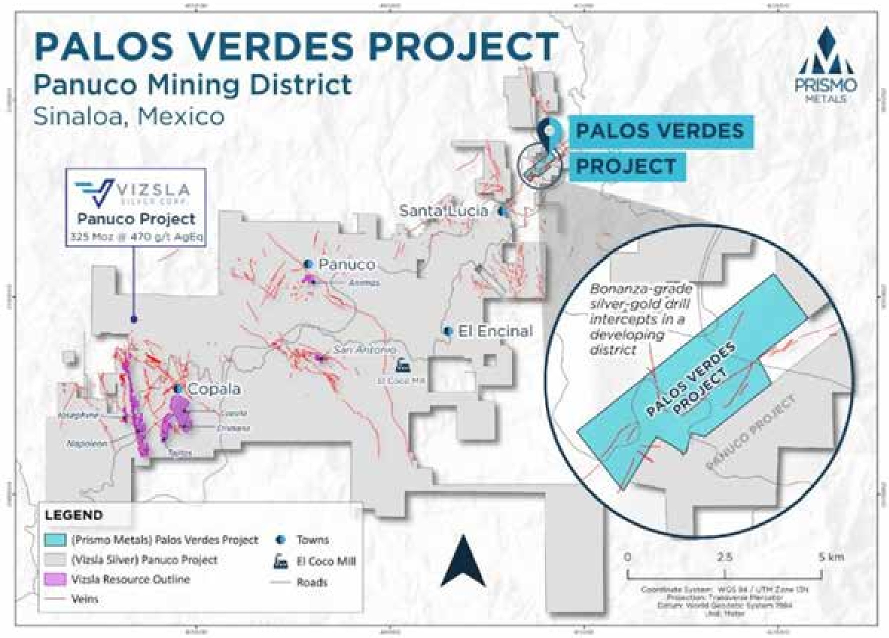
In the same interview with RCTV, Mr. Swinoga also mentions the possibility of the Gazeebow property being an even bigger gold discovery as it covers a long stretch of the Appleton Fault Corridor, which hosts all the major discoveries in the area. Mr. Swinoga describes how Exploits Discovery is ***"blessed with many opportunities"*** when it comes to deciding where to focus the further exploration efforts, the discovery on the Bullseye property has great potential but Gazeebow has size comparable to New Found Gold's claims and with similar geology it could drive Exploits Discovery's valuation up into a comparable realm, near a billion dollars from their current eleven million dollar valuation. The company will focus assaying efforts on three identified targets at Gazeebow, as they continue drilling at Bullseye. CEO Jeff Swinoga describes their outlook clearly, ***"We need to get to Gazeebow, but Bullseye just looks so good!"***

While Exploits Discovery is in early days, their work holds a lot of promise, and their team is well equipped to bring success to the company with a blend of experience and local workforce. The company is operating in a region rife with new gold discoveries and in close proximity to infrastructure. As Mr. Swinoga says ***"We're here for the benefit of shareholders, the key is to go after near-term opportunities, create medium term opportunities, with Gazeebow and Bullseye, and maybe long term opportunities to hopefully be the New Found Gold of the north. The great thing that we see here is that New Found has been drilling for four years on the Appleton line, they've created almost a billion dollars of value that way, we see a path, we have similar properties to the north."*** The company appears to be on an encouraging path and there are many reasons to be optimistic about the future of Exploits Discovery Corp.

PRISMO METALS RECEIVES DRILL PERMIT FOR HOT BRECCIA; DRILLING AT PALOS VERDES TO START IMMINENTLY

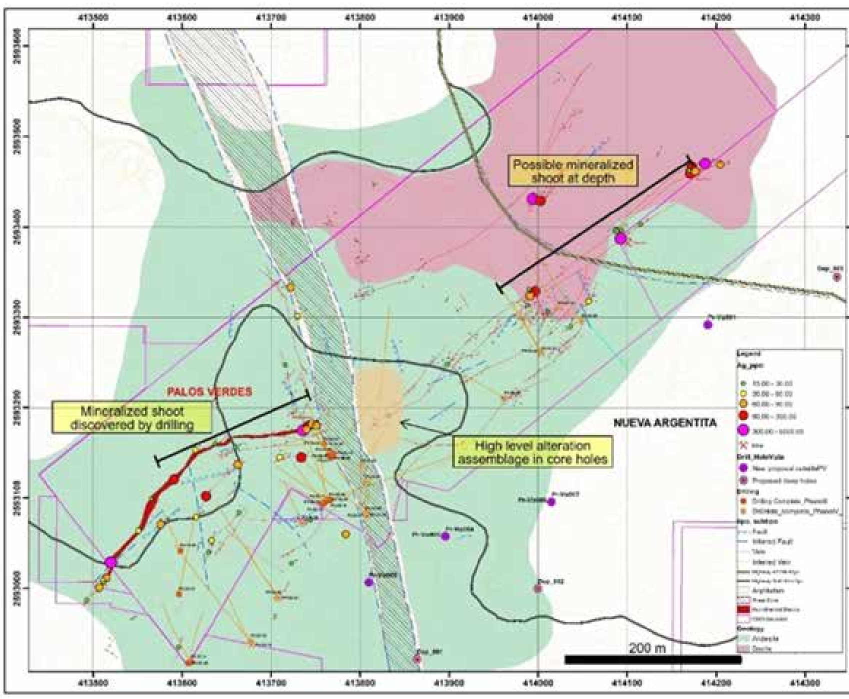
By The Critical Investor

After a period of markets awaiting more definitive signals from the macro-economic side of things, we finally witnessed inflation coming down more than expected, and downward revisions of job reports and a significant increase in unemployment figures. This leads to a probability of over 90% for a September rate cut, which will likely be a positive for not only the markets but also metals, as the US Dollar usually goes down. Adding to this environment is the upcoming US election, with Biden looking more and more fragile and incapable of running the nation for another 4 years. The latest fantastic highlight was Biden announcing Zelensky as Putin, followed by mentioning Harris as Trump. I'm not sure but in Europe we don't hear things like this at all, let alone on a regular basis.



The probability of a landslide Trump victory is growing with every public appearance of Biden, and the markets are trying to figure out if this is a good thing like it was with Trump's last term, or not. There is no doubt he will do anything to get the markets going, but for example the Russia/China/Israel cases have become significantly more complex in the last few years, demanding vastly more political capabilities to navigate this new landscape accurately. My belief is the ongoing conflicts aren't going away in a heartbeat under Trump, and this uncertainty is usually good for precious metal prices.

Prismo Metals (CSE: PRIZ, OTCQB: PMOMF, FSE: 7KU) is positioned well for these potential developments, exploring their silver and copper projects this summer. It recently received the drill permit for its Hot Breccia copper prospect in Arizona, and is about to start drilling at their Palos Verdes silver/gold project in Mexico, so it will be a busy summer. Palos Verdes drilling is funded, and the company is aiming to raise C$3M for Hot Breccia drilling. It is currently in talks with parties in Canada and Europe to pull this off in the near future.

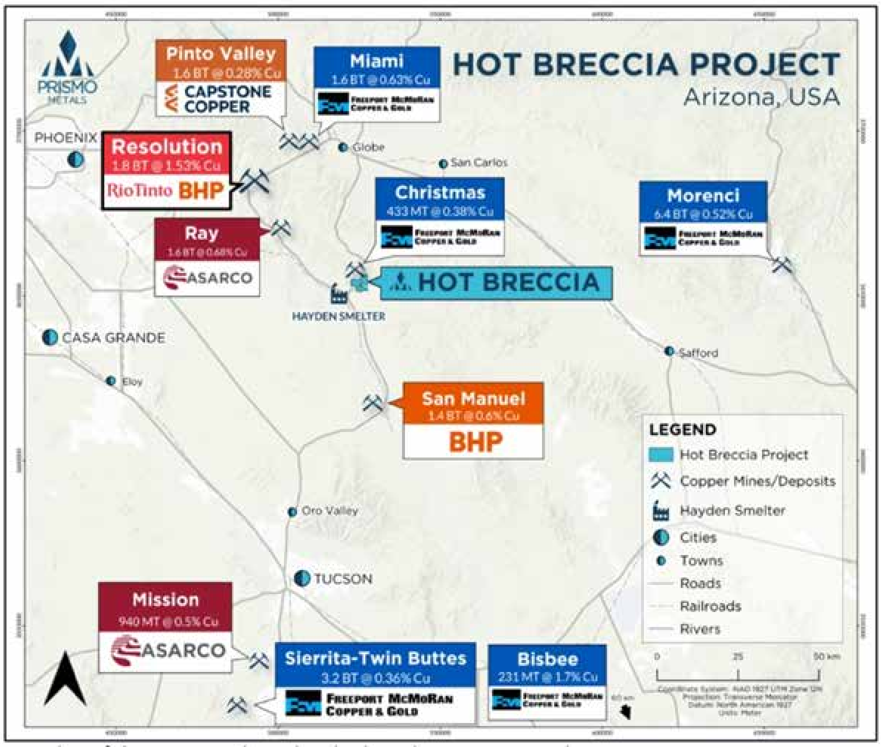


All pictures are company material, unless stated otherwise.

All currencies are in US Dollars, unless stated otherwise.

After closing their non-brokered private placement on June 19, 2024, for the amount of C$1.147M @ C$0.17, Prismo Metals didn't sit on their hands since. The company is preparing to commence drilling at Palos Verdes very soon, according to management in a few weeks from now.

The plan is to drill 3,600m in total, spread out over two phases. The first phase will contain 6-7 shallow (about 250m deep) holes for 1,500-1,750m, the second phase will aim for 3 deep holes (500m) for 1,500m, targeting the deep extension of the Palos Verdes vein, drilled from ground belonging to neighbouring strategic partner Vizsla Silver.



The first assays at Palos Verdes are expected back from the labs around the end of August, and management expects them to be released in one batch or as deemed appropriate. Depending on the results and interpretations, the exact targeting for the phase 2 deeper holes will be complete 1-2 weeks later, with drilling commencing shortly afterwards, likely in mid-September.

For now, the recently raised cash is allocated towards Palos Verdes and G&A, and Prismo Metals' second flagship project Hot Breccia will be funded from a new C$3M round. As Hot Breccia received their drill permits on July 12, 2024, this helps undoubtedly with raising cash, for which management is diligently working on at the moment. When I did an update call with CEO Lambert and President Robertson on July 13, 2024, they were waiting at the airport for their next flight from Zurich to Vancouver, so the next financing is very much in the works now. They told me they received a lot of interest in the last few weeks as a copper exploration story, and expect lead orders from Canadian banks and brokers, accompanied by additional support from European investors.

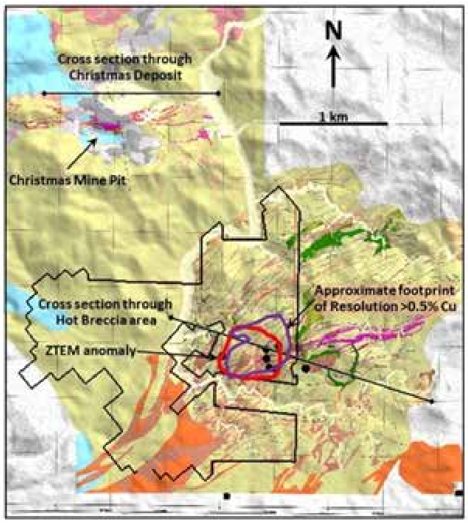
The C$3M round will fund a 5,000m drill program, consisting of five 1,000m drill holes. Management is already in talks with drillers, as there are several available. Targets are still being finalized, and the company doesn't need to use all 10 permitted drill pads, but has options along the way, depending on the information returning from each drill hole. For now, management expects drilling to start around 2 months from now, of course depending on closing of the financing. As C$3M would complete most of the exploration expenditures in the earn-in agreement with Walnut Mines, Prismo Metals would be able to accelerate the terms this way, to gain 75% ownership of Hot Breccia much sooner than planned.

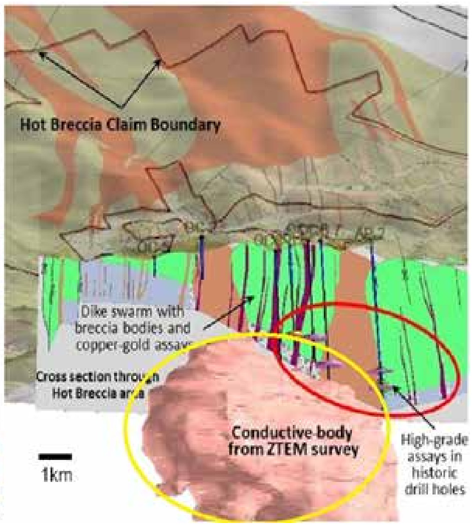
I wondered if they could restructure this deal altogether, buying out the 25% interest owned by Infinitum Copper for example, but this is not the case at this stage according to CEO Lambert. Another subject we touched upon was a potential uplisting to the TSX Venture Exchange. Robertson and Lambert stated that if interested parties in the upcoming financing showed interest in an uplisting as a condition for example, they wouldn't hesitate to initiate this process. Lots of funds and institutions have mandates that require a TSX Venture and TSX listing to invest, so it should make life easier when raising money in my view.

