

# Banking on a critical minerals closeology heyday

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Regional mining plays or area plays can be quite exciting for investors if you are a participant in the early stages. Generally speaking, someone announces some exciting results and if there is any unstaked land in the regions, dozens of opportunists will stake claims in the vicinity in hopes that [closeology](#) will benefit them. The most recent example I can think of was sparked by [New Found Gold Corp.](#) (TSXV: NFG | NYSE American: NFGC) in mid-2020. They came out of the starting blocks with some incredible gold drill results in Newfoundland & Labrador. They quickly followed up with a bunch more out of this world drill holes, and all of a sudden, if you were a Newfoundland gold play, you were along for the ride. Every time NFG posted results, almost everyone in the general vicinity got a lift to their stock price.

It's that early stage that creates the most excitement and euphoria because of all the blue sky potential. Albeit, if you bet on a player in the region that finally starts drilling their own play and results aren't spectacular, things can come crashing down in a hurry. But until that time, it's relatively easy for other players in the general vicinity to raise money and get a premium stock price on the back of the area player(s) that started it all. It can be a lot of fun (and quite lucrative) if you are early enough and disciplined enough to have tight stop loss orders or reduce exposure as the stocks jump around on news and rumors.

My introduction to this phenomenon was in the early 1990's when two distinct and separate opportunities began to take shape. One

was the discovery of diamonds in the Northwest Territories. Soon everyone was staking claims and obscure places like Lac de Gras and Snap Lake became well known to a lot of investors who still may not be able to find them on a map. Around that same time was the huge nickel discovery in Voisey's Bay, Newfoundland & Labrador that spawned a frenzy that would be hard to replicate, even today. There were dozens of publicly traded junior miners, some legit and some that pushed the legal limits when it comes to disclosure. Fortunately, between the Voisey's Bay insanity and the Bre-X fiasco, reporting and legitimacy of drill results and resource estimates are something most investors don't have to worry about anymore.

I think we may be on the cusp of another regional mining play but perhaps driven by a couple of extra factors that seem to be important investing themes of late – supplying the carbon emission reduction machine and “friend-shoring” or supply chain security. It should come as no surprise to readers that this is a recurring theme at [InvestorIntel](#). Governments are passing legislation and doling out cash to support local supply, processing and infrastructure of critical minerals, while at the same time attempting to minimize or even eliminate Chinese influence. That is a tailwind for domestic mining companies, at least for the next few years.

So what do I think could be the next big regional mining play? Drum roll please...lithium. More specifically, hard rock lithium or pegmatite in Ontario and Quebec. Obviously, lithium has been a hot place for investors for quite some time now, but the bulk of the excitement was being generated by the big brine plays, mostly in South America. There have already been several big winners there including lots of M&A resulting in a lot of money made by investors.

With that said there has already been some pretty good runs for

some of the Canadian lithium names. A quick look at the one year chart for [Critical Elements Lithium Corporation](#) (TSXV: CRE | OTCQX: CRECF) and [Patriot Battery Metals Inc.](#) (TSXV: PMET | OTCQX: PMETF | ASX: PMT) and you'll see double and a 10 bagger. But I think we are still in the early innings for this part of the world. Primarily because the market is desperate for non-Chinese owned, controlled or processed lithium supply. Additionally, hardrock lithium is simple, understood, and there appears to be plenty of it not far from key EV battery manufacturing locations in Ontario, Quebec and Michigan.

Another reason I think things could get really spicy for this area play is that most of the deposits identified thus far have been close to surface. That means a little bit of capital will go a long way to generating plenty of drill results for the market to chew on. Lots of news in a relatively short period of time keeps the momentum going and draws in more investment dollars that in turn raises the premium of almost everyone in the region (at least initially). Add the potential wildcard of a takeover by a mining major and you could see share prices kick into overdrive. And why would I suggest something like this? Mining giant Rio Tinto (NYSE: RIO) recently stated it is actively searching for lithium assets as it expects prices for the metal to remain high for a long period of time.

To me, all the pieces seem to be falling into place for the type of focused regional mining play that can result in some pretty wild stock gyrations in a relatively short period of time. You have to be wary and nimble to achieve success when participating in this type of opportunity, but the rewards can be worth it. Ontario and Quebec are emerging as top lithium areas in mining friendly jurisdictions. Now the question is whether big money will start chasing this space and reward early investors.

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# Will Sokoman Minerals be Eric Sprott's next Newfoundland gold success story?

