

Seven Small Cap Junior Mining Companies with More than \$10M in the Bank

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“Cash is king” and is especially important for junior mining exploration companies during times of potential economic downturns. Investors may be more hesitant to provide funding during economic uncertainty, making it more challenging for junior mining companies to access the capital they need to fund their operations or pursue growth opportunities.

Having a strong cash position can provide junior mining companies with a cushion to fall back on and increase their appeal to potential investors or lenders. Listed in the article are seven junior mining companies with a market capitalization of less than \$300 million but with a cash balance of more than \$10 million.

Junior mining exploration companies are typically smaller enterprises engaged in exploring and developing early-stage projects. These companies play a critical role in the mining industry as they are responsible for discovering new mineral deposits that can eventually become producing mines. However, despite the important role that junior mining companies play, they can often be undercapitalized which hinders their ability to operate effectively.

One of the main financial challenges faced by junior mining companies is the need for ongoing capital raises to maintain a strong cash balance to fund corporate activities. Unlike later-stage or producing mining companies that have access to significant financial capital, junior mining companies often

have limited funding opportunities, which makes it difficult for them to execute on their exploration and development plans. Exploration is a critical part as it involves the search for new mineral deposits and can be expensive unless the junior mining company has connected with a joint venture partner that can help split the costs

Another reason why cash is important for junior mining companies is that it allows them to take advantage of opportunities as they arise. For example, if a junior mining company discovers a new mineral deposit that continues onto an adjacent property, it may need to acquire the rights to that property. Acquiring these rights may require significant cash reserves, and without them, the junior mining company would miss out on the opportunity.

Finally, having cash on hand can help them take advantage of distressed asset sales or acquisition opportunities that may arise as other companies struggle during the economic downturn. This can be a strategic way to grow the company's asset base and position it for success once the market recovers.

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Company Name	Ticker	Market Cap. (C\$M)	Website	Cash & Short Term Investments* (C\$M)
Lithium Ionic Corp.	TSXV: LTH	\$282	www.lithiumionic.com	\$30
Chesapeake Gold Corp.	TSXV: CKG	\$137	www.chesapeakegold.com	\$29

Rare Element Resources Ltd.	OTCQB: REEMF	\$106	www.rareelementresources.com	\$19
Irving Resources Inc.	CSE: IRV	\$68	www.irvresources.com	\$13
Snow Lake Resources Ltd.	NASDAQ: LITM	\$55	www.snowlakelithium.com	\$20
Sable Resources Ltd.	TSXV: SAE	\$23	sableresources.com	\$17
Fancamp Exploration Ltd.	TSXV: FNC	\$19	www.fancamp.ca	\$18

*Source: S&P Capital IQ; Company Presentations

Lithium Ionic Corp. (TSXV: LTH); Market Capitalization: \$282 million; Cash: \$30 million

Lithium Ionic Corp. is a Canadian mining company that focuses on the exploration and development of lithium resources. The company's properties cover approximately 7,700 hectares in the Aracuai lithium province in Minas Gerais State, Brazil. The province has excellent infrastructure, including access to highways, hydroelectric power, water, and nearby commercial ports. Lithium Ionic's Itinga and Galvani claims are located in the same district as the CBL mine, which is a producing lithium mine, and Sigma Lithium Corp.'s (NASDAQ: SGML) large Barreiro and Xuxa lithium deposits, which are in the construction stage. The company aims to leverage its strategic location and expertise to become a significant player in the growing lithium

market.

Chesapeake Gold Corp. (TSXV: CKG); Market Capitalization: \$137 million; Cash: \$29 million

[Chesapeake Gold Corp.](#) is a Canadian mining company that focuses on the exploration and development of precious metal projects in Mexico. The company's primary asset is its flagship Metates project, which is located in Durango, Mexico. The Metates project has a Measured & Indicated resource of approximately 19.8 million ounces of gold and 542 million ounces of silver, and an Inferred resource of 640 thousand ounces of gold and 18 million ounces of silver.

