

# Earth's Resource



2020 Spring Edition

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# Top 10 Mineral Rights Management & Development Companies:

Mineral rights development is always going to be big business. Whether it's a company that just buys and sells the rights or a company that develops the mineral rights to sell. So, we set-out to find the best mineral rights companies in the world. Here are some of the major players in the ever-blossoming industry of Mineral Rights Management and Development. While there are many small global companies that have varied mineral rights portfolios, we selected the top ten based on values assets, management ability and prospects. Not every company was helpful and forthcoming with information; however, we provided this list in no order doing our best efforts not to promote one company over another as each is quite different and offer varied services. In short, we give the reader a list to review and select accordingly as every investment surely presents different possibilities.

## 1. Bank of Texas Mineral Management

This Houston, Texas-based private wealth group is extremely exclusive and operates only with select clients. What sets Bank of Texas apart is their ability to deliver sophisticated, customized solutions and quick, local decisions with experience. Bank of Texas is a dominant force in the mineral rights game where it manages more than \$116 billion worth of mineral assets. BOK Financial, parent company, has reinforced this Texas bank with a century worth of energy experience, captivating a large oil fields energy market client base. Thus, expanding into a wider array of servicing customers, from educational institutions to non-profit organizations.

## 2. CX-Energy Partners

CX-Energy is a licensed real estate broker based in Pittsburgh, Pennsylvania specializing in oil and gas, sales and leasing services. Founded in 1993, with a customized property portfolio using customized GIS tool that includes production data, pipeline infrastructure and a geological narrative to provide a comprehensive overview to get the best deal possible. Property portfolios are featured in marketing campaigns to over 1,500 qualified buyers, posted on internal and external channels, such as: Go Marcellus Shale, Pittsburgh Business Times and CX-Energy.

## 3. Momentum Minerals

Mineral Rights and Oil & Gas Royalties Buyer serving the East, West, and Gulf coasts of the United States and portions of the Midwest. Momentum Minerals has a long history of serving as a mineral rights purchaser and developer stretching back to 1998. One of the most reliable developers out there.

## 4. Dorado Equities, Inc.

A Texas based leading mineral acquisitions company, that possesses expertise in major resources and in the mineral rich areas in the United States. The company has a stout portfolio that is engaged in the acquisition, exploration and development of natural resource properties. The company's focus is to create shareholder value through strategic acquisition and development of high-quality rare earth minerals, silver, gold, nickel, copper, zinc, precious metals and oil and gas projects. This Firm was insightful enough to purchase thousands of acres of incredibly rich mineral producing areas in the Tintina Belt Region at a time when the prior administration was shutting down operations. The company boasts a strong portfolio with minimal expenses as it acts as a holding company for high yielding non-developed mineral rights properties.

## **5. Commerce Trust**

One of the largest independent mineral management companies in the United States that provides a robust lineup of mineral services, including but not limited to improved marketing techniques, curative title work, valuations, mineral sales and acquisitions, and much more, to bring the best out of their property holdings. Commerce Trust is the banker's solution to mineral holdings, they are adding to their deep portfolio setting a strong pace.

## **6. Trammell Crow Company**

Another Texas-based firm, this time from Dallas, Trammell Crow has many years in the business of owning equities that include a strong mineral rights portfolio. Trammell Crow it was founded in 1948 and its portfolio might be a bit modest but that's still an incredible accomplishment to have a few hundred thousand acres of mineral rights throughout the US. In fact, the company's US holdings dwarf those of many other companies with \$800 million in active in-process mineral projects alone.

## **7. USA Mineral Exchange**

Headquartered in Arlington, Virginia, USA Mineral Exchange was founded in 2016. A provider for mineral owners with the resources needed to make smart decisions about mineral rights. If you are in a financial position where you don't need the money for anything and you are willing to hold onto your mineral rights for a long period of time (10+ years), holding might be the right option with this company. US Mineral Exchange represents the benefits of holding onto mineral rights as a long-term marriage.

## **8. R. King and Company**

A smaller company with a single focus to transform family owned dormant oil and gas property into oil & gas royalty income. Serving small tracts and large mineral portfolios, R. King & Co.'s oil and gas property development services have garnered respect and trust from all sizes of clients. Oil and gas royalty owners become financially independent for generations to come when regardless of the size of one's oil and gas property. Assessment of the potential value of oil and mineral rights and with the ability to develop a custom plan for small individual budgets.

## **9. Heritage**

Heritage offers comprehensive oil and gas management which allows clients to maintain their desired level of personal involvement. As an independent trust bank, Heritage is free from conflicts of interest, and abides by the fiduciary standard – putting the needs of the client first. How you may ask? Heritage clientele, employees and shareholders own mineral, royalty and working interests; so, they all have the sense of sharing what the client's perspective and desire for active management and reliable information to be the effective backbone of a successful group.

## **9. Quantum Minerals Corp**

QMC Quantum Minerals Corp. based in Vancouver British Columbia, Quantum Minerals' current projects are located in Manitoba, Canada one of the country's most productive, centrally located mining regions. QMC Resources include the following two solely owned properties, from which the company's aim is to identify economic mineral deposits for development and near-term production. QMC's management's extensive experience in the field of mineral exploration and development gives them a competitive advantage in discovering, appraising and advancing mineral deposits; particularly, overlooked resources with high upside potential. QMC also draws on the tremendous experience of its management in the realm of corporate finance and public markets, which will prove invaluable in acquisition, financing, and creating shareholder value.

## **10. Farmers National**

The Nation's largest landowner services company. Since 1929 Farmers National Company has been offering professional farm management, real estate sales, and auctions and has expanded to include a complete range of agricultural services for landowners including oil and gas management, forest resource management, appraisals, insurance, consultations, hunting lease network, lake management, and FNC Ag Stock. This kind of pedigree brings many options to the table for an established revolving door system feeding into a steady company growth.





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GE imagination at work



# New Research Report on Global Lithium Mining Market from 2019 to 2025

Lithium Mining is a process used for obtaining the metal from various sources such as brines, and hard rocks. It is the lightest metal and solid element found in nature.

Due to its economic nature, the manufacturers in various countries have developed their own brines or acquire raw materials from various producers. Moreover, the growing demand for brine source producing lithium is set to dominate the market over the assessment period.

Global Lithium Mining market size will increase to xx Million US\$ by 2025, from xx Million US\$ in 2018, at a CAGR of xx% during the forecast period. In this study, 2018 has been considered as the base year and 2019 to 2025 as the forecast period to estimate the market size for Lithium Mining.

This report researches the worldwide Lithium Mining market size (value, capacity, production and consumption) in key regions like United States, Europe, Asia Pacific (China, Japan) and other regions.

This study categorizes the global Lithium Mining breakdown data by manufacturers, region, type and application, also analyzes the market status, market share, growth rate, future trends, market drivers, opportunities and challenges, risks and entry barriers, sales channels, distributors and Porter's Five Forces Analysis.