As a reminder, a ZTEM survey completed by Prismo last year showed a large conductive anomaly at depth below a dike swarm and namesake breccia and copper surface mineralization. The size of this geophysical anomaly is also drawing parallels with Resolution as it is comparable with this giant deposit:

Prismo will be commencing drilling this anomaly with 5 widely spaced holes of 1,000m deep each, although some of the historic holes could be

As at January 31	Commitments Work *To be satisfied by Prismo*	Property Payments *To be made by Prismo*	Share Payments *To be made by Infinitum*
2024	$500,000	$165,000	250,000 shares
2025	$1,000,000	$100,000	500,000 shares
2026	$1,750,000	$275,000	875,000 shares
2027	$2,000,000	-	750,000 shares
TOTAL	**$5,250,000**	**$540,000**	**2,375,000 shares**





extended as well instead. Assays are expected to be back from the labs starting in November.

CONCLUSION

It took Prismo Metals some more time than anticipated, but the coveted drill permit for Hot Breccia has been granted, which will help tremendously with the raising of new funds for drilling. Management has been very busy the last few weeks to generate interest for this anticipated C$3M round, and things appear to be looking good for this Peter Megaw-guided big target copper exploration story. CEO Lambert and President Robertson hope to close this financing in a month from now, after which drilling could commence shortly. In the meantime, Palos Verdes drilling is about to start in a few weeks, so Prismo Metals will have a busy summer. They have two chances on hitting mineralization at Hot Breccia and Palos Verdes, let's see what they can find. Stay tuned!

I hope you will find this article interesting and useful, and will have further interest in my upcoming articles on mining. To never miss a thing, please subscribe to my free newsletter on my website www.criticalinvestor.eu, in order to get an email notice of my new articles soon after they are published.

Disclaimer:
The author is not a registered investment advisor, and currently has a long position in this stock. Prismo Metals is a sponsoring company. All facts are to be checked by the reader. For more information go to www.prismometals.com and read the company's profile and official documents on www.sedar.com, also for important risk disclosures. This article is provided for information purposes only, and is not intended to be investment advice of any kind, and all readers are encouraged to do their own due diligence, and talk to their own licensed investment advisors prior to making any investment decisions.

US BATTERY BELT RED STATES COULD BE BIGGEST LOSERS IN UPCOMING ELECTION

By Rick Mills

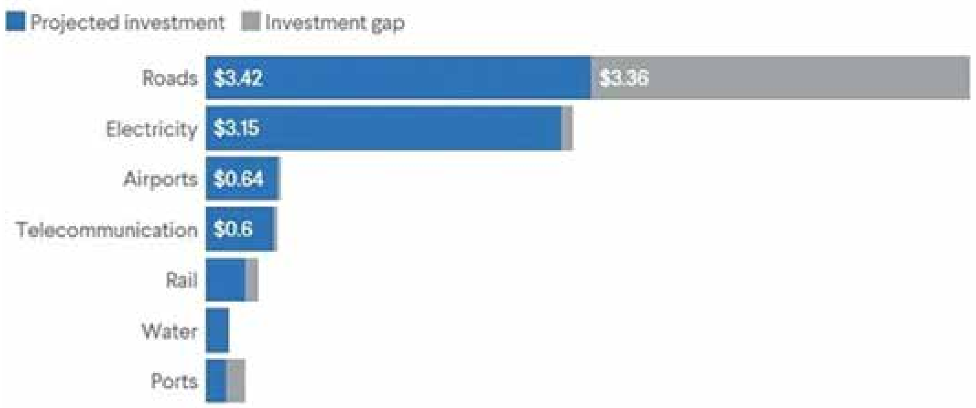
Roads, ports & bridges, transmission lines, power plants, airports, dams, buses, subways, rail links, water delivery systems, hospitals, sewage treatment plants, etc. are the building blocks that underpin a country's, a province's, a city's economic and social development.

Infrastructure is critical to a country's well-being. Nations simply cannot function properly without it, or without it working properly.

The need for more and better infrastructure around the world will only get bigger over time, widening the trillion-dollar gap that already exists between planned investment and the amount needed to provide adequate global infrastructure.

According to The Atlantic Council, The global infrastructure financing gap is estimated to be around $15 trillion by 2040. To provide basic infrastructure for all people over the course of the next two decades, every year the world would need to spend just under $1 trillion more than the previous year in the infrastructure sector.

In the US, there is a $2.5 trillion infrastructure funding gap during the 10-year period from 2020 to 2029, based on figures provided by the American Society of Civil Engineers (ASCE). **Failure to address it is estimated to result in the loss of $10 trillion in GDP by 2039**.



US infrastructure investment gaps by 2040

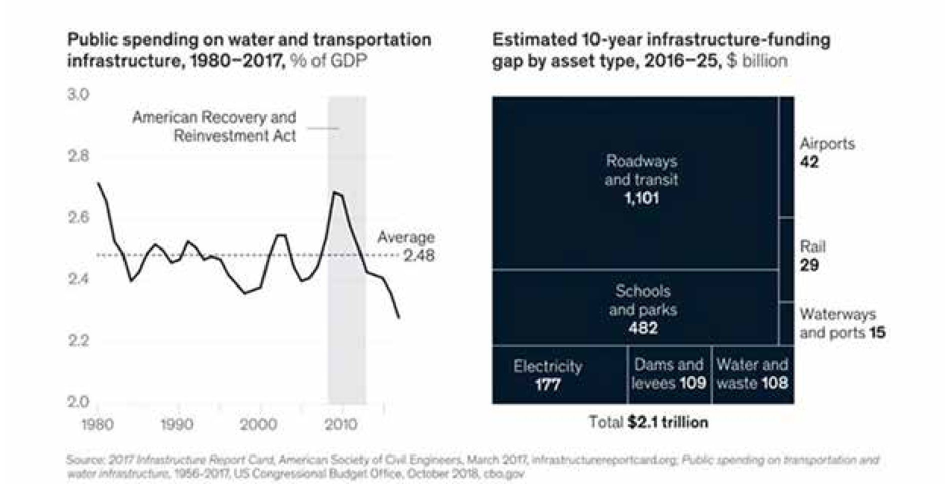
The ASCE provides a report card for America's infrastructure every four years. *The latest, in 2021*, gave the country a C-. If that sounds bad, it's slightly better than the D+ given in 2017. A few examples of the problems facing civil engineers:

- An estimated 6 billion gallons of treated water are lost to water main breaks daily, enough to fill over 9,000 swimming pools.
- 43% of public roadways are in poor or mediocre condition.
- There are 30,000 miles of inventoried levies, and another 10,000 miles of levies whose location and condition are unknown.

Transportation will likely require the largest chunk of funding needs. According to the American Road and Transportation Builders Association, one in three bridges need to be repaired or replaced.

US aviation infrastructure is also overburdened, with 20% of arrivals and departures delayed in 2022. US commercial rail is among the most developed in the world, but passenger rail is lacking. Amtrak, the main provider of intercity passenger rail, has an estimated repair backlog of over $45 billion, according to the American Society of Civil Engineers.

The country's water and energy systems are also under stress. The Environmental Protection Agency *estimates* that drinking and



Public spending on infrastructure in the US has fallen, with a backlog of $2.5 trillion wastewater systems will require at least $744 billion in additional investment over the next decade. The operators of the US electrical grid are struggling to make the necessary investments, and increasing power outages are costing the economy billions of dollars, *says the Council on Foreign Relations*. In 2021 in Texas, 5 million homes were without electricity for days.

High-speed internet access continues to be an issue, with 14 million Americans unable to access a broadband network. Thirty-four states and territories have signed onto a federal initiative to invest $45B in US broadband by 2030.

NPR reported that 11 of the 17 infrastructure categories evaluated in the March 2021 report card graded in the D range. The transit system got the lowest grade, a D-. Of particular concern was the state of the country's bridges, with 42% of 617,000 bridges more than 50 years old, and over 46,000 rated as structurally deficient.

According to the ASCE, the US is spending only half of what it should invest in infrastructure improvements just to keep systems up to par.

Renewable Energy Magazine reports nearly 25% of California's local roads will be gone this year without

CUMULATIVE INVESTMENT NEEDS BY SYSTEM BASED ON CURRENT TRENDS, 2020 TO 2029

ALL VALUES IN BILLIONS

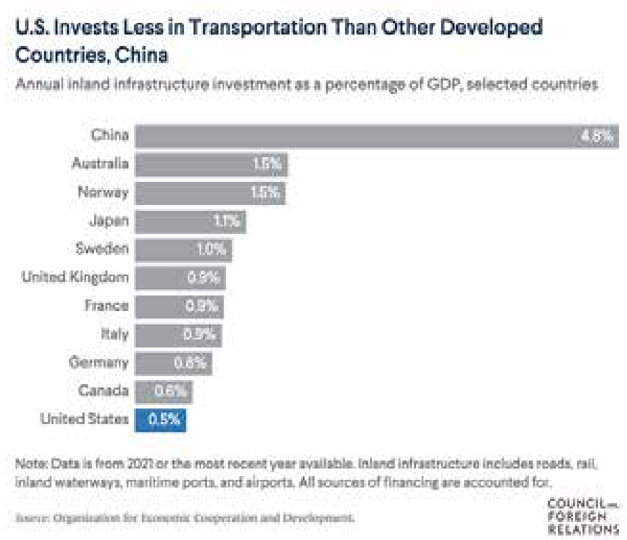
Infrastructure System	Total Needs	Funded	Funding Gap
Surface Transportation[1]	$2,834	$1,619	$1,215
Drinking Water / Wastewater / Stormwater[2]	$1,045	$611	$434
Electricity[2]	$637	$440	$197
Airports[2]	$237	$126	$111
Inland Waterways & Marine Ports[2]	$42	$17	$25
Dams[3]	$93.6	$12.5	$81
Hazardous & Solid Waste[4]	$21	$14.4	$7
Levees[5]	$80	$10.1	$70
Public Parks & Recreation[6]	$77.5	$9.5	$68
Schools[7]	$870	$490	$380
Totals	**$5,937**	**$3,350**	**$2,588**

Source: ASCE

action; almost half of the state's roadways need rehabilitation. Buffalo, New York and San Juan, Puerto Rico are among cities at risk of a major water infrastructure failure. Many still have lead pipes, despite the Flint, Michigan water crisis.

How does US infrastructure spending compare internationally? Quite poorly, it appears. The Council on Foreign Relations says the quality of US infrastructure has been declining over the past two decades, and ranks near the bottom of G20 countries. For example US passenger trains travel at half the speed of Europe's high-speed rail, and only five US airports rank in the world's top 50.

According to the OECD, the US invests less in transportation infrastructure as a percentage of GDP than France, Germany, Japan and the United Kingdom. China spends 10x more.



Source: Council on Foreign Relations

The COFR notes that Australia, Canada, France and the UK have developed national infrastructure frameworks that allow the central government to prioritize projects in a way that the US's more decentralized system has struggled to do.

Less than half of US public infrastructure and transportation funding came from the federal government in 2020.

(Washington channels funding for transportation infrastructure through direct grants to states. The largest disbursement comes from the Highway Trust Fund, which raises money through the gasoline tax and other transportation-related taxes. The 1998 Transportation Infrastructure Finance and Innovation Act provides low-interest loans to local governments. The federal government also supports the municipal bond market, through tax incentives, which is what local governments rely on to finance infrastructure projects.)

SOURCES OF FUNDING

But it's not all gloom and doom. In November 2021, the Biden administration passed the Infrastructure Investment and Jobs Act (IIJA), allocating $1.2 trillion for roads, bridges, power & water systems, transit, rail, electric vehicles, and upgrades to broadband, airports, ports and waterways, among other items.

The IIJA is the largest expenditure on US infrastructure since the Federal Highways Act of 1956. Rolled out over 10 years, it includes $550B in new spending.

The COFR says *the plan also involves tens of billions of dollars to modernize the electrical grid, spur the adoption of electric vehicles, and expand broadband internet access. In August 2023, The White House said that implementation of the IIJA had already provided more than $280 billion in announced financing for almost seven thousand projects, with at least $120 billion directed toward highways*.

The states with the largest populations got the most funding, with California receiving $20 billion and Texas getting $15 billion. New Hampshire got the least, $855 million. (Renewable Energy Magazine)

Biden's other signature piece of infrastructure legislation is the Inflation Reduction Act, passed by Congress in August 2022. It includes more than $150 billion in infrastructure financing, with the bulk of the funding directed towards transportation and clean energy projects.

WHICH STATES HAVE BENEFITED THE MOST, SO FAR, FROM THE IRA?

The state-by-state breakdown is interesting.

According to Canary Media, most of the clean energy manufacturing investment and job creation is in the so-called "Battery Belt" of the southeastern US. As of last August, more than 100 new facilities or factory expansions had been announced totaling nearly $80B in new investments. While projects are currently planned for 27 states, most are clustered in the Battery Belt.

Canary Media notes Georgia is the hands-down winner when it comes to clean-tech investment and new jobs:

With more than $18 billion in investment spread across 19 different battery, EV and solar manufacturing projects, the state has won more than a fifth of all new clean energy manufacturing investments. Two big battery projects account for much of Georgia's lead: Hyundai and SK have announced a joint investment of up to $5 for an EV battery facility, and Hyundai is also partnering with LG Energy Solution to invest $4.3 billion in another EV battery plant…

Unsurprisingly, Georgia is also at the top in terms of expected new jobs, with a total of more than 11,000 clean energy manufacturing positions projected to be created in the state in the next few years. The Hyundai-SK joint venture alone has announced 3,500 new jobs, and two Qcells solar manufacturing plants are together expected to create 2,500 jobs. Michigan comes in second with over 9,000 new jobs, mostly in new EV battery plants and EV assembly facilities.

