

Analyst directs investors south for the Latin American Mining Round-Up 2017

The grim years from 2011 to early 2016 produced a wholesale retreat to “close to home” locations in the mining sector. Stories that were in either Canada or Australia fared better than those in edgy locations, like Africa or Latin America. We had predicted that when the turn came there would be some feelers go out to these areas but that capital would not flow in substantial amounts until the recovery was robust. This has proven to be the case. However the one exception is the Lithium boom which sent companies scurrying to locations they had hitherto eschewed and produced somewhat of a staking boom, particularly in Argentina.

The countries that miners retreated from in 2011 are not necessarily the same territory when they return in 2017. Politics have changed, attitudes have changed, metals have come into or gone out of fashion and domestic priorities/needs have altered. This makes it an ideal time to revisit Latin America which had become a strong preserve of Canadian players from 2005 to 2011 and now is experiencing somewhat of a thaw in investors frosty outlook to the region.

Argentina

For many years Argentina had a paradoxically self-declared pro-mining government that miners loved to hate. The Kirchner regime did not make things easy. It was happy for miners to mine but then seemingly didn't want the miners taking the profits back to their mothership (wherever that might be). All that ended with the overthrow of Kirchner by Mauricio Macri in late 2016 and the arrival of a pro-business government. Frankly Argentina didn't miss all that much in the 2011-15

period as not much was happening in pro-mining OR anti-mining jurisdictions in Latin America. Indeed the timing of Macri's appearance with the revived mining sector around the same time (particularly the Lithium boom) was very timely. Deals are starting to be done like the Golden Arrow Resources (TSXV: GRG | OTCQB: GARWF)/Silver Standard combination. We would expect to see more deals, or at least fluidity in the ownership of assets that have long been in the freezer.

A weather eye should be kept upon the upcoming elections for the Congress where Cristina Kirchner is putting herself forward as a wannabe legislator. This will be a litmus test of where things might be heading in the next Presidential elections, which nevertheless are still a long way away in 2020.

Brazil

The country that is always "promising" but never delivers may not be true anymore but Brazil's attempts to move into the global big leagues have been hampered by repeat own goals. It wants to be a Permanent Member of the UN Security Council but has had two Presidents indicted for corruption in the space of one year!

The most positive side effect of the political wobbles and moreover the economic slowdown, now that easy money has ended, is the decline in the Real against the dollar which has been a healthy kicker to those already producing or looking at kickstarting projects in Brazil.



The political environment has not harmed mining though as much as metals prices have, with large scale projects (most dependent upon iron ore) no longer dominating the airwaves (which is probably a good thing). Smaller projects in niche metals seem to be getting more of an airing with developers of Manganese and Nickel projects having crossed our desk in recent times. This trend will continue as metals prices trend back up and indeed we suspect that we will hear Brazil linked to more and more minerals with which it has not been traditionally associated. As for gold in Brazil, pretty blah..

Ecuador

This country has been the inevitable beneficiary of cycles and a dose of reality. The falling oil price also focused minds in government(s) that had believed that oil would always provide and mining was an unnecessary evil. As we have observed before, oil provides way less jobs than mining and does not necessarily move the broader economy forward in the way that mining can.

The shift of Fruta del Norte out of the deathly grip of Kinross has electrified the local scene. It caused us to dig out and dust off our Intierra map for Ecuador circa 2008 and review the long lost names and their concessions. This country

is enormously prospective and if it can get its act together it might actually be what Colombia promised to be and did not deliver.

Watch this space..

Mexico

This country chugs along as the *tried and true* investment country of choice in LatAm. The main difference in recent times is that miners are finally 'fessing up that cartels and crime are a problem. For years investors asked the question and were told "that's another part of the state" now the truth (as much as can be) is being told. However from what we have seen it hasn't precluded any investment in the country.

Otherwise Mexico is still very much open for business and is riddled with great projects waiting to be sparked into action by either metals prices or financings. The likes of Chesapeake Gold's (TSXV: CKG | OTCQX: CHPGF) Metates project, Southern Silver's Cerro la Minitas and Azure Minerals' Alacran project spring to mind as some awaiting the appropriate trigger.

