



Know when to hold-em!
 Know when to fold-em!
 Know where to set stops!
 Know when to run!
 Never count your portfolio
 Until the sells are done..

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On the economic front U.S. new home sales came out along expectations and we have the Fed rate announcement Wednesday that will probably be no news, no change, GDP estimate Thursday and the bigger day Friday with personal income and the PCE. Canada will drop rates another 25 points today that could weaken the C\$ loonie further as the Canadian economy disconnects more from the U.S. I hope to have more detail in my 2025 Outlook later this week. The big news today for us is a new deal with one of our juniors that popped in price on the news

Discovery Silver TSX:DSV OTC: DSVSF

Recent - \$1.20

Entry Price - \$0.85

Opinion – buy on weakness (pull back)

Discovery announced a definitive agreement to acquire 100% of Newmont's interest in its Porcupine Operations (the "Porcupine Complex") based in and near Timmins, Ontario, Canada for total consideration of US\$425 million. The consideration to Newmont for the Transaction consists of \$200 million in cash and \$75 million payable in common shares of Discovery, both of which are payable upon closing of the Transaction, and \$150 million of deferred consideration to be paid in four annual cash payments of \$37.5 million commencing on December 31, 2027.

To fund the Transaction and provide liquidity in support of operating and growing the Porcupine Complex, Discovery has entered into binding commitments for approximately US\$555 million of financing, including \$400 million related to royalty and debt agreements with Franco-Nevada Corporation and approximately \$155 million from a bought deal public offering.

We originally bought Discovery for their huge leverage to silver from the Cordero project in Mexico and a eventual takeover. This changes the game completely as Discovery will instantly become a small mid tier producer that will in time provide them liquidity and financing to put Cordero in production.

The Porcupine Complex has anticipated average **annual production of over 285,000 ounces** during the next 10 years and a total expected mine life of 22 years with substantial upside potential.

This establishes Discovery as a new Canadian gold producer with multiple operations in one of the world's most prolific gold camps, with a large base of Mineral Resources remaining and substantial exploration upside. Discovery management has a lot of experience in the Timmins gold camp and this acquisition could supply \$1.3 billion or more of free cash flow in the next 10 years. Of course dependant on gold prices.

The Porcupine Complex consists of the Hoyle Pond and Pamour mine properties and the Dome mine property and milling facility (Borden) in Timmins, Ontario, as well as the Borden underground mining operation near Chapleau, Ontario.

Current gold production comes primarily from Borden, a relatively new mine, with commercial production commencing in 2019, that is located on a large land position with extensive upside potential, as well as from Hoyle Pond, a high-grade underground mine, which commenced

operations in 1987 and has established a solid track record for replacing reserves.

Significant opportunities exist to grow production, reduce costs and/or extend mine life at the Porcupine Complex.

The **base case NPV of \$1.2 billion** uses CIBC World Markets Inc.'s December 2024 analyst consensus gold prices, including a long term gold price of \$2,150 per ounce (the "Base Case"), and \$2.3 billion assuming a +23% sensitivity case using a long term gold price of \$2,650 per ounce. As you know, I believe gold prices are going over \$3,000.

Buying this stock early in 2024 is starting to look very good. It might pull back some after the news and if so a good buying opportunity. It ran up and hit near term resistance around \$1.30.



FITZROY MINERALS TSXV: FTZ, OTC: FTZFF

Recent Price - \$0.15