According to CNBC, the wind, solar and EV manufacturing sectors are spawning the new positions, which include electricians, mechanics, construction workers and technicians.

Canary Media says that, of the ~ 70,000 new jobs created by clean energy investments since the IRA passed (as of September 2023), many of the districts poised to see the most job growth are represented in Congress by Republicans, none of whom voted for the IRA.

Oilprice.com pursues this concept further, noting that in 2022, red states claimed more IRA finds and installed more wind and solar power than blue states.

Two of the reddest states, Iowa and Oklahoma, lead the nation in wind power production. Texas, also a red state, is a leader in both solar and wind. California, a blue state, and Texas are the largest producers of solar power.

Oilprice.com reports Republican-held districts are now home to more than 80% of all utility-scale wind, solar farms and battery projects currently under development.

If states were to adopt clean energy technologies at the pace and scale needed to meet 2030 climate goals, red states would receive $4,221 in IRA funds per capita, compared to just $2,427 per person in blue states.

THE ONES TO WATCH

Last October, advocacy group Climate Power launched an $80 million ad campaign to talk up the Inflation Reduction Act and Biden's role in shaping it. (*E&E News*)

The campaign targeted seven swing states, which could decide whether Biden gets a second term: Arizona, Georgia, Michigan, Nevada, North Carolina, Pennsylvania and Wisconsin. Collectively, the last three states on the list have seen an influx of nearly 62,000 jobs and roughly $68 billion in private and clean energy funding. Following is a summary (drawn from E&E and edited) of what is happening in each of these swing states.

Arizona voted 49.4% for Biden and 49.1% for Trump in 2020. The state has gained 12,270 clean energy jobs and $8.3B in funding since the IRA passed. Once solidly Republican, Arizona has leaned more Democrat in recent years. Democratic Rep. Raul Grijalva is running for re-election partly on the strength of the IRA.

The state has become a battery manufacturing powerhouse, with two battery makers investing more than $5B. South Korea's LG Energy Solution last year said it would quadruple a planned EV battery factory outside Phoenix. Kore Power received an $850 million loan to build a battery storage manufacturing plant that will create 3,000 full-time jobs by 2025.

Georgia voted 49.5% for Biden and 49.2% for Trump. The state has gained 16,678 clean energy jobs and $18.8B in funding since the IRA passed. As mentioned Georgia has been one of the top recipients of IRA incentives. The QCells solar plant employs about 1,300 in Dalton with plans to hire double and make a $2.5B investment to expand the plant and build a new one near Atlanta. Hyundai opened a new EV manufacturing facility and Rivian plans to open a new factory this year, although *the latter has been delayed*.

Two staunch Republican opponents of Biden have embraced the clean energy boom — Gov. Brian Kemp and Rep. Marjorie Taylor Greene.

Michigan voted 50.6% for Biden and 47.8% for Trump. The state has gained 15,856 clean energy jobs and $21B in funding since the IRA passed. The biggest clean energy project assisted by the IRA is Ford's $3.5B BlueOval Battery Park Michigan. Billions in other battery-making facilities have been announced, including Next Energy's $1.6 billion in Wayne County and Gotion's $2.4 billion factory in Big Rapids.

Nevada voted 50.1% for Biden and 47.7% for Trump. The state has gained 11,500 clean energy jobs and $9.1B in funding since the IRA passed. Unimacts, a company that makes components for solar panel arrays, opened in Las Vegas, hiring 80 people. Panasonic announced an expansion of its battery production at Tesla's gigafactory outside of Reno. Democratic Sen. Jacky Rosen, who faces a tight re-election race, has campaigned on her support for the Inflation Reduction Act. Her Republican opponents have pledged to repeal the law.

North Carolina voted 50.1% for Trump and 48.7% for Biden. The state has gained 4,145 clean energy jobs and $9.6B in funding since the IRA passed. Gov. Roy Cooper, a Democrat, has battled the GOP-controlled state legislature over climate policies, and he has embraced the job-creating provisions of the IRA. North Carolina — along with Michigan and Georgia — is part of the Battery Belt. The state is also poised for *a lithium-mining revival* as part of the administration's efforts to bring critical mineral production back to the US from China.

Pennsylvania voted Biden 50% for Trump and 48.8% for Biden. The state has gained 457 clean energy jobs and $197 million in funding since the IRA passed. In 2022, voters sent Democrats Josh Shapiro to the governor's office and John Fetterman to the Senate. Both ran on their support for the Inflation Reduction Act. Pennsylvania, a top fossil-fuel-producing state, has had little benefit from the energy provisions of the Inflation Reduction Act. Re:Build Manufacturing announced an $81 million investment to expand its clean energy component manufacturing campus in Westmoreland County, which will create 300 new jobs.

Wisconsin voted 49.6% for Biden and 48.9% for Trump. The state has gained 500 clean energy jobs and $445 million in funding since the IRA passed. Last August, Democratic Gov. Tony Evers stood with Biden on stage during the president's national effort to tout the IRA. But like Pennsylvania, Wisconsin has seen little benefit so far from the law. ABB announced a $100 million investment to build electric drive units for EVs in New Berlin, creating 100 jobs, and Ingeteam announced 100 new jobs would be created at a Milwaukee factory that makes EV chargers.

CONCLUSION

Less than half of US public infrastructure and transportation funding comes from the federal government, putting most of the burden on the states, which pressure local municipalities to manage their own buildings, roadways and transportation systems.

The lack of centralized planning is at least partially responsible for the country's $2.5 trillion infrastructure funding gap.

Yet over the last two years, new sources of funding have emerged, not so much for traditional infrastructure (though some money is available for that), but for transportation and clean energy projects, especially electric-vehicle battery plants, solar and wind power facilities.

One might think that following the money doled out by the clean energy-focused Inflation Reduction Act would

lead to Democrat recipients in blue states. In fact the opposite has occurred.

Republican-held districts are home to more than 80% of all utility-scale wind, solar farms and battery projects currently under development.

According to a Washington Post-University of Maryland poll conducted last July, 71% said they have heard little or nothing about the Inflation Reduction Act, and 57% polled said they disapproved of Biden's handling of climate change.

Another question is what will happen to all of this clean-tech funding if Trump beats Biden as many now expect he will? Trump has expressed dislike for the IRA in election speeches and his officials told the media last year, "We'd be looking to cut a lot of that spending."

According to GreenBiz, investors are worried Trump will repeal the IRA, which has created over 300,000 jobs as of June 20. Moreover, the legislation has so far funded over $391B in government spending or tax write-offs. It may just be too lucrative for Trump to overhaul. For example, the IRA give companies a tax credit worth 30% of what they spend on green energy projects. And according to the Investment Monitor Database,

States from across the political spectrum are investing historic amounts of capital, thanks in large part to the available funds from the IRA. In the past four quarters, Georgia and Tennessee each invested almost $8 billion, followed by Michigan's nearly $6 billion and Ohio's nearly $5 billion.

While a Republican administration might try to restrict certain tax credits, some credits have a 10-year life, meaning that applications approved today can't be rescinded by the next administration.

Ongoing industry support for the IRA may impede radical tampering, states Greenbiz, noting that Shell CEO Wael Sawan recently spoke in favor of preserving the bill.

And finally many manufacturing firms are moving from abroad to the US to take advantage of the IRA.

The fact that the IRA's funds are congressionally appropriated means a Republican victory in the White House will still require a Republican-led Congress to formally repeal or limit funds, the publication stated.

The IRA may not close the infrastructure funding gap but it has made progress in building new "made in America" clean transportation and energy supply chains.

Whether it remains in place after November's election remains to be seen.

IS THIS ON YOUR BINGO CARD? (LONG-TERM INTEREST RATES PRETTY MUCH CAN'T COME DOWN)

By Chris Temple

Where even golf handicaps were concerned recently—not to mention a host of other very personal subjects at times—the two present main combatants to be President of the U.S. of A. next year have been trying to one-up (or one-*down*, as far as golf scores) each other.

One of the more entertaining arguments (to Yours truly, anyhow) over who is better or worse between former President Donald Trump and current President Joe Biden **has to do with inflation and interest rates**. The former president has castigated his replacement over "Bidenflation," the biggest increases in producer and consumer prices in *four decades*. Biden, for his part, enlisted the (biased and selectively massaged) takes of 16 "Nobel laureates" in economics ahead of the late June debate to warn that Trump will resurrect the inflation that Joe now claims to have tamed.

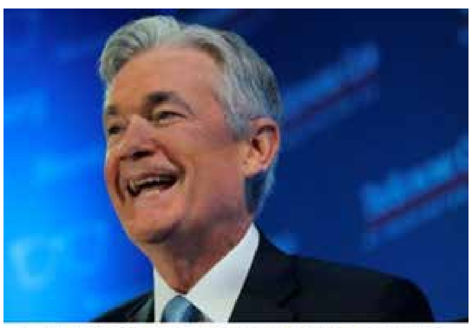
Both of them are disingenuous on many counts; this begins with the fact that **it is the Federal Reserve as a first matter that is responsible for the inflation spurt of the recent past**. Neither Biden nor Trump has said a word about the necessity of the Fed—*at the least*—returning to a stricter, rules-based formula for credit growth, etc. rather than just opening the monetary floodgates. Nor has either man suggested abolishing the Fed in favor of a truly national currency not introduced and managed by a central bank.

If either man truly understood the workings of our fractional reserve system and even the broader economy—not to mention the dynamics of our soaring public and private debt levels—they would honestly tell you that it is a mathematical impossibility to bring inflation and interest rates down much more, if at all. Indeed, both are more likely to rise somewhat anew; most of all, long-term, market-determined interest rates.

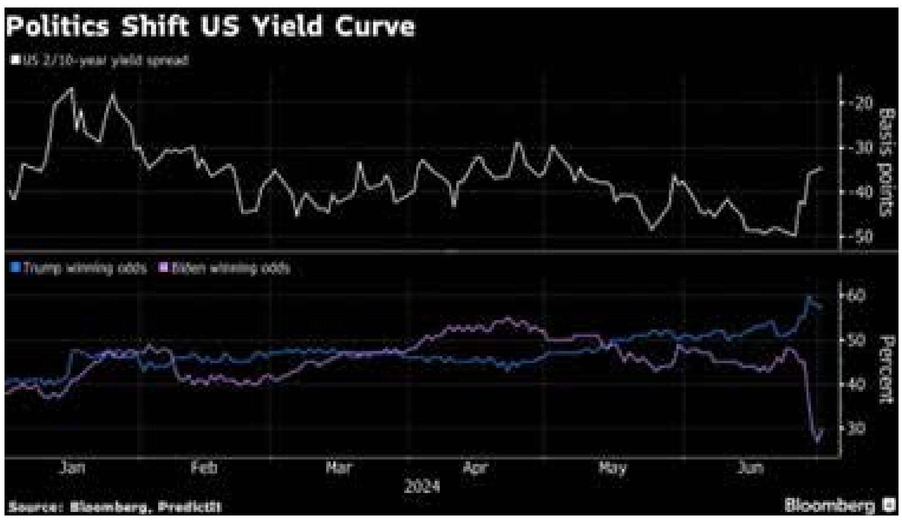
The last of those things especially isn't on ANY money manager or pundit's "Bingo card." On the contrary—as I have been explaining ad nauseum of late—everyone is positioning themselves for a full-on Fed rate-cutting cycle and for long-term, market interest rates to come right back down as well.

Folks…it just ain't happenin'.

Indeed, when you understand the reasons why inflation *can't* go away

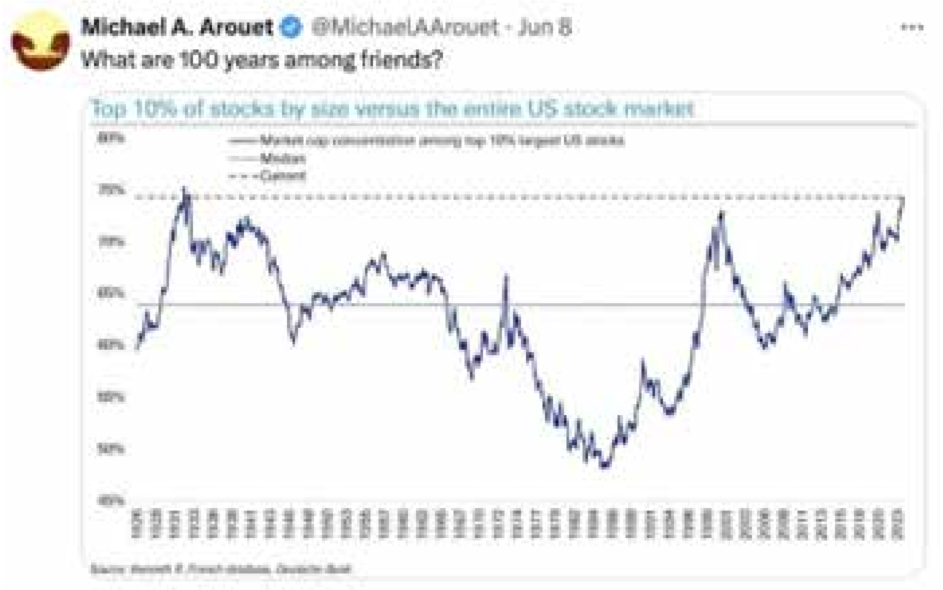


BOY, I love this job! I'm the single-biggest cause of inflation's recent 4-decade high…yet the serfs are arguing over whether Trump or Biden is "worse."



meaningfully (which I recently addressed big-time in two different forums*) AND acknowledge the fact that the Treasury is going to be scarfing up a large share of the available credit, **you'll understand why the yield curve is set to *steepen* sharply**. This means that—even once the Fed does trim short-term rates a bit (and they will) longer-term rates will rise in response to several factors; that burgeoning funding requirement being but one of them.