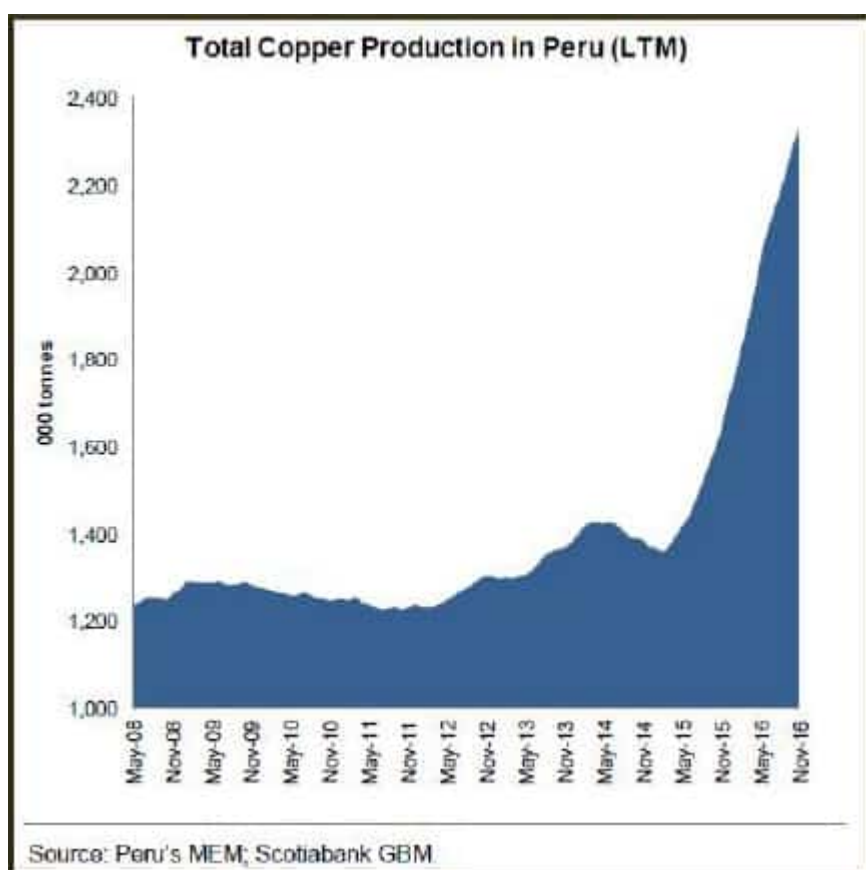
The problem for us is the producing companies that investors stuck with through the grim days who still aren't giving up a dividend. We have a special part of hell reserved for these companies (you know who you are). Ironically that makes the Mexican-owned and -listed companies (e.g. Peñoles, Frisco) more attractive than many of the TSX-listed ones. To the offenders.... must try harder..

Peru

Peru has, in some ways, become the new Chile. As Chile gets tougher to do business, Peru in comparison starts to look less complicated. One should not dismiss the potential for NGOs to stir up a roadblock by "locals" faster than you can say "rent-a-crowd" but generally most areas of the country are mining-friendly and out to get the jobs and trickle down that having

a major operation in their vicinity brings.

The campaign to grab Chile's crown has been slow and steady, but it's getting there, particularly in the copper space. We were surprised at a recent lunch by Panoro Resources to hear of Peru's stealth advance in Copper. Below can be seen the progress made.



If it keeps on at this pace the baton of copper leadership will shift from Chile to Peru before 2030.

Chile

One can never really know but I have the suspicion that somewhere in the Chilean Ministry of Mining there is a type of "Bat Phone" that connects the Powers That Be to the heavies of the Lithium Cartel and this phone has been ringing hot over the last year.



As Argentina has been advancing with somewhat of a Lithium “gold rush” Chile is scarcely mentioned despite its importance in the Lithium space. Why? Well, maybe the cartel makes the call and say “no interlopers” and the Ministry gets the message. The result Chile is the word on nobodies’ lips.

