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RESOURCE INVESTMENT NEWS

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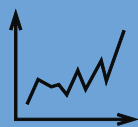
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THE PROSPECTOR

RESOURCE INVESTMENT NEWS

Published by Foxtrot Communications Ltd.

www.theprospectornews.com

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Agreement # 41738014

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THE PROSPECTOR



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Closeology and good early results demand drilling for BCK

Blind Creek Resources Ltd. (BCK: TSX-V)'s stated mission in its first field season as a public company will be "...to focus on expansion of new and significant mineral discoveries in the historic Engineer Gold Mine area on Tagish Lake near Atlin in NW B.C. and the surrounding areas." said Frank Callaghan, President.

As well, Blind Creek will be exploring in the Yukon on new gold-silver claims, in addition to developing the renowned Keno Hill Silver-Blende Project, and a silver-lead-zinc deposit in the Mayo Mining District, as priorities for "BCK" in 2012.



by **DAVID O'BRIEN**

IMR Inc.

Exploration on Atlin and Tagish Lake/Wann River/Table Mountain in BC

Blind Creek has big exploration plans for 2012 (by press time already commenced) based on this list of exploration results from recent years:

- *high-grade assay trench dump samples collected at Wann River Project, Tagish Lake, returned up to 263 g/t gold, 1,350 g/t silver, 4.15% copper, 4.75% lead, 1.94% zinc*
- *high-grade in situ quartz vein grab samples collected within an 800 m corridor returned up to 17.2 g/t gold, 440 g/t silver*
- *chip samples from three 80 cm thick quartz veins found on surface returned up to 3.4 g/t gold, 320 g/t silver*
- *quartz float found within the same 800 m corridor returned up to 32.9 g/t gold, 1,180 g/t silver, 3.35% copper, 3.79% lead*
- *a 3,000 m drilling program intersected 23 quartz veins within the same 800 m corridor, and the best returns over one metre in length were 11.3 g/t gold, 226 g/t silver*

The Wann River property remains open in all directions and 'demands' a great deal more exploration.

In keeping with our 'start-up early Explorationists' checklist for investors, the



A handful of placer gold from the Snake Creek Project.

infrastructure is worth mentioning as both the B.C. projects are accessible by roads to the Alaska Highway, including the White Pass rail route to Skagway, and through 80 km of Tagish Lake waterway.

Large property position in the Yukon contiguous to ATAC Resources Ltd. (ATC: TSX-V).

Blind Creek's management is updating an NI 43-101 compliant resource estimate on the Blende project.

Staking in the Fall of 2010 was to link the Blende property to the proximity of the newly-named Yukon Carlin Trend and the Ocelot projects managed by ATAC Resources.

2011 geochemical surveys suggest the presence of silver within these newly staked quartz claims.

At the Blende lead-zinc-silver property in the Mayo Mining District, 25,200 meters of drilling has been completed by Blind Creek and previous operators. Blind Creek has spent \$6million on the property.

It has a historic (non-compliant to the NI 43-101) mineral resource of:

- *15.3 million tonnes grading 3.04% zinc, 3.23% lead, 67 g/t silver*
- *plus 4.3 million tonnes grading 3.05% zinc, 1.31% lead, 15.1 g/t silver*
- *1.3146 million lbs zinc, 1.2136 million lbs lead,*

Item	Claim Group	Project	claims	Hectares	Comment
1	Blende	Blende	258	5,392.20	Pb-Zn-Ag
2	Blende-Ocelot	Ocelot	372	7,774.80	Ag
3	Keno Silver	Keno	272	5,684.80	Ag-Au
4	Carlin Gold Trend	Carlin Gold	153	3,197.70	Au?
Total			1055	22,049.50	

Item	Claim Group	Project	claims	Hectares	Comment
1	Atlin Gold Camp	Atlin	123	63,904	Au-Ag
2	Tagish Lake	Wann River/Table Mt	216	77,409.98	Au-Ag
Total			339	141,313	

38 million oz silver

During the Winter and Spring of 2011 the Company acquired 272 quartz claims (5,684.8 ha) 16 km east of the high-grade silver Bellekino Mine near Kino Hill, and follow-up geochemistry surveys during 2011 are indicating subtle anomalous trends in gold-silver-lead.

In addition, during 2010 the Company acquired 153 quartz claims (3,197.70 ha) within a west extension of the new Yukon Carlin Trend where it is looking for indications of gold.

Blind Creek Resources' Market Cap is \$5.3 million, with about 69 million shares (fully diluted). Share price is near its 52 week low. BCK's last financing was done at \$0.50 and it's currently trading at \$0.10. (mid-April, 2012)

Management has the experience of taking Barkerville Gold Mines Ltd. (BGM: TSX-V) through the Exploration, Development and Production phases so we're looking for a similar performance with BCK. Contact Investor Relations' Sean Callaghan at scallaghan@blindcreek.ca, and visit their website: www.blindcreekresources.com.

Considering the 'closeology' of the properties, and recent sampling programs' results, these all have great potential...and Demand Drilling!

ADVISORY:

O'Brien is the President and a Director of International Mining Research Inc. (IMR Inc.), a Vancouver-based resource investment media company with the mandate to encourage investors to do their own Due Diligence about their investment options by providing information from explorationists, developers and producers; and "third-party" advice from industry experts. IMR owns MineSnooper.com and distributes marketing materials at many resource investment events throughout the year in North America, and expanding around the world. O'Brien's ad agency W.I.T. Marketing also increases exposure for its clientele while saving them money through volume purchasing discounts. O'Brien does not hold any shares in Blind Creek Resources.



Geologist Ian Coster poses near a 100 year old mine entrance (called an adit) at Wann River Brown. The old dig follows an auriferous-argentiferous vein for roughly eight metres.



TSX.V - BCK

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They say “We Are Guerrero”, we say “We Are Impressed”



BY DAVID O'BRIEN

We've been covering Guerrero Exploration Inc. (**GEX: TSX-V, 2GU: FSE**), a Canadian-based mineral exploration company with a focus on Mexican gold, copper and silver mining areas within the Guerrero Gold Belt, the Southern Mexican Gold Belt and the Sierra Madre Occidental Belt.

This is a different flavour, still all Guerrero...

Guerrero has a newly-staked land package, the 86,205 hectares (Ha) Olinalá property in Guerrero State, Mexico, about 100 km east of the State capital, Chilpancingo de los Bravo, and 187 km SE of Mexico City. It is located immediately south of Cerro

Dolores, a polymetallic project owned by **Goldcorp Inc. (G: TSX, GG: NYSE)** that was optioned to Starcore International Mines in 2008 (Starcore International Mines Ltd., MDA 31 January 2008). The Olinalá area overlaps two volcanic belts that are considered prospective for volcanogenic massive sulfide (VMS) deposits.

The Olinalá Property also overlaps the eastern part of the Mixteca Terrane in Guerrero State. This geological terrane hosts several recent gold and base metal discoveries, including Morelos Sur (**Cayden Resources Inc. (CYD: TSX-V)**), Morelos (**Torex Gold Resources Inc. (TXG: TSX)**) and the Los Filos/Bermejil open pit mine with 248.6 million tonnes of 5.1 g/t gold and 40.97

g/t silver (Goldcorp).

This brings the total of GEX's surface rights to over 168,887 Ha of highly prospective land in the Guerrero Gold Belt.

Guerrero's Next Steps

The next steps for the company are to drill Cerro Azul and begin preliminary work programs on Olinalá, Coatapec, and Cibola.