I (and others, among them my analyst friends/colleagues Jim Iuorio, Peter Boockvar and James Grant) have been warning of this for some time now, due to the *structural* inflation, burgeoning supply of debt and the rest. Indeed, this is a key reason why the Fed is still reluctant to even start its "Mid-cycle Course Correction," let alone a rate cutting cycle, any time soon. If they do and markets then get the idea that the Fed acted prematurely…see inflation perk back up…etc., the bond vigilantes will punish the long end of the Treasury market *further still*.



Mind you, a steepening yield curve is really where we HAVE to go for *the sake of financial institution liquidity* and so that the *overall* economy doesn't plain tank. A steepening and *eventually* positive yield curve (which WILL at some point come about, in part, via *some* Fed rate cuts on the short end) will—all else being equal—enable banks to do halfway decent on margins even if overall lending suffers further.

Apart from that, the higher long-term borrowing costs will continue to exert net, overall downward pressure on economic growth. ***Some* of this effect is desirable:** if we really have left the era of the "Fed put," excessive risk-taking and the propping up of zombie businesses via Z.I.R.P. behind, then those businesses and others who have to compete for the credit *not* gobbled up by Uncle Sam will need to be economically viable if not attractive. And *that* will eventually help us get back to a more sober investing world in the stock market.

For the present, the propensity of most of Wall Street is to continue chasing that relative handful of "growth" stocks higher in the anticipation (which *will* be dashed *eventually*) that the Fed will soon begin a full-fledged rate cutting cycle. It doesn't matter that this "trade" has only been as stretched as it is now *just twice previously in the last century*, as you see nearby.

Following the most recent F.O.M.C. meeting, we began to get a glimmer of how things *might* change if recession fears grow more along with the Fed staying immovable on rate cutting. Adding up the growing evidence of economic weakening with the Fed suggesting *but one* cut in 2024 (down from three at its prior count), small caps and commodity-related stocks did especially badly for a while. Indeed, as I expressed not many days ago, what especially stood out to me was the sudden underperformance of even energy stocks even as oil rose.

Since then, in July's second full week, we saw a substantial and sudden move into small cap and many value stocks anew which bears watching. Precious and base metals alike bounced as well; and even many equities tied to them. This is a step toward the world we're going to have as a part of The Great Stagflation: the *sheer volume* of money and credit (together with the myriad other evolving *structural* reasons for prices to move higher) providing a tail wind for just about everything.

But the BIG change—and again, one that nobody is factoring in for the most part—is that what will also be *rising* will be *long-term* borrowing costs. And as time and that financial drag march on, this will force asset prices, stocks, etc. to more properly price in actual subdued economics; a welcome change, to be sure! Also better priced in will be supply and pricing power: in short, the evolving world will favor what is REAL as opposed to the manias in stuff of late that has not been real.

Most commodities…legitimate value… generous and well-covered dividends… and the like will be rewarded once again.

Don't forget to follow my thoughts, focus, occasional news on covered companies AND MORE pretty much daily ! ! !
** On Twitter, at https://twitter.com/NatInvestor*
** On Facebook at https://www.facebook.com/TheNationalInvestor*
** On Linked In at https://www.linkedin.com/in/chris-temple-1a482020/*
** On my You Tube channel, at https://www.youtube.com/c/ChrisTemple (MAKE SURE TO SUBSCRIBE!)*


IMARC
INTERNATIONAL MINING AND RESOURCES CONFERENCE + EXPO
VICTORIA
AUSTMINE
AusIMM
mines and money
29 - 30 OCTOBER 2024, ICC SYDNEY
COLLABORATING ON TRENDS IN MINING, INVESTMENT AND INNOVATION TOWARDS A SUSTAINABLE FUTURE
REGISTER AND RECEIVE 10% OFF WITH THE DISCOUNT CODE SDDZV4
REGISTER NOW
imarcglobal.com
9,000+ ATTENDEES
800+ MINING COMPANY ATTENDEES
600+ SPEAKERS
500+ INVESTORS
500+ EXHIBITORS

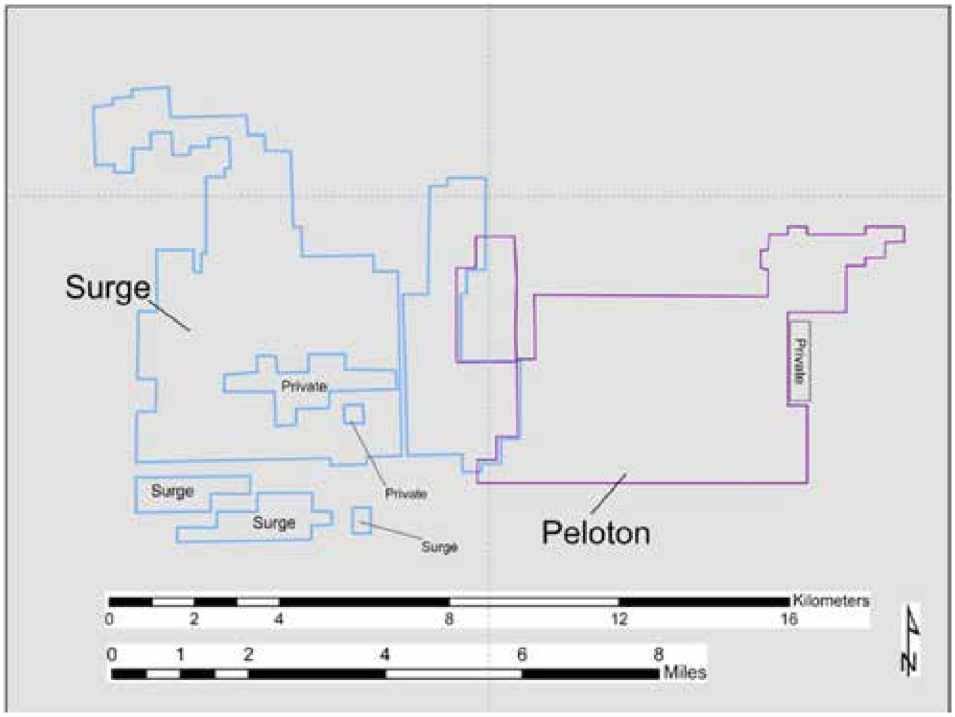

RESOURCING TOMORROW
ACCELERATING THE ENERGY TRANSITION
3 - 5 December 2024 | London
mines and money
Europe's most influential and largest mining event
REGISTER NOW
USE CODE 2QJYWS FOR 10% OFF
resourcingtomorrow.com
2,000+ ATTENDEES
175+ MINING COMPANIES
500+ INVESTORS
100+ COUNTRIES
250+ SPEAKERS
connect@resourcingtomorrow.com | UK: +44 (0) 20 8004 3888 / HK: +852 2219 0111 / AU: +61 (0) 3 9008 5946
BEACON

PELOTON MINERALS AND THE LITHIUM BREADBASKET OF THE USA

By Ryan Blanchette

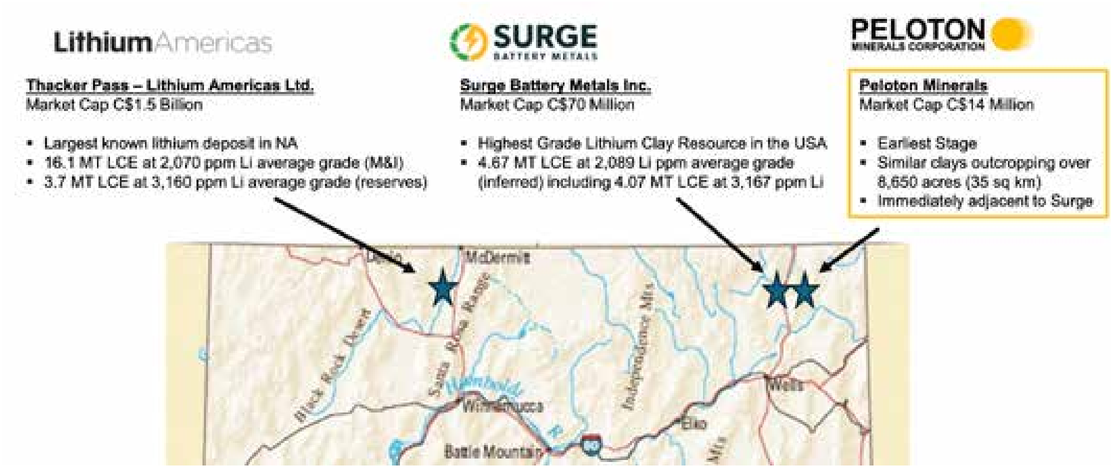
On the northern edge of the vast Great Basin, North America's largest contiguous endorheic watersheds, lies some of the largest known lithium clay deposits on the continent – and it has the potential to be even bigger than expected. On this ground, Lithium Americas at Thacker Pass and Surge Battery Metals have already staked their claims with high-grade lithium assets. Ontario-based **Peloton Minerlas (CSE:PMC) (OTCQB:PMCCF)** looks to be the third company to do so, and as an early-stage development project gives potential investors the opportunity to be first in the door to another rich lithium prospect with great upside.

Located 40 miles northeast of Wells, Nevada, Peloton's North Elko Lithium Project began with a discovery of lithium in clay by Surge Battery in 2022. This area occupies part of the 'Yellowstone Hotspot', a geologic event featuring various volcanic calderas created over millions of years and is thought to be the reason behind such large lithium clay depositions. Immediately adjacent to Surge Battery's lithium project, Peloton's claim features near surface lithium clays across the entirety of the property which extends 35 square kilometers and contains 417 individual claims. Peloton President & CEO Ted Ellwood has personally trekked the entire length of the project, staking ground and scouting targets with senior geologist Richard Capps. Ellwood has over 30 years of experience in the resource sector pursuing mineral exploration and production opportunities and has built and led a fully integrated cobalt-nickel chemicals producer and has served as a senior officer or director of several publicly traded mineral companies. Capps is a 30-year geology veteran and has extensive experience in gold, base metals, uranium and industrial minerals exploration across the United States to include Nevada, California, Arizona, Montana and Kansas.



With the success of Lithium Americas and next-door Surge Battery, Peloton is aiming for similar achievements with its low-cost, low-risk exploration program in 2024. They have identified multiple targets using hyperspectral UV analysis, giving the company a full 2D image layout of the property and has revealed outcrops of a near-surface clay layer of smectite, hectortite, and illite. A CAD $600,000 6-month surface exploration program has been initiated with the objective of pinpointing near-surface deposits of high-value lithium in the clay layer. Ground truthing, spectrometers prospecting, geologic mapping, soil geochemistry, and shallow packsack drilling are all deliverables for the exploration program and important steps towards follow-on objectives. Packsack drilling requires no permitting and is an upside to project efficiency, along with Nevada being one of the Western world's most favorable mining jurisdictions. Additionally, lithium mining carries inherently less risk than gold and silver mining as lithium deposits often lie closer to the surface.

Another upside to the prospect of lithium exploration and development



is the West's increased focus on critical metals and minerals. Currently, the vast majority of lithium production and export comes from China, which accounts for 88% of global lithium processing capacity. This bottleneck of supply carries risk, with East-West relations cooled to a level not seen for many decades along with heightened global tensions arising from conflict in the Middle East and Ukraine. China and Russia have made it a clear objective to establish Eastern dominance via monetary means and control of critical resources. As a counter to this, Western governments are beginning to invest in domestic projects that can tilt supply balance in their favor, and this includes lithium. A valuable mineral that is must-needed for decarbonization and green energy goals, lithium plays a crucial role in the green economy primarily due to its use in lithium-ion batteries, which are essential for electric vehicles (EVs) and renewable energy storage systems. Lithium-ion batteries are also used for storing energy generated by renewable sources such as solar and wind systems, ensuring a stable supply of electricity. According to Benchmark Mineral Intelligence, the demand for lithium on the market will increase exponentially into the 2040s with current supply estimates lagging far behind. Much more lithium will have to be extracted to come close to meeting that potential demand, and Peloton Minerals looks to capitalize on that supply shortage and carve out domestic inroads for lithium stockpiles and reserves to become less dependent on foreign sources.

Peloton's market capitalization sits at CAD $14M, and 60% of share ownership is closely held by management and core shareholders. The North Elko project represents a true ground floor opportunity for a widening lithium demand and the potential to be a part of the 'Lithium Breadbasket' within the US that can provide critical domestic mineral supply for years to come.

BAIL-INS WILL NOT BAIL YOU OUT

By David Morgan

Your bank deposits are at significant risk. Despite major banks claiming stability after passing stress tests, an ominous financial crisis looms. Ironically, banks today are far more leveraged with derivative exposure than during the 2008 Great Recession, which was primarily caused by the home mortgage sector. Now, with derivatives rampant across all financial sectors, depositors need to understand that they are not first, or even second, in line to retrieve their funds in case of bank failure.