Request Free Sample Report @ <https://www.wiseguyreports.com/sample-request/3351283-global-lithium-mining-market-insights-forecast-to-2025>

## The following manufacturers are covered in this report:

Albemarle Corporation  
SQM  
FMC Lithium  
Tianqi Lithium Corporation  
Jiangxi Ganfeng Lithium Co., Ltd.  
LITHIUM AMERICAS  
MGX Minerals Inc  
Nemaska Lithium  
Galaxy Resources Limited  
Wealth Minerals Ltd  
EXIDE INDUSTRIES LTD

## Lithium Mining Breakdown Data by Type

Lithium Hydroxide  
Lithium Carbonate

## Lithium Mining Breakdown Data by Application

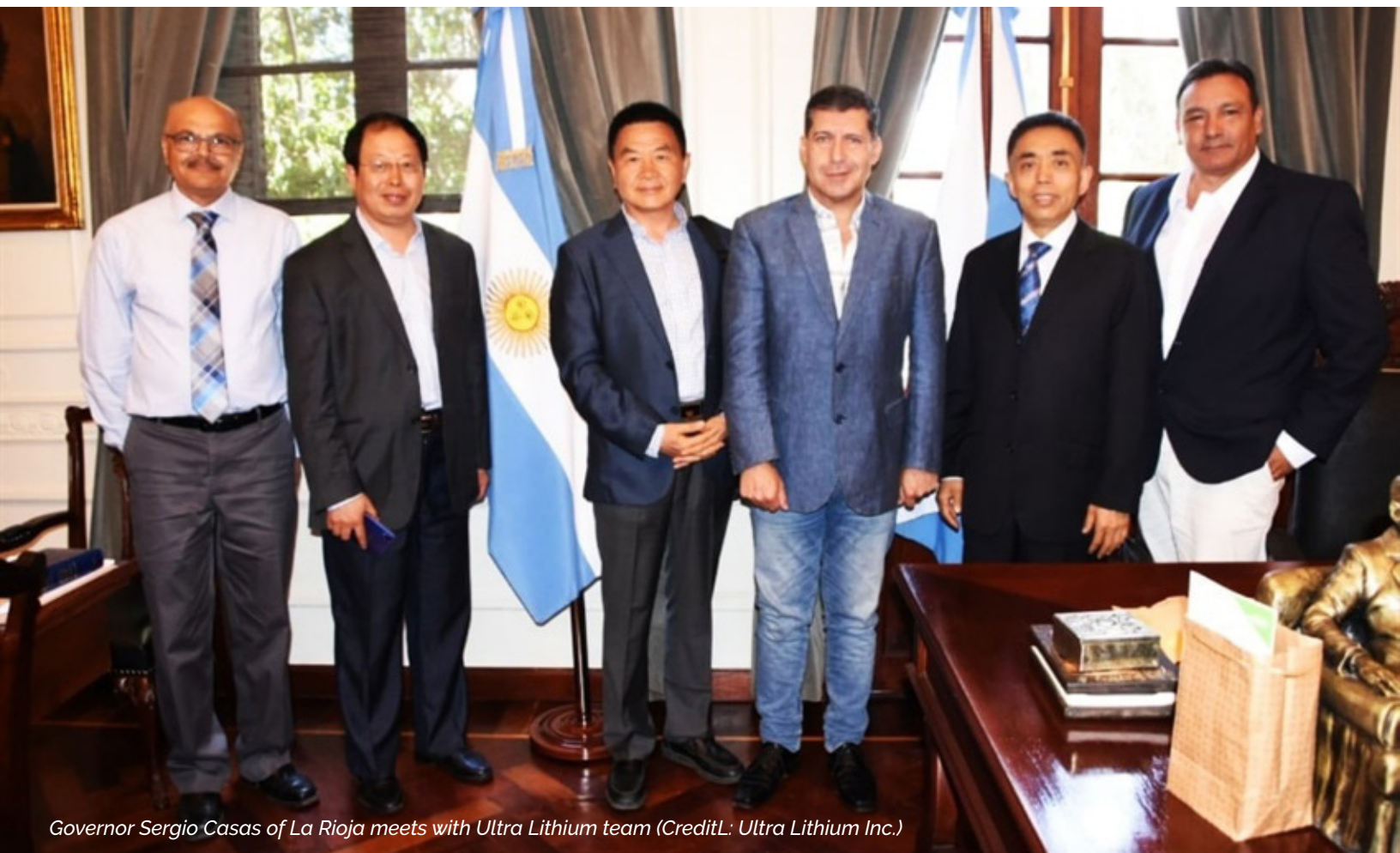
Batteries  
Glass  
Grease  
Air Conditioning Equipment

## Lithium Mining Production Breakdown Data by Region

United States  
Europe  
China  
Japan  
Other Regions

## Lithium Mining Consumption Breakdown Data by Region

North America  
United States  
Canada  
Mexico  
Asia-Pacific  
China  
India  
Japan  
South Korea  
Australia  
Indonesia  
Malaysia  
Philippines  
Thailand  
Vietnam  
Europe  
Germany  
France  
UK  
Italy  
Russia  
Rest of Europe  
Central & South America  
Brazil  
Rest of South America  
Middle East & Africa  
GCC Countries  
Turkey  
Egypt  
South Africa  
Rest of Middle East & Africa



Governor Sergio Casas of La Rioja meets with Ultra Lithium team (CreditL: Ultra Lithium Inc.)

## Ultra Lithium Inc. Extends Operation by Acquiring Three Gold Exploration Licenses in Chepes, Argentina

On June 5th, 2019, Ultra Lithium Inc. reported that it has obtained three gold exploration licenses in the Chepes area situated in La Rioja Province, Argentina.

The exploration licenses: ULTRA I, ULTRA II, and ULTRA III extending over 27,900 ha of land were bought by direct staking through Ultra Argentina SRL, a fully owned subsidiary of Ultra Lithium Inc. The property covers several historical producing gold mines and is regarded as a suitable area for successful gold discovery.

### Three Mining Licenses in Historical Gold Mining Area

The Chepes area has many historical gold mines and possesses prospective quartz veins in shear hosted granodiorite rocks of early Paleozoic age. These gold veins have been mined for more

than 100 years. In 1993, Japan International Cooperation Agency (JICA) investigated this area and provided the details of 30 different gold mineralization locations and historical mines. JICA carried out surface sampling, geological mapping, ground geophysical surveys, and some drilling in the Chepes area. According to these

historical data, the Ultra Lithium team is, at present, collecting historical exploration and geological information for the enhancement of future work programs on the three new exploration licenses.

In geological terms, the gold exploration area is underlain by granodiorite, tonalite, migmatites, and amphibolite rocks of Precambrian to Paleozoic age. Gold mineralization is generally related to epithermal style shear hosted quartz veins. Mineralization is in the form of alteration zones of limonite, hematite, chalcopyrite, goethite, pyrite, and galena with very less free gold.

### Ultra Lithium's Diversification Program

*While continuing exploration and development of our lithium projects in Canada and Argentina, the Company has developed a well-planned diversification strategy for gold projects. The acquisition of three new gold exploration licenses is our first step in this direction. The Company's strong presence in Argentina has enabled us to acquire this large gold exploration property covering 27,900 hectares and continue to expand our gold assets through acquisitions.*

*Dr Weiguo Lang, CEO, Ultra Lithium Inc.*



## Brazil Minerals Receives Approval for Gold and Diamond Mining

Brazil Minerals, Inc. (the "Company" or "Brazil Minerals") announced today that it has obtained the last necessary approval from a regulatory entity in Brazil to allow mining for gold and diamonds in one of its many Jequitinhonha River Valley mineral rights.

As announced previously, a drilling campaign within this project area indicated that 35 out of 35 drills holes were positive for gold. Additionally, in a majority of such drill holes, satellite markers that indicate the likely presence of diamonds were recovered.

Marc Fogassa, CEO of Brazil Minerals, commented, "This news is timely and very well received. We have built a strong local team that is able to work diligently through complex and changing requirements for licensing and permitting for mining. It's beginning to bear fruit and we're not stopping here as we want to be producing revenues from multiple mining sites in due time."