The first question any investors ask at presentations by miners operating in Chile is the water issue. This has become, probably rightly, an investor obsession. At higher levels (pardon the pun) the issue becomes Pascua Lama and a number of other dents in Chile’s reputation of being miner-friendly.

Codelco meanwhile sits as the omnipotent master of all it surveys and we would hazard a projection that as long as Codelco exists there will probably not be another major copper mine developed by any other major. Codelco needs to own all the big projects to ensure its ongoing status as 800lb gorilla. We might also mention that the military have a special royalty off its mines.

Chile going forward will mainly be small-scale plays and that is why we find Coro, Amerigo and their ilk as the most interesting players to watch.

Colombia

We have long been in two minds on this country and been justified in that view. Too many spoilers in the form of local

“entrepreneurs” got into the listed plays and the presence of artisanal miners also muddied the waters. While we have one favorite that is running a small mine and upgrading it (as well as tolling for artisanals on its patch) the rest of Colombian “big” deposits will most likely stay as deposits and nothing more.

Nicaragua

The country shows how do it. From Sandinistas and Contras in the 1980s to a mining hotspot in the current decade. Let it be a lesson to those countries still in the Dog House (see anon). This is a country to watch and should certainly be a model for the others around it (Guatemala being a good case) that have yet to turn themselves into mining friendly destinations. Until they do this, Nicaragua will be the sexiest place in Central America to mine gold, in particular.

The Dog House

Venezuela and Bolivia remain in the dog house. The former staggers from bad to worse and the cataclysmic final scene may be playing out in the next few weeks. This is however a “death scene” that has been forecast before and perpetually forestalled. This country has to have the definitive shift in government that produces that moment where “the blood runs in the streets” that signals the turn. Nothing can be achieved as long as the remnants of *Chavismo* cling on.

Bolivia is also not on the beaten path but at least is not as idiosyncratic as Venezuela. The country is doing its own thing and just as well, as miners have good memories that this place has been the graveyard of more than a few Canadian players. Interesting though was to see the Bolivian ambassador to the UK at a recent Neometals event in London, apparently scoping out the potential of that company’s *salar* extraction technology for its own Lithium riches.

Conclusion

Mining executives, particularly in Canada, always had a soft spot for Latin America (if only for the weather being great when it is frosty north of the border) but also for its proximity and its enormous potential. The first wave of players were rewarded in spades with a frenzy of takeovers that “made” certain Canadian players as they shuffled assets and piles of cash. There were debacles, (Venezuela, Bolivia and Ecuador) but the successes (particularly in Mexico) far outweighed those mishaps.

It’s a new cycle and things have changed both down in Latin America and in the major capital markets. Priorities are different but one cannot take one’s eye off the best prospects and Latin America has more than its fair share of those. As long as the US dollar remains so “expensive” the best thing TSX denizens should do is regard Nevada etc as “flyover” territory and just keep heading more to the south.

Riding the Bucking Bronco of Latin American Mining

Rodeo riders are often shown getting tossed off the horse and then dusting themselves off and jumping back onto their mount and repeating all over again. That is those riders who are not killed or maimed in the process... This activity reminds us somewhat of investing in Latin America. We rode the broader Latin American equities boom that began in 1990 and hung on like grim death until finally surrendering in 2001. Then we saddled up again after the crash of 2008 and rode the Latin American mining markets.



At one point we were told that there were over two hundred listed Canadian miners operating in Mexico. However this statistic comes with the same type of hyperbole as the "200 listed Rare Earths companies" number that was flying about in that boom. What was undisputed was that LatAm was hot. The enthusiasm was reinforced as the Monopoly game heated up and there was fast and furious M&A that then fed more activity.