President and CEO, David Stadnyk, stated: “We are very pleased with the ongoing extensive efforts of management in staking large surface exploration rights. The Company is committed to finding a resource base through an aggressive exploration drill program on the Cerro Azul property, and a regional



first pass sampling exploration work program on the company's Coatapec, Cibola and Olinala properties in Guerrero state. With Guerrero having one of the largest land ownerships in the state of Guerrero and having the smallest market cap amongst the neighboring publically trading companies in the area, Guerrero has now set the stage to aggressively explore the properties for potential new opportunities of precious and base metal resources."

Guerrero hired Michelle Robinson, M.A.Sc., P.Eng. in February, a Qualified Person as defined by NI 43-101, and she has been working in the area for years. We detailed her resume in our last article, however, if you missed it, she's authored technical papers on volcanogenic massive sulfide deposits and was the recipient of several awards in the mining industry. Ms. Robinson currently serves as a Director of **Zinco Mining Corp. (ZIM: TSX-V, 61Z: FSE)**, and has authored NI 43-101 Technical Reports for several clients in the mining

industry, including **Oro Mining Ltd. (OGR: TSX-V)**, **August Metal Corp. (AGV: TSX-V)** and **Everton Resources Inc. (EVR: TSX-V)**. Ms. Robinson is currently the President of Minera Camargo S.A. de C.V. and Minera Croesus S.A. de C.V., both operating mining and exploration companies in Mexico.

So we say, "Impressed" and "Appropriate"!

For further information visit www.grxpl.com AND do your 'Due Dili'.

David O'Brien is the owner of the media company International Mining Research Inc. with its media, event and "online presence" including MineSnooper.com. O'Brien also operates W.I.T. Marketing, an ad agency, and is contributing articles to The Prospector News on demand. He owns no shares in the above companies.

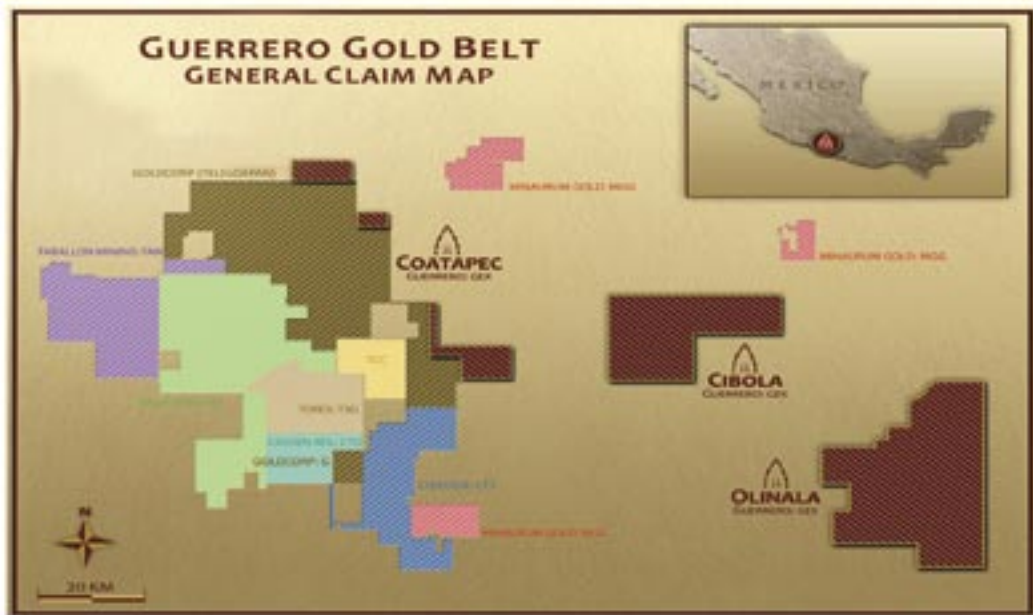
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- Over 168,000 Hectares in Guerrero
- Coatapec, Cibola, and Olinala are in close proximity to some of the largest gold discoveries in Mexico
- Coatapec is contiguous to Goldcorp's Teloloapan concession
- At Cerro Azul, drill targets have been selected based on sampling results: rock-chips grading as high as 10% Cu, and Cu-in-soil samples at 1.8%
- 2011 Chapalota first-pass drill program returned significant gold and silver results
- GEX's extensive work and drill programs will commence shortly



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At the end of this Rainbow... an 'International' 'Jewel'

Ten highly-prospective properties in BC and Nevada

BY DAVID O' BRIEN

Rainbow Resources Inc. (RBW: TSX-V) is an aggressive young junior exploration company focused on making the next major gold or silver discovery in two prolific and mining-friendly jurisdictions in North America: the West Kootenay region of B.C., and the Battle Mountain - Eureka trend in Nevada.

The company is led by a proven business and geological team, including David W. Johnston, Rainbow's President, who has been working on the properties full time since 2006... and Jim Decker, P.Eng., a founder of Grande Cache Coal. Recently, Robert Morris, P.Geo., of Moose Mountain Technical Services is the QP for the NI 43 - 101, and has also been reviewing and approving News Releases regarding Rainbow's properties.

Rainbow's 9,000 hectare (Ha) Big Strike Project in the West Kootenays, featuring eight separate properties including the International, has never been drill-tested even though there has been historical production at high grades on some of those properties. Drilling preparations are underway and the company will be very active on the ground with its Big Strike exploration program beginning in June.

Rainbow is also now advancing its Nevada Project, which consists of the Jewel Ridge and other properties still being negotiated, in a major gold-producing district near Eureka.

The Kootenay Arc Big Strike Project, near Kaslo, SE B.C.

We'll start with a brief overview on the 4,000 hectare International (and for the other seven properties visit www.rainbowresourcesinc.com/properties.php). The International has everyone excited because of its historical adits and impressive near-surface showings of mineralization (argentiferous galena) over a distance of more than 1.2 km.



Talk about mineralized... this is almost a "chunk of metal"!

Recent samplings returned silver values between 15 and 25 ounces per ton and lead values as high as 40% to 60%. The average silver grade of 12 rock samples collected by Braveheart (the previous owner) was 562.3 g/t Ag or 16.4 ounces per ton, with the highest value coming in at 1,148 g/t Ag or 33.5 ounces per ton...and the average lead was 39.2% Pb with the highest value being 68%!

One recent sample collected by Moose Mountain came in at 300 g/t Ag or 8.75 ounces per ton and 51.7% Pb. According to David Johnston, these are fairly typical of historical assays from old workings going back to the early 1900's.

Enough to spur the extensive drilling program planned. Even though the property has never been drilled, management is pleased that it now has easy access.

Actually, two other properties should be mentioned near the village of Slocan: the Ottawa Property, which is quite significant given its historical production and the average grade of 61.6 ounces per ton Ag, and Gold Viking, which is adjacent and could be part of one large intrusive body.

Exploration of the Jewel Ridge Gold Property near Eureka, Nevada

Jewel Ridge is in the south end of the prolific Battle Mountain - Eureka Trend, along strike and contiguous to **Barrick Gold Corp. (ABX: TSX & NYSE Amex)**'s two-million ounce Archimedes/Ruby Hill Mine to the north, and **Timberline Resources Corp. (TBR: TSX-V, TLR: NYSE Amex)**'s advanced-stage Lookout Mountain Project to the south.

Jewel Ridge contains several small open-pit gold mines aligned along a

continues



Rainbow Resources' Kootenay Arc Big Strike project features numerous highly-prospective drill targets with discovery potential.



Rainbow's Board of Directors: Bobby Libin, Jim Decker and David W. Johnston.

north-south trend. One of Rainbow's priorities will be to follow up on the previous operator's drill results including 2.1 g/t Au over 39.6 metres at the old Hamburg Mine workings.

Between the "International" and the "Jewel" and all the other properties, there appears to be something valuable at the end of this Rainbow. As their website extols:

"Follow the Rainbow!"

