

Rocks And Stocks News Report On Copper

Companies included; Hercules Silver, Meridian Mining, McEwen Mining and McEwen Copper, Alta Copper, Galantas Gold, Barksdale Resources, Benton Resources and Copper Road Resources.



ROCKS AND STOCKS NEWS

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Share

Copper has excellent supply and demand fundamentals with powerful demand and tight supply which is projected to have a supply shortage in the not too distant future.

More exploration success and new mines need to be built to meet the demand coming from the electrical vehicle revolution, rebuilding the aging infrastructure in developed economies, build the infrastructure in developing economies and for building up alternative energy sources and bringing that energy to consumers.

Many of the current mines are very old and on their last legs. The world has been relying on these old mines for much too long and there just aren't enough new discoveries and new mines being built to replace the old mines.

Some have reported that a new Escondida needs to be found every year to meet the demands coming over the next few decades. Looking at the pipeline of exploration projects and development projects there isn't nearly enough in the pipeline to meet the future needs.

Higher copper prices will help make marginal projects at current copper prices more viable. But the bottom line is that the mining sector needs more exploration success and new mine development in a serious way.

Below is a group of companies we follow closely in the Rocks And Stocks News report. We are always on the hunt for new explorers and developers, but they are not easy to

find, which further reinforces the argument for a supply crunch coming and the need for higher copper prices.

Hercules Silver

The copper discovery Hercules Silver recently made came out of left field and has caught the markets imagination. It has gone from a penny dreadful to the talk of the town in short order.

They had been looking for silver near the surface and saw an interesting geophysical target deeper, drilled it and tagged high-grade copper in a porphyry deposit. What is very exciting is that they look to be outside the key part of a porphyry, yet are getting high-grade which suggests they could be onto something very special.

Another interesting aspect is that the geology of the area was thought to not be the right stuff for big, high-grade copper porphyries. I love this part of the story because I've seen many times in my career that a project wasn't supposed to have the right geology for a specific kind of deposit. Yet, they drilled into one.

It got the attention of Barrick who started by buying 5 million shares in the open market, then signed an NDA and got to look at the core from the holes that had been completed. Then they decided to do an above market private placement of well over \$20 million. Following that they purchased 11 cent warrants from a big holder at around a dollar. They are well on their way to owning a 19.9% interest in the stock.

I picked the company in my report on Oct. 10 before Barrick news was announced which put a vote of confidence for the project that caused a bit of a frenzy of buying. Barrick doesn't look for small things, they need something very big to meet their desire to add more copper production to their mining portfolio. When they signed an NDA they got to look at all the core, geophysics and geological data.

They are seeing something they like, and that can also be seen in the sulphides that they have shown in the drill core. It is very early days in this high-grade copper porphyry, but it sure is exciting and it is also coming at a time when exploration for new mines is crucial yet the sentiment for exploration, development and mining stocks is brutal. I've seen this movie before, where sentiment is horrible, then a small junior makes an

important discovery and reminds folks what happens when catching a shooting star in exploration that helps change the sentiment toward explorers.

It looks like Hercules Silver could play that role. I'm looking forward to seeing their pending drill results, and a larger geophysical survey on the project which is underway. Collectively, they will give them the data needed to vector into the guts of the system. I would imagine key exploration people at Barrick will help interpret the new data and help with the planning of new drill holes.

Meridian Mining

Meridian caught my attention when I had a look at their PEA numbers. They have an incredible story in the PEA, a 58% IRR, small capex to develop a mine, and a very fast payback measured in less than a year to pay back the capex.

Those kinds of statistics are very hard to find in the sector. I know because I'm always looking for stories like this because what they turn into are low cost, high margin mines that create remarkable free cash flow.

Looking closer this is a VMS project that they ran the PEA on. I've spent a lot of my career researching volcanogenic deposits from VMS to kimberlites and one thing to know is that they occur in clusters.

The key VMS at this time is their Cabacal deposit, they also have another that they have been drilling called Santa Helena. These deposits are flat lying, occur at surface, with exceptional metallurgy.