Brazil Minerals believes that the initial excavation to attain the level needed for auriferous and diamondiferous gravel removal will take six to eight weeks, after which regular processing should start.

Source: <http://www.brazil-minerals.com/>

## Scorpio Gold Announces Commencement of Drilling at its 100% Owned Goldwedge Property

**Scorpio Gold Corporation takes great pleasure in announcing the start of drilling at its 100% owned Goldwedge property, in Manhattan Nevada.**

The focus of the drilling program will be on the Keystone-Jumbo claim block, for which the Company obtained drilling approval from the U.S. Forest Service in January 2019. The program necessitates drilling of up to 29 exploration holes with the aim of building on historic drilling and previously published surface sampling results (December 15, 2016 news release) within the Keystone-Jumbo claim block.

Scorpio Gold plans to exploit its own Atlas Copco 262 diamond core drill rig, which can drill both NQ and HQ size core. In 2015, Falcon Drilling reconditioned the rig with the aim of enabling the Company to carry out its own surface and underground drilling on its projects.

After being trained by Falcon, Company personnel will carry out NQ size oriented core drilling on the Keystone-Jumbo drill targets. The exploitation of the Company's drill rig is supposed to decrease project drilling costs. Furthermore, the training offered by Falcon must help the Company on its future surface and underground drilling projects.

### Grant of Stock Options

The Company has declared the awarding of stock options (the "Options") to some of the directors, officers, and employees of the Company to buy an aggregate of 2,500,000 common shares (the "Optioned Shares") of the Company at an exercise cost of \$0.10 per Optioned Share, which has an expiry date 5 years from the date of grant. The Options were issued in compliance with the terms of the Company's stock option plan.

*We are excited to commence our first diamond drilling program at the Keystone-Jumbo area and to utilize our own drill rig on this project while gaining operational experience from Falcon personnel. This should allow the Company the ability to conduct more cost-effective drilling at its Goldwedge and Mineral Ridge projects."*

*Chris Zerga, President, Scorpio Gold*



# RNC Minerals shares soar on another gold discovery at Beta Hunt

Shares of RNC Minerals (TSX: RNX) soared by over 22% on Thursday — taking the stock to over C\$0.50 for the first time in two months — after another high-grade gold discovery yesterday at its Beta Hunt mine in Western Australia. This is the second discovery of significance at Beta Hunt in the past nine months.

Last September, RNC unearthed more than 9,200 ounces of high-grade gold from a single blast at the Beta Hunt mine in what some geologists were calling a “once-in-a-lifetime” discovery. Many of the specimens recovered — the largest of which weighed in at 94 kilograms — were among the biggest ever found in Australia.

That discovery helped to boost the mine's production by 99% to 73,801 ounces last year and brought in the funds for RNC to acquire the nearby Higginsville gold operation.

The new discovery of coarse gold this week, just 25 metres beneath the Father's Day vein (named after the day on which last year's discovery was made), amounted to 987 ounces of the precious metal recovered in 238 kilograms of rock, according to early estimates. This is equivalent to \$1.9 million worth of gold at today's price.

A final estimate will be provided once this material has been processed, the company says. RNC is currently completing a 40,000-metre drill program, which will be incorporated into an NI 43-101 resource estimate and a mine plan targeted for Q2 2019.

In addition to Beta Hunt, the company is also focused on the Dumont nickel project in the Abitibi mining camp of Québec, Canada. This joint venture is expected to be one of the largest nickel sulphide operations in the world by annual production.

# Navajo Allottees Defend Mineral Rights And Cultural Heritage In Opposition To Exclusionary Zone Near Chaco Canyon



Fajada Butte, Chaco Canyon (New Mexico, United States). National Park Service photo

A bill to halt oil and gas development via a 10-mile exclusionary zone surrounding Chaco Culture National Historical Park drew opposition from local residents and the representative governments located nearby at a subcommittee hearing yesterday.

H.R. 2181, sponsored by New Mexico's Rep. Ben Ray Luján (D), calls for an end to oil and gas development and other mineral resource extraction in a 10-mile exclusionary zone surrounding the Chaco Culture park located in New Mexico.

Delora Hesuse, a Navajo allottee with private mineral rights gifted to her forebears, testified in opposition to H.R. 2181 before the House Natural Resources Subcommittee on National Parks, Forests and Public Lands Wednesday.

"Many people don't understand our Native American heritage and the fact that many individual Navajo Nation members such as I own private lands and the minerals underneath them," Hesuse told the committee. But the access, development, and production of mineral resources means more than just private property rights but stands as a substantial source of income for Hes-

use and her fellow allottees, she said.

"This is a steadfast personal property right that sustains our livelihoods and way of life. H.R. 2181 would put many of our mineral rights off limits and stop a much-needed source of income to feed, shelter, clothe and protect our families. I'm not exaggerating the importance of this income. In 2015, the Federal Indian Minerals Office distributed \$96 million to 20,835 allottees. That's a significant source of income in an area that continues to struggle with unemployment," she added.

The identical Senate version of the bill, S. 1079, is co-sponsored by both of New

Mexico's U.S. Senators, Tom Udall and Martin Heinrich.

"My ancestors were allotted the land and mineral rights by the United States government many generations ago, and it pains me to see that my own leaders, both tribal and in the U.S. House of Representatives and Senate, are supporting a bill that would put my oil and natural gas rights off limits and/or seriously prevent my family from receiving income from the valuable energy resources that we own," Hesuse continued.

Subcommittee Chairwoman Deb Haaland (D-N.M.) disagreed, arguing that the region,



threatened by development, required additional protections.

"With the Trump administration's continued push for energy dominance, these sacred sites and national treasures are threatened by extraction," Haaland said.

"Extraction in this sacred place will only scar our land, contaminate our air and water, and create health risks for our community," she added.

But Hesuse countered with evidence that substantial opposition to the bill's language exists within the allottee community, and in the Navajo chapters that represent the residents who live near the cultural site.

She presented a petition signed by 131 Navajo allottees that opposed the exclusionary zone proposed by the bill. She also pointed to two additional resolutions from 2018—from her own Nageezi chapter and the Huerfano chapter—that also opposed the idea of a exclusionary buffer zone and called for more input from the allottees as well as stakeholder meetings with New Mexico's legislators.

Hesuse added that the recent Interior Department decision to impose a one-year leasing halt in the area was also disappointing.

"I am disappointed that the Department of the Interior, which is supposed to manage our mineral rights in trust to the benefit of my family and all other allottees, has stopped leasing for a full year. This action delays income to us allottees in the short term, but more importantly, sends a strong signal to oil and gas companies that generate the income on our behalf that investment in the area is risky and uncertain in the long term," she said.

Last week, Interior Secretary David Bernhardt called for the Bureau of Land Management to draft a Resource Management Plan "that includes an alternative that reflects the tribal leaders' views and the proposed legislative boundaries," as well as to defer leases within the proposed 10-mile exclusionary zone for one year, in order to give Congress a chance to weigh in on the legislation.

A new June 2019 resolution by the Nageezi Chapter representing Navajo allottees noted their opposition to the bill "that would permanently stop new oil and gas development on federal lands within ten (10) miles of Chaco Cultural National Historical Park" and that Udall and Heinrich "didn't consult with them on the proposed 2019 Chaco Cultural Heritage Protection Act."

"[T]he Navajo Allotment Land Owners are still willing to sit down with the two U.S. Senators to discuss" the bill, the resolution stated, rejecting the promises that the exclusion zone proposed in the bill "will not affect new oil and gas development on Navajo Allotment Lands and Navajo Trust Lands."