Rare Element Resources Ltd. (OTCQB: REEMF); Market Capitalization: \$106 million; Cash: \$19 million

[Rare Element Resources Ltd.](#) is a company headquartered in Colorado, USA. The company is focused on the exploration and development of rare earth elements (REEs) in North America. Its flagship project, the Bear Lodge Project in Wyoming and, according to the US Geological Survey, is one of the largest disseminated rare earth element deposits in the United States with a Measured & Indicated resource of 18 million tons grading 3.05% Total Rare Earth Oxide (TREO) at a 1.5% cutoff grade.

Irving Resources Inc. (CSE: IRV); Market Capitalization: \$68 million; Cash: \$13 million

[Irving Resources Inc.](#) is a Canadian-based mineral exploration

company focused on the exploration and development of gold and other mineral projects in Japan. The company's primary asset is the Omu project, which is located on the northern island of Hokkaido. The Omu project is a high-grade epithermal gold-silver deposit that is located in a highly prospective region, which has seen limited exploration in recent time. Irving Resources has been actively exploring and drilling the property to define and expand the mineralization.

**Snow Lake Resources Ltd. (NASDAQ: LITM);
Market Capitalization: \$55 million; Cash:
\$20 million**

[Snow Lake Resources Ltd.](#) is a Canadian mineral exploration and development company focused on the exploration and development of battery metal projects in the Snow Lake area of Manitoba, Canada. The company's primary asset is the Thompson Brothers Lithium deposit, which is a lithium exploration project located in the Snow Lake area. The Thompson Brothers Lithium deposit contains an Indicated Resource of 9.08 million tonnes grading at 1.00% Li₂O and an Inferred Resource of 1.97 million tonnes grading 0.98% Li₂O using a 0.3% Li₂O cut-off grade. The project has potential for expansion and Snow Lake Resources has been actively exploring and drilling the property to further define and expand the mineralization.

**Sable Resources Ltd. (TSXV: SAE); Market
Capitalization: \$23 million; Cash: \$17
million**

[Sable Resources Ltd.](#) is a Canadian mineral exploration company focused on the exploration and development of precious and base metal projects in Latin America. The company is actively

exploring the San Juan Regional Program incorporating the Don Julio, El Fierro, La Poncha, and Los Pumas projects in Argentina, and the Mexico Regional Program, incorporating the Vinata and El Escarpe projects.

**Fancamp Exploration Ltd. (TSXV: FNC);
Market Capitalization: \$19 million; Cash:
\$18 million**

[Fancamp Exploration Ltd.](#) is a Canadian mineral exploration company focused on the exploration and development of mineral properties in Canada. The company has a portfolio of mineral claims, including copper, gold, zinc, titanium, chromium, and rare earths metals, totaling over 158,000 hectares across Ontario, Quebec, and New Brunswick, Canada, as well as investments in other mineral exploration and development companies, including [EDM Resources Inc.](#) (TSXV: EDM) and [NeoTerrex Corporation](#) (*private*).

As Chinese rare earths' stock prices rally, pressure rises for the rest of the world...

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Rising [US-China tension](#) has resulted in some rare earths' stock prices rising sharply, particularly those in China. Given the recent US moves to introduce [critical materials legislation](#) it seems likely that the non-Chinese rare earth stocks will also

rally strongly this year, particularly if the new bills and financial support are passed.

Let's start with a recap of the recent US support highlights for rare earths:

- May 18, 2018 – The US declared a [list of 35 critical materials](#). A large part of the list includes rare earths.
- May 2, 2019 – U.S. Sen. Lisa Murkowski and others submitted the [American Mineral Security Act](#)
- In mid May, 2020, Senator Ted Cruz submitted the [Onshoring Rare Earths Act – the 'ORE Act'](#)
- On May 28, 2020 US Representative Michael Waltz submitted the [American Critical Mineral Exploration and Innovation Act of 2020](#)

The ORE Act focuses on six critical materials – **Rare earths**, scandium, lithium, cobalt, graphite, and manganese. The Critical Mineral Exploration and Innovation Act directs the U.S.G.S. to complete updated resource assessments for each critical mineral. It has been reported that there will be a focus on **rare earths** and other so-called strategic minerals.