Another exciting aspect is that they have secondary mineralization of high-grade gold juicing up the VMS deposits that have not been drilled deeper to understand what caused the gold mineralization. They are very focused, as is a great plan, on the near surface VMS deposits that can be quickly developed into open pit mines. They can get to the deeper gold mineralization later.

Especially considering that they have a large land package that looks based on geology, geochem and structures that they have an entire VMS belt. Recently, I did an interview

with Gilbert Clark. We went over their page on the Vrifly website where they have compiled all of their geological information.

That interview will help you dig deeper into their project. Another thing we talked about in that interview is that Bruce McLeod has joined their board as Chairman. Bruce is from a family of miners, he is a seasoned mine builder coming off a success when he sold his company Sabina. Whether the company wants to build a mine or sell it, Bruce has extensive experience at both these goals.

They have plenty of stuff going on including drilling, pending assays and other efforts to move their project forward. I'm looking forward to more interviews with Meridian as they announce important news.

Meridian Mining is a current sponsor at Rocks And Stocks News.

McEwen Mining and McEwen Copper

A little over a year ago I started a series of interviews with Rob McEwen. Back then the valuation of the company was less than half its current valuation. What impressed me then was their McEwen Copper subsidiary which I didn't think was getting the recognition it deserved. It is a top 10 undeveloped copper project world wide that is also in the bottom quartile of costs.

Key investors in McEwen Copper are Rob McEwen himself, Stellantis which is one of the top 4 car manufacturers world wide and Nuton which is a Rio Tinto venture. The investment by Stellantis is the first time a car maker invested in a copper project. Nuton invested two times, they have proprietary technology that has the potential of recovering more copper and doing it faster.

McEwen Mining owns a little under 48% of McEwen Copper. The developments at McEwen Copper are very impressive, but lately I have been impressed with drilling results at their gold mining operations and believe those efforts aren't being reasonably appreciated.

In their recent quarterly report, they mentioned how much drilling they are doing at their gold mines. When I recently discussed this in an interview with Rob McEwen it

made me think of the history of Goldcorp that Rob built from a tiny junior into an industry leader as a low cost producer of high-grade gold.

The Red Lake Mine was in production for many years, it wasn't anything special until Goldcorp drilled deeper below the mine workings and discovered extremely high-grade gold and a lot of it. When they started mining, it was very profitable and generated a lot of free cash flow from very high-grade gold and low costs of production.

As I was thinking about all the drilling they are doing and success they are having with the drill rig it made me think that very few seem to believe that McEwen Mining could transform their gold mines in Ontario with the drilling somewhat like what Goldcorp did.

I can see that most think the engine of growth for McEwen Mining is their interest in McEwen Copper, what I don't believe many think is that their drilling at their gold mines can be a second engine of growth. I do, as it seems they do, considering all the exploration drilling they are doing.

Alta Copper

This company has a top 10 undeveloped copper project that ranks in the top 10 for both grade and size. These are the kind of projects that the mining sector needs to help meet the demands that are here now and coming in the near future. A major mining company, Fortescue, sees the potential as they own around 25% of Alta Copper.

The key deposit they have is already very big, but they have satellite deposits around it that can also contribute to its potential and one of their key catalysts is they plan to get busy with drilling.

Another important development is that they are working on an optimized preliminary economic assessment. They have key engineering groups working on it, including Whittle Consulting which is an expert in mine optimization.

The optimized preliminary economic assessment has my attention because in the past they were looking at this to build a smaller starter mine and ramp it up. They have taken

the advice from Fortescue that they are interested in a much bigger plan to build a mine and this is what the optimized preliminary economic assessment is designed to evaluate.

Ultimately, I don't see Alta Copper being the one that builds a mine, I think it will be done by a big mining company that I envision would be someone of the size of their large shareholder Fortescue.

Considering the demand coming from all the sources mentioned earlier, it is clear that consumers and the mining sector need more projects like Alta Copper's Canariaco to become future mines. In reality almost all mines in development need to work and explorers need to find many more.

Alta Copper is a current sponsor at Rocks And Stocks News, Allan Barry Laboucan is the owner of Rocks And Stocks News and holds shares in Alta Copper.