Downfall

The shine started to go off LatAm earlier than the rest of the mining market's decline into torpor. The reasons for this were various. Firstly regimes in the region did not match up with the glowing reports outside consultants had projected and while, in theory, Fraser Institute surveys might have rhapsodized about official receptiveness to mining, the practice on the ground was less welcoming. Bolivia was first into the penalty box, followed by Venezuela's seizure of Crystallex and the Ecuador indulging in a long and confusing process of changing its mining rules and then its royalties. Argentina was particularly confusing as regulations are devolved to provinces in the 1990s meaning that it had over 20 different mining regimes. That was further compounded by some that were positive, flipped to negative upon the results of a provincial election and then switched back again. La Rioja is a good example of this. Mendoza and Chubut, two particularly mineral rich provinces allowed pressure groups to sabotage and hold up massive mining projects which had some of the world's largest miners retreating from the country. Ironically the other country most like Argentina in having a proliferation of mining regimes is actually Canada!

The picture was then complicated further by base metals (excepting copper) never really being, post-2008, as sexy as they had been before the crash. Nickel (Brazil), and Lead/Zinc (Peru and Mexico) were way off their highs and never rebounded, except for short rallies that petered out. Copper was at good prices levels (until very recently) but the

projects being envisioned burgeoned in size and thus outran the cash available to finance them. This era of gigantism in copper meant that small and even larger projects (like Yamana's Agua Rica) were left to the side while Great White Whales like Oyu Tolgoi and Tenke Fungurume in other continents became the sexiest objects to pursue.

The Chinese purchase (and then putting in cold storage) of companies such as Peru Copper and Northern Peru Copper meant that some pre-2008 discoveries just disappeared from sight. Not all copper projects died out though as Norsemont's Constancia is being brought slowly (and expensively) to fruition by HudBay, Las Bambas was picked up by Chinese-owned MMG from Xstrata and Candelaria passed from Freeport into the hands of Lundin. Hoped for projects like that of Baja Mining and Pascua Lama came to grief.

Chile deserves a special mention as the country that has had the steepest fall in my estimation in recent years. While the country has its perennial fans the combination of a persistent energy crisis, a very tight availability of water and the judicial system's roadblocks to the Pascua Lama project mean it is not the happy hunting ground that many investors thought. This will not be remedied soon. That is why we favour small projects in accessible sites over grandiose schemes in the high Andes.

Time to Saddle Up Again?

Just as we are feeling more bullish about mining in general for 2015, the sentiment has spilled over geographically into my perceptions of Latin America. A microcosm of this is Lundin's purchase of the long-becalmed Fruta del Norte project in Ecuador (from the hapless Kinross) where the company claims that the government is finally seeing the light (this illumination also coincides with the oil price plunging, surprise, surprise). Elsewhere I would expect Venezuela's unsustainable regime to finally come to grief as lower oil

prices finally give the death knock to Chavismo. Cuba is opening up and its nickel/cobalt riches might soon become accessible again. In Argentina the Kirchner regime stumbles towards its eventual demise. Bolivia is not even as bad as people paint it with mainly private operators getting their heads around how to operate with local cooperatives to come to mutually workable solutions. The country remains as always one of the great treasure houses of silver, lead/zinc, antimony and tin.

With things in such a state of flux, we thought it a good time to dust off an old concept of a Model Latin American Mining Portfolio to monitor the progress of stocks in the region over the coming years and hopefully identify some likely candidates for corporate actions, or recovery from bargain basement pricing, recovering currencies or changed country risk.

The portfolio has twelve names, for starters, with a mix of countries and a mix of names familiar to Investorintel followers, plus some additions that I have long followed. We used a notional amount of US\$1.5mn as starting funding. Most of the positions start out at \$100,000, though some of the less liquid names are only \$50,000 for starters. This leaves us also with a stash of cash to add some extra names in coming months (which shall also happen if cash is freed up by selling a position that reaches its target). We have no Shorts at the moment as everything is so cheap, but showing no fear or favour we shall add some if we find something egregiously overvalued in our wanderings.

Here is the current state of play:



Conclusion

This is just the opening shot. I shall be giving updates on the portfolio from time to time and continue highlighting as

always our most favoured stocks, Chesapeake, Largo and Levon. Now all we need is for markets to see the light that things are stirring “South of the Border”.