Since the 2008 crisis, banks deemed "too big to fail" have only grown larger and more powerful, wielding considerable influence over global economies. Investment legend Warren Buffett has long warned that derivatives are "financial time bombs" for both economies and individuals. In 2011, former Fed Chairman Paul Volcker resigned from President Obama's Economic Recovery Advisory Board out of frustration over continued unregulated derivatives.

The global economy's current recession is being denied and exacerbated by attempts to print money as a solution. Recall the aftermath of the 2008 crash when the US government's Troubled Asset Relief Program (TARP) spent over $426 billion buying worthless mortgage-backed securities and declining bank stocks. This program led to the creation of the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010, which promised to end bailouts. However, the bill's 30,000 pages, heavily influenced by bank lobbying, did little to protect the average depositor.

Instead, Dodd-Frank introduced "bail-ins," where depositors' funds are used to cover bank losses before depositors can access their money. This was a significant shift from previous practices where depositors, as secured creditors, had priority in liquidation events. Now, under new rules, deposits are considered unsecured, and derivatives and other high-risk investments are paid off first.

Title II of Dodd-Frank empowered the FDIC with the Orderly Liquidation Authority (OLA), similar to the UK's Prudential Regulation Authority (PRA). The Canadian government also adopted similar measures with its Economic Action Plan 2013. These reforms allow banks to use depositors' funds to cover losses, a process termed "bail-ins."

Today, global derivative exposure by banks exceeds one quadrillion dollars, far surpassing the housing sector's involvement in 2008. The authors of Dodd-Frank did little to curb this exposure. A 2012 joint strategy paper by the Bank of England and the FDIC outlined resolution strategies to protect public funds, but at the expense of depositors.

UK banks are required to hold an 18% reserve of cash deposits, which does not apply to derivatives. Consequently, banks prioritize derivatives over depositor savings. The FDIC's $25 billion reserve is insufficient to cover the $7 trillion in US bank deposits, and the Bank of England faces similar shortfalls.

The creators of Dodd-Frank and PRA knowingly shifted this burden to depositors. John Butler highlights the deceptive nature of these reforms, which subordinate depositors to other claims. Post-2008, millions lost their homes, pensions, and retirement plans, while bailouts preserved the "Too Big to Fail" (TBTF) banks. In 2010, TBTF banks were redefined as "Globally Active, Systemically Important, Financial Institutions" (G-SIFI).

Dodd-Frank's bail-in provisions allow banks to convert depositors' funds into bank stock instead of cash. This approach was used in Cyprus, Greece, and Spain, where depositors received stock worth a fraction of their original deposits.

China now faces similar issues, with its banking system on the brink of crisis. The Chinese government has also begun repaying depositors with bank stock, leading to public outrage and military intervention.

It seems many citizens worldwide have become complacent and trust the system. This is a huge error and time may be short. If you have not considered what would happen to your financial well being if a Bail-In were to occur, you must not only consider the possibility but take appropriate action now.

As this currency crisis unfolds, remember two crucial truths as written by Brett Redmayne- Titley: Never trust a banker, and when your bank fails, don't walk—run!

ON POWER AND ITS PARADIGM SHIFTS: THE PREAMBLE TO A NEW COLD WAR

By Ryan Blanchette

One thing about power - like the physical state of energy, power is never completely destroyed, only transferred or consumed. As is the case of power vacuums created after the downfall of empires or independent nations, the power that becomes available is either swallowed up by the nation who overcame the other or distributed piecemeal to regional neighbors and rival entities. The power of the Western hegemony, led by the United States, may be waning or diminishing; but that does not mean the power made available simply vanishes - it also does not mean that the power automatically shifts to the immediate rivals in the East. The web of global geopolitics often means something other than an A to B conveyance. De-dollarization does not necessarily mean the USD is headed for collapse or serious debasement. One who surmises this due to current forces alone is simply reacting in a very linear way, rather than thinking proactively and with the understanding that the United States still carries great power and can re-purpose the USD to avoid serious currency issues in ways not yet conceived.

Tension between the US and China. Concept of confrontation between the countries of the West and the East

In the 1970s, the USD was under serious stress due to rapid swelling inflation from increased currency supply and de-attachment from the last vestiges of the Bretton Woods Agreement. The oil crisis during the same period, and increased conflicts in the Middle East, saw a mini-power vacuum open up as Eastern influence began increasing in the region. Iran's power began to rise as well (as similar to today's current events) and challenged Western influence over Middle East geopolitics and diplomacy. The Hunt Brothers, Texas business tycoons, attempted to protect themselves from what they saw as a clear path to USD hyperinflation and the power of the West crumbling, began purchasing large amounts of physical silver as they viewed the historically monetary metal as undervalued and a safe haven from fiat currency collapse. However, in actuality their move was reactionary and not fully evaluated; to make matters worse, their move became all-in, as they used large amounts of credit to buy the silver rather than money from their own pockets. What they failed to consider, and what many people fail to consider in the current day, was the ability of the US government to achieve a solution for their urgent currency woes. The petrodollar agreements of the 1970s and 1980s once again cemented global demand for USD by way of OPEC and oil being purchased and sold in dollars, in exchange for American military protection in the Middle East, mainly with Saudi Arabia, Kuwait, Bahrain, and Qatar. This stabilization and agreement certainly saved the USD and prevented its demise, continues to be a main driving factor for dollar demand to this day, and ultimately proved the Hunt Brothers incorrect in their premise (at least in 1980). The bottom line is, never underestimate a government's ability to circumvent or bypass what looks from the outside be certain defeat, especially when that government represents the world's only superpower.

Looking to the present day, we see many, many voices pronouncing the doom of the USD and its seemingly inevitable downfall. While current events and affairs around the world certainly do not bode well for its outlook, this does not mean a turnaround is possible or a solution invented in a way that is not foreseen. One of the avenues to which this could be accomplished would be renovation of the global USD demand by way of investing, financing, and endorsing regions of the world that are currently undervalued but play a large role in the future of the resource sector. Like with oil and the Middle East in the 1970s, the large number of metals and minerals located in Latin America and Africa make for a prime USD expansion opportunity, and the resource wars in some parts of Africa have already begun. China has been heavily involved in Africa for decades and has siphoned resources from African nations in exchange for financial assistance and Belt & Road initiatives; while Russia plays the part of the paramilitary arm, shipping weapons and military advisors, while actively engaging in anti-terrorist operations in Western

Africa, especially Mali, Niger, and Burkina Faso - major gold-rich nations. However, the West has made plans to wrestle influence away from the East in Africa with major land projects of their own including the Lobito Corridor Project, which aims to carry large amounts of resources from counties like Zambia and the DRC to ports on the west coast in exchange for dollars. In Latin America, large lithium and copper stores in pro-Western nations like Argentina and Chile present obvious opportunities to create new channels of monetary flow for the USD via strategic energy partnerships with benefits for both sides. In South Asia, Chinese warmongering continues to threaten pro-West Taiwan as the US continues to pledge military and financial support to the island nation and the global hub of microprocessors, which need critical minerals for production. A brand new trilateral defense agreement with the Philippines, Japan and the United States has been signed to deter Chinese aggression in the South China Sea and conceptualizes any wartime coalition that could be established if the need arises.

3D rendering of AUKUS Nuclear submarine in the deep sea

There is an obvious symmetry developing. Things may not repeat, but they often rhyme. Both the Eastern and Western nations at large understand the importance of these metals and minerals and the energy they can provide, as was true of fossil fuels 50 years ago. Energy brings power; not only the power to start a car or light up a home, but geopolitical and global authority as well - control the resources, control the energy - control power. This new global saga involves a bit of the old flavors like currency battles, regime changes, proxy conflicts, and political divides – but it will be centered around the all-important control of critical resources and energy, and the immense power that can be achieved from its control. The West, if it does nothing, will certainly roll over and become greatly vulnerable, and the value of its currencies will likely take huge blows. However, if it becomes proactive and repeats successes from the jaws of defeat like with the petrodollar, USD demand can still be just as plentiful as before. A fight looms at our doorstep: the dawn of a new Cold War may be upon us.

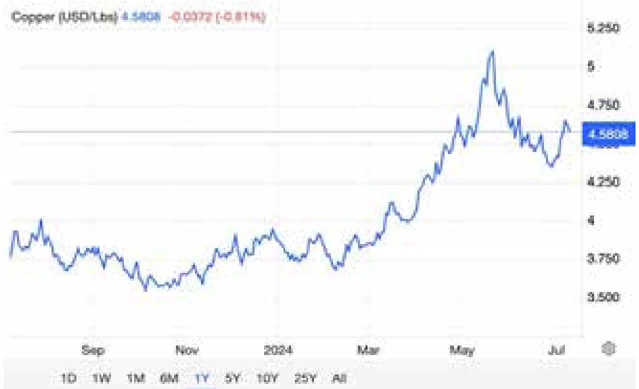
GOLD, SILVER AND COPPER HAD A BANNER FIRST HALF

By Rick Mills

Silver is up 33% year to date (July 8), gold is up 15.8%, and copper has gained 19.1%.

Source: Kitco

Source: Kitco



Source: Trading Economics

Back in December, we predicted that in 2024, commodities would see 'a perfect storm of higher prices'. At the half-year mark, it appears that our prediction was bang-on.

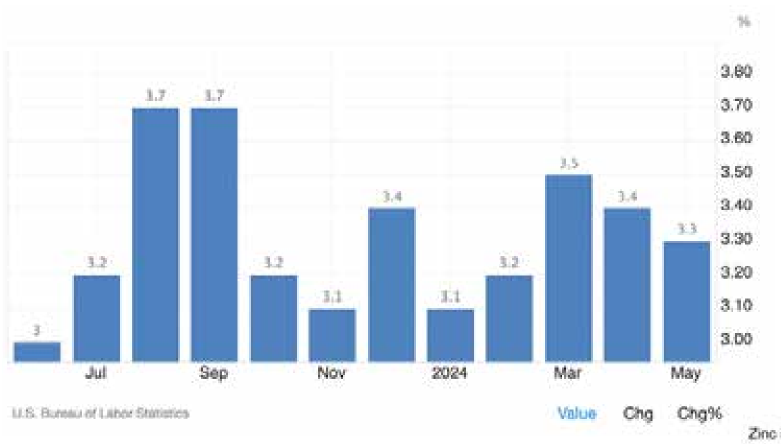
While gold and silver prices were down on Monday, July 8, the outlook for precious metals is good, as for industrial metals including copper due to impending Fed interest rate cuts, at least one by year's end.

The yellow metal reached $2,393/oz on Friday following the release of US NonFarm Payrolls Data. The weaker labor market and rising unemployment rate, which hit 4.1% in June, is fodder for the US Federal Reserve to slash interest rates, possibly once in September and a second time in December.

"We now have definitive evidence of labour market cooling with a somewhat alarming rise in the unemployment rate in recent months that should give policymakers 'more confidence' that consumer inflation will soon return to the 2.0 per cent target on a sustainable basis," said Scott Anderson, chief US economist at BMO Capital Markets, via The Globe and Mail.

In remarks to Congress, Fed Chair Jerome Powell said the US is "no longer an overheated economy" with a job market that has "cooled considerably" and is back where it was before the pandemic, suggesting the potential for rate cuts is becoming stronger. (Reuters, July 9, 2024)

Powell told senators that inflation has been improving in recent months. The chart below shows the annual inflation rate slowed to 3.3% in May, compared to 3.4% in April and 3.5% in March.



US inflation (CPI). Source: Trading Economics

Source: Trading Economics

Source: Trading Economics

WHAT'S DRIVING COMMODITIES?

Some say that commodities are hedges against inflation and that people buy them when inflation is high. While there is some truth to that, it doesn't explain why the dollar is surging at the same time as several commodities including gold, silver, copper, zinc, aluminum, molybdenum and crude oil are all rising in price. As for inflation? It's actually been falling, as the chart above proves.

Source: Trading Economics

Source: Trading Economics

I believe the more likely reason has to do with interest rates. We have proven in several articles that interest rates control strength or weakness in the dollar.

WHY THE DOLLAR IS RISING AS TREASURY YIELDS FALL

Generally, the dollar and US bond yields rise and fall together, signaling a positive correlation between the two. Conversely, the price of a bond and its yield are negatively correlated. The lower the price, the higher its yield. A rising yield favors dollar bulls. Falling bond yields make for a softer dollar. These are commonly accepted economic principles.

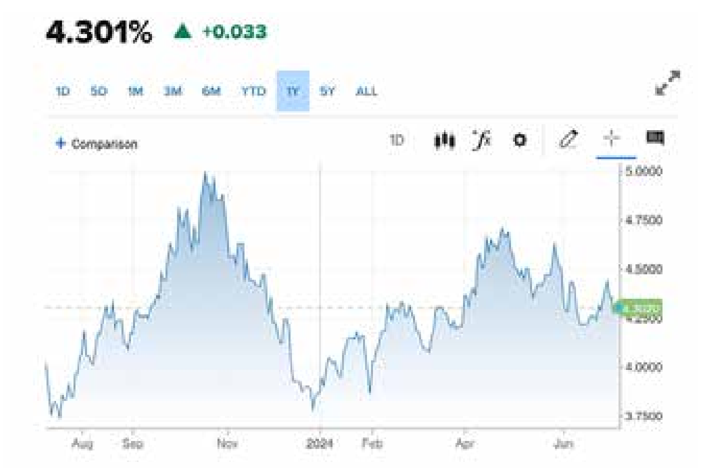
Demand for dollars has been strong, reflected in a US dollar index (DXY) over 105. DXY started 2024 at 102.49, and it is now at 105.15, a gain of 2.5%. This is partly due to the dollar functioning as a safe haven during war — the conflicts in Gaza and the Ukraine have raged all year and show no sign of ending — along with interest rates at their highest levels in 22 years, @ 5.25 to 5.50%.