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Every once in a while I find myself scanning through a company's website or press releases and then I have to pause for a moment and go back and re-read something. Instead of the usual content you expect to see, something jumps off the page and you have to make sure you read it correctly and that your eyes weren't playing tricks on you. Today's junior mining stock had me doing this a couple of times for several different reasons. The company is unusual (in a good way) and not simply because Eric Sprott beneficially owns 25% of the outstanding shares (even more if warrants are exercised). It also had nothing to do with its location, Newfoundland & Labrador, although that's why I was looking at it in the first place as I just happen to enjoy reading and writing about this special part of Canada.

The first thing that jumped off the page for me was "Approximately 48,000 metres remain to be completed in the current 100,000 m drill program". For a junior miner anywhere, that is a giant volume of drilling, which also means there has to be plenty of cash around as well. How about a treasure stocked with C\$13 million? Seems like enough to undertake such an enormous exploration program and as the Company states "sufficient funds to undertake all the exploration activities planned for 2022". The last thing that stood out was the number of projects being actively explored – 5. Most junior mining

companies don't have more than 2 or 3 properties to pursue, often only 1, and even more rare is the resources to be working on all these projects over the next 3-6 months.

Needless to say, I was hooked. I had to find out more about [Sokoman Minerals Corp.](#) (TSXV: SIC | OTCQB: SICNF), and let me tell, there is a lot more to learn. The Company's primary focus is its portfolio of gold projects; flagship [Moosehead Gold Project](#), [Crippleback Lake](#) (optioned to Trans Canada Gold Corp.) and [East Alder](#) (optioned to Canterra Minerals Corporation) along the Central Newfoundland Gold Belt, and the district-scale [Fleur de Lys project](#) in north-central Newfoundland. The Company also recently entered into a strategic alliance with [Benton Resources Inc.](#) (TSXV: BEX) through three, large-scale, joint-venture properties including [Grey River](#), [Golden Hope](#) and [Kepenkeck](#) in Newfoundland. Sokoman controls, independently and through the Benton alliance, over 150,000 hectares (>6,000 claims – 1500 sq. km), making it one of the largest landholders in Newfoundland, in Canada's newest and rapidly-emerging gold districts. The Company also retains an interest in an early-stage antimony/gold project ([Startrek](#)) in Newfoundland, optioned to White Metal Resources Inc., and in Labrador, the Company has a 100% interest in the [Iron Horse \(Fe\) project](#) which has Direct Shipping Ore (DSO) potential.

I'm still trying to figure out what metal or minerals Newfoundland & Labrador doesn't have as it seems the region has an abundance of everything. Along those lines, the Golden Hope JV with Benton made the [first high-grade lithium discovery](#) in Newfoundland in September, 2021. The [first assay results](#) from the drilling program that tested the Kraken pegmatite field returned an average of 0.95%  $\text{Li}_2\text{O}$  over 8.40 m with grades as high as 1.76%  $\text{Li}_2\text{O}$ . Not bad when you are looking for gold. The Alliance has proposed a C\$3 million budget for a summer drill program testing as many of the known pegmatite dykes as

possible, with up to 30-40 holes planned. Camp setup and drill mobilization are expected in mid-June.

But as interesting as this is, for today I think will focus on where the bulk of the drilling is being done, and that's the Moosehead Gold Project where visible gold has been intersected in drilling over a 2 km strike length. From 2018-2021 Sokoman completed ~73,000 m of drilling with ~360 holes, leading to the discovery of 4 significant zones, all of which remain open. Highlights from these zones rival some of the findings from their neighbors to the east, New Found Gold Corp. (TSXV: NFG | AMEX: NFGC) another Eric Sprott backed gold miner in Newfoundland:

Western Trend • MH-18-08 • 1.05 m @ 207.5g/t Au from 8.5 m; and 2.28 m @ 42.36 g/t Au from 33.1 m

Eastern Trend • MH-18-01 • 11.9 m @ 44.96g/t Au, including 5.65 m @ 93.56 g/t Au from 115.2 m

75 Zone • MH-21-23 • 44.8 m @ 17.56g/t Au, including 2.75 m @ 30.59g/t Au from 44.75 m

South Pond • MH-20-12 • 35.0 m of 26.87 g/t Au, including 2.15 m @ 60.59 g/t Au from 47.0 m

Heading into 2022 is where things get really exciting. [Results last week](#), some of the first holes from the 100,000 m 2022 program, expanded the 75 Zone and essentially linked it with the main Eastern Trend/Footwall Splay mineralization (see picture below). In addition, MH-22-418, completed last week (assays pending) intersected the deepest occurrence of visible gold to date on the property at a downhole depth of 352 m.