"Navajo Allotment Owners know it is not economical for oil and gas companies just to have new oil and gas development on Navajo Allotment Lands which will lead oil and gas companies to cease new oil and gas development on Navajo Allotment Lands," the resolution continued.

The resolution was passed on June 2, with 20 voting in favor, none opposed, and three abstentions.

The resolution called for the exclusionary zone to be reduced to five miles, and for Interior Secretary David Bernhardt to not support the 10-mile zone either.

The Nageezi Chapter, representing as many as 3,000 residents and one of the largest chapters in the Eastern Agency of the Navajo Nation, expressed concerns about the effects that such a bill would have to "infringe on their royalty payments" given the "very depressed economic state" in the region. "[S]uch development of natural resources benefit Navajo families by improving their livelihood," they argued.

They also expressed deep concern about "self-serving special interest organizations [that] are violating the rights of the Navajo Allotment Land Owners," such as outside environmental groups.

"Navajo Allotment Land Owners do not share opinions of environmentalists voicing their objections on natural resources developments. These over publicized objections by the environmentalists have drowned out and overshadowed Navajo Allotment Land Owners Rights," the resolution added.

In her testimony Hesuse added that drawing the exclusionary buffer zone would restrict the way allottees' mineral rights could be accessed.

"While the bill claims not to affect my mineral rights, in fact, many allottee lands are surrounded by federal lands that would be withdrawn by this bill. If BLM lands are withdrawn around our allotments, that means oil and gas companies cannot access our lands, because they won't be able to access the federal lands," she explained.

The unique topography and surface land rights combine to thwart development, if

access to neighboring federal lands are withdrawn.

"Furthermore, since the oil and gas is accessed using horizontal drilling, putting the federal lands and minerals off limits will mean my minerals are also off limits. Because of the checkerboard pattern of lands, where allottee lands are often surrounded by BLM lands, particularly in the northeast segment of the buffer, if companies cannot access all minerals along the lateral of a horizontal well, they will not access any," she said.

The upshot of her testimony, Hesuse concluded, is that Navajo allottees like her are very concerned about their cultural heritage, and the protections of antiquities and the environment already afforded by other legislation.

"I too care deeply about the Chaco cultural heritage. After all, I'm a Navajo who lives right in the Greater Chaco region. But the Chaco Culture National Historic Park already protects the Great Houses. Artifacts that may be outside the park are protected through the National Historic Preservation Act. Any development of my minerals and the minerals of other allottees is done in strict accordance with the act, to make sure they are protected. Not only do we insist upon it, but that is the law of the land," she said.

Michael D. Nedd, Deputy Director for Operations for BLM, told the committee that "the Bureau of Land Management (BLM) has made it a top priority to responsibly develop the vast domestic energy resources on public lands to create jobs, lower costs for working Americans, and build a strong economy."

Nedd pointed to the \$1.3 billion in revenue generated from mineral development on federal lands that went to New Mexico in the past year, mostly from oil and gas, with \$634 million headed to the state's coffers directly.

Nedd acknowledged the direction offered by Bernhardt. "The Secretary also recognizes there are some places that may benefit from enhanced protection. Striking the appropriate balance for public lands use – whether it be energy development, recreation, grazing, or historic preservation – can be a challenge, but it is a mission the Department takes seriously," he said, as the agency works on the draft RMP.

# Gold surges near breakout

Gold surged sharply over this past week or so, nearing a major bull-market breakout! Nearly everyone was surprised by this violent awakening, which erupted suddenly as gold languished around year-to-date lows. If this dramatic rally has staying power, gold has good odds of achieving decisive new bull-market highs. That would change everything psychologically, ushering gold and its miners' stocks back into favor.

Gold has largely flown under traders' radars this year, mostly drowning in apathy. Actually this unique asset had a strong start, climbing 4.6% year-to-date by mid-February to hit \$1341. While merely a 10.1-month high, gold was close to a major bull-market breakout. For several years now, gold has faced stiff resistance around \$1350. It has repelled gold multiple times, looking like an impregnable Maginot Line.

But gold's promising ascent was short-circuited from there, unleashing a disheartening slump over the next 10 weeks or so. By early May, gold had retreated 5.2% to \$1271. The primary culprit was resurgent euphoria in the US stock markets. Equity exuberance has long proven gold's mortal nemesis. When stock markets are high and expected to continue climbing on balance, gold investment demand often withers.

The recent gold action can't be understood without the context of the US stock markets as represented by their flagship S&P 500 index (SPX). Heading into last September, the SPX was marching to a series of new all-time record highs. Since gold tends to climb when stock markets sell off, there was little demand for this essential portfolio diversifier. Why buy gold when stocks seem to do nothing but rally indefinitely?

That who-cares sentiment helped fuel all-time-record short selling in gold futures, hammering gold down to \$1174 in mid-August for a 19.3-month low. Stuck in the shadows of euphoric stock markets, gold largely drifted sideways from there averaging \$1197 until early October. But on October 10th, hyper-complacent stock traders were finally confronted with a serious selloff as the SPX plunged 3.3% that day alone.

Earlier hawkish comments from the Fed chairman were to blame. With stock markets bleeding, traders remembered gold. The world's leading and dominant gold exchange-traded fund is the GLD SPDR Gold Shares. According to the latest data from

the venerable World Gold Council, GLD's 784.3 metric tons of gold bullion held in trust for its shareholders at the end of Q1'19 represented 31.6% of global gold ETFs' total.

In early October with the SPX just fractionally under its recent record peak, GLD's holdings slumped to a deep 2.6-year secular low of 730.2t. But a few trading days later as the SPX's sudden and sharp plunge started to kill complacency, GLD enjoyed a big 1.2% holdings build. When stock traders buy GLD shares at a faster pace than gold itself is being bought, GLD's managers equalize that excess demand by buying gold.

That SPX selloff snowballed into a severe near-bear correction, down 19.8% by Christmas Eve. With the stock markets burning, investors remembered the timeless wisdom of prudently diversifying their stock-heavy portfolios with counter-moving gold. It had rallied 8.1% in 4.3 months by the time a super-oversold SPX was ready to bounce. That gold upleg kept growing, ultimately extending to 14.2% gains by mid-February.

But as gold neared that major \$1350 bull-market breakout then, stock euphoria came roaring back with a vengeance. The SPX had rocketed 18.2% higher out of its correction low by then, fueled by a radical shift back to dovishness by the Fed! It completely capitulated and caved to the stock markets, declaring that its quantitative-tightening monetary policy was open for adjustment in contrast to earlier statements on QT.

By that point the SPX had regained nearly 3/4ths of its total correction losses, so exuberant-again traders started to forget gold. Gold investment demand peaked in late January the day before the Fed gave in on QT, capping a 12.8% GLD-holdings build over 3.8 months. The higher the SPX rallied in recent months, the greater stock euphoria grew and the more gold was forgotten. Yet again stock euphoria stunted gold.

The SPX peaked at the end of April at another new all-time-record high. That extended its total monster-bounce rebound rally since late December to a colossal 25.3% in 4.2 months! A couple days later in early May with the SPX still near records, gold fell to that \$1271 YTD low. Euphoric stock investors' exodus from gold persisted another week, when GLD's holdings slumped to 733.2t. That was down 11.0% in 3.3 months.

Gold failed to break out above its years-old \$1350 resistance zone in mid-February because skyrocketing stock markets forced it back out of favor. Between late January and mid-May, fully 97% of GLD's holdings build fueled by the SPX's severe near-bear correction largely in Q4 had been erased! Just like late last summer, gold was again hostage to lofty euphoric stock markets. Investors wanted nothing to do with it.