Consider: if inflation starts heading back up, and the Fed goes back to hiking interest rates, a higher dollar will sink commodity prices. In other words, the dollar is a stronger variable than inflation when it comes to predicting whether commodities rise or fall.

US dollar index DXY. Source: CNBC

Investors should, however, buy commodities as protection against a falling currency. When the dollar is weak we buy "real" things like metals, oil, land, etc. If you know the dollar's going to weaken the best place to park your money is in monetary metals like gold and silver. Other commodities also do well in a low-dollar environment because more units of a commodity can be bought with dollars, and those with non-dollar currencies can buy more dollars with their home currencies. They use these dollars to buy commodities priced in US dollars.

Bond investors are attracted to US Treasuries not only because they are a safe haven but because they pay a relatively high yield right now — 4.30% for the 10-year, 4.62% for the 2-year and 4.49% for the 30-year.



US Treasury 10-year yield. Source: CNBC

The purchase of more commodities in a low-dollar environment exacerbates shortages in markets showing low supplies. All three metals being discussed here — gold, silver and copper — are either undersupplied now or will be in the near future.

The dollar hasn't dropped yet. But those in the know (including us at AOTH) believe it will. A Goldman Sachs note to clients Monday said hedge funds bought commodity-sensitive stocks in the week to July 5 at the fastest pace in five months. (BOE Report, July 8, 2024)

If commodity prices are doing well now, while the dollar is high, how much higher could they go when interest rates and the dollar fall?

GOLD

The specter of lower interest rates is a bullish signal for gold. FX Street commented on Monday that gold continues to gain support from geopolitical and macro factors, such as ongoing conflicts in the Middle East and Ukraine.

Egon von Greyerz, chairman of Gold Switzerland, points out that the political instability inherent in current and future elections this year is another good reason for owning precious metals. Especially given that out-of-control government spending is likely to be the predominant policy response. Examples are the new Labour government in Britain, France's new coalition government, and "an insoluble debt crisis" in the US no matter which presidential candidate wins in November.

Meanwhile, de-dollarization by countries at odds with the United States, who fear that the US could freeze their dollar assets like Washington did to Russia following the invasion of Ukraine, is increasing the appeal of gold as a foreign-exchange alternative.

BRICS nations, now wealthier than the G7 and accounting for one-third of the world's GDP, are reportedly discussing the launch of a BRICS cryptocurrency potentially backed by gold.

A recent report from the World Gold Council sees climate change as another source of safe-haven gold demand:

Gold's carbon profile and decarbonisation potential may reinforce or amplify gold's role as a safe haven asset, risk hedge and store of value during periods of market stress. ***"This lends further credence to our analysis suggesting that gold's long-term returns may be more robust than those of many mainstream asset classes in the context of a range of climate scenarios."***

Although a recent analysis finds gold only becomes an inflation hedge over long periods of time; 10 years is too short.

In a paper, Prof. Campbell Harvey of Duke University and co-author Claude Erb write that, for investors who add gold in their portfolio today, with high inflation and gold prices close to an all-time high, the expectation that gold will keep its real value in the next 10 years is not consistent with history.

"When gold is at an all-time high, the expected returns over the next 10 years — according to historical experience — is very low," Harvey said.

As evidence of gold acting as a longer-term hedge, Campbell and Harvey offer the example of a Roman centurion who was paid 38.58 ounces of gold two millennia ago.

"At today's price of gold, it would be $86,300, which is very close to the salary of a U.S. Army captain with six years of experience — $85,600," Harvey said.

High central bank demand, which accounts for about a quarter of the gold market, is an additional factor in favor of gold.

In its annual survey, the World Gold Council said more central banks plan to add to their gold reserves within a year, despite high prices. Gold hit a record-high $2,449.89 per ounce on May 20. The survey said 29% of central banks expect their gold reserves to increase in the next 12 months, the highest level since the WGC began the survey in 2018, and compared with 24% in 2023.

Livemint says relentless demand from retail buyers in China and India, — the two largest physical gold consumers — along with fund investors, futures traders and central banks, drove gold to unprecedented heights.

Meanwhile the CME Comex, an exchange where futures are traded for gold, silver, and other commodities, has been seeing big moves in silver and gold. This means more people are taking delivery of physical metal.

According to Schiff Gold, May showed open interest in gold at well above trend — 30,000 contracts stood for delivery in June, the largest volume since August 2022.

Activity in silver has also picked up after a quiet 2023.

Source: Schiff Gold

Source: Schiff Gold

As for gold exchange-traded funds, a major source of gold investment demand, outflows have flipped to inflows. Globally, gold ETFs saw the second consecutive month of inflows in June due to additions to holdings by Europe- and Asia-listed funds, the World Gold Council (WGC) said on Tuesday, via Reuters. (although collective holdings remain at their lowest since 2020)

Finally, gold prices are pushing higher due to a shortfall of mined gold.

In a world of resource depletion, it falls to gold exploration companies to fill the gap with new deposits that can deliver the kind of production required to meet gold demand, which is currently out-running supply.

The gold market continues to experience tightness due to difficulties expanding existing deposits, and a pronounced lack of large discoveries in recent years.

In 2023, 4,448 tonnes of gold demand minus 3,644t of gold mine production left a deficit of 804t. Only by recycling 1,237t of gold jewelry could the demand be met. (The World Gold Council: 'Gold Demand Trends Full Year 2023')

Tonnes	2022	2023	Y/y % change
Total supply	4,751.9	4,898.8 ▲	3
Mine production	3,624.8	3,644.4 ▲	1
Net producer hedging	-13.1	17.0 ▲	-
Recycled gold	1,140.1	1,237.3 ▲	9

Source: Metals Focus, World Gold Council

This is our definition of peak gold. Will the gold mining industry be able to produce, or discover, enough gold, so that it's able to meet demand without having to recycle jewelry? If the numbers reflect that, peak gold would be debunked. We've been tracking it since 2019, and it hasn't happened yet.

SILVER

Like gold, we can study the supply-demand picture for silver to get a sense of whether we've reached peak mine supply.

Silver Supply and Demand

Million ounces	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024F	Year on Year 2023	Year on Year 2024F
Supply												
Mine Production	896.6	899.6	863.6	850.6	837.2	783.4	829.0	836.7	830.5	823.5	-1%	-1%
Recycling	147.0	145.7	147.3	148.7	148.2	164.3	173.7	176.9	178.6	178.9	1%	0%
Net Hedging Supply	2.2	0.0	0.0	0.0	13.9	8.5	0.0	0.0	0.0	0.0	na	na
Net Official Sector Sales	1.1	1.1	1.0	1.2	1.0	1.2	1.3	1.7	1.6	1.5	-6%	-9%
Total Supply	**1,047.0**	**1,046.5**	**1,011.8**	**1,000.5**	**1,000.3**	**957.4**	**1,004.2**	**1,015.4**	**1,010.7**	**1,003.8**	**-0.5%**	**-1%**
Demand												
Industrial (total)	457.1	488.5	526.4	524.2	523.5	509.7	561.3	588.3	654.4	710.9	11%	9%
Electrical & Electronics	272.5	308.9	339.7	331.0	337.3	322.6	351.2	371.5	445.1	485.6	20%	9%
...of which photovoltaics	59.6	61.6	99.3	87.0	74.9	62.6	80.9	118.1	193.5	232.0	64%	20%
Brazing Alloys & Solders	51.1	49.1	50.9	52.0	52.4	47.5	50.5	49.2	50.2	51.6	2%	3%
Other Industrial	133.7	131.5	135.6	141.2	143.8	140.2	159.6	167.8	159.0	173.5	-5%	9%
Photography	39.2	34.7	32.4	31.4	30.7	26.9	27.7	27.5	27.0	26.1	-2%	-3%
Jewelry	202.5	189.1	196.2	203.2	201.6	150.9	182.0	234.5	203.1	211.3	-13%	4%
Silverware	58.3	53.5	59.4	67.1	61.3	31.2	40.7	73.5	55.2	58.8	-25%	7%
Net Physical Investment	309.2	212.9	155.8	165.9	187.4	208.1	284.2	337.1	243.1	212.0	-28%	-13%
Net Hedging Demand	0.0	12.0	1.1	7.4	0.0	0.0	3.5	17.9	12.2	0.0	-32%	na
Total Demand	**1,066.4**	**891.8**	**971.3**	**999.2**	**1,004.4**	**926.8**	**1,098.4**	**1,278.8**	**1,195.0**	**1,219.1**	**-7%**	**2%**
Market Balance	-18.4	154.7	40.5	1.3	-4.1	30.6	-94.4	-263.5	-184.3	-215.3	-30%	17%
Net Investment in ETPs	-17.1	53.9	7.2	-21.4	83.3	331.1	64.9	-125.8	-42.1	50.0	-67%	na
Market Balance less ETPs	**-1.3**	**0.8**	**33.3**	**22.7**	**-87.4**	**-300.5**	**-159.3**	**-137.7**	**-142.2**	**-265.3**	**3%**	**87%**
Silver Price (US$/oz, London price)	15.68	17.14	17.05	15.71	16.21	20.55	25.14	21.73	23.35	-	7%	na

Source: Metals Focus

At AOTH we differentiate between the total silver supply, which lumps in recycled silver with mined silver, versus mine supply on its own.

According to the 2024 Silver Survey, in 2023 global mine production fell 1% to 830.5 million ounces, or 25,830 tonnes. Weaker output in Mexico owing to a strike at Newmont's Penasquito mine and lower ore grades in Argentina were key drivers of the fall.

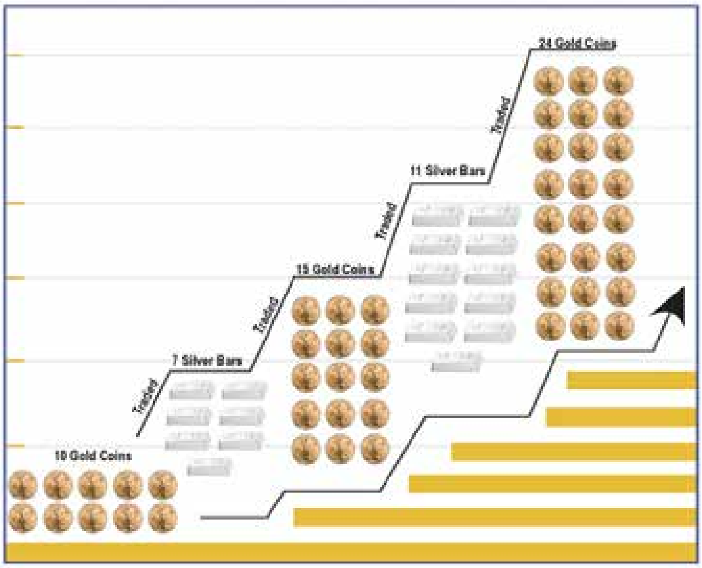
Silver recycling inched up by 1% to a 10-year high of 178.6Moz. Combined, therefore, we have total silver supply reaching 1.010 billion ounces in 2023.

How about demand? According to the survey, following a record 2022, world silver demand in 2023 fell 7% to 1.195Moz. It was still 9% higher than the next highest yearly total. Offtake from the industrial sector achieved a record high last year, rising 11% to 654.4Moz, mainly due to gains in the solar sector.

(Remember: While most of the mined gold is still around, either cast as jewelry, or smelted into bullion and stored for investment purposes, the same cannot be said for silver. It's estimated around 60% of silver is utilized in industrial applications, like solar panels and electronics, leaving only 40% for investing. Of the 60% used for industrial applications, almost 80% ends up in landfills.)

2023 demand of 1.195 billion ounces outstripped supply of 1.010Boz, by 185Moz. But remember, recycling is included in the total supply. When we take recycling out, 178Moz, we get an even greater deficit of 364.5Moz. (1,195,000,000 minus 830,500,000 = 364,500,000)

This is significant, because it's saying that mined silver supply last year was unable to meet total demand, industrial plus investment, of 1.195 billion ounces. It fell short by 185Moz, and that was including recycling.



How many ounces of silver does it cost to buy an ounce of gold? Source: McAlvany

This is our definition of peak mined silver. Will the silver mining industry be able to produce, or discover, enough silver that it's able to meet demand without having to recycle? If the numbers reflect that, peak mined silver would be debunked.

At AOTH, we know that silver prices track gold prices, and that there is approximately the same amount of investable grade silver above-ground as gold. Yet silver is currently 1/76th the price of gold. This means that when silver is highly demanded, like now — it is both a monetary and an industrial metal — the price often slingshots past gold.

So far this year, silver has outperformed gold, gaining 33% against gold's 15% rise. The same thing happened in 2020, when the pandemic precipitated the "fear trade" in precious metals.

Gold is moving higher primarily due to central bank buying, and physical gold purchases in Asia.

Who's buying all the silver? India and silver-backed ETFs.

The Silver Institute reported a 184.3 million-ounce deficit in 2023 on the back of robust industrial demand.

