



The Bridge

The Good, the Bad and the Ugly - Vol XII

February 22, 2023

Where to start? Keep the good till the end, so you read on or talk about the ugly...

Generally, 2022 left a lot to behold. The narrative for gold never happened, so of course silver never moved either. The oil narrative never happened after one full year of a war in Ukraine as Russia still found a way to get their oil into central EU and of course it was a warmer than normal winter (lesson #1 - Don't bet on Mother Nature).

The EV narrative and the call to copper is still high on the list of "The Good", and everyone needs to consider how they will play this?

The VRIC came and went, without little fanfare. I came away not all that impressed on many fronts, mostly the quality of companies. Those that were there, outside of a few were really lacking. Keep in mind, I focus on jurisdictions that remain on the top 50 of the Fraser Institute Report, the 2022 report should be out soon as we are two weeks away from the PDAC. Below is the 2021 Survey. Of note, Saskatchewan was #2 in 2021... of the top 100! Page 9.

<https://www.fraserinstitute.org/sites/default/files/annual-survey-of-mining-companies-2021.pdf>

So this year I listened to all of the speeches in Speaker Hall A (seating for 800 according to Jay Martin with standing room for 300-400 more). The loud music to introduce the former Premier of B.C. and her fireside chat was informative and clearly she's pro mining. One wonders if she will use that platform to launch another run... many in the room hoped so. She really is a good speaker. Then the loud music to introduce Brad Wall, the former Premier of Saskatchewan. His music was his son's song as sung by him in Season 5 in "Yellowstone". Also a good speech, but his constitutional rant was lost on this crowd.

The take away from Frank Giustra and Rick Rule... 1) own bullion. 2) be in cash, many opportunities coming in Q3/4! But Rick summed it up in one clip, "I'm 70, an old guy, I'm sticking with the guys I know and the guys that have made it. No more punks". Around the 15:49 mark, (video link below) what Rick did not do, was define punk. I suspect, it's around the same frame as "Life Style Companies" which he has said for many a year!

<https://youtu.be/QKOKUp6ym54>

And Last on the VRIC, was a bit of a disappointment when in Workshop #3 on the Monday, Warren Irwin did not say "Colonial Coal" as his #1 idea for 2023. My understanding was he was asked to pick a base or