Source: Sokoman Minerals [May 19, 2022 Press Release](#)

It would appear there will be a steady stream of drilling results coming from Sokoman Minerals over the following weeks and months, not only from Moosehead, but Golden Hope and Grey River with JV partner Benton Resources Inc. There is a lot going on at this well funded, junior gold (and now lithium) explorer. With a market cap of C\$66 million it's not hard to imagine plenty of upside when one of your comparables is New Found Gold at a market cap of C\$1.2 billion.

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## Exploring for opportunities at TRU Precious Metals

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Every once in a while there are times in the markets where you scratch your head and say "I don't get it". For the last few days gold has been treading water around the US\$1,780 – US\$1,790 range. Yet gold equities, pretty much across the board, have been weakening, culminating a dramatic sell off yesterday. Industry stalwarts like Barrick Gold Corporation (NYSE: GOLD | TSX: ABX) (-2.5%), Newmont Corporation (NYSE: NEM | TSX: NGT) (-3.3%), Franco-Nevada Corporation (NYSE: FNV | TSX: FNV) (-3.4%) to name a few were all taken out to the woodshed and beaten soundly. Sometimes this happens and there is not much you can do about it. What's even worse is if you come out with positive news on a day like this. The macro current will rule the day, regardless of what your news is, unless you've discovered the next Grasberg mine, and even then the market still likely won't give you the credit you are due.

So it's a testament to [TRU Precious Metals Corp.](#) (TSXV: TRU

|OTCQB: TRUIF) that they were able to remain unchanged in yesterday's trading at \$0.205/share when many of their peers, including some of their Newfoundland neighbors, were down anywhere from -1.7% for Marathon Gold Corp. (TSX: MOZ) to -11.9% for New Found Gold Corp. (TSXV: NFG). So what was the reason for this outperformance on the day? Good news of course, or at least good enough to not be tossed out with the bathwater (so to speak). The Company [announced initial assays](#) from the first two holes of the 12 hole, Phase 1 diamond drilling program at its 100%-owned [Twilite Gold Project](#) in Central Newfoundland. You can probably guess by now that they found some gold in those drill holes. Highlights include 11.5m with 1.03 g/t of gold in hole TL-21-17, and 10.5m with 1.07 g/t Au in hole TL-21-16. But rather than getting into the details of the drill results, I'll let a couple of pictures tell the story. If that's not enough to satisfy your curiosity, you can go review the entire [press release](#) yourself.



Source: Corporate [Press Release](#)



Source: Corporate [Press Release](#)

Generally speaking, these two recent drill holes confirmed data from historic drilling while also confirming the northwest trend of the mineralization. This gold zone is open downdip on these sections and along strike to the northwest, which is wide open for potential further expansion and becomes an obvious target area for a next phase of drilling. In the meantime, thick sections of altered quartz breccia were encountered in the other nearby holes, so the Company is hopeful for expansion of the gold zone to the southeast as well. Assays from a further 10 drill holes to the southeast are still pending.



The Company has dubbed this area of the [Twilite Project](#) the “Fort Knox Gold Zone”. Perhaps a little optimistic but investors can hope the name proves prophetic. However, to me this wasn’t even necessarily the most interesting news in the press release. As someone always on the lookout for potential catalysts, I found the “Other Exploration Updates” section held a nugget of opportunity (pun intended). TRU provided an update on the final exploration results from its [Gander West Property](#), located approximately 16 kilometers from New Found Gold Corp.’s Queensway Project. If you aren’t familiar with what is going on at the [Queensway Project](#) you should be. The results coming from here are truly sensational and have sparked quite a gold rush in Newfoundland. It is arguably the hottest gold play in the world right now.

On May 25<sup>th</sup> the Company [announced](#) it had commenced its inaugural mapping, soil sampling, till sampling and prospecting program at its Gander West exploration property, followed by [an update](#) on July 30<sup>th</sup> that stated all rock and soil geochemical results from the limited-scale field program had been received, with results still outstanding from nine till samples submitted for gold grain analysis. Yesterday’s [press release](#) reported that all nine of these samples, submitted to Overburden Drilling Management Limited (“ODM”), contained visible gold grains with pristine gold grains recovered in seven samples, including 17, 12 and 11 pristine grains, in three of the samples. ODM has confirmed to the Company that this could be indicative of Gander West being fertile for gold exploration.

Granted this is pretty pie in the sky stuff and a long way from any sort of validation. Nevertheless, you have to start somewhere and when you are only 16 kilometers away from one of the hottest gold plays on the planet and you have some promising indications, I would suggest that could be an intriguing lead.

