# Peter Moore of Sierra Nevada Gold Discusses Drilling for Gold and Copper in Nevada

written by InvestorNews | April 12, 2023

In this InvestorIntel interview during PDAC 2023, Tracy Weslosky talks with Peter Moore, Executive Chairman of Sierra Nevada Gold Inc. (ASX: SNX), about the Company's five projects in Nevada (1 copper-gold porphyry and 4 high-grade gold projects). Sierra Nevada Gold is a US-based company that was listed on the ASX in Australia in May 2022.

Peter mentions that the Company has already invested $15 million in developing the projects and assembling the land positions. Last year, they drilled 4 of the 5 projects, including the Warrior Project, with some "good results" and the drilling will continue this year.

To access the full InvestorIntel interview, click here.

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## About Sierra Nevada Gold Inc.

Sierra Nevada Gold (SNX) is a listed ASX company actively engaged in the exploration and acquisition of precious and base metal projects in the highly prospective mineral trends in Nevada, USA since 2011. The Company is exploring five 100%-controlled projects in Nevada, comprising four gold and silver projects and a large copper/gold porphyry project, all representing significant discovery opportunities for the company.

To learn more about Sierra Nevada Gold Inc., click here.

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If you have any questions surrounding the content of this interview, please contact us at +1 416 792 8228 and/or email us direct at info@investorintel.com.

# Lundin Mining is sitting pretty with over 1% of the worlds copper production and a massive war chest

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Some names are synonymous with certain industries, at least to me. Rockefeller is oil, with John D. being the founder of Standard Oil in the 1870s with a legacy that is still front and center today having spawned the likes of ExxonMobil and Chevron to name a few. J.P. Morgan is banking/finance (and railroads) with his name still emblazoned on one of the world's largest banks today.

Maybe not quite in the same league, but certainly an iconic name in the commodities industry is the Swedish-based Lundin family whose history in mining began over forty-five years ago with founder Adolf H. Lundin. Today the Lundin Group of Companies comprise twelve individually managed public companies focused on the resource sector. The commodities the companies are involved in include copper, gold, silver, zinc, diamonds, and oil & gas.

Today we'll focus on the Toronto listed Lundin Mining Corporation (TSX: LUN). Lundin Mining is a diversified Canadian base metals mining company with operations and projects in Argentina, Brazil, Chile, Portugal, Sweden and the United States, primarily producing copper, zinc, gold and nickel. Q1/22 sales by metal were 69% copper, 11% zinc, 11% nickel, 6% gold and 3% other, with the Candelaria copper-gold mine accounting for 46% of Lundin Mining's first-quarter sales. Based on these statistics it should come as no surprise that Lundin Mining's stock price has a reasonably strong correlation to the price of copper. As seen in the chart below, Lundin Mining has slightly underperformed copper over the last year despite starting 2022 on a pretty good run.

*Source: StockCharts.com*

The reason for this strong correlation becomes quite apparent when you consider that Lundin Mining's 2022 guidance for copper production is 258,000 – 282,000 tonnes, representing over 1% of global copper production, which stands at just over 20 million tonnes per year. Perhaps not a dominant position but certainly a material player in the copper world. With that said, zinc production guidance of 188,000 – 203,000 tonnes represents almost 1.5% of global zinc production. Zinc prices had a good run from March to May of this year, so that could explain some of LUN's outperformance relative to copper over that period. Nevertheless, you are getting into rarefied air when it comes to companies that can claim they produce over 1% of more than one globally important commodity. Especially when you consider that LUN has a market cap of just over C$6 billion compared to the mining giants like BHP at over US$200 billion or Rio Tinto at roughly US$100 billion.

Another thing I find intriguing about Lundin Mining is that it's sitting on a lot of cash, which is forecast to continue growing based on their guidance. At the end of April, 2022 the Company had a cash balance of approximately US$680 million after paying dividends of approximately US$115.0 million and effectively no debt. More than half of the dividend was a semi-annual performance dividend, which as you can figure out from its name, won't be paid again until October. When you think that Lundin

Mining increased cash and cash equivalents by US$140 million in Q1 and guidance suggest that production and costs should remain comparable then it's solely a call on commodity prices as to how much cash keeps rolling into the coffers. That suggests to me that a transformational acquisition could happen or perhaps a special dividend or share buyback if no accretive acquisitions can be found. Either way, as long as copper prices find a floor, shareholders could be rewarded handsomely.