But the SPX started rolling over again in May, slowly at first. It was shoved after Trump got fed up with China backtracking on nearly a year's worth of trade negotiations with the US. On May 5th he warned that tariffs on \$200b of annual Chinese imports would blast from 10% to 25% going effective the following Friday. That gradually drove the SPX lower into mid-May, including serious 1.7% and 2.4% down days.

So once again just like in October the last time the SPX rolled over hard, gold caught a bid. It rallied back up to \$1299 in mid-May as investors again remembered stock markets can also fall. GLD's holdings began modestly recovering as stock-market capital started slowly migrating back into gold. But that nascent



trend reversed again in mid-May as stock markets bounced sharply higher, unleashing surging euphoria.

The primary driver of gold in recent years has been stock-market fortunes. Gold often falls out of favor when stock markets are high and rallying, then starts returning to favor when they sell off again. In a very real sense gold is the anti-stock trade. While it doesn't only climb when stock markets weaken, that's what mainstream investors remember gold for. Its investment demand is rarely strong near stock-market highs.

So gold again slumped back near \$1273 by late May as the SPX rebounded, further demoralizing the few remaining contrarians. This metal felt pretty hopeless heading into its summer doldrums, its weakest time of the year seasonally. Then a Trump bombshell shocked stock traders out of their complacency. He warned the US was levying escalating tariffs on all Mexican imports to force Mexico to fight illegal immigration!

Last Friday May 31st was the first trading day after that surprise, and the SPX fell 1.3% to its lowest close since its all-time-record peak a month earlier. That extended its total recent selloff to 6.6%, so worries mounted. Gold had closed at \$1288 in the prior day's US trading session. Overnight after Trump's tweet on Mexico tariffs gold rallied to \$1297. That upside continued in the US, with gold closing 1.3% higher at \$1305.

\$1300 is a critical psychological line, heavily coloring sentiment especially among hyper-leveraged gold-futures speculators. They tend to buy aggressively when gold regains \$1300 from below, and sell hard when gold breaks under \$1300 from above. But while gold-futures trading heavily influences short-term gold price action, only sustained investment buying can ultimately grow gold uplegs to major status.

GLD's holdings are the best daily proxy available of gold investment demand. And last Friday when gold surged, GLD merely saw a small 0.3% holdings build. American stock investors weren't buying gold, it was the gold-futures speculators. These traders control far-less capital than investors, so their available buying firepower to push gold higher is limited. Gold uplegs never reach potential without investment demand.

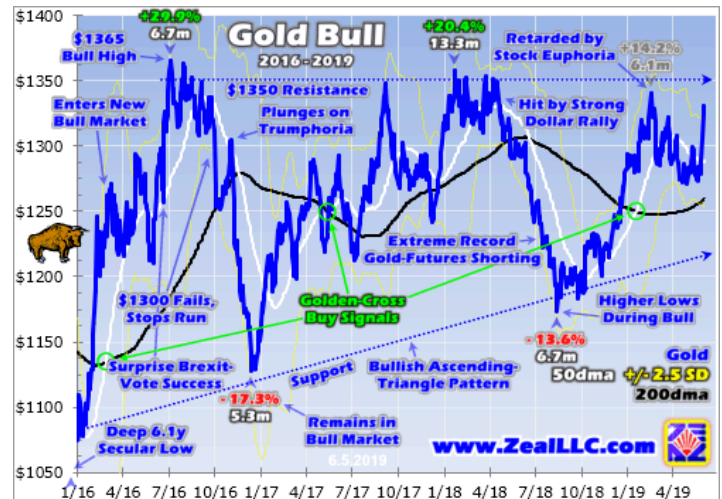
The Asian markets were closed last Friday as gold rallied back over \$1300 in the States. So when they opened again this past Monday June 3rd, Asian traders piled on to the gold buying. By the time the US stock markets neared opening that day, gold was already up to \$1317 in overnight trading. Once again that global momentum carried into the US session, helping gold surge another 1.5% higher to \$1325!

While great to see, that was still just a 3.2-month high. Without investment demand, gold's new surge was unlikely to last very long on gold-futures buying alone. But something big changed that day in the US markets. American stock traders, which had mostly shunned gold since late January, took notice. They started shifting capital back into gold via GLD shares in a major way, driving a huge 2.2% build in its holdings!

That was the biggest single-day percentage jump in this leading gold ETF's holdings in 2.9 years, since early July 2016. That happened to be soon after the UK's surprise pro-Brexit vote, when gold soared on the resulting uncertainty. While one day doesn't make a trend, such a massive shift in gold investment buying is definitely attention-grabbing. If investors continue

returning on balance, gold is heading way higher.

As this chart shows, gold is now within easy striking distance of a major bull-market breakout! It is not only nearing that vexing \$1350 resistance zone, but has a high base from which to launch an assault. If gold-investment demand persists, gold doesn't have far to run to hit new bull-to-date highs. Of course further stock-market weakness on balance would greatly help, but it's not necessary with new-high psychology.



Blinded by apathy, not many traders realize gold still remains in a secular bull market. It was born from deep 6.1-year secular lows in mid-December 2015, the day after the Fed's first rate hike in its latest tightening cycle. Over the next 6.7 months gold soared 29.9% higher in a massive upleg, entering new-bull-market territory at 20%+ gains. That left gold very overbought, so it crested at \$1365 in early July 2016.

After strong bull-market uplegs big corrections are totally normal to rebalance sentiment, bleeding off the excessive greed at preceding highs. Gold consolidated high just under \$1350 after that initial upleg, then fell to its 200-day moving average. It had resumed rallying in October 2016, but reversed sharply after Trump's surprise election victory in early November. That pivotal event indirectly forced gold into a nosedive.

Gold plummeting in that election's wake was the result of incredible euphoria, or Trumphoria at that time. Trump not only won the presidency, but Republicans controlled both chambers of Congress. So stock markets soared on hopes for big tax cuts soon. The SPX surged dramatically higher on truly-epic levels of euphoria, which in turn battered gold. Most investors shun gold when stock markets look awesome.

That greatly exacerbated gold's normal correction to a monster 17.3% over 5.3 months! While very ugly and miserable, that remained shy of the 20%+ selloff necessary to qualify as a new bear market. Thus gold's bull remained alive and well, albeit wounded by such a serious loss. Still gold recovered to power 20.4% higher over the next 13.3 months into early 2018, despite the SPX continuing to soar dramatically.

In late January 2018 gold peaked at \$1358 just a couple days before the SPX's own extremely-euphoric all-time-record high. While stock euphoria stunts gold investment demand, gold can still rally in lofty stock markets if it has sufficient capital-inflow

momentum. But unfortunately buying was exhausted, then gold again consolidated high just under \$1350 like it had done a couple summers earlier. It couldn't break out.

A few months later gold was beaten down into another 13.6% correction over 6.7 months. It started on a sharp rally in the US dollar, which motivated gold-futures speculators to sell aggressively. Then the gold downside persisted on investors exiting as the SPX marched back up towards record highs after a sharp-yet-shallow-and-short 10.2% correction in early February 2018. Gold apathy and despair flared again.

But gold bottomed late last summer as extreme record gold-futures shorting exhausted itself, and started recovering higher again. That young upleg really accelerated when the SPX rolled over into that severe near-bear correction largely in Q4'18. That extended gold's latest gains to 14.2% over 6.1 months as of that latest major interim high of \$1341 in mid-February. Check out this gold bull's resulting entire chart pattern.