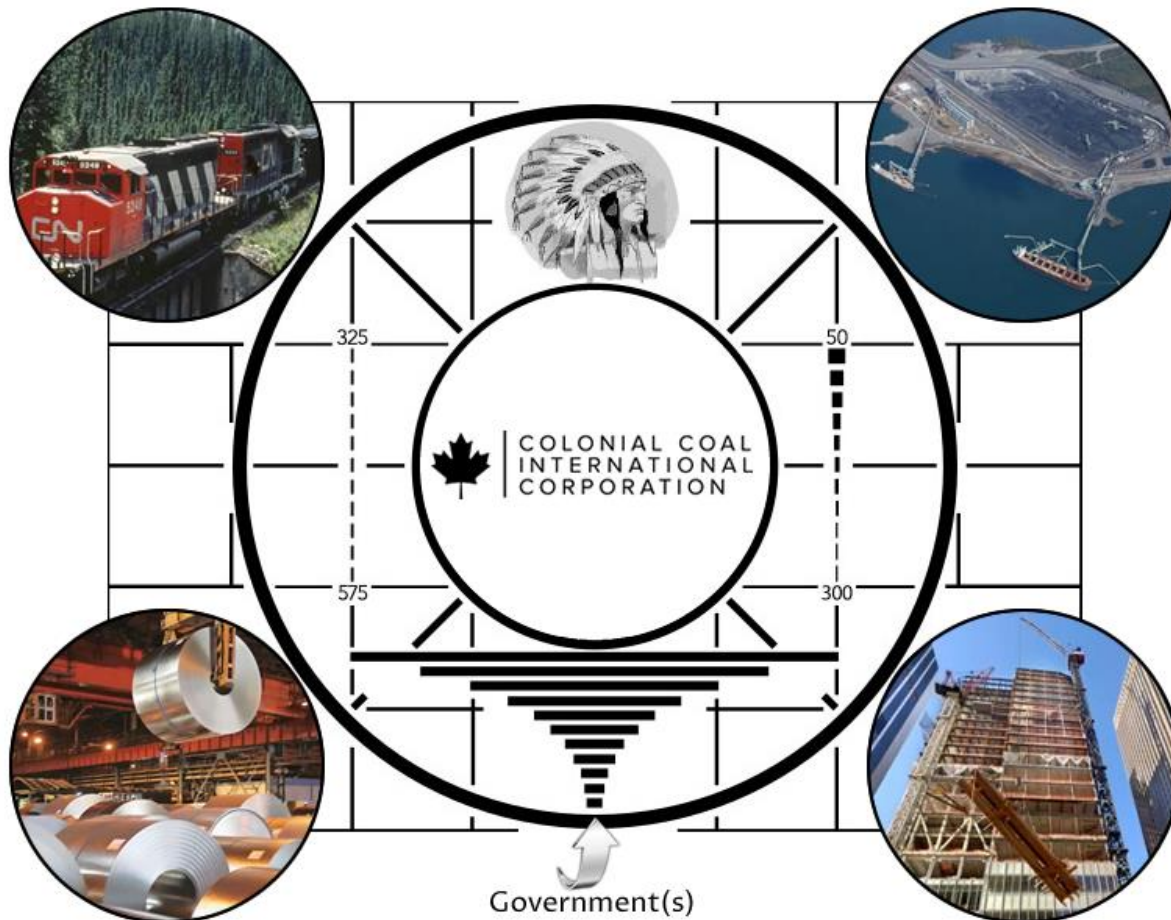
precious metal vs soft rock coal. So he spoke to a nickel deal in Africa for about 7 mins, with few questions asked of this opportunity. He then went on to speak about CAD, for about 15 more minutes, (which I believe the crowd was there for). At Warren's level he has the tolerance for that play and long term it could be very financially rewarding. But for my portfolio, it's not on the Fraser Institute's top 50 jurisdictions... and I am way older than he.

The Good:

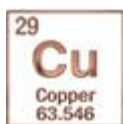
In 1932 the Indian Head test pattern was used until the early 60's, some us are old enough to remember this. I was challenged about using this on the graphic below, but I am paying homage to this test pattern and too RCA. Politically correct? Well, when Chicago Blackhawks change their name and their logo... that and I am not a politician... but 60 years of being a Chicago Blackhawk fan.



Colonial Coal International Corporation | CAD:TSX.v - What is good about this? Well as of today's writing I thought that fact that we now have movement in Tumbler Ridge was pretty exciting. Conuma buying the Quintette from Teck, and knowing they have a major financial backer as well as the fact that Glencore and Nippon Steel got turned down because of Elk issues on Skunumka is good for CAD. First off we don't have Elk, Caribou and or Wapiti issues, nor water or any other environmental issues. The company has maintained records for submission to the provincial government for over a decade, of which David may address at the upcoming webinar, (among other items of news worthiness). But his am, Teck announced a spin out of its coal assets, and so the pieces are falling into place. Many who have read my posts and/or those that may have chatted with me over the years (and it's been years) know I've said there are many moving parts. The graphic below reminds us all about how important infrastructure is. First Nations cooperation and collaboration with all governments, both Federal and Provincial. I've always believed that if you do the "right" things, the "right" things will come to you. The need for coke coal globally is there. Billions of tax payer dollars have gone into the port at Prince Rupert (Trigon), where we now have a collection of First Nation cooperation and an extremely under-utilized coal port. We have a global market that needs this product in a safe and fair jurisdiction that can cooperate with government and First Nations (and of course the Elk). Is a buyout imminent? No one can really say, but I believe we are closer today than when we were trading at \$3.73, (but remember the why) not because some promoter guy thought he did it. But because Met Coal went from \$278 USD a met tonne to over \$600 USD in a month! And finally 2022 saw coal as the #1 (number one) commodity in the world and as long as we need steel we need COAL!