Lundin Mining is a large, established multi-national mining company with a pretty good pedigree in the industry. They have reasonable diversity geographically in relatively stable countries, which sadly is becoming more of a consideration for investors these days. The share price is highly correlated to copper, so if you are looking for a way to play copper prices while still getting a 4% dividend yield with the potential upside that could be derived from an almost US$700 million war chest, then Lundin Mining might be just the investment you were looking for.

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# Ecclestone Dusts Off the Crystal Ball for Metal Prices in 2022

written by InvestorNews | April 12, 2023

In a recent InvestorIntel interview, Tracy Weslosky spoke with Christopher Ecclestone, Principal and Mining Strategist at Hallgarten & Company about his latest research report on the outlook for metal prices in 2022.

In this InvestorIntel interview, which may also be viewed on YouTube (click here to subscribe to the InvestorIntel Channel), Christopher Ecclestone said that the research report titled – Metal Price Preview: Dusting Off the Crystal Ball – also covers the performance of different metals in 2021 including the re-emergence of the uranium market and battery metals going “from being hot to being a furnace.” Christopher went on to share why gold and silver are expected to perform well in 2022.

To watch the full interview, click here.

**About Hallgarten & Company**

Hallgarten & Company was founded in 2003 by the former partners of a well-known economic think-tank. Their output encompasses top-down and bottom-up research from a Classical Economic (Austrian School) perspective. Over the years, the team has successfully picked trends using macroeconomic underpinnings to guide investors through the treacherous waters of the markets. It was only natural, in light of the focus of Classical Economics upon the “real value” of monetary assets that the firm’s strengths should ultimately have become evident in resources sectors and projections of commodity trends.

Hallgarten & Company has advised and managed portfolios of offshore and onshore hedge funds.

Hallgarten also provides consultancy services on Latin American economic, politics and corporate matters including the production of bespoke research.

Hallgarten research is now available on Bloomberg and FactSet.

To learn more about Hallgarten & Company, click here

# The China Effect on Metals, and, on Metals related, Share Prices

written by Jack Lifton | April 12, 2023

Perspective is the key to objective valuation. There are three global Metals' market classes; **base metals**, such as iron and aluminum; **precious metals**, such as gold, silver, and the platinum group metals; and **critical technology metals**, such as copper, lithium, cobalt, and the rare earths, in descending order of value to society. Today the majority demand for the physical metals in all three classes comes from China, which now accounts for nearly 60% of the physical demand for all metals!

You're reading and seeing, in the financial news, about the troubles of a Chinese property developer called Evergrande, and how its vast overleveraged (more debt than it can ever repay) position is collapsing and may soon spread through out the Chinese money and stock markets just as a contagion does if there are no remedies put forward for the disease. The talking heads in the mainstream media love this analogy, because it enables them to use their aging covid scare tactic system to characterize this as a Lehman moment in the Chinese economy.

China does not have a free market economy. All of its companies and banks are overseen from Beijing on a daily basis by China's State Council, regularly and incorrectly called China's cabinet by our mainstream media, but, in fact, it is the operational power center of China's foreign and industrial policy. In its turn, the State Council takes its direction from China's

President, Xi Jinping, who dictates China's foreign and industrial policies.

The newsletter, Sinocism, addresses the Evergrande effect this way:

"… Xi [has] set out three tough battles for the government- poverty, pollution and financial risks. Significant progress has been made on the first two, but the battle against financial risks has lagged. Perhaps Evergrande will mark a turning point in that battle, or perhaps the problems run so deep that they will have to back off from the most stringent efforts to rein in real estate, as they have had to do after previous attempts to lance the festering economic and political boil that is PRC real estate.

The "advantage" of the PRC system in dealing with messes such as Evergrande is that regulators have significant powers to "persuade" other companies to help out, and a robust stability maintenance system to ensure that creditors, employees and apartment buyers will accept the best haircut on offer and not cause too much of a fuss. Yes there have been small protests, but if things play out as they have in other similar cases, protests will be allowed for a bit, as people need to vent, then organizers will be warned if not arrested, then the rest of the unhappy people will take what they are offered and "like it", with no recourse. Equity owners and foreign creditors don't really fit into that equation, they will likely get nothing.

So we have a big mess with a lot of people losing money but not one that is going to cause a systemic financial crisis inside the PRC. But as many analysts have been saying over the last few days, ***we should expect a bigger than expected slowdown in GDP growth*** (Italics and boldface mine), It is going to be an interesting year between now and the 20th Party Congress…."