Rodeo – Round-up of Latin American Mining – Part 2

✘ It seems a good moment to review what has transpired, what has changed and what might happen when financing improves.. This we shall do here on a country by country basis with Part 1 covering Argentina to Colombia. Part 2 covers Ecuador to Venezuela.

Ecuador – Viva la Banana

Unfortunately for miners this quintessential banana republic discovered oil and thus felt it did not need to get “down and dirty” with developing a mining industry. Unfortunately the government also failed to notice that the oil industry hardly makes any jobs and what it does make are frequently taken by highly paid FiFo ex-pats. Moreover oil in Ecuador is largely in the Amazonian jungle where the people who need jobs are not..

Anyway the highpoint of Ecuadorian “mining” was the Aurelian takeover. That was not even mining *per se* but rather a triumph of mining finance over reality. It all ended in tears. We have an Intierra map dating back to that Golden Age showing a herd of TSX and ASX miners had staked out big swathes of territory in Ecuador and the hopes were running high. The country has since, deservedly, fallen off the radar screen.

Guyana – much ado about very little

When everyone was waving their hands in the air for a piece of the "Guyana Story" we firmly sat on our hands. Once again we don't feel we have missed much.

Mexico – still the main game

As we mentioned this was the main sand-pit which the Canadian miners played in. It afforded a degree of comfort on a number of fronts, particularly in the wake of the NAFTA treaty. It certainly helped that silver was riding a rising tide and the cheap seats in Canada loved silver.. now that tide has receded leaving pure silver plays looking less than gleaming in investors' eyes. Most of the best base metals plays in the country got taken over (e.g. Farallon) while the less worthy (e.g. Baja Mining) passed into advanced purgatory. Many projects did however make it to production, more than a few were taken over by majors as they had hoped, or were consolidated into mid-tier Players (e.g. New Gold).

The range of companies is too broad to review here but some sweeping generalisations can be made. One is that silver is a much harder sell these days. Secondly, the onset of royalty talk from the Mexican government pricked a bubble of illusion that miners were working in that they would get away with the Treasure of the Sierra Madre scot-free forever.

Mexico still remains a strong jurisdiction from the point of view of legal protections and the *ejidos* have proven to be almost universally realistic and pro-mining. The spectre at this feast though is the rising toll from the crime syndicates in the country. Over and over, miners have said "its nearby but doesn't effect us". That assuaged people until recently but has lost its credibility in many areas in recent times.

Paraguay – Deathly Hush

This country has long been Sleepy Hollow and remains as such. Latin American Minerals has a few properties there (with a gold/diamonds focus and a REE & niobium sub-focus) and there

was a uranium explorer called Cue Resources that managed to capture the attention of Cameco as a JV partner. It was eventually taken over by UEC in 2012.

Peru – base metal wonderland

This country's geological blessings have long attracted fortune hunters, but pre-2000 the country was roiled by the *Sendero Luminoso* guerilla movement that claimed 25,000 lives in a very short period of years. The interest of foreign miners in LatAm coincided with the demise of the movement which had long ruled the roost in the *altiplano* scaring off investment with deadly efficiency. The rest is history with a flood of investment that continues to this day with the heavyweight money going more towards base metals than the silver and gold that gave cheap thrills to the retail investing hordes.

Recent times have been a mixed bag. Miners with a credible story are doing well and having minimal problems. A few though have fallen afoul of NGO-inspired local blockades and trouble-causing. Most of the victims of this though have tended to deserve it through riding rough-shod over local sentiments and giving mere lip-service to community relations. Peru remains though one of the true happy hunting grounds for foreign miners and definitely the go-to place for lead-zinc in LatAm with Zinc having a fire lit underneath its demand and price at the current time. If only the cheap seats "got it" that the precious era is over and it's time to move on to real metals.

Suriname – only majors need apply?

The main game in town here is IAMgold's Rosebel mine picked up through the Cambior takeover in the middle of last decade. This seems to be a playing field for only the very largest who have the tolerance for min-numbing bureaucracy as the only other player of note we can find is Newmont with its Merian gold project.