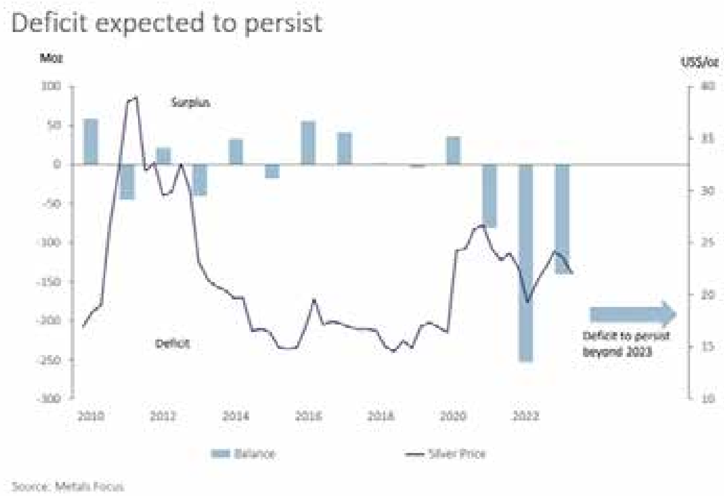
In an April commentary, SI said industrial demand rose 11% last year to a new record of 654.4Moz, smashing the old record set in 2022.

In fact demand exceeded supply for the third year in a row.

Higher-than-expected photovoltaic (PV) capacity additions and faster adoption of new-generation solar cells raised electrical & electronics demand by a substantial 20%, to 445.1Moz, the institute said.

The Silver Institute expects demand to grow by 2% this year, led by an anticipated 20% gain in the PV market. Industrial fabrication should post another all-time high, rising by 9%. Demand for jewelry and silverware fabrication are predicted to rise by 4% and 7%, respectively.

Total silver supply should decrease by another 1%, meaning 2024 should see another deficit, amounting to 215.3Moz, the second-largest in more than 20 years.



Deficits should persist beyond 2024, the Silver Institute said, citing Metals Focus. According to Metals Focus, this is due to significant and expanding industrial demand for silver.

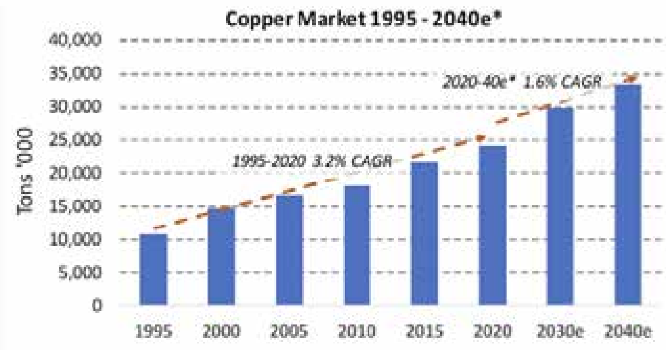
COPPER

Copper may have come off the boil recently due to problems in China but the structural supply deficit is real and keeping prices elevated.

Benchmark Mineral Intelligence (BMI) forecasts global copper consumption to grow 3.5% to 28 million tonnes in 2024, and for demand to increase from 27 million tonnes in 2023 to 38 million tonnes in 2032, averaging 3.9% yearly growth.

Yet the US Geological Survey reports supply from copper mines in 2023 amounted to only 22 million tonnes. If the copper supply doesn't grow this year, we are looking at a 6Mt deficit.

Mining companies are seeing their reserves dwindle as they run out of ore. Commodities investment firm Goehring & Rozencwajg says the industry is ***"approaching the lower limits of cut-off grades and brownfield expansions are no longer a viable solution. If this is correct, then we are rapidly approaching the point where reserves cannot be grown at all."***



* estimates are IEA Sustainable Development Scenario

Source: USGS, IEA, ISS ESG

Without new capital investments, Commodities Research Unit (CRU) predicts global copper mine production will drop to below 12Mt by 2034, leading to a supply shortfall of more than 15Mt. Over 200 copper mines are expected to run out of ore before 2035, with not enough new mines in the pipeline to take their place.

Last year, the government of Panama ordered First Quantum Minerals (TSX:FM) to shut down its Cobre Panama operation, removing nearly 350,000 tonnes from global supply.

A strike at another large copper mine, Las Bambas in Peru, temporarily halted shipments.

Copper specialist Anglo American says it is scaling back output by about 200,000 tons, owing to head grade declines and logistical issues at its Los Bronces mine. Los Bronces production is expected to fall by nearly a third from average historical levels next year as the miner pauses a processing plant for maintenance, Reuters said.

Chile's copper output has been dented by a long-running drought in the country's arid north. State miner Codelco's 2023 production was the lowest in 25 years.

All four of Codelco's megaprojects have been delayed by years, faced cost overruns totaling billions, and suffered accidents and operational problems while failing to deliver the promised boost in production, according to the company's own projections.

There are also concerns about Zambia, Africa's second largest copper producer, where drought conditions have lowered dam levels, creating a power crisis that threatens the country's planned copper expansion.

Ivanhoe Mines (TSX:IVN) reported a 6.5% Q1 drop in production at the world's newest major copper mine, Kamoa-Kakula in the DRC.

The tightness of the copper concentrate market has been reflected in treatment and refining charges plummeting from over $90 per tonne to below $10/t.

(Miners pay smelters a fee to process copper concentrate into refined metal, to offset the cost of the ore. TC/RCs fall when tight concentrate supplies squeeze smelters' profit margins.)

This drastic reduction compelled Chinese smelters, responsible for around half of global refined copper production, to consider a 5-10% production cut.

That was in March. By July, the situation had flipped 180 degrees. Now China is apparently swimming in copper, so much so that it is exporting refined copper to London Metal Exchange warehouses, which are full to the brim. LME warehouse stocks are reportedly above 190,000 tonnes for the first time since last October.

The Financial Times wrote on June 18 that The biggest glut of copper in four years has built up in Chinese warehouses, after a price jump and tepid consumer demand prompted manufacturers in Asia's largest economy to pull back on buying the world's most important industrial metal. Stocks of the metal in Shanghai Futures Exchange warehouses have grown to their highest level since 2020 at about 330,000 tonnes this month, according to Bloomberg data. Before then, the last time they hit this level was in 2015.

The rise in copper inventories reflects China's real estate downturn as well as sluggish manufacturing and credit activity, as Beijing shies away from directly stimulating household consumption. In the four weeks since the record high, copper has fallen 13 per cent to $9,600 per tonne, weighed down by weak Chinese demand.

Yet as warehouse stocks build up in China and the UK, the country is importing large amounts of red metal. Reuters metals columnist Andy Home wrote on July 10 that China imported 1.61 million tons of refined copper in the first five months of the year, a year-on-year increase of 19.2%.

The comparison is somewhat flattered by a low base in early 2023, when imports were relatively weak. But imports over the last 12 months have been a robust 3.98 million tons, a level exceeded only once on an annual basis in 2020.

Exports jumped to 73,860 tons in May, the highest monthly volume since May 2016, as smelters exported into a profitable arbitrage window with the London market…

The core driver of rising imports has been the Democratic Republic of Congo, which last year overtook Chile as China's top supplier of refined copper.

Imports from the Congo grew from 480,000 tons in 2020 to 870,000 in 2023. Volumes so far this year have jumped by another 78% to 548,000 tons.

China is the world's largest copper consumer so China's actions in the market are watched closely because they affect the price.

To ensure self-sufficiency, China has expanded its network of copper smelters, meaning it will import much more copper ore for processing domestically.

"Like all countries, China sees a strategic need for copper — particularly now with the growth in green energy applications — and China like other countries wants to ensure self sufficiency," said Craig Lang, principal analyst at researcher CRU Group.

"China will account for about 45% of global refined copper output this year, according to CRU," Bloomberg wrote in 2023. Let's summarize what's going on here. China is expanding its smelter capacity. To do this, it requires more ore and it is getting it mostly from the DRC, which has overtaken Peru as the second-largest copper-producing country. Imports are surging at the same time as warehouses are filling up.

China has tricked the market before into believing there is a surplus when in fact there is a deficit. I exposed this "Copper Con" in March 2015. Here's what happened:

China found every analyst they could and invited them to China. The group was shown a few warehouses stacked with copper to the rooftops. There was so much copper the ground was compacting, said one analyst. Another said the stacks were falling over like dominos. The world bought the surplus story, swallowed it hook line and sinker. Headlines screamed 'China has enough copper!'

Of course it wasn't true. China needed copper, and what they had, all of 2 million tonnes, was tied up in financing deals. At any one time there are at least 1 million tonnes in transport, or somewhere in the supply chain that has already spoken for, i.e.., not available.

EXPOSING THE COPPER SURPLUS MYTH

The world continues to get conned. Every year so-called "experts" predict a surplus; instead what happens? Deficit after supply deficit.

It makes sense that China would try to manipulate the market not long after copper hit a record high. China wants to pay lower prices for its copper and has created an artificial surplus by filling up its Shanghai warehouses and exporting refined copper to LME warehouses. The tactic worked. Spot copper is down 14.7% since its May 20 pinnacle.

On the demand side, along with the usual applications in construction wiring and plumbing, transportation, power transmission and communications, there is now added demand for copper in electric vehicles and renewable energy systems.

Millions of feet of copper wiring will be required for strengthening the world's power grids, and hundreds of thousands of tonnes more are needed to build wind and solar farms. Electric vehicles use triple the amount of copper as gasoline-powered cars. There is more than 180 kg of copper in the average home.

Additional copper is being demanded by the electrification of public transportation systems, 5G and AI.

According to Nikkei Asia, prices are being buoyed by the need for more data centers to support the development of artificial intelligence, all of which will require copper.

The latest copper demand driver comes from the Ukraine, where the war with Russia is consuming tonnes of bullet cartridge casing made of brass, an alloy of copper and zinc.

The European Defense Agency says a NATO 155-mm artillery shell contains half a kilogram of copper, with Ukrainian forces firing up to 7,000 per day.

Citigroup is bullish on copper going forward, with the bank's analysts predicting that prices could surpass $10,000 a tonne ($4.53/lb) this year due to policy support in China. (the incentive price to build new mines is $11,000/t)

Mining.com reports Beijing is expected to introduce further stimulus to upgrade its renewable energy infrastructure at the Third Plenum meeting in mid-July:

These additional measures, specifically targeting domestic property and grid investments, are expected to support copper prices in the near term, Citi analysts said in a note.

INVESTING IN THE TREND

Historically, junior resource stocks offer the best leverage to a rising commodity price because of the huge opportunity for gains.

The most upside comes from a junior in the exploration stage when they make an initial discovery. Great drill assay results can send a junior's share price skyrocketing. The reverse can also be true. Junior explorers working "greenfield" properties (no mining has ever taken place) are the riskiest plays. Strike out on assay results and it could be goodbye to a share price rise for a long time – until the company finds another project.

Next is the post-discovery resource definition stage. These companies have already found something, the share price has settled back after the initial discovery, and the junior is drilling and likely doing other exploration work, like sampling and surveying, to try and prove up a maiden resource.

The third company stage is the asset/ development stage. Here the advanced-stage junior has already managed to put together a resource, which could be measured and indicated (more certainty, less risk) or inferred (less certainty, more risk). They believe the deposit is large and rich enough to start down a development path. An asset/development stage company is, in the opinion of management, and likely stockholders who are following the story, likely to become a mine.

When assembling a portfolio of junior resource stocks, it's always a good idea to have a few stocks in each of the three company stages. A pure exploration play may sometimes feel like chasing a rainbow but the possibility of making 5, 10, even 20 times your money by purchasing a penny stock that goes ballistic on a discovery hole is reason enough for us to risk part of our investment capital.

I always aim to have a few post-discovery resource definition stage juniors in my portfolio, too. The risk has been greatly reduced, the wait time for a discovery non-existent, and the reward can be very nice, considering the much lower amount of risk, compared to an exploration-stage junior.

At AOTH, we don't generally invest in major or mid-tier mining companies because smaller companies offer far greater upside, but investors may wish to include a few producers in their portfolio. You want to choose a miner that offers you direct exposure to the commodity you're interested in.

A good example is Freeport McMoRan (NYSE:FCX). Headquartered in Phoenix, Arizona, Freeport operates large, enduring, geographically diverse assets with significant proven and probable reserves, and primarily explores for copper, gold, molybdenum, silver and cobalt.

The company is the world's largest publicly traded copper producer and the fifth largest miner by market cap.

FCX's portfolio of assets includes the Morenci mine in Arizona, Cerro Verde in Peru, El Abra in Chile, and the massive Grasberg mine in Indonesia. For more details click on the Operations tab on Freeport's website.
The stock is up 22% year to date.

For direct copper exposure I also like Hudbay Minerals (TSX:HBM). Hudbay recently acquired Copper Mountain Mining and 75% of its Copper Mountain mine in south-central British Columbia (the remainder is owned by Mitsubishi Corp), making it the third-largest copper producer in Canada.

Hudbay is also active in Manitoba's Flin Flon Snow Lake Greenstone Belt. The company says its Lalor mine (gold, zinc, copper, silver) in Snow Lake is a meaningful low-cost gold producer that substantially benefited from the refurbishment of the New Britannia mill in 2021. Hudbay has been drill-testing the down-plunge gold and copper extensions of the Lalor deposit, in the first step-out drilling in the deeper zones at Lalor since the initial discovery of the gold zones in 2009.

Hudbay owns the producing Constancia copper mine in Peru, and is developing the Copper World Complex in Arizona and the Mason project in Nevada.
HBM has soared 73% YTD.