David O'Brien is the owner of the media company International Mining Research Inc. with its media, event and "online presence" including MineSnooper.com. O'Brien also operates W.I.T. Marketing, an ad agency, and is contributing articles to The Prospector News on demand. He owns no shares in the above companies.
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Hawkeye TOPs the Charts with NI 43-101 Yukon Property Shows Good Potential for Gold

BY DAVID O'BRIEN

Hawkeye Gold & Diamond Inc. (TSX: HGO) have released their first NI 43-101 compliant report regarding the company's TOP property in the Yukon.

The Vancouver-based junior exploration firm now owns three developments in the Yukon (named DART, MINT and the aforementioned TOP) as well as a high grade copper and silver prospect on Vancouver Island (known as DASS Mountain).

The TOP property, located approximately 59 km west-northwest of Carmacks and 207 km northwest of Whitehorse, is situated in the Carmacks Caldera which is inferred to be a volcanic-related subsidence structure, and is considered to have the strongest gold anomalies in the Yukon.

This collapsed volcano is thought to be the originating source of many of the Yukon's mineralizing events in the Dawson Gold Belt, one of many factors which have driven Hawkeye forward in its bid for continued success in the north.

While the NI 43-101 is admittedly

just one of many first steps on the road to successful resource exploitation in the area, it is a highly promising sign of bigger and better things to come.

By reading the report carefully, we

*This collapsed volcano
is thought to be the
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in its bid for continued
success in the north.*

can see that Hawkeye may be on the cusp of a worthy discovery, making 2012 a year in which we see many eyes turned towards this relatively unexplored area, considered by many as the "next developing discovery area

play" in the Yukon.

Here are the findings:

The TOP Property's principal targets are an epithermal gold-silver or a porphyry copper-gold deposit and has the potential to host an economic gold deposit for the following reasons:

1) Carbonatization and silicification of volcanic rocks in the TOP North area show that rocks have been altered by hydrothermal fluids and that the resulting fracturing and chemically enhanced porosity could provide a suitable location for gold precipitation. The movement of gold-bearing hydrothermal fluid through a plumbing system, with the subsequent deposition of the gold from solution, would be necessary for the creation of a gold deposit;

2) Interpreted structural trends coincide with soil anomalies suggesting the presence of structurally controlled mineralization;

3) Significant gold in soil anomalies occur on the Property as do hydrothermal trace element anomalies such as arsenic, antimony, and barium; and

4) The TOP property has lithological and geophysical similarities to nearby gold deposits.

That last bit needs to be expanded upon somewhat. The TOP property isn't just 'near' some working deposits, it's directly adjoining Rockhaven's Klaza Property to the south where mineralization in excess of 1.0 gram gold equivalent/tonne over significant widths (3.04 to 36.50 m) were intersected by Rockhaven in 36 of 40 drill holes with one hole intersecting 12.51 m averaging 5.03 g/t gold and 14 g/t silver.

Northern Freegold's Nucleus deposit which has a NI 43-101-compliant Indicated Mineral Resource estimated at 48.5 million tonnes grading 0.70 g/t gold, 0.90 g/t silver, and 0.06% copper, with a cut-off grade of 0.4 g/t is located approximately 12 km north-northeast from the TOP Property.

The TOP Property is also situated 20 kilometers northwest of the past producing Mt. Nansen high grade gold-silver mine (556,500 tonnes grading 11.93 g/t gold and 211 g/t silver).

This report is the further advancement from Hawkeye's extensive summer 2011 program that consisted of 1,034 geochemical soil samples, 25 geochemical rock samples, and approximately 12 km of prospecting and reconnaissance geological traverses. Split into two designated areas known as TOP North and TOP South, work was carried out over approximately 20% of the property. One may therefore infer two items of note:

1. Hawkeye sees the property as a valuable asset worth aggressively pursuing

2. There is a large (roughly 80%) area still open for exploration

The DASS Mountain Property is now "drill-ready," and has assay results for 13 rock samples reporting copper (Cu) values ranging from 1.079% to as high as 20.761% and silver (Ag) values ranging from 0.4 to 43.1 g/t. Close by, the Myra Falls Mine, which has been producing average ore concentration of 5.4% zinc (Zn), 0.5% lead (Pb), 1.0% copper (Cu), 45 g/t silver (Ag) and 1.3 g/t tonne gold (Au) since 1966, is located 35 km south of the DASS Property situated on the southern tip of Upper Campbell Lake.

Statements from the company indicate they are very encouraged by the results of its 2011 work program over the TOP (Yukon) and DASS Mountain (Vancouver Island, B.C.) properties and that they are both 'drill ready' for the 2012 season. Look forward to The Prospector News keeping you informed of developments.

*David O'Brien is the owner of the media company **International Mining Research Inc.** with its media, event and "online presence" including MineSnooper.com. O'Brien also operates **W.I.T. Marketing**, an ad agency, and is contributing articles to **The Prospector News** on demand. He owns no shares in the above companies. dobrien@InternationalMiningResearch.com*



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Nemaska Lithium Cooking High Grade High Purity Lithium Hydroxide Derived from Innovative Chemical Transformation Process

BY CHRISTIAN VAKENTI

It's always exciting to be on the forefront of new technology. And if that technology helps the planet, we so much the better, we say.

So it's with much interest that we look into the recent efforts of **Nemaska Lithium Inc. (TSX VENTURE:NMX)(OTCQX:NMKEF)**, who've just published the results from a multiple-phase pilot program designed to obtain lithium hydroxide using a highly innovative chemical process.

"We believe this is a ground breaking achievement in the chemical transformation," says Guy Bourassa, President and CEO of Nemaska, "of spodumene concentrate into battery grade lithium hydroxide.

The experiments were performed at SGS Lakefield on a 58 tonne bulk sample taken from the Whabouchi lithium project. The program included single and multi-stage dense media separation (DMS), flotation, pyrometallurgy, and hydrometallurgy.

The objectives were:

1. to produce both spodumene concentrate product and battery-grade lithium chemicals (hydroxide and carbonate) to specifications for evaluation by potential customers.

2. to achieve a 6% Li₂O spodumene concentrate for determining the feasibility of a stand-alone commercial concentrate production project.

"This is a value added product and, given the successful results to date," says Bourassa, "the company

is currently evaluating the feasibility of building a lithium chemicals complex in the Province of Québec and becoming a producer of lithium hydroxide and lithium carbonate."

"Presently the market for lithium hydroxide is expanding and the current world production capacity will not meet the expected increase in demand. It is important to note that lithium hydroxide is a premium product that sells for approximately \$6,300 a tonne versus \$5,300 a tonne for lithium carbonate and we have demonstrated that we can produce hydroxide at a lower cost.

"Furthermore, there is a limited number of hydroxide producers and clients are looking for an additional reliable source of supply as the demand

hydrometallurgical pilot plant at SGS Lakefield.

The hydrometallurgical pilot plant program demonstrated innovative departures from the standard flow sheet. High purity lithium hydroxide was produced directly from lithium sulphate. This process requires no reagent chemicals resulting in significant savings on the purchase of caustic soda that would be required with the traditional process. In addition, the process eliminates the evaporation, handling and disposal of sodium sulphate that would be produced in the traditional process. Capital costs of associated equipment are also saved. This completes the first phase of the hydrometallurgical pilot plant program.

Lithium hydroxide samples have been sent to potential clients.

A laboratory scale process was successful in producing battery-grade lithium carbonate directly from the high purity lithium hydroxide produced in the first phase pilot plant. This innovative process does away with the need for expensive sodium carbonate (soda ash).

Spodumene concentrate was produced using a combination of DMS plus flotation pilot plant and an all-flotation option.

The study revealed the best flow sheet process was the DMS-flotation combination which yielded an average 6.3% Li₂O concentrate with more than 80% recovery. It should be noted that locked-cycle flotation tests on a blasted sample and a mine-representative composite yielded 6.5% Li₂O concentrates with an 89% and 85%

"Presently the market for lithium hydroxide is expanding and the current world production capacity will not meet the expected increase in demand."

**– Guy Bourassa,
President and CEO of Nemaska**

continues to grow. Nemaska believes its production will be timed to meet the increase in demand as well as provide a reliable alternative source."

Approximately 3 tonnes of combined DMS and flotation concentrate was calcined and acid-baked in a pilot plant kiln at FEECO International in Green Bay, Wisconsin for use as feed into a

recovery respectively. A full plant scale recovery of up to 85% Li_2O is thought to be possible.

The final process is still under review but will be included in the Definitive Feasibility Study on the production of spodumene concentrate presently being drafted by BBA Inc.

BELOW AND RIGHT:
Yvan Bussi res
and Gary Pearce
(Consultant) doing
exploration on
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Since 2000, IAE's engineers have consulted for many large energy firms such as Noreasco, Chevron, California Power Plants, EBSI, Veolia Water – and the German government.



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The next step for IAE is to produce a Feasibility Study for the "waste-to-energy" Pilot Project in Doran, Ecuador.

Their engineers believe that the "waste stream in Doran, Ecuador is ideal for a 'waste-to-energy' (gasification) plant because of the waste's high organic content and a politically favorable renewables sector. These factors give IAE confidence that the results of the

feasibility study will be favorable." said Charles Daley, VP & Director.

The Feasibility Study will cost about \$400K, and upon successful development of the Doran project their LOI indicates these projects will be rolled out to several other Ecuadorian cities...and their Business Plan shows projected Annual Revenues of over \$2mm plus cash flow from the sale of energy, waste disposal and of Carbon Credits on the first plant alone. Call Charles to investigate your participation in the financing of the Feasibility Study at (604) 842 9665 (Accredited or Sophisticated Investors only.)

Another power project in "pre-feasibility" is the *Solar Power* installation being designed to secure long-term stability in energy costs for **Avino Silver & Gold Mines** in Durango, Mexico, once Avino reaches full commercial production.

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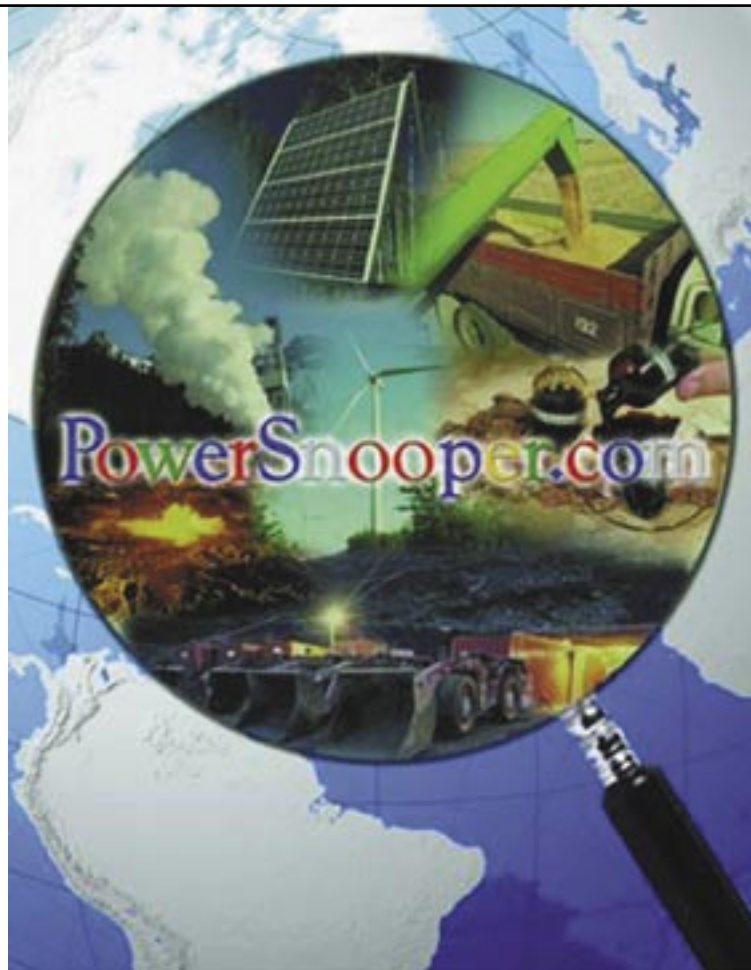
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Our conversation with Daley brought out a more personal ‘mission’ that isn’t obvious at first from their website (www.IndependenceAlternativeEnergy.com) and that was the impact of securing long-term price stability and carbon neutrality in the Ecuadorian power sector would have far-reaching societal and environmental benefits for community stakeholders. He talked about ‘closing the loops’ by utilizing waste...and securing long-term energy stability from a ‘green perspective’, so to speak.

By David O’Brien, owner of **International Mining Research Inc.** and the media & event “**Awareness-Building Concept**” of Media Leverage including MineSnooper.com, now working on the development of PowerSnooper.com for the Alternative Clean-Tech Power sector.
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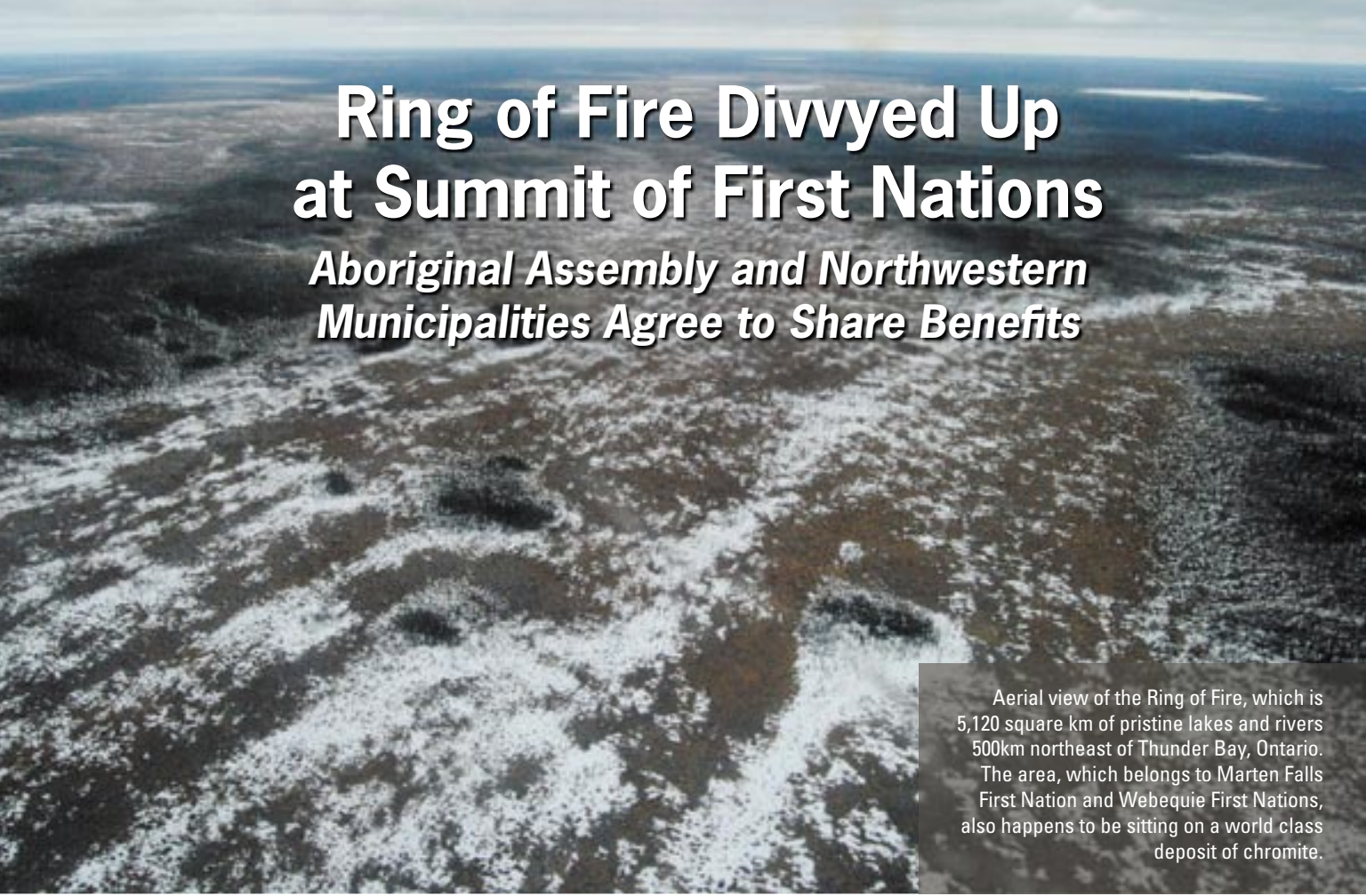
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Ring of Fire Divvyed Up at Summit of First Nations

Aboriginal Assembly and Northwestern Municipalities Agree to Share Benefits



Aerial view of the Ring of Fire, which is 5,120 square km of pristine lakes and rivers 500km northeast of Thunder Bay, Ontario. The area, which belongs to Marten Falls First Nation and Webequie First Nations, also happens to be sitting on a world class deposit of chromite.

BY CHRISTIAN VAKENTI

Despite earlier negotiations which had sparked some contention amongst the interested parties, we see some progress towards developing the world class chromite deposit located under the 'Ring of Fire', a 5,120 sq km range located in northeastern Ontario.

A summit between First Nations leaders and the mayors of Thunder Bay, Nipigon, Hearst and Greenstone has reached unanimous agreement as to what they'd like to see happen as the resource exploitation moves forward.

"It is very exciting to see so many First Nation community leaders and Mayors sitting and working together," says Renald Beaulieu, Mayor of Greenstone.

"There is strength in numbers. In the future, today will be remembered as the day when a huge step forward was made in the on-going partnership between First Nations and other communities."

"The Resolution we signed today,

states the ferrochrome processing facility should be in Greenstone so that all people of this region can benefit from the jobs and the revenues generated. Cliffs suggests it wants to take the chromite to Sudbury. We say it should

*"...today will be remembered as the day
when a huge step forward was made
in the on-going partnership between
First Nations and other communities."*

Renald Beaulieu
Mayor of Greenstone

stay here for processing."

Thunder Bay Mayor Keith Hobbs said, "To be clear, Thunder Bay supports the First Nations efforts to secure benefits from the Ring of Fire. We appreciate the efforts you have made to date, you have

worked hard and we will help when and wherever possible."

While the mayoral council and local bands have made progress on their shared benefits plan, there is still a lot of work left to be done before the deal is struck. Site developers Cliffs/ Noront have proposed to keep infrastructure costs down by utilizing diesel generators to power the mine, a plan which doesn't sit well with local native groups, who had thought to benefit from a newly installed power grid.

"We want infrastructure out of the development," said Chief Eli Moonias of Marten Falls First Nation, "a new powerline will do this. We have a company interested in studying this project in partnership with the communities. The Province should support this for environmental reasons over diesel, the Federal government should support this long range outlook - grid connection will eliminate costly community diesel

generation systems.”

“What we ask of Cliffs and Noront is to provide the opportunity to study this regional initiative until the final decision on the access corridor, smelter location and power supply is addressed, and that there is satisfaction from all parties that no alternative exists to what the companies are proposing.”

Paul Gladu, Chief of the Bingwi

“Together, we have signed historic Resolutions.”

Chief Paul Gladu

Neyaashi Anishinabeek First Nation concluded, “Together, we have signed historic Resolutions. One clearly showing the expectations of the Region from the municipalities and the First Nations are shared in supporting a refinery in Exton and a north south route to Marten Falls.”



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Rubicon Minerals Toil in the Soil at *Red Lake*

Phoenix Gold Project Boasts Continued Significant Intercepts

Ian Russell, Regional Exploration Manager and Andrew Quinlan, Geologist at Rubicon Minerals Phoenix Gold Project.

England my family was unfamiliar with the Native word which best described their newly purchased terra firma: the word is muskeg.

So while it was a hard winter for my forbearers, it was a valuable lesson learned in geographical investment property: know your dirt before you buy it.

When it comes to mining the Red Lake area of Ontario, it may be fairly said that no other junior mining co. 'knows their dirt' better than Rubicon Minerals.

An Ontario based junior gold corp. with over 100 square miles of prime exploration ground in the prolific Red Lake gold district, **Rubicon Minerals Corporation (TSX: RMX) (NYSE-AMEX: RBY)** plot is in the same district that hosts Goldcorp's high-grade, world class Red Lake Mine.

And in this case, having wealthy neighbours has paid off in spades for Rubicon. Spades of gold, that is.

Just before the deadline for this issue of *The Prospector*, Rubicon gave us an update on its wholly-owned Phoenix Gold Project, the highlights being **446.4 g/t gold over 2.0 metres (13.02 oz/ton gold over 6.6 feet), 113.8 g/t gold over 2.9 metres (3.32 oz/ton gold over 9.5 feet).**

Rubicon is carrying out a 12-month, \$55 million program designed to optimize certain aspects of its Preliminary Economic Assessment. This program contemplates a total of 68,000 metres of drilling of which 41,000 metres remain to be drilled before the end of Q3, 2012.

The program has two objectives: infill drilling designed to confirm and potentially extend existing gold zones and expansion drilling designed to test for further extensions of known gold mineralization.

The majority of drilling to date has been focused on infill drilling from ice-based drill pads and from underground. The majority of the remaining drilling

BY CHRISTIAN VAKENTI

It's a well-worn concept for exploration mining: buy a patch of ground next to where someone else has already made significant discoveries.

The bigger the patch, in general, the better. And the larger the strike belonging to your neighbour, the higher your odds of riding a gilded carriage to success on their coattails.

It doesn't always work; in fact it often

produces merely lacklustre results. This is a concept which was learned early on in my family, when the first generation to arrive in Canada back in the mid-1800's bought a plot of land in Alberta with the intent to farm. The land they purchased was next to several other well-to-do farmers and the whole idea sounded just grand until they actually tried their hand at tilling the land.

You see, fresh off the boat from

will focus on extending known mineralization and expanding the mineralized system.

“Our stated objectives in this program of drilling were to carry out infill drilling and to explore for extensions to the F2 Gold System,” says David Adamson, President and CEO.

“Our infill drilling near surface has been successful to date and has also identified extensions to known zones. The remaining drilling in the current budget will focus on our target of expanding the known limits of the F2 Gold System. Initial results from expansion drilling are encouraging in several new target areas.”

Rubicon reports on four main zones, one of which, called the ‘Sub 1200 Metre Area’ is exactly what it sounds like. So far, they’ve been somewhat conservative in exploring at or beyond this depth, but it’s worth noting that they have made gold intercepts as deep as 1511 metres.

We think their ‘Crown Zone’ shows the best of what we can expect in the short term from Rubicon, which shows

healthy and highly promising numbers. Highlights from the Crown Zone include:

- **113.8 g/t gold over 2.9 metres (3.32 oz/ton gold over 9.5 feet), including 323.5 g/t gold over 1.0 metre (9.44 oz/ton gold over 3.3 feet)**
- **10.6 g/t gold over 5.5 metres (0.31 oz/ton gold over 18.0 feet), including 41.2 g/t over 1.0 metre (1.20 oz/ton gold over 3.3 feet)**

The ‘West Limb Basalt 2’ zone (you can always tell when a geologist named something, as opposed to a PR rep, who name things like ‘Lucky Leprechaun’ or ‘Pay Dirt Ridge’) and remaining zones also posted strong results, which can be seen in far greater detail than we have the space for here by clicking on Rubicon’s website (www.rubiconminerals.com).

In summation, with promising results from their winter drilling campaign, we see Rubicon as well-poised to make a strong entry into 2012, with more good news expected to follow. We’ll keep you posted.



A rock is just a rock? Not when they’re loaded with visible gold, like this classic example of a Red Lake beauty dug up by Rubicon.



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Gold... and Ignorance

For many years **CPM Group** had a cooperative relationship with *The Prospector*, which has unfortunately faded away over time. Early this year new management at the magazine suggested we revive working together, and CPM Group gladly and readily accepted. We are looking forward to providing readers of *The Prospector* articles exploring various issues facing the gold and silver markets once more.

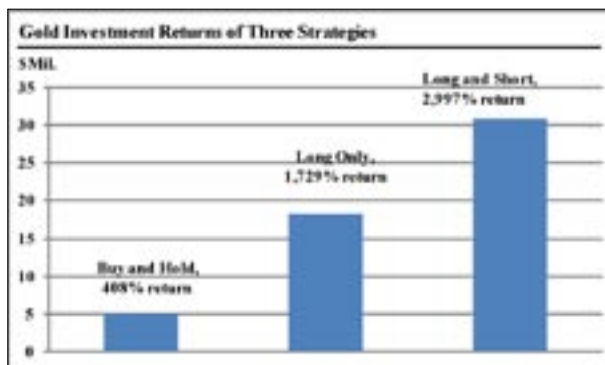


by **JEFFREY M. CHRISTIAN**

Managing Director, CPM Group

Gold

These are interesting and critical times for gold: The price may well be at a turning point, or just past one. Investment demand is the key determinant of gold prices. Over the past decade the world has given investors many really strong reasons to buy and



hold gold (and silver) against a range of economic, financial, and political problems. While most of these problems remain, it appears that investors have backed away from their over-bearing fear of imminent financial catastrophe to a posture in which they realize these problems will continue to plague the world's economies for decades to come, but they may not lead to a total collapse of the international

financial system, the euro, the dollar, the European Central Bank, the U.S. Treasury, or the global banking system.

In this view, it continues to be important to buy and hold gold, but investors can be price sensitive. When prices rise, as they did to \$1,790 in late February, investors are pulling back from buying gold. When prices fall, as they did to \$1,627 in late March, investors step up their purchases.

This pattern may continue going forward. The world continues to give investors reason to want to buy and hold gold, but at least some investors have woken up to the reality that it is not a matter of a catastrophic collapse of the global financial system the world is facing, but rather years and decades of sub-par economic growth, slightly above average inflation, and fragile global economic and political systems that will be vulnerable to severe recessions, bank runs, and other major bouts of uncertainty and volatility for a long time.

In this environment investors should be expected to step up their gold buying whenever gold prices decline. This may keep gold above \$1,580 this year, and \$1,400 over the next several years. They also should be expected to back away from heavy gold buying whenever prices spike higher, to \$1,800 or higher.

Ignorance

With a brief discussion of our outlook for gold out of the way, I want to address another, related issue. Many readers will know that CPM Group provides the best, most accurate, most detailed, sober, and politically unbiased statistics, research, and analysis on gold and other commodities. We have always had a heavy emphasis on educating our clients as to how these markets really operate.

All commodities markets are extremely asymmetrical, in the words of economists. By this they mean that accurate information is not equally distributed among investors and other market participants. Gold and silver are even less well understood than other commodities, with a tremendous amount of bad information and politically inspired rhetoric distracting investors from the realities of the markets.

In this context, we were surprised when *The Prospector* sent us its current issue when we were discussing this renewed relationship. The February 2012 issue contained a story by Peter Grandich wherein the author effectively called me out, asking me to make a wager which would be tantamount to betting against myself.

He called me one of the "Three Stooges," apparently because I have been quoted as saying that

I thought gold prices had reached a cyclical peak in a secular bull market. Furthermore, he inaccurately implied that I have always been bearish on gold.

Grandich even 'offered to bet' me \$1 million (the sort of bet that school boys make on playgrounds) that gold would reach \$2,000 before it reaches \$1,000. That's interesting, since at the time that he wrote his piece CPM Group's published projections were that gold still could spike up to \$2,000 this year, but that it would remain above \$1,400 for the next decade. If he knew our published forecasts his bet was an easy one to put in public, since I would have to bet against my own published price projections to take him up on it. I doubt he knew that; that seems to be how he rolls.

The first of the two charts here shows CPM Group's intermediate term (two to three years) investor recommendations for gold. The second chart shows how much money an investor might have made if it had followed our advice since 1980, and compares that to the buy-and-hold strategy.

You can see on the first chart that for most of the time from 1980 until November 2000 we were telling investors that if their investment horizon was two to three years out, they would do better shorting gold rather than being long gold.

That changed in November 2000. When we released our annual Gold Yearbook that year (it was called the Gold Survey back then), we issued a very strong gold buy recommendation. We said that for 20 years when people had asked if we thought

gold would rise back to \$850, where it was in 1980, we would respond that if they could convince us that we would see the extremely hostile economic, political, and financial conditions that drove masses of investors into gold in late 1979 and January 1980, we would see gold going back to \$850. In November 2000, we said we expected the economic, political, and financial environment to be more hostile than it was in 1979 and 1980 for many years, and consequently we saw gold prices rising to levels above \$850 in the years ahead.

We removed this intermediate term recommendation in early 2012, after more than 11 years of having a bullish buy recommendation.

The second chart here shows that an investor who had bought and held gold in December 1980, when we began keeping records of our price projections, would have earned 408% over the ensuing 31 years. Someone taking our advice on a long-only basis would have earned 1,729%. Someone going long and short based on our projections would have earned a 2,997% return.

I stand by my published record.

We look forward to our renewed partnership with *The Prospector*. In particular we look forward to submitting substantive articles from time to time about issues that really matter to the gold, silver, and metals. Our policy generally is to not allow ourselves to be distracted by superfluous noise that is not germane to the markets, but this time, the level of nastiness and ignorance of the attack got the better of us.




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May/June 2012 | The Prospector 23

Platinum Group Metals Constructing a Low-Cost PGM Project in South Africa



by MIKE NIEHUSER

Beacon Rock Research

We recently visited Platinum Group Metals Ltd.'s (NYSE: PLG) flagship Western Bushveld Joint Venture (WBJV) 4E PGM (platinum, palladium, rhodium, gold) project in South Africa. Platinum Group has a 74% interest in the WBJV, one of the last remaining undeveloped shallow Merensky deposits in the Western Limb, in an area that provides almost three quarters of the world's platinum production. The WBJV Platinum mine is expected to move into production by the end of 2013, and to be among the lowest cost PGM producers in the world. We were genuinely impressed with Platinum Group's progress in constructing a mine that is well positioned competitively in the PGM sector.

Most first-generation platinum mines in the Western Limb of South Africa with vertical shafts reaching depths of 600 to 1000 meters have been mined out. Second generation mines over 1000 meters are nearing depletion. Third generation projects attempting depths of 1500 to 2500 meters cost as much as \$2 billion per shaft with a lead time of seven to ten years. The ore body at Platinum Group's WBJV project is at much shallower depths of only 100 to 600 meters that

may be readily accessed by a decline, which provides a distinct competitive advantage for both development and operation.

Given the favorable characteristics of Platinum Group's WBJV project, it should be one of the lowest cost producing mines in the PGM mining industry. The project has estimated Proven and Probable reserves of 4.7 million ounces of 4E PGM (with metal price assumptions of \$1,343 platinum, \$322 palladium, \$4,951 rhodium and \$807 gold), and is modeled to produce 275,000 ounces of 4E PGM per year over a 22 year mine life. Platinum makes up 64% of the value of the resource, with palladium comprising 27% of the value, and rhodium and gold at 5% and 4% respectively. The project has an estimated capital cost of \$443 million, and at these metal assumptions, has a \$583 million net present value at a 5% discount rate and a post tax internal rate of return of 19%.

Total production of platinum in 2011 was about 6.4 million ounces. 80% of production is from South Africa and Zimbabwe, with the balance from Russia, North America and other countries. Demand for platinum in 2011 totaled 6.2 million ounces, including about a third each for industrial and catalytic converters, with the balance for investment and jewelry.

Historically, platinum has traded above gold on a per ounce basis, exceeding \$2200 per ounce in the first half of 2008, and more recently trading at par with gold or slightly below. Clearly, Platinum Group's project should benefit by a stronger global economy or inflation, but in the event of declines in Platinum prices, would have comparatively greater

Given the favourable characteristics of Platinum Group's WBJV project, it should be one of the lowest cost producing mines in the PGM mining industry.

prospects for profitability and remaining in operation.

We were very impressed with the organization of personnel and activities at the WBJV Project regarding safety, security and production. Platinum Group is well underway with Phase I having completed the central box cut and decline establishment. Platinum Group completed a \$143 million financing in October of 2010 and commenced construction of the central box cut in January 2011. Platinum Group has about 177.6 million shares outstanding and 192.1 million shares fully diluted. As of the end of 2011, the company has about C\$94 million in its treasury.

They are scheduled to advance the decline and intersect the Merensky Reef in December of 2012 and take a bulk sample. Platinum Group is working to complete a \$260 million debt facility to commence Phase II, including the south box cut, and to commence plant design and order long lead items for construction of the mill and processing facility. They are also working to complete offtake arrangements for concentrate in the second quarter of 2012.

We were also pleasantly surprised by the review and explanation of drill core by the exploration personnel. It was interesting that the stratigraphy was consistent between drill holes, making clear the transition of styles

of rock making the Merensky Reef more visible. Consequently, the Merensky Reef was distinguished by high grades relative to the mineralized lower structures, including the UG2 Main reef and UG1 zone, which are broader zones of mineralization at lower grades.

Given their understanding of the ore body and its proximity to the surface, and the location of the project in the major platinum producing area of the world with abundance of labor and technical ability, we place a high degree of confidence in Platinum Group for completing construction of the mine and successfully bringing it to production.

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Greenland..... The World's Next Nickel Camp?



by **PETER GRANDICH**

NORTH OF THE BORDER

If you ask the team at North American Nickel Inc. (**TSX -V "NAN"**), the answer is that their 100% owned camp sized 1 (4,841 sq. Km) Maniitsoq Ni-Cu Project in Greenland has an excellent shot.

Headed up by Rick Mark (**VMS Ventures**), the NAN team consists of mining notables John Rowntree, John Ferguson and John Pattison. Both Rowntree and Ferguson have spent their combined 96 years of experience developing numerous economic mineral deposits the world over and consider Maniitsoq to be a high priority target with potential to host the world's next major nickel discovery. Both have spent many years working and exploring in Greenland. They would be the first to

tell you that Greenland is an excellent place to be. For those who don't know, Greenland is an autonomous country within the Kingdom of Denmark and has a well established and rich mining history. Mining is welcomed in Greenland and offers very good support in terms of supplies and a skilled labour force. Unlike many other countries around the world there are no land claim issues in Greenland. The Mantiisoq Project is very close to tide water that remains ice free year round and another mining company has plans to build a deep water port nearby. The climate is very tolerable and allows work pretty much year round.

Chief Geologist John Pattison has a strong technical background and over 25 years experience in copper-zinc and nickel-copper-PGE sulphide exploration. He specializes in the effective application of Geographical Information Systems (GIS) technology to mineral exploration. He spent 19 years with Falconbridge

where he was responsible for managing base metal, PGE and gold exploration projects throughout Canada and southern Africa. Pattison's work on the Mantiisoq Project has advanced the Project to a level well beyond the grass roots stage and has easily provided ground truth in terms of its potential. Geologically speaking, Pattison tells me that there is strong evidence of a large-scale, long lived mafic igneous event, which is vital for large nickel deposits, and the abundance of high-grade nickel occurrences obviously bodes well for the project.

The Greenland concept is not new; according to Pattison Falconbridge and Cominco spent over 5 years exploring Maniitsoq following the discovery of Voisey's Bay in 1993. Their primary prospecting tool was airborne EM, but the large fixed wing system they used, while state of the art for the time, had difficulty hugging the rugged terrain resulting in only limited success. After some ground

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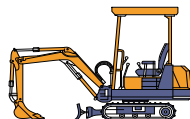
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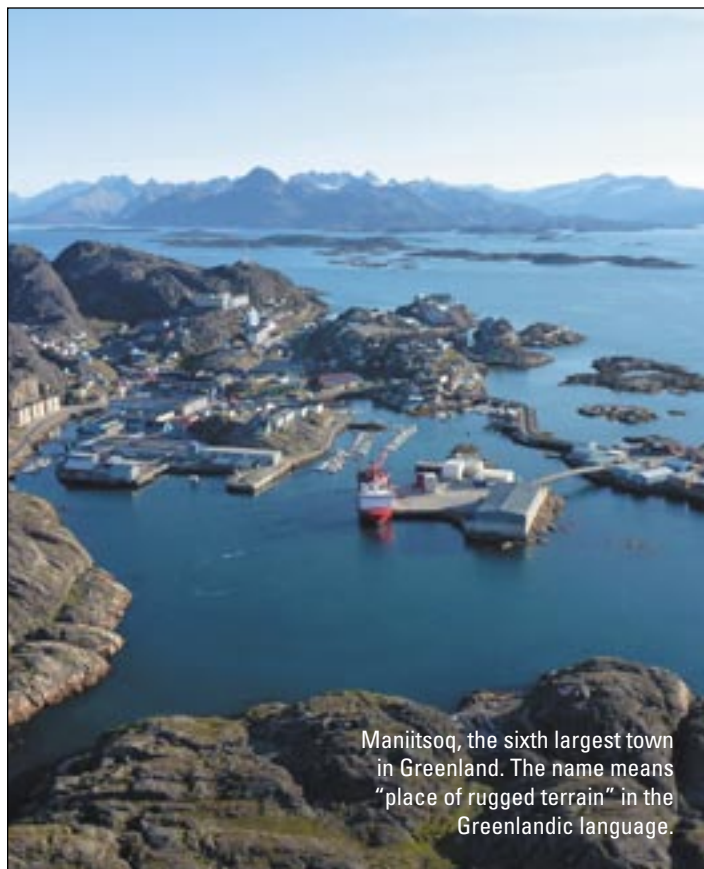


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**PNEUMATIC PERCUSSION
& DIAMOND DRILLS**


prospecting and geophysics, and no drilling whatsoever, both decided to drop their properties. Moving forward to 2011, using now state of the art SkyTEM helicopter-borne TEM and magnetic surveys, NAN was able to fly much lower, and by using more advanced equipment, was able to detect anomalies not seen in earlier programs. The NAN program, which covered a relatively small part of its vast land holdings, resulted in the detection of 25 conductive zones. Three dimensional modeling of the data has identified 3 priority drill targets. I think that one of the most interesting points here is that to date NAN has only explored 8% of their entire land package leaving me to wonder what further work on the rest of the property will uncover.

In 2012, North American Nickel is planning to ground truth all 25 conductive target zones, with emphasis on their three highest priority zones. They will complete 2,000 meters of drilling on these three, and other targets that show merit. They also plan to fly another 3,000 line-km of helicopter TEM over prospective norite showings in the southern part of the 75 km long Greenland Norite Belt and will continue prospecting outside the belt as showings also occur to the west and the north of the belt itself.

North American Nickel has managed to advance the Mantiisq Project in a relatively short period of time thanks to a talented and dedicated team who are passionate about Greenland and its potential. As an investor I try to mitigate as much risk as I can but in this case North American Nickel has done it for me. World class nickel camps are extremely rare so the chance at the discovery of a new one is quite alluring.



Maniitsoq, the sixth largest town in Greenland. The name means "place of rugged terrain" in the Greenlandic language.



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Quantum Rare Earth Talks Tough on Chinese Trade Action CEO Calls for Long Term Strategic Plan



BY CHRISTIAN VAKENTI

While applauding President Obama's announcement that the U.S. is launching a trade action against China on access to rare earth materials, **Quantum Rare Earth Developments Corp. (TSX.V – QRE, FSE – BR3, OTCQX – QREDF)** CEO Peter Dickie said a long-term, strategic plan must be developed to ensure supplies of all vital strategic materials. "The U.S. action and similar moves by the European Union and Japan are only first steps in a lengthy World Trade Organization process," Dickie said. "Rather than wait for an international bureaucracy, strategic action is needed now by the U.S. to develop domestic stockpiles of rare earths and other vital materials, just as China is reportedly doing."

While China has been curtailing exports of rare earth elements, they have

recently discussed creating large stockpiles of niobium, and Chinese companies have made investments in the largest niobium producer company in Brazil.

Among the top six items on the Materials Risk List 2011 by the British Geological Survey, equally ranked are rare earth elements, and the strategic metal niobium. Quantum's Elk Creek, Nebraska project is host to what the U.S. Geological Survey has repeatedly referred to as "potentially one the largest sources of rare earth elements and niobium", and is the only known primary niobium deposit under development in the U.S.

Currently, worldwide production

of niobium is limited to three producers requiring the U.S. to import 100% of its needed supply. Niobium is primarily used to produce high strength, low alloy steel, but also has irreplaceable uses, including high-strength alloys in fighter planes, to

Facilities such as Quantum's Elk Creek, Nebraska project shown here need to be part of a coordinated strategic stockpile, stresses CEO Peter Dickie.

create the steel needed for natural gas pipelines, and in the magnets needed for MRI machines.

Quantum's Elk Creek site includes an inferred resource of 80 million tons of 0.62% niobium which equates to approximately 500 million kilograms of niobium. An updated NI 43-101 from Elk Creek shows the following new highlights:

- Addition of higher grade indicated status tonnage of 19.3 Mt grading 0.67% Nb₂O₅,
- An increase in inferred status tonnage and grade from the previous resource estimate (News Release dated April 28, 2011); from 80.1 Mt grading 0.62% Nb₂O₅ to 83.3 Mt grading 0.63% Nb₂O₅.

"The addition of a substantially higher-grade indicated Mineral Resource gives us confidence in our continued development efforts of this very large and high grade niobium deposit," says Dickie.

"...strategic action is needed now by the U.S. to develop domestic stockpiles of rare earths and other vital materials, just as China is reportedly doing..."

**– Peter Dickie,
CEO Quantum Rare Earth**

Peru – Is it Still Safe?



by DAVID SKARICA

Many people are very worried about Peru in the mining sense because of the election of leftist president Humala. The worry is warranted. After watching the way Hugo Chavez ruined Venezuela and its rich oil and gas and mining industry and how places such as Ecuador and Bolivia had failed attempts with more government involvement in the economy investors were worried when Humala was elected. With Peru's past of the extreme shining path and communist rebels you can why people were worried.

This overshadowed the fact the Peru has seen strong economic performance in recent years.

Economic growth was 8.8 percent in



Peruvian President Ollanta Humala

Peru in 2010 while the rest of the world continued its' slow down from the 2008-2009 recession. Peru continued to grow at a 7 percent clip in 2011 and is estimated to grow near 6 percent in 2012. These are approaching levels of growth seen in China and India. With its GDP per capita

at nearly \$10,000, Peru is becoming a much more advanced economy. I have seen it first hand as when I went to Peru in 2006 half of the condos in the high end Miraflores district of Lima were empty and construction was in early stages. When I returned in the summer of 2010 you could see a much more full and built up Miraflores and Lima in general.

At first, the reaction to this recent Peruvian election was very negative. The market fell nearly 10 percent on the initial results that Humala was in the lead; it then fell almost that much again when he won. However, after basing for most of the summer and fall of 2011, the Peruvian market began to move and its now back near its highs of 2012. In addition, other than some minor taxes, which are going to be redirected to the poor via infrastructure projects and education, Peru has decided to stay a largely free enterprise economy, similar to the Brazilian model.

Some people I know still think that Humala is going to show his "true colors"

continued next page

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and try to nationalize mining projects or get the government involved directly in what is now being done by the private sector.. However, I would think that he is not going to ruin a good thing. He will do some minor projects to keep the poor and indigenous people happy and really keep things par for the course. In addition, a recent law which dictated work that should be done in order to companies to be fully in compliance with laws and indigenous groups to prevent future work stoppages from these groups. This law means more work up front for companies, however, longer term it should be positive as it will mean less work stoppages.

A couple of companies I like in Peru are Fortuna Silver and Tinka Resources. Fortuna is a story that has been around for a while I first visited their project in Colloyma back in 2006 when it was in the early stages of production. Since then the project has produced millions of ounces of silver and they have developed a large property in Mexico as well.

Fortuna is an interesting stock at the

moment because they upped some costs and reduced some production numbers for fiscal 2012. The stock overreacted to it falling from over \$6 to near \$4 a share. With 2011 numbers that show increases

*Peru...is estimated to grow
near 6 percent in 2012...
approaching levels of growth
seen in China and India.*

of profits in the 22 percent range and revenue in the 49 percent range this stock looks cheap at these levels.

My other Peruvian stock of choice is Tinka resources. The company has reported some very encouraging results as of late which included 58 m of 109 g/t Silver including 10 m of 198 g/t Silver At Northern Extension Of Zone

1, Colquipucro Project, Peru their mainstay project. The company is in the midst of a major find at this project. It too has been hit in the recent market selloff and is an interesting company at under .60 a share and especially under .50.

All and all while some caution should be expressed towards Peru I am very positive on the countries future and mining prospect. I feel the two companies I have outlined above are solid companies.

At the age of 18, David Skarica became the youngest person to pass the Canadian Securities Course.

He is the author of Stock Market Panic! How to Prosper in the Coming Bear Market, The Contrarian Who Saved the World, and The Great Super Cycle: Profit from the Coming Inflation Tidal Wave and Dollar Devaluation. In 1998, he started Addicted to Profits, a newsletter focused on technical analysis of markets.



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