Uruguay – the one that got away from Crystallex

This country, to our knowledge has only one mining asset of much note. This is the San Gregorio mine of Orosur (formerly Uruguay Mining. This mine has been chugging away for a decade now pouring forth gold. It has long been surrounded by (about to run out) stories and has defied the critics. To add to the irony, this mine was owned by Crystallex who sold it off to concentrate on Venezuela!

Venezuela – No man's land

This country is now a no-go zone for Canadian miners for various reasons, not least of which is the Crystallex Affair. Try as we might to blame Chavez and his coterie for the woes of Crystallex there was a big element of "own goal" to that company's fate. However it's not just Crystallex getting sand kicked in its face here as Anglo American also had its important nickel operations seized in 2012.

Conclusion

Latin America became, for a few brief years, almost the exclusive preserve of Canadian miners. Many are still there but their verve and energy is somewhat battered by circumstances and experience. While the good times rolled quite a number of companies got themselves bid for and the managements went on to try to wash and repeat, with varying success. In this age when production is king, there is no specific reason why some of the more oven-ready projects should not be resized, and reconfigured for some type of production more fitting for the tenor of the times.

Governments in the region are not so ready with the Come Hither looks as they used to be, and if they are then miners should be rightly wary on the entreaties to throw multimillions towards economies where guarantees of future progress are not rock-solid.

Coming out the other side of the financing vale of darkness there will still be more opportunities in LatAm than virtually anywhere else.. Investors should also not be surprised to see countries that were once pariahs, e.g. Bolivia, becoming more amenable while past darlings look a bit more tarnished.

Rodeo – Round-up of Latin American Mining – Part One

☒ Pre-2000, much of LatAm was off-limits to foreign miners and had been (with the exception of sporadic openings (and closings) since the Second World War. As a result much of the mining sector had languished. Some countries, (notably Chile and Peru) had seen nationalization of substantial foreign interests. With the opening of the economies, the ASX miners were first in but largely deserted the fray early on, with only a few stalwarts persevering (mainly in Chile). The rest of the playing field was left to the TSX-listed players and a tiny crew of AIM-listed players. At one point we heard the statistic that there were 190 TSX-listed miners with interests in Mexico and we could well believe it because every second company we can upon was Mexico focused. From there they swarmed forth to all points south like an army of soldier ants (the *marabunda* as it is known in Brazil) devouring all in their path.

Having reached all accessible (and inaccessible) parts of the continent and been stopped in their tracks by the collapse of mining finance, it seems a good moment to review what has transpired, what has changed and what might happen when financing improves.. This we shall do here on a country by country basis with Part 1 covering Argentina to Colombia. Part

2 covers Ecuador to Venezuela.

Argentina – reality trumps propaganda

Argentina gets so much bad press that it is almost a thankless task trying to talk up the situation, but having lived there for 10 years, I know the place better than most... In recent years the country has been vying with Peru to be the number one gold producer in the continent, this is made even more impressive by the fact that it does not have the innumerable producers that Peru does but only a merely handful of mines. The big base metal play is the Alumbrera mine of Glencore/Yamana. The biggest disappointment is that the nearby Agua Rica project has been stuck in development mode for so long now rather than being moved forward.

Then there is the uranium potential of Argentina. We have written about that here in Investorintel before with a handful of foreign players, including U308 and Blue Sky Uranium, hunting in Patagonia (which under the Gondwanaland scenario is merely the “other half” of Namibia). With an indigenous and growing fleet of nuclear plants, the country is the only one serious about the nuclear industry in Latin America. Here there is potential for a “soup to nuts” nuclear supply chain.

The government is deserving of criticism for being unorthodox on so many fronts, but when it comes down to it, a lot more is happening here than in many other mining jurisdictions in the continent.

Brazil – Not Measuring Up to the Promise

Considering its size Brazil has not figured as much on the mining radar as it might. Of course it is known for its iron ore but that tends to be reserved for those with Home Team advantage (i.e. Vale) or those foreign behemoths that care to go head to head with Vale. Though we should not forget the country’s overwhelming dominance in Niobium and even its small (and very long-standing) Rare Earth production.