Galantas Gold

I originally started covering Galantas Gold due to their high-grade orogenic gold discovery in Northern Ireland. It caught my attention because of the grades they were hitting and also because it is in Northern Ireland.

I had only ever picked one company in my reports in Northern Ireland, Dalradian Resources, which I picked when they were early in making their discovery and covered it right through to their takeout. I have a soft spot in my heart in Northern Ireland because of Dalradian and felt that Galantas Gold had the luck of the Irish on their side. I love orogenic gold projects because they can have fabulous high-grade gold that is very low cost to mine.

Recently, they added an exciting VMS copper-gold project in Scotland. This project had seen historical work, but not much in the way of modern exploration. Galantas went in and started drilling and hit excellent grades of copper-gold. It is still early in its exploration, but so far so good.

Now they have a strong one-two punch combination with orogenic gold exploration in Northern Ireland and VMS exploration in Scotland.

Galantas Gold is a current sponsor at Rocks And Stocks News, Allan Barry Laboucan is the owner of Rocks And Stocks News and holds shares in Galantas and warrants to purchase shares.

Barksdale Resources

They have the ground right beside the huge success story that happened when Arizona Mining found the Taylor CRD that led to them being bought out by South 32 for a couple billion. I was very fortunate to have covered Arizona Mining in my reports and think Barksdale could be on to something as special.

CRD's come off of porphyries and in the case of Taylor it is extremely big with high-grades of CRD metals including zinc, lead and silver. On Barksdale's ground on the other side of the fence line, minimal historical drilling hit the same metals and it is clear that the Taylor deposit extends onto Barksdale's ground. Not too far to the west of those hits is a porphyry that is the likely source of the Taylor CRD, with the historical drilling as evidence that this is the viable geological model.

You may ask why I am including a zinc-lead-silver CRD story in a copper report. In the historical drilling, they also got sniffs of high-grade copper as well. This is also consistent with the well known geological model of CRDs. Due to zonation of grade, distal to the heat engine porphyry, you will get zinc-lead-silver and as you get closer to the porphyry the copper kicks in.

If you consider that the distal portion of the system is so massive like Taylor, around the porphyry is a great place to look for the rest of the system. Considering the north to south dimensions of the Taylor deposit, and all the ground between it and the porphyry on Barksdale's ground they have a lot of room to find another big deposit outside the radius of the porphyry that could include more of the CRD and copper as they get closer to the porphyry.

They only recently started drilling and some of the early things I'm looking for is that they mention the minerals they are encountering in their drilling followed by assay results. There are plenty of geological signs they could have an impressive project in grade and size on their ground and I look forward to them rolling their sleeves up and getting after it with the truth machine to see what the drill rig delivers.

Benton Resources

They have an emerging copper discovery in Newfoundland. The core pictures they have shown in their news releases are very impressive with a lot of massive sulphides. The grades they have reported so far are high-grade copper.

This company is run by Stephen Stares, he is from the Stares Family which are award winning prospectors. He has prospecting and exploration in his blood. They have had success with old fashion geology at this project by walking around, looking down, and grabbing interesting looking rocks.

This has led them to their recent success drilling into a massive sulphide deposit with high-grade copper. It is very early days, but they are off to a heck of a start. I'm working on arranging an interview with Stephen Stares so we can learn more about this exciting new discovery.

Copper Road Resources

This company is a tiny junior company with a large land package in Ontario that has seen historical mining and exploration. It hasn't been explored significantly because for many years it was a patchwork of claims that was not consolidated until Copper Road put it all together.

It has a great combination to look for a mine with historical mining, known breccia pipes and potential porphyries to look for. Their past drilling hit high-grade breccia pipes and the geophysics suggest there is a nearby porphyry to their Richards breccia.

Recent drilling was focused on the Richards breccia and the nearby porphyry target. The assay results are pending and I'm looking forward to seeing those results. Other important factors are that it has excellent access with road access nearby and the ability to drill pretty much year round.

Copper Road was a past sponsor at Rocks And Stocks News.

All the best,

Allan Barry Laboucan

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