Also in “The Good” category is Copper- Cu my prior picks were:



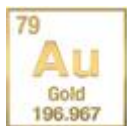
Copper Mountain Mining | CMMC:TSX - Not much has changed, or has it? With Teck spinning out its coal and them being very public about going down the path of copper, with this Canadian asset sitting there in SW BC (jurisdiction). 4 hours to port and producing with 53 years of mine life left and 3 ball mills operating. Not only no debt but now they have sold their Australian asset for \$320 M USD. This is a compelling story for a take-over by some one big. I’m not starting a rumour but 2023 may be a big year for M&A and this is clearly one to watch. The other take away at the VRIC was beyond the EV story. Most people are not aware that on earth, 3 billion people cannot turn on a switch in their home and have light, (3B/8B) What makes us think only we deserve this? Once this commodity starts to rock, the producers benefit first...

<https://financialpost.com/pmn/business-pmn/tecks-mining-breakup-sets-the-scene-for-copper-takeovers>

Then there is **Candente Copper Corp. | DNT:TSX**, another sitting duck. Too much metal in the ground and #10 on the world advanced stage copper projects, Fortescue in place and in play, question is when? Matter of time, remember mining is a long game... Mark Bristol said that last week on Bloomberg on NYC TV Thursday morning.

And last is Coppernico, not yet public but soon. Ivan is in the finals stages of completing a financing with absolutely no shortage of who’s who (MAJOR MINING COMPANIES) wanting to be in this tranche. He’s had offers by majors for 80%

of the project so once the raise is complete and he has all the community signatures in place I suspect we get clearance and we start to trade.



In the gold/good category, I'm placing **Fury Gold Mines LTD | FURY:TSX** but not just because they have a great management team. The group knows how to enhance this team as well as raise capital. But now I prescribe to the long game, and a thought out plan. I wish I could get inside the mind of Ivan and Shawn, they are very thorough. Fury's assets are in Quebec and Nunavut, right up AEM (Agnico Eagles play book). On Friday morning, the President and CEO of AEM was on BNN. When asked about the Newmont-Newcrest deal he was a gentleman (vs an earlier comment made by Mark Bristol at Barrick). These guys at this level are friendly adversaries... but he did say this, their knitting is Nunavut and Quebec. So Fury is playing into that card, and if there was anyone on earth that can turn a junior into a senior my bet would be on Ivan and the team he's assembled. So how long do we have to wait? I would say a \$3-\$4 dollar stock may do it. After all Newmont is their second largest shareholder and their JV partner. So go for the "Hail Mary" and buy out Eleanore! Ivan always uses a baseball analogy, going for the fences... I prefer football.

<https://furygoldmines.com/news-and-media/news/fury-appoints-brian-christie-as-new-board-director/>

The Bad:

It's only a reference term to an old spaghetti duster... **so I'm not** offending the management, the teams or the projects. Keeping in mind 2022 was not a great year for juniors. For different reasons I've either taken them off my list, sold positions or in some cases added to. It is because of speed to market, lack of solid or good corporate communications, dilution doing financing (when they should have just preserved cash) or just general malaise. Perhaps, if one really reads into this, the good category is reserved for those companies that may have a short life line on our planet. The bad, well jurisdiction, government interference (in some instances White Noise) where the project location can have a major impact on how long they have in the field each and every year. But if a company has the ability to raise a lot of capital and make an impact they can speed up the exploration project by years. After all, in Alaska and the Yukon you only have months to work per year (4 months). As I age I realize more now than before, I don't have that much time for some of these projects to fully develop... and in some cases nor does management. The bad category, can really represent the most critical element for a junior, **NO PAID PUBLIC RELATIONS!** There are 17,000 public traded companies, (5,000 in Canada). Either tell your story or let someone that knows how do so. That's my critical and no fee suggestion.