Despite most of the focus being gold amongst foreigners the most progress in production in recent times has been companies like Mirabela in Nickel and Largo Resources in Vanadium. Farther back Eldorado Gold (EGO) used to have one of its prime assets as the São Bento gold mine. The company exited the country when that mine reached the end of its minelife but now is back with, strangely enough, a producing iron ore mine and working on opening up a gold mine.

A flock of junior explorers invaded the ex-garimpeiro territory in the Amazonian states and found fertile territory but few actually got their act together and moved to production because there was a strong “faker” element to their efforts (“the build the resource and some sucker will buy it” philosophy). The only time that worked out was Eldorado’s takeover of Brazauro Resources way back in 2010.

The new wave of mineral trend seems to be fertilizer mineral plays with Verde Potash (TSX: NPK) and DuSolo Fertilizers (TSX-V: DSF).

It is our perception (possibly mistaken) that Brazilian entrepreneurs seem to be the most realistic and helpful partners that won’t try and eat a foreign mining partner alive, as is the case in many other Latin climes. However, they also have little patience with those foreign explorers of the dithering variety.

Here we have the famous Carmen Miranda dressed up with a fair amount of Brazil’s mineral wealth around her neck. Are they chunks of phosphate we espy?

Bolivia – Much Maligned

Ever one to side with the underdog, and in this case junior miners are not the underdogs, we have a sneaking admiration for Evo Morales and his regime that had really knocked the Bolivian economy into shape over the last few years, much to the chagrin of Wall Street analysts with their stock nostrums.

As far as mining is concerned the country is still churning out product and has its historical fame as a source of tin, silver and antimony. However there is only so far that one can go (safely) with artisanal mining and that point has been reached. The rest of the riches will stay in the ground if it is left to low-tech artisanals to come up with the solution.

Bolivia's recent bad press relates to Apex Silver which was totally a case of a company shooting itself in the foot and South American Silver where the government bears a lot of the blame for doing an asset grab (presumably at the instigation of the Chinese trying to get their hands on Indium and Gallium), but which was aided and abetted by management at the company being totally torpid on the issue of developing the Malku Khota mine and instead doing the old Vancouver "waiting for a buyer" trick while the locals were waiting for jobs. That blew up in management's face..

Do not be surprised though if Bolivia "matures" as its prosperity rises and selective most favoured status is dished out to those that show themselves to be real job- and income-creators for the economy.

Chile –copper giant but not much else

Using the fallacious idea that Chile is a great jurisdiction for copper mining and thus it should be a happy hunting ground for other metals, Canada has long had a love affair with Chile which has borne very little fruit. The problem here is the TSX obsession with gold which has companies going where mere mortals fear to tread and searching the very heights of the Andes with an attitude that all problems can be solved with money. This has led them to end up in waterless locations with gargantuan capexes and scarcely a friend in the world. It is not just juniors that have fallen for these fallacies as Barrick's Pascua Lama debacle was the mother of all mishaps. The other lesson that came from that experience was that it was the Chilean side of the border that caused the fatal blow

to the project NOT the Argentine side.. Think about it..

Meanwhile Chilean projects above a certain altitude line are proving to be a “contour line too far” and purveyors of such projects should be (and are being) given the scepticism they deserve.

Colombia – promise arrested

This is the country where the myth of El Dorado (the Golden One, a man/god covered in gold) originated. It is good to remember the use of the word “myth” in the sentence. Pre-2010, with our investment banker hat on, we were regularly doing due diligence on Colombian gold projects before any of the bandwagon of juniors rolled into the country. As we didn't like what we saw pre-gold rush we were happy to NOT have anything to do with subsequent “discoveries” there and we have not missed anything as things have turned out to be a morass of environmental squabbles, residual guerilla problems, artisanal mines, locals who can't make up their minds whether they want progress (or not) and oligarchs playing in the mining space. Sounds like a recipe for problems and stagnation. You bet.. That the biggest deal we can remember was a certain Brazilian “genius” doing a takeover (Ventana Gold for CAD\$1.5bn), that was ultimately part of his undoing, is not much of an endorsement either.