I invest in a lot of precious metal juniors but for direct exposure to silver I like Hecla and Coeur, and for gold I like Agnico Eagle.

Hecla Mining (NYSE:HL) is the oldest silver company on the New York Stock Exchange and the biggest US silver producer. It has been mining since 1891.

Hecla has four producing mines: Greens Creek in Alaska, Lucky Friday in Idaho, Casa Berardi in Quebec, and Keno Hill in the Yukon.

The company is also exploring for silver in three countries. Its US development properties are San Juan Silver in Colorado, Silver Valley/Star in Idaho, Republic in Washington State, Rock Creek and Libby in Montana, and five projects in Nevada.

In Canada, Hecla has the Kinskuch property in British Columbia, Heva-Hosco and Opinaca/Wildcat in Quebec, and Rackla in the Yukon.

Its Mexico focus is the San Sebastian silver-gold project in Durango State.

Hecla is up 16% YTD, having reached a 52-week high of $6.23 on May 20. It retraced to $4.77 on July 1 but is now trading at $5.47.

Coeur Mining (NYSE:CDE) is a US-based precious metals producer with four operations: the Palmarejo gold-silver complex in Mexico, the Rochester silver-gold mine in Nevada, the Kensington gold mine in Alaska, and the Wharf gold mine in South Dakota. Also, the company owns the Silvertip polymetallic exploration project in British Columbia.

Coeur's stock has doubled this year, from $3.20 at the start of the year to the current $6.40.

Agnico Eagle Mines (TSX:AEM) is a Canadian senior gold mining company and the third largest gold miner in the world, producing precious metals from Canada, Australia, Finland and Mexico.

The company owns the two largest gold mines in Canada — Canadian Malartic and Detour Lake. Agnico plans to upgrade Detour Lake, located near the Ontario-Quebec border, into a million-ounce-per-year producer by digging for higher-grade ore beneath the current open pit, and following a gold system that tracks west.

The rest of Agnico Eagle's impressive production portfolio comprises the Fosterville mine in Australia, the Kittila mine in Finland, the Goldex and LaRonde complexes in Quebec, Macassa in Ontario, the Meadowbank Complex and Meliadine mine in Nunavut, and the La India and Pinos Altos mines in Mexico.

AEM started the year at $72.05 and now trades at $99.63, for a substantial gain of 38%.

Two of my favorite copper juniors are Kodiak Copper and Max Resource. I also like Max for silver, due to the massive sedimentary copper-silver property it is developing in Colombia.

Silver North Resources is the other Ahead of the Herd silver play. For gold I like EGR Resources and Storm Exploration.

Kodiak Copper's (TSXV:KDK, OTCQB:KDKCF, Frankfurt:5DD1) MPD property is surrounded by several producing and past-producing mines. The producers are Copper Mountain to the south, Highland Valley in the north, and New Afton, close to Kamloops, re-opened by New Gold in 2012.

The project lies within the southern portion of the Quesnel Terrane, British Columbia's main copper-producing belt.

Historical drilling saw 384 holes completed since the 1960s by previous operators. Most of the drills tested mineralization from surface, with holes rarely testing below 200m depth.

Over the past four years, Kodiak Copper has completed 123 drill holes or 74,804 meters.

The company tasted success during its maiden drill program in 2019 with the discovery of the Gate Zone.

Kodiak Copper is undergoing a 10,000-meter drill program focused on multiple drill-ready targets in the MPD North and South project areas. The goal is to locate high-grade mineralization, expanding the near-surface mineralization around known zones, and making new discoveries.

This year's field program is unique for Kodiak Copper in that artificial intelligence (AI) is being used to generate and confirm drill targets.

Six target areas are slated for drilling: two at MPD North (Belcarra and Blue) and four at MPD South (1516, South, Adit and Celeste). The targeting strategy involves the integration of targets developed by Kodiak's exploration team and VRIFY AI's predictive modeling.

VRIFY has recognized nine areas of interest, either adjacent to known copper-porphyry zones (Gamma, Zeta, Epsilon, Lambda, Omega and Sigma), or as new priority regions (Omicron, Iota and Tau) which merit follow-up.

Kodiak Copper
TSXV:KDK
Cdn$0.49 2024.07.10
Shared Outstanding 63.9m
Market cap Cdn$36.8m
KDK *website*

Max Resource's (TSXV:MAX; OTC:MXROF; Frankfurt:M1D2) Cesar copper-silver project in Colombia is an enormous, district-scale property on which Max has just cut an 80/20 earn in deal with Freeport McMoRan.

The Cesar project is situated along the copper-silver-rich Cesar Basin. This region provides access to major infrastructure resulting from oil & gas and mining operations, including Cerrejon, the largest coal mine in South America held by Glencore.

The Cesar project land package now spans more than 1,150 km of geology prospective for sedimentary-hosted copper and silver deposits and includes 20 mining concessions covering over 188 square km.

Max has made significant progress at Cesar, its field teams have so far identified 28 high-priority targets across the three districts of the 120-km Cesar copper-silver belt: AM, Conejo and URU.

Under the earn-in agreement, announced on May 13, 2024, Arizona-based Freeport has an option to acquire up to 80% of Cesar by spending CAD$50 million to explore the property, and making a series of cash payments totaling CAD$1.55 million.

To earn an initial 51% interest, Freeport is required to fund $20 million of exploration expenditures at Cesar over five years and make staged cash payments to Max totalling $0.8 million. Max remains the operator of Cesar during this initial stage.

Once Freeport earns its initial 51% interest, Freeport can increase its interest to 80% by funding a further $30 million in exploration expenditures at Cesar over five years and making staged cash payments totalling $0.75 million.

Max's shareholders can look forward to an initial $20 million commitment from FCX for what should soon be the start of a very aggressive exploration/drill program.

Max Resource Corp.
TSXV:MAX; OTC:MXROF; Frankfurt:M1D2
Cdn$0.06 2024.07.10
Shares Outstanding 176m
Market cap Cdn$10.5m
MAX *website*

Silver North Resources (TSXV:SNAG) offers exposure to one of Canada's most prolific silver districts — Keno Hill.

Silver North's underexplored Haldane project demonstrates high-grade, high-width potential akin to the veins being mined at Keno Hill.

Between Haldane and its Tim carbonate replacement deposit (CRD), on the BC-Yukon border, Silver North offers strong discovery and development potential against the bullish backdrop for silver.

The Keno Hill Silver District was Canada's second largest primary silver producer and one of the richest silver-lead-zinc deposits ever mined.

Silver North's Haldane property is 25 kilometers west of the main Keno Hill deposits, and south of Victoria Gold's Eagle mine, which poured its first gold in 2019. The 8,164-hectare land package hosts structurally controlled silver veins containing galena, sphalerite, and tetrahedrite-tennantite in quartz-siderite gangue.

In 2021 Silver North announced a new discovery at the West Fault Zone.

The goal was to find Keno-type mineralization and at least 300 grams-per-tonne rock over a comfortable mining width of 4 meters. They achieved that with the West Fault discovery of 311 g/t Ag over 8.7m. This was followed by 3.14m of 1,315 g/t silver.

According to Silver North, this new zone has been traced over a 100- by 90-meter area with room to expand along strike and at depth.

Silver North Resources is also working with partner Coeur Mining to develop the Tim property, located on the Yukon side of the Yukon-British Columbia border.

The company earlier this month announced that Coeur has started drilling at Tim. Current plans are to drill approximately 2,000 meters, targeting silver-lead-zinc Carbonate Replacement Deposit (CRD) mineralization similar to that found at Coeur's Silvertip property 19 km south of Tim.

Silver North Resources
TSXV:SNAG
Cdn$0.14 2024.07.10
Shares Outstanding 43.3m
Market cap Cdn$6.81m
SNAG *website*

EGR Exploration (TSXV:EGR) is working near Detour Lake, Ontario, Canada's second-largest gold operation, within a region hosting several multi-million-ounce deposits.

Located in the northern part of the Abitibi Greenstone Belt, the Detour-Fenelon Gold Trend spans over 200 km of prospective strike length potential along the Sunday Lake and Lower Detour deformation zones. EGR's property is located 20 km west of the Detour Lake open-pit (hence the name "Detour West"), and also directly adjoins Agnico Eagle's holdings along the trend.

To maximize its chance of success, EGR since 2020 has increased its landholding and consolidated the entire 40,255-hectare Detour West project area, which is now 35 km long by 15 km wide.

What makes EGR's ground so intriguing? According to respected geologist Quinton Hennigh, it's when deformation belts like the Sunday Lake Deformation Zone become constricted, or "squeezed".

A key task for EGR, as it goes about exploring Detour West, is testing the extension of the SLDZ, trying to prove that Detour West is on trend with Agnico-Eagle's Detour Lake mine and its 20.7Moz of reserves.

This summer's drill program envisions at least 35 reverse-circulation (RC) holes, that will target where the gold structures cross onto Detour West, including the "squeezed" deformation zone mentioned by Hennigh.

The drills will puncture an average 40 meters of glacial till before entering the bedrock. ***"It's poking multiple shallow holes to find the gold dispersal train and then testing the bedrock to get a sample of what rocks we're getting into,"*** CEO Daniel Rodriguez said.

If EGR can show enough gold-in-till from the fenced RC holes it can vector into the source of the mineralization.

EGR Exploration
TSXV:EGR
Cdn$0.05, 2024.07.10
Shares Outstanding 40.2m
Market cap Cdn$2.2m
EGR *website*

Storm Exploration (TSXV:STRM) came to my attention for the exploration agreement it recently signed with the Eabametoong First Nation regarding Miminiska, Keezhik and Attwood, which sit on their traditional territory.

It is unusual for a mining company to prioritize First Nations consultation over other activities, and I think this speaks to the progressive mindset of CEO Bruce Counts and his management team. These days, nothing happens on a mineral exploration property sitting on First Nations land without the nation's consent.

Storm's four properties are all are in the vicinity of historic Ontario gold camps, which combined have produced over 200 million ounces. The Fort Hope area is a greenstone belt with the potential to host a major gold camp.

High-grade gold has been confirmed by drilling at a number of locations on the Miminiska property. Historical assays include 5.75g/t Au over 20.84m and 13.95 g/t Au over 5.32m, with mineralization hosted in banded iron formation and associated shear zones.

The Miminiska project bears all the hallmarks of a banded iron formation, which account for around 60% of global iron reserves, The closest analog is Musselwhite, located ~115 km to the northwest. The deposit also has a similar geometry to the Lupin BIF mine, which produced 3.4Moz at 9.1 g/t Au before closure in 2005.

Storm plans to raise money for a drill program at Miminiska.

Ideally, between 2,000 and 2,500 meters would be drilled from six to 10 drill pads. It should be noted that the claims at Miminiska are patented claims, meaning that no drill permits are required. Normal drilling guidelines must still be followed and Storm needs the support of local first nations, which it already has.

Storm Exploration Inc.
TSX-V:STRM
Cdn$0.04 2024.07.10
Shared Outstanding 41.6m
Market cap Cdn$2.0m
STRM *website*

STRM, KDK, SNAG, EGR and MAX are paid advertisers on his site *aheadoftheherd.com*

This article is issued on behalf of STRM, KDK, SNAG, EGR and MAX.

All The Best
— In One Place...At One Time...*In Person*

This year's New Orleans Investment Conference is truly the event of the half-century, with perhaps the finest roster of speakers ever presented, including:

James Grant...George Gammon...Rick Rule...Brien Lundin...Danielle DiMartino Booth...Brent Johnson...Dominic Frisby...Jim Iuorio...Peter Boockvar...James Lavish...Adrian Day...Mike Maloney...Dave Collum...Bob Prechter...Tracy Shuchart...Avi Gilburt...Adam Taggart...Russ Gray...Robert Helms...

***PLUS:* Mark Skousen...Jennifer Shaigec...Chris Powell...Lobo Tiggre...Jordan Roy-Byrne...Jeff Clark...Mary Anne & Pam Aden...Dana Samuelson...Bill Murphy...Gary Alexander...Albert Lu...Omar Ayales...Rich Checkan...Thom Calandra** and more!

It's a roster the likes of which won't be found anywhere else — which is why New Orleans '24 is going to be a can't miss event for investors from around the world. Another reason: *It's coming at a crucial time in the global economy and markets.*

This is what the New Orleans Conference was built for.

In our 50-year history, the New Orleans Investment Conference has never failed to deliver rich returns (and wealth-protecting strategies) during times of market uncertainty like we're seeing today.

And whenever the metals and mining shares are in a bull market — as they are beginning right now — the New Orleans Conference *really* shines.

Because of that, we're able to offer something you won't find at other investment events:

Our Iron-Clad, Money-Back Guarantee

If you attend New Orleans 2024 and don't feel it was worth many times your cost to attend, just let us know within 30 days.

We'll happily give you a prompt, hassle-free refund on your entire registration fee. *Every penny.*

The only way to lose is by not attending New Orleans '24!

Note that our registration fee is about to rise significantly, and we could completely sell out at any point.

So if you hope to get in at the current early-bird rate...and enjoy our exclusive money-back guarantee...

...You'll need to call us at **1-800-648-8411** right now or visit www.neworleansconference.com to learn more and register.

1974 50th Annual 2024
NEW ORLEANS 2024
INVESTMENT CONFERENCE
The World's Greatest Investment Event

NewOrleansConference.com