After a strong start hitting \$1365 several summers ago, gold couldn't punch through to new bull highs. It tried several times, but stock-market euphoria and heavy gold-futures selling on US-dollar strength kept batting it back down. Although gold couldn't make new-high progress, it did carve a nice secular series of higher lows. While higher lows aren't as exciting and attention-grabbing as higher highs, they are very bullish.

Flat highs combined with rising lows have created a gigantic ascending-triangle technical formation in gold over the past several years. That's very clear above, gold coiling ever-tighter between climbing lower support and horizontal upper resistance. Ascending triangles are bullish chart patterns that are usually resolved with strong upside breakouts. Gold has spent recent years being accumulated behind the scenes.

No new bull-market highs along with gold being overshadowed by the stock markets surging to their own all-time-record highs in recent years has left this gold bull in stealth mode. Few investors realize it is still underway, and nearing a major bull-market breakout. But once that process become apparent, gold will quickly return to radars and become big financial news. Then gold enthusiasm will rapidly mushroom.

Any close over that vexing multi-year \$1350 upper-resistance line will catch attention. But gold will have to break out decisively above there, exceeding \$1350 by 1%+, to really attract the limelight. That would be \$1364 gold. This Wednesday at the data cutoff for this essay, gold closed at \$1331. That only left another 2.4% to climb to hit that decisive-breakout level. That's trivial when investment capital is returning.

This gold bull's first two uplegs averaged 25.2% gains. Today's third upleg only ran 14.2% back in mid-February before the monster stock-market bounce's extreme euphoria temporarily derailed it. All it would take for gold to extend to that key \$1364 level is for this upleg to grow to 16.2%. That would still be modest, well behind the first two uplegs' 29.9% and 20.4% gains. A decisive breakout is very close from here!

And once gold heads over its \$1365 bull-to-date peak of July 2016, gold investment will start becoming popular again. Financial-media coverage will explode, and be overwhelmingly positive. Investors love chasing winners, and nothing motivates them to buy more than new bull-market highs. We've seen that

in spades in the stock markets in recent years. Major buying from highs often becomes self-feeding.

The virtuous circle of inflows driven by new-high psychology can get very powerful. The more gold rallies, the more traders want to buy it to chase the momentum. The more they buy, the faster gold rallies. Gold hasn't enjoyed positive capital-inflow dynamics like this since summer 2016. The potential gold upside from here as this unique investment returns to favor is big, supported by key tailwinds not enjoyed in years.

Starting from mid-August's deep gold low, 20% and 30% total uplegs would catapult this metal way up to \$1408 and \$1526! Major new bull-market highs in gold would happen with a backdrop of dangerously-overvalued stock markets rolling over, greatly increasing the investment appeal of gold. And since the SPX is unlikely to keep surging to more record highs, stock euphoria shouldn't arise to retard gold's ascent.

The amount of gold buying investors need to do is staggering, as they are radically underinvested. Every investor needs a 10% portfolio allocation in gold and its miners' stocks, period. Their current allocations to gold are virtually nonexistent per the leading proxy. For Americans it is the ratio between the total value of GLD's gold-bullion holdings and all 500 SPX stocks' collective market capitalizations. This is super-low.

At the end of April at the SPX's latest peak, its stocks commanded a total \$26,048.3b market cap. That is colossal beyond belief. Meanwhile GLD's 746.7t of gold that day were only worth \$30.8b at \$1283. That implies American stock investors had a gold portfolio allocation around 0.12%, effectively nothing! Merely to boost that to even 0.5%, their gold holdings would have to quadruple. There's vast potential for gold buying.

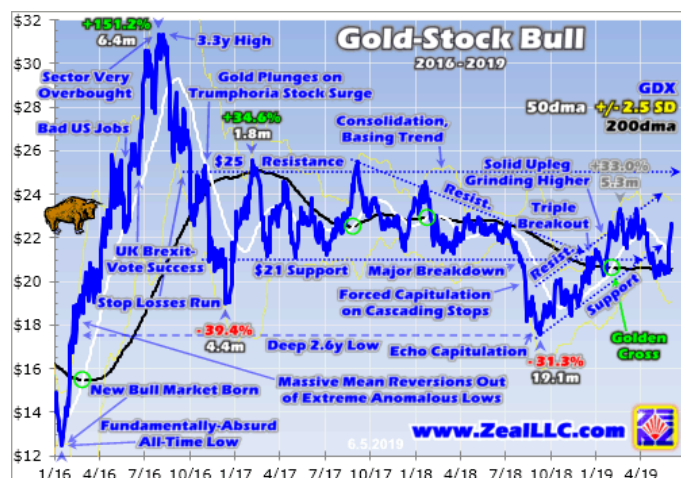
Another thing going in gold's favor is the high US-dollar levels. Its leading benchmark the US Dollar Index hit 23.3-month highs in late April, then revisited those levels in late May. Gold-futures speculators tend to sell gold on a strengthening dollar and buy gold on a weakening dollar. The dollar is likely to drift lower in future months too, adding to gold's momentum. The high dollar irks the Trump Administration, hurting US exports.

So gold is nearing a major bull-market breakout that will change everything, wildly improving investors' gold outlook and thus investment demand! The main beneficiary of higher gold prices will be the stocks of its miners. This chart shows the same gold-bull timeframe in the leading GDX VanEck Vectors Gold Miners ETF. I analyzed the latest Q1'19 fundamental results from its miners in depth just several weeks ago.

This essay is focused on gold so I'll discuss gold stocks in a future one. For our purposes today, note how GDX is positioning for a major breakout of its own above years-old \$25 upper resistance. So far GDX's current upleg is only 33.0% higher at best, small for this volatile high-potential sector. When gold powered 29.9% higher in essentially the first half of 2016, GDX amplified its gains with a monster 151.2% upleg!

So with gold on the verge of a major bull-market breakout, the beaten-down gold stocks are the place to be to greatly leverage gold's upside. Since the gold-stock ETFs are burdened with underperformers at higher weightings, the best gains will be won in individual gold stocks with superior fundamentals. The





kind of upside they can accrue during major gold uplegs is amazing, really multiplying wealth rapidly.

One of my core missions at Zeal is relentlessly studying the gold-stock world to uncover the stocks with superior fundamentals and upside potential. The trading books in both our popular weekly and monthly newsletters are currently full of these better gold and silver miners. Mostly added in recent months as gold stocks recovered from deep lows, their prices remain relatively low with big upside potential as gold rallies!

If you want to multiply your capital in the markets, you have to stay informed. Our newsletters are a great way, easy to read and affordable. They draw on my vast experience, knowledge, wisdom, and ongoing research to explain what's going on in the markets, why, and how to trade them with specific stocks. As of Q1 we've recommended and realized 1089 newsletter stock trades since 2001, averaging annualized realized gains of +15.8%! That's nearly double the long-term stock-market average. Subscribe today for just \$12 per issue!

The bottom line is gold just surged near a major bull-market breakout. The \$1350 resistance zone that has vexed gold for years is once again within easy range. All it will take to drive gold to new bull highs over \$1365 is sustained investment buying. And that's not a tall order with the stock markets starting to roll over again after record highs. GLD just enjoyed its biggest daily build in several years this Monday.

Once gold gets to new bull-market highs, psychology will shift rapidly in its favor. Gold financial-media coverage will soar, and will be overwhelmingly positive. This will motivate investors and speculators alike to shift capital back into gold to chase its upside momentum. The potential gold and gold-stock gains with sentiment turning favorable are massive. It's best to get deployed before gold's breakout unleashes this.