So, as the Austrian emperor said to Mozart in Amadeus, “There you have it.” In this case the very real probability of a sharply reduced demand for almost all metals due to China’s “expected slowdown in GDP growth.”

The price for the ores of the most produced metal in the world and the most produced in history, iron, are a good predictor. China produced 1 billion tons of steel in 2019. This was 55% of all of the world’s steel production. President Xi has stated that (ordered, in other words) the Chinese steel industry must reduce its output. The net effect has been a yo-yo’ing of iron ore prices, which in the last year doubled and has recently dropped by 25%. That kind of price variation will surely net out tracking China’s GDP’s gyrations. In fact, China’s GDP really is the controlling factor in iron ore pricing.

China needs 1.67 billion tons of 62% (contained iron) ore per year to produce its current steel output. At today’s prices that is nearly $300 billion of cost. Compare that to the less than 0.5 million tons of ore concentrates needed to produce its official 130,000 mta of rare earths. At today’s ore prices that comes to less than $2 billion or just enough capital to supply the Chinese steel industry with ore for 2 days! Note well that the value of the official rare earths’ production even when measured as processed high purity separated oxides would be less than $5 billion. Only enough capital for 5 days of ore supply to the Chinese steel industry.

Better yet, look at gold. China was, again, in 2020, the world’s top gold producer with an output of 365 tonnes, the market value of which was $20 billion. China’s gold reserves are now officially about 2,000 mt, which today has a value of $125 billion. The average price of hot-rolled coil steel futures, so far, in 2021 has been $1,000/mt, so that the output of the Chinese steel industry based on this average price will be $1 trillion this year, before any value is added to it by its use to make industrial and consumer products. Think of that, China's gold reserves are very large, but its steel production is worth many times more. I note that it is speculated that Chinese gold reserves are likely some 14,000 mt, which would be nearly a trillion dollars at today's dollar price of gold. Note also that the US steel output for 2019 was 77 million tons, or just 8% of China's, and the US' gold holding at 8,000 mt would be worth $500 billion compared to the $77 billion that its steel production is worth. Just the opposite of China?

As a last example, lets look at lithium production in China. In 2020 it was approximately 300,000 mt of lithium carbonate (60% of world total). The current price of lithium carbonate is $16,000/mt, so China's output is valued today at around $5 billion, about the same as for its rare earths production.

If the Evergrande effect is to lower China's GDP then the demand for all three classes of metals will decline as will the prices of the raw materials necessary to produce them and the value of any additional supplies to be added by junior miners.

Do not consider just the selling prices of any one of the metals' classes ores or of the prices of the "finished" industrial and consumer raw materials when you are looking at an investment in a junior miner. Look at the overall market for the class or the total market for all of them. Metallic ores are a buyer's market, and 60% of all of those buyers are in China.

China's goal is to make its currency a, or the, global reserve currency, so watch out, because if and (probably) when metals and ores are priced in RMB then dollar inflation will be a very big factor in the pricing of metals and their ores. And, I believe, that whichever metals and ores of all of the classes are not produced or controlled domestically by any country in sufficient quantities for its own needs will after the conversion of pricing to RMB never be so produced after that. China’s rulers are not ready to let the RMB float, i.e., be convertible freely to other currencies in markets not controlled by China, and so its status as a reserve currency is not going to happen anytime soon.

But China’s plans for the long term and security not profit is the driver of its Capitalism with Chinese Characteristics. The openly stated plan is for state capitalism to be replaced by socialism with Chinese characteristics. China has achieved self-suffciency in the acquisition, processing, and fabrication of metals in all three classes. It is said that he who has the gold makes the rules. It would be better said that only he who is self sufficient in raw materials and energy makes the rules.

In the metals’ markets if China sneezes the world catches a cold.

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# Demand for scandium set to rise and Imperial Mining offers an early stage high grade project

written by InvestorNews | April 12, 2023

# Scandium is the key to lightweight electric vehicle boom

With the electric vehicle boom set to take off this decade, expect a surge in demand for the ‘lightweighting’ of key materials. An essential part of reducing the weight of electric vehicles (EVs) is scandium, which mixed with aluminum creates lighter and stronger alloys for EVs. Lighter weight means extending battery range in EVs and improving fuel efficiency and reducing greenhouse gases in combustion engines.