Then just last week rare earths expert and [Technology Metals Show](#) host Jack Lifton [stated exclusively to InvestorIntel](#): “The US Defense Department has announced last week that it will seek \$1.7 billion for rare earths purchases in the 2021 National Defense Authorization Act that means the budget for fiscal 2021. In addition they will ask for another \$300 million (**a total of \$2 billion**), for rare earths for specialized weapons which they name as hypersonic missiles...”

Given all of the above proposed support to the rare earths sector, it is abundantly clear that the US is now finally moving rapidly to secure critical rare earths supply, particularly from US deposits, where possible. Current rare earths producers and

listed rare earths stocks stand to be beneficiaries. Especially if they have US rare earths projects, but quite likely any non-Chinese rare earth juniors that can achieve funding and production should find very strong western demand for their products. Most of the western world is now looking to diversify their supply chains especially after the trade war and COVID-19 problems of the past 2 years.

Some rare earth miners with US projects include:

- MP Materials (private)
- Rare Element Resources Ltd. (OTCQB: REEMF)
- Texas Mineral Resources Corp. (OTCQB: TMRC)
- Ucore Rare Metals Inc. (TSXV: UCU | OTCQX: UURAF)

Some miners with US rare earth processing potential include:

- [Energy Fuels Inc.](#) (NYSE: UUUU | TSX: EFR) recently [stated](#) their White Mesa Mill in the USA could be used in future for rare earths processing.
- Lynas Corporation (ASX: LYC) has received US support for a planned US rare earths processing facility.
- Peak Resources (ASX: PEK) plan to have a US rare earths processing facility.

Some rare earth miners with Canadian projects include:

- [Avalon Advanced Materials Inc.](#) (TSX: AVL | OTCQB: AVLNF)
- [Appia Energy Corp.](#) (CSE: API | OTCQB: APAAF)
- [Search Minerals Inc.](#) (TSXV: SMY)

Some rare earth miners with Australian projects include:

- [Alkane Resources Ltd.](#) (ASX: ALK | OTCQX: ALKEF)
- [Scandium International Mining Corp.](#) (TSX: SCY)

Rare earths are vital ingredients for modern technology



Closing remarks

The massive recent news of two new rare earth/critical materials related Acts and a proposed “US\$2 billion towards rare earths in 2021”, appears to have been somewhat missed by the market. The Chinese rare earths stocks have already bounced leaving the potential rest of the world rare earth miners to play catch up.

News flow in future months should continue to be extremely promising for the rare earths sector following on from the tremendous news from the last few weeks.

Investors should not wait too long as any further increased US-China tensions, threats of China supply loss, or passing of rare earths related Bills, will likely send non-Chinese rare earth miners stock prices higher.

Lifton and Scott on Rare Element Resources' proprietary rare earths separation technology

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“Back in October of 2017, Synchron which is an affiliate of General Atomics, a large private defense contractor, made an investment in Rare Element Resources to acquire about 33% ownership of the company. At the time we also provided an option

to acquire up to 49% of the company for an additional \$5 million. That option was for four years however Synchron decided to exercise its option two years earlier.” States Randall Scott, President, CEO and Director of [Rare Element Resources Ltd.](#) (OTCQB: REEMF), in an interview with InvestorIntel’s Jack Lifton.

Randall went on to say that Rare Element Resources is working with Umwelt-und Ingenieurtechnik GmbH (UIT), another General Atomics affiliate, in Germany to confirm and enhance Rare Element Resources’s proprietary rare earth separation technology. The testwork has made significant progress and has now progressed to pilot plant stage. Randall also said that Rare Element Resources proprietary technology has the potential to produce 98-99% mixed rare earth oxide concentrate and initial test work and initial pilot plant testing done by UIT has confirmed the technology.

To access the complete interview, [click here](#)