Meanwhile, there are still results to come from 10 completed drill holes on a far less speculative project that makes TRU Precious Metals Corp. and its \$13.7 million market cap (based on yesterday's close) something for investors to explore.

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## Located in the heart of the Newfoundland gold rush, TRU Precious Metals doubles its drilling program

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Newfoundland in Canada is currently experiencing a gold rush, despite having mining operations since the 1770s. Newfoundland and Labrador [ranked eighth globally](#) in overall investment attraction in the most recent Fraser Institute Annual Survey of mining companies.

The Newfoundland excitement began in early 2020 when New Found Gold Corp. [announced](#) a discovery of 92.86 g/t gold over 19m (included 285.2 g/t Au over 6.0 meters). Anything over 5 g/t is considered high grade. Since then numerous junior miners have flocked to Newfoundland to stake their claim. One Company was early enough to claim a massive 23,000 hectares of land in the highly prospective Central Newfoundland Gold Belt, with one of their projects virtually next door to Marathon Gold Corp.'s Valentine Project (P&P reserves of 1.87 million oz Au & and M&I 3 million oz Au) and another one adjacent to New Found Gold's Project.

The Company is [TRU Precious Metals Corp.](#) (TSXV: TRU | OTCQB: TRUIF) (“TRU”). TRU is a relatively new gold exploration company that has assembled a portfolio of 5 gold exploration properties (23,000 hectares) in the highly prospective Central Newfoundland Gold Belt. All projects are either 100% owned or with an option to purchase 100%. TRU’s flagship Golden Rose Project lies just near the Valentine Project which holds the largest undeveloped gold resource in Atlantic Canada.

**TRU Precious Metals Corp.’s 5 well located Newfoundland projects shown in yellow**



Source: [Company presentation](#)

**TRU Precious Metals Corp.’s fully-funded summer (June-August) 2021 exploration program is now underway**

Having successfully raised [\\$3.5 million](#) in May 2021, TRU has now begun a fully-funded exploration campaign across four of their Newfoundland projects – namely [Golden Rose](#), [Twilite Gold](#), [Gander West](#), and [Rolling Pond](#).

Perhaps Golden Rose holds the greatest promise due to its premier location between the successful Marathon Gold Corp.’s Valentine Gold Project and Matador Mining’s Cape Ray Gold Project. TRU will embark on a multi-phase exploration program throughout the remainder of 2021 to further delineate the known areas of gold mineralization and test new zones. Highlights of recently uncovered gold occurrences (by the previous owners) which have yet to be tested by TRU include Rose Gold, Jacob’s Pond and Jen’s Pond. At Rose Gold original grab samples assayed 18.8 g/t Au and 7.2 g/t Au and follow up prospecting in 2019 returned a 20.2 g/t Au sample. By sometime in Q3 2021, TRU plans to do a 5,000 metre diamond drill program at Golden Rose.

[Announced](#) on June 1, 2021, TRU has commenced a minimum Phase one 1,200-metre drill program at its 100% owned Twilite Gold Project. Interestingly just a week later the drill program was doubled to “[up to approximately 2,500 meters](#)”. It is a bit early yet to get excited, however, TRU Co-Founder, President, and CEO, Joel Freudman, sounds super excited about the companies chances, as you can view here in an exclusive interview with InvestorIntel titled “[Joel Freudman on TRU Precious Metals and the ‘once-in-a-lifetime modern day gold rush’ in Newfoundland.](#)” CEO Joel stated: “We are in a once-in-a-lifetime modern day gold rush...happening right now in Newfoundland Canada....We are in it to win it.”

TRU state in the [news release](#) (regarding the upcoming drilling at the Twilite Gold Project):

“The drill target was previously identified by TRU during a detailed ground geophysical survey in November of 2020....Twilite Gold is strategically located on the mapped extension of the Cape Ray-Valentine Lake Shear Zone. Numerous advanced-stage gold exploration projects are currently underway along this district-scale shear zone, including Marathon Gold’s multi-million-ounce deposit at Valentine Lake, and Matador Mining’s Cape Ray deposit.”

**TRU Precious Metals Corp.’s Twilite Gold Project where up to 2,500 metres of drilling is commencing in June 2021**



Source: [Company presentation](#)

### **Closing remarks**

TRU Precious Metals Corp. trades on a market cap of C\$19.7 million with the stock up [114%](#) in the past year. With

exploration moving into top gear now over the Canadian summer it looks to be a good time to consider a position in TRU Precious Metals Corp. A large gold find would get CEO Joel even more excited and potentially be a big positive for early stage investors. Fingers crossed and stay tuned for drill results in the coming months.