(By Adam Hamilton)

# Warrior Gold drills high grades at Goodfish-Kirana

Toronto-based Warrior Gold has completed its 15-hole winter drilling program at its Goodfish-Kirana gold project 5 km from the town of Kirkland Lake. The results confirm the geological model, include several significant assays, and confirm historical results.

Drilling at the C zone intersected two 100 g/t gold intervals and encountered multiple areas of intense deformation and sericite-carbonate alteration. Highlights included 21.33 g/t over over 2.5 metres, including 103.00 g/t over 0.5 metre with visible gold; 10.40 g/t gold over 0.9 metres; 7.75 g/t over 1.0 metre; 6.56 g/t over 0.94 metre; and 104.50 g/t over 1.0 metre. The deepest hole was only 90 metres below surface.

The Goodfish A shear zone is about 15 metres with localized high grade gold domains, intense shearing, discrete fault damage and pervasive sericite-carbonate-silica alteration. Warrior's drilling confirmed the continuation of the Goodfish deformation about 140 metres west of historic intercepts.

Here are some of the highlights: 9.04 g/t gold over 5.37 metres, including 42.70 g/t over 1.0 metre; 1.12 g/t over 13.46 metres, including 4.90 g/t over 1.35 metre; 1.75 g/t over 5.27 metres, including 4.04 over 1.2 metre; and 6.47 g/t over 1.0 metres including visible gold.

Warrior also drilled the Deloye zone where the stratigraphy around historic workings gave an understanding of the mineralization style and control of previously mined rock. Drilling also cut a significant deformation zone, believed to be the auriferous cataclastic Kirana deformation zone.

(This article first appeared in the Canadian Mining Journal)

# Gold giants battling to lure back investors who fled industry

## What's better than GOLD?



In the wake of two mega-mergers that have reset the gold industry, one small detail has delighted Mark Bristow, Barrick Gold Corp.'s chief executive officer: His company's ability to secure the rights to trade its stock under the ticker GOLD in New York.

Barrick and newly merged Newmont Goldcorp Corp. are in a race to lure back generalist investors who fled the gold sector years ago. While Newmont has the advantage of size — it's bigger by market capitalization and production — having the ticker GOLD certainly can't hurt in the fight for brand recognition.

"If you want to be relevant in this world, you've got to attract a broader base of investors," Bristow said in a phone interview Thursday. "A combination of the GOLD, and revitalizing the Barrick brand itself, is an exciting thing."

Welcome to the gold industry's new reality. For years, the two companies ran neck-and-neck on gold production, with Newmont generally lagging. Then Barrick executed its \$5.4 billion acquisition of Randgold Resources Ltd. in September and Newmont followed up in January by buying Goldcorp Inc. for \$10 billion, making itself the world's largest gold miner by a comfortable margin.

Now the two giants are locked into a new kind of battle, for the hearts and minds of investors.

"If you're a generalist fund manager there's a huge gap between these two and the rest," James Bell, an analyst at RBC Capital Markets, said in a telephone interview. "Why bother with the headache of understanding the rest of these companies and the challenges they have?"

Bristow, the latest in a string of high-profile Barrick leaders from its late founder Peter Munk to Executive Chairman John Thornton, said in a Thursday interview that the new Barrick doesn't "look at anyone in the gold industry as competitors."

Instead, Bristow said, "we have much more ambitious comparatives to beat. We want to position ourselves as the 'go to' resource company."

Meanwhile, Gary Goldberg, Newmont's CEO since March 2013, is more low-key. For years, Goldberg said he didn't care about being the world's largest gold miner. He then went on to quietly claim the title, fend off a hostile bid by Barrick, and extend his lead with the Goldcorp merger.

"When it comes to a gold company, it's

not just about investing in the potential to join in a price rise," he said in an interview. "It's also the fact that we're disciplined in how we're focused on returns."

Goldberg is retiring this year. His successor, Tom Palmer, has a strong mining pedigree, but is less of a public figure than Bristow, whose colorful quotes have regularly established him as part of the news cycle. He and Bristow will need to cooperate as they implement a sweeping joint venture in Nevada.

Generalist investors want companies that are "good, steady, stewards of shareholder value," Goldberg said, arguing that Newmont stands out versus the rest of the pack, especially in North America. He cites the company's quarterly dividend as a case in point.

The Greenwood Village, Colorado-based miner has raised its dividend three times since 2016 as part of its effort to woo back generalist investors. At 14 cents, the current payout is a full dime more than Barrick's.

Newmont is also the only gold miner on the S&P 500, an advantage Bristow acknowledges — but Barrick has the GOLD ticker on the NYSE previously carried by Randgold's American depositary receipts. Both executives extol the



strength of their assets, their liquidity, and their ability to deliver long-term value to shareholders.

While the two are clearly the dominant producers in the space, dwarfing smaller rivals, they remain relatively small compared with other natural resource companies. Unlike the world's best copper, coal and iron ore deposits — the giant Chuquibambilla copper mine in Chile has been operating since the 19th century, and has at least another 50 years of life — gold deposits are relatively small and short in life.

Replacing the ounces of gold mined each year is already a challenge for Barrick and Newmont, especially from deposits with a high enough concentration of the precious metal to be economically resilient when prices fall.

The question now is how best to build investor interest moving forward.

Badly run, bloated with debt, and heavy with potentially unprofitable projects, the sector scared away most of the generalists investors years ago. More recently, much of the in-

vestor support has instead been funneled into exchange-traded funds — in particular SPDR Gold Shares, the biggest bullion-backed ETF — and, more recently, streaming and royalty companies.

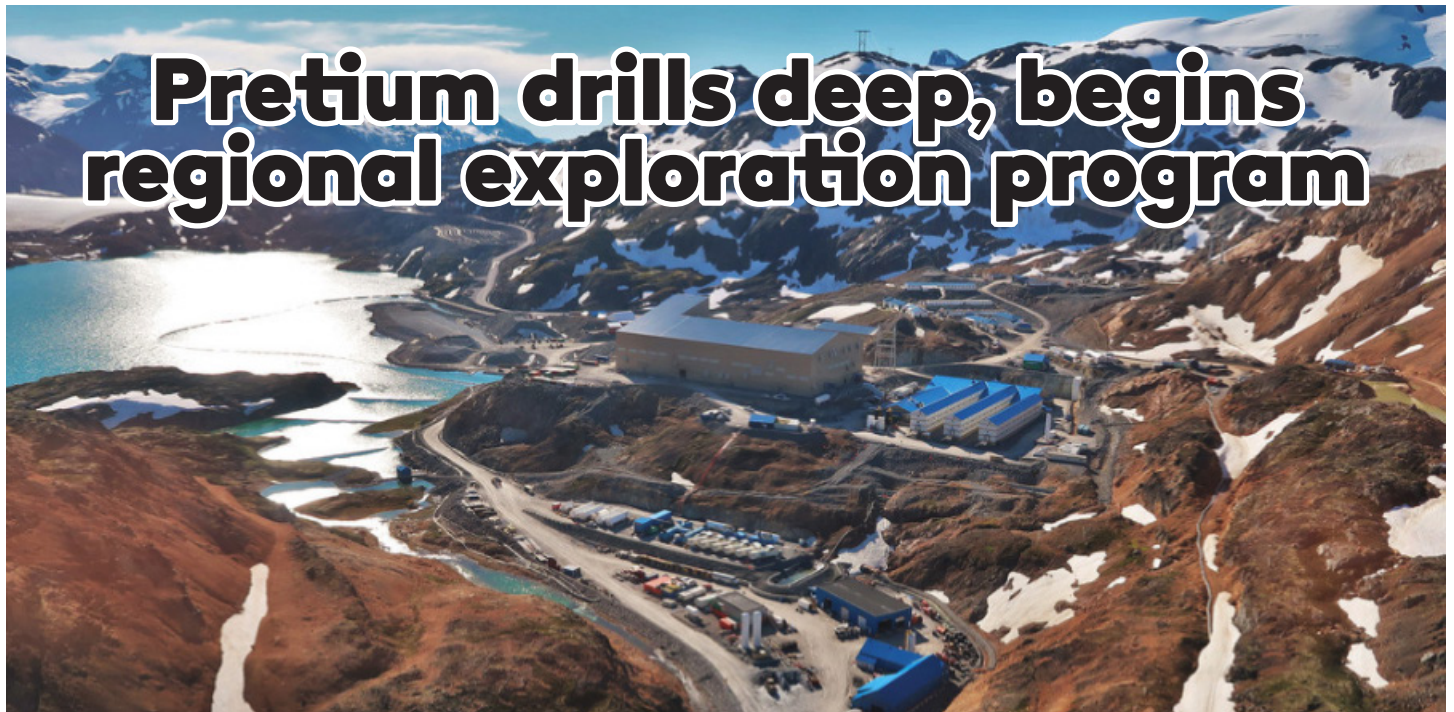
"The challenge when you talk to the big generalist funds is that you know, going in, they don't need to own a gold stock," Sean Boyd, the CEO of Agnico Eagle Mines Ltd., said in an interview. "They're just looking for a solid underlying business that gives them more leverage, potentially," than ETFs.

But there may be light at the end of this tunnel. Boyd, Goldberg and Bristow all say they're seeing renewed interest from generalist investors, and Bristow says he's been approached by a number of state-owned pension funds in recent weeks.

"These funds are getting bigger and bigger," he said. "And they too have to find places where they can get a sizeable exposure, and it moves their dial."

*(By Danielle Bochove and Thomas Biesheuvel)*

## Pretium drills deep, begins regional exploration program



Vancouver-based Pretium Resources reports that its 2019 deep underground drill program confirmed there is mineralization similar to the Brucejack mine at depth and to the east of the mine workings. The mine is located about 65 km north of Stewart, British Columbia.

Two holes totaling 3,500 metres were drilled — one to the northeast and the other to the southwest — in an area that had not been drilled before. Both holes intersected gold and silver bearing quartz carbonate stockwork similar to mineralization at the Brucejack mine. They also returned anomalous copper and molybdenum mineralization indicative of a porphyry source below the Flow Dome zone.

Hole VU-1787 cut mineralized stockwork between 198 and 305 metres downhole. Visible gold was present in the core. These

are the highlights: 5.56 g/t gold over 107.5 metres, including 185.50 g/t over 1.5 metres, 3.05 g/t over 0.5 metre, 6.48 g/t over 8.4 metres (including 28.00 g/t over 1.0 metre, 10.55 g/t over 1.5 metres and 6.16 g/t over 1.6 metres), 6.41 g/t over 19.5 metres (including 8.42 g/t over 4.5 metres and 18.34 g/t over 4.5 metres), 4.75 g/t over 1.5 metres, and 72.80 g/t over 1.5 metres.

Pretium is mounting a 5,000-metre grassroots drilling program. There are several intriguing targets that have the potential to host VMS and high grade epithermal gold systems similar to those at the historic Eskay Creek gold mine. Sampling, regional mapping, prospecting, airborne and ground geophysics, and hyperspectral mapping will also be done.

*(This article first appeared in the Canadian Mining Journal)*

## Solgold stock sinks again on mooted Ecuador mining referendum



SolGold's Cascabel copper-gold project, 180 km north of the capital Quito. (Image courtesy of SolGold)

Solgold's (LON, TSX: SOLG) stock took another hit on Thursday, the day after submissions for a public hearing were heard in Ecuadorian Constitutional Court regarding the proposed referendum on mining in the provinces where the Australian miner's 85% owned Cascabel project and other wholly owned exploration projects are located.

Solgold holds 72 mineral concessions in Ecuador through four subsidiaries.

Representatives from several Ecuadorian government bodies, regional community representatives, pro-mining groups, international mining groups workers and community members from Cascabel attended the hearing to demonstrate their opposition to the proposal, Solgold said in a media release.

The court is expected to deliver its verdict by June 24.

Earlier in the week, the vice president of the Republic of Ecuador, Otto Sonnenholzner, launched a new mining policy backing large-

scale projects in the country. The policy is designed to strengthen investment and increase production in the mining sector and sets out a framework for environmental and social sustainability.

The policy document establishes the framework for mining sector planning for the period 2019-2030 and defines the government decision that will allow consolidating this sector as a fundamental axis of the country's economy, with a contribution to GDP of 4% by 2021.

SolGold recently announced findings from its preliminary economic assessment (PEA) for the Alpala deposit in the Cascabel project in northern Ecuador. The project indicated approximately \$17B (at \$3.30/lb copper price and \$1,300oz gold price) in taxes, royalties and profit shares to the government and peoples of Ecuador, Solgold said.

Solgold's stock was down 8.6% Thursday morning on the Toronto Stock exchange. The miner's stock has been trading low amidst worries surrounding the proposed referendum

## Fortune Minerals offers four options for NICO project

Fortune Minerals is updating the 2014 feasibility study for its NICO cobalt-gold-bismuth-copper project 160 km northwest of Yellowknife. Hatch, P&E Mining Consultants and Micon International have been engaged to produce the new study.

Four scenarios are contemplated:

Produce cobalt and bismuth concentrates at the mine site and ship these to a proposed refinery in southern Canada (the original scenario). Gold doré, cobalt sulphate, bismuth ingots and copper cement would be produced.

Build only the mine and mill at the site to produce cobalt and bismuth concentrates. Gold would be recovered by cyanide leaching and refined into doré. Cobalt and bismuth concentrates would

be sold to third party processors.

Gold doré and cobalt and bismuth concentrates would be produced at the mine site. A gold-bismuth concentrate would be sold to third party processors. Cobalt concentrate would be shipped to a lower capital cost refinery in southern Canada to make cobalt sulphate. Cobalt and bismuth concentrates from the mine site would be shipped to a refinery in southern Canada for processing into gold doré, a cobalt carbonate intermediate product, bismuth ingots and copper cement.

Meanwhile, Fortune has made a number of improvements to the cobalt process that could reduce the capital cost of the refinery by up to C\$200 million. Some of those changes are increasing the autoclave temperature and pressure, recirculation of autoclave leach liquor, treating the au-

toclave discharge to remove manganese as well as iron and arsenic, a redesigned copper cement circuit, and production of cobalt sulphate as the end project instead of cobalt sulphate.

Changes to the bismuth process and other improvements are also on the table. Bismuth concentrate would be leached with ferric chloride as before, but the electro-winning circuit would be dropped from the plans. Instead a bismuth oxychloride would be precipitated and smelted to a purity of 99.995% ingots. Mining will be by open pit rather than underground. Any underground mining of the gold rich deeper ores would be practiced only if conditions warrant.

(This article first appeared in the Canadian Mining Journal)



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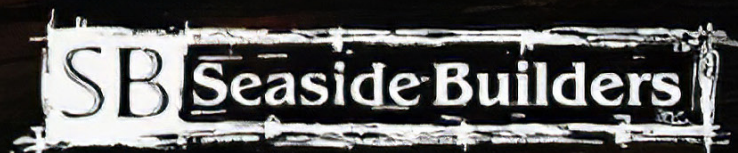
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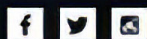
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