So for these reasons I put **DMX:TSX.v**, **KLD:TSX.v**, **GLDN:TSX.v** & **TORQ:TSX.v** in this category. They're not bad as in "BAD", just a changing criteria. But I also own them so I do follow them, and if they progress and they become worthy of an upgrade or a new movie header will move that direction.

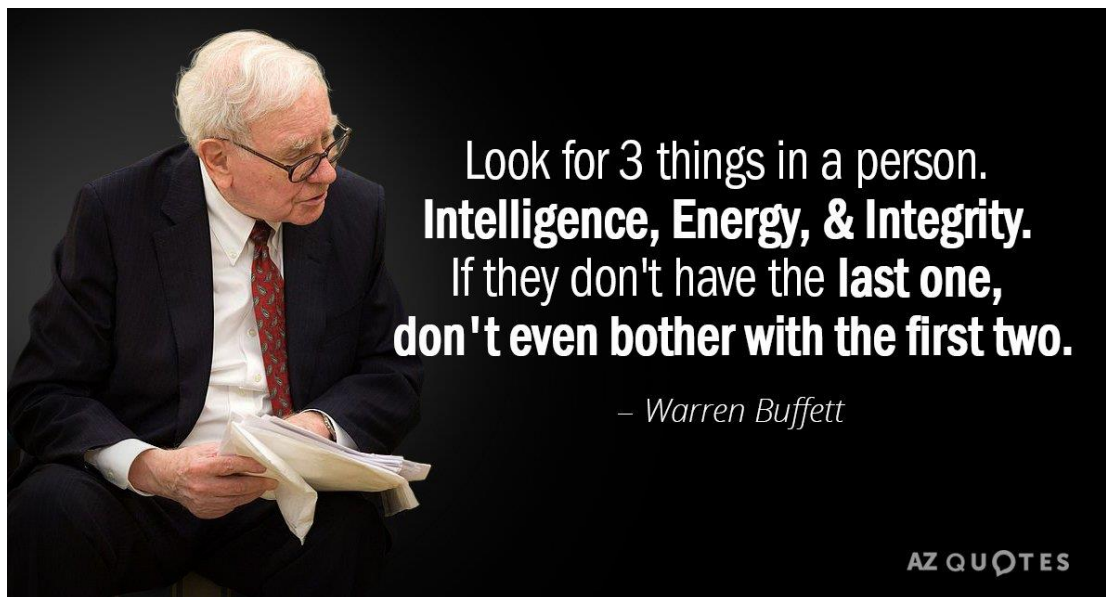
The Ugly:

TIG:TSX.v - I'm choosing this one for this category because they have done nothing to advance this company for the last two years. They have had a number of employees leave the deal, and got themselves in debt. They (key management) raised a lot of capital for a number of companies while allowing their deal to suffer. I believe you should focus on doing one thing right vs many things wrong. Now that they have raised \$3.75M, (after a rollback) \$1M will be used to pay off debt and creditors including the labs and the former drillers. So some news to follow. But in conducting exit interviews, this project requires \$5-10M and a team. But the biggest concern is they did not have their two largest shareholders participate in this recent

financing, why? The second key unanswered question is when will the creditor convert the debt to equity @ .05 or .25 or .50?

Today, there are far too many unanswered questions, and management that is not focused on "this deal". If only Robert Service knew:

*"There are strange things done in the midnight sun
By the men who toil for gold;
The Arctic trails have their secret tales
That would make your blood run cold;
The Northern Lights have seen queer sights,
But the queerest they ever did see...."*



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"A port in a storm, we seek safe harbour"

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