The current scandium market size is estimated to be about 35 tonnes per year, however Bloomberg forecasts this could grow to reach 1,800 tonnes pa by 2035 – a 51 times increase in demand. However, if the sales of electric vehicles surge as some forecast and reach 30 million by 2030, the demand for scandium would jump to a staggering 5,250 tonnes pa – a 150-fold increase on today’s demand based on  just a 0.2% scandium oxide-aluminum alloy in each EV.

This exponential increase in demand for scandium does not include its additional consumption by key industries such as solid oxide fuel cells, aerospace & defense, aviation, electronics, sporting goods, and ceramics.

**Building 30 million new electric cars a year by 2030 will require an additional 5,250 tonnes of scandium oxide every year to achieve 100%  lightweighting**

Source: Imperial Mining Group investor presentation

Imperial Mining Group Ltd. (TSXV: IPG) owns a diverse portfolio of high-grade assets including gold, base metals and scandium-rare earth projects. The company’s focus is on development of its high-quality scandium-rare earth Crater Lake property in northeastern Quebec, Canada. The property has a large 6km diameter complex that is host to high-grade scandium and niobium deposits.

**The Crater Lake scandium rare earth project**

The 100% owned Crater Lake Project is located 200km northeast of Schefferville, Québec, 95 km from the end of the Trans-Labrador Highway. The property consists of 57 contiguous claims covering 27.8km$^2$.

**Crater Lake location map**

Source: Imperial Mining Group investor presentation

Imperial Mining Group is currently working to expand the resource. Previous drilling has defined a mineralised zone over 250 meters in strike and 170 meters in depth. Scandium oxide grades ranged from 0.0235% to 0.0319% (235-319g/t), which is pretty good. Scandium is not rare, however finding commercially viable grades (>200-300g/t) of scandium is very rare. More recent drill results have included 528g/t scandium oxide over 8.8 meters, showing the high grade potential of the Crater Lake Project.

The company expects the Crater Lake Project to be a small open-pit operation with an on-site magnetic concentrator and/or sensor-based sorting. This should reject 50-60% of mined material, resulting in high scandium recoveries and lessening transportation risks and costs. It is anticipated that the project will be low CapEx, OpEx due to the higher grades and expected simple process recovery methods.

Future catalysts will include planned further metallurgical work, a PEA expected by Q1 2021, permitting, and an anticipated FS by Q3 2023, subject to financing.

**Multiple market opportunities ahead as the demand for scandium increases dramatically**

Source

**Closing remarks**

I have no doubt that the EV boom will take off, which means lightweighting will become essential for electric cars to boost performance, especially range. In the meantime there are plenty of other areas that demand scandium, so I expect the scandium sector to perform well this decade.

Imperial Mining Group has an exciting early stage high grade scandium-niobium project in northeastern Quebec. Also of interest is their 100%-owned Opawica Gold Project in the Abitibi region of northwestern Québec where recent drilling discovered 1.21 g/t gold (Au) over a 13.3 meter length.

Risks are always high with junior mining stocks at the early stages and in this case the scandium market is another risk as it is yet to be fully developed. Of course with high risk comes the chance for high reward. Imperial Mining Group trades on a current market cap of just C$9 million. One to follow closely, especially since securing a source of North American scandium could soon be very much in demand.

# Laurion Mineral's Cynthia Le Sueur-Aquin on the "significant gold-base metal discovery" of the Ishkoday Project

written by InvestorNews | April 12, 2023

In an InvestorIntel interview during PDAC 2020, Peter Clausi secures an interview update with President and CEO Cynthia Le Sueur-Aquin on Laurion Mineral Exploration Inc. (TSXV: LME), a junior mineral exploration and development company with 100% owned 47 $km^2$ mid-stage Ishkoday project that hosts two high-grade gold past-producing mines with extended mine-life potential. Laurion has incurred over $11 million in exploration expenditures, building a substantial database of 48,879m of drilling, over 21,800 samples and 7 geophysics databases.

Laurion has "ONE Focus, ONE Project" and believes that it has only scratched the surface of what appears to be a significant gold and gold-base metal discovery. Cynthia said that Laurion is completely in sync with the current market cycle. In summer 2020, the company will be initiating the first drill phase of a planned 100,000m of drilling at its flagship Ishkoday property. Cynthia continued, "We have good access to capital and I am confident that we will be able to complete our drill program. We also have some very strategic partnerships which will minimize the risk with the company."

The Ishkoday project is located in a geopolitically safe and mining-friendly region, having most favourable logistical access and infrastructure, abundant mineralized surface outcrop and exposure.

To access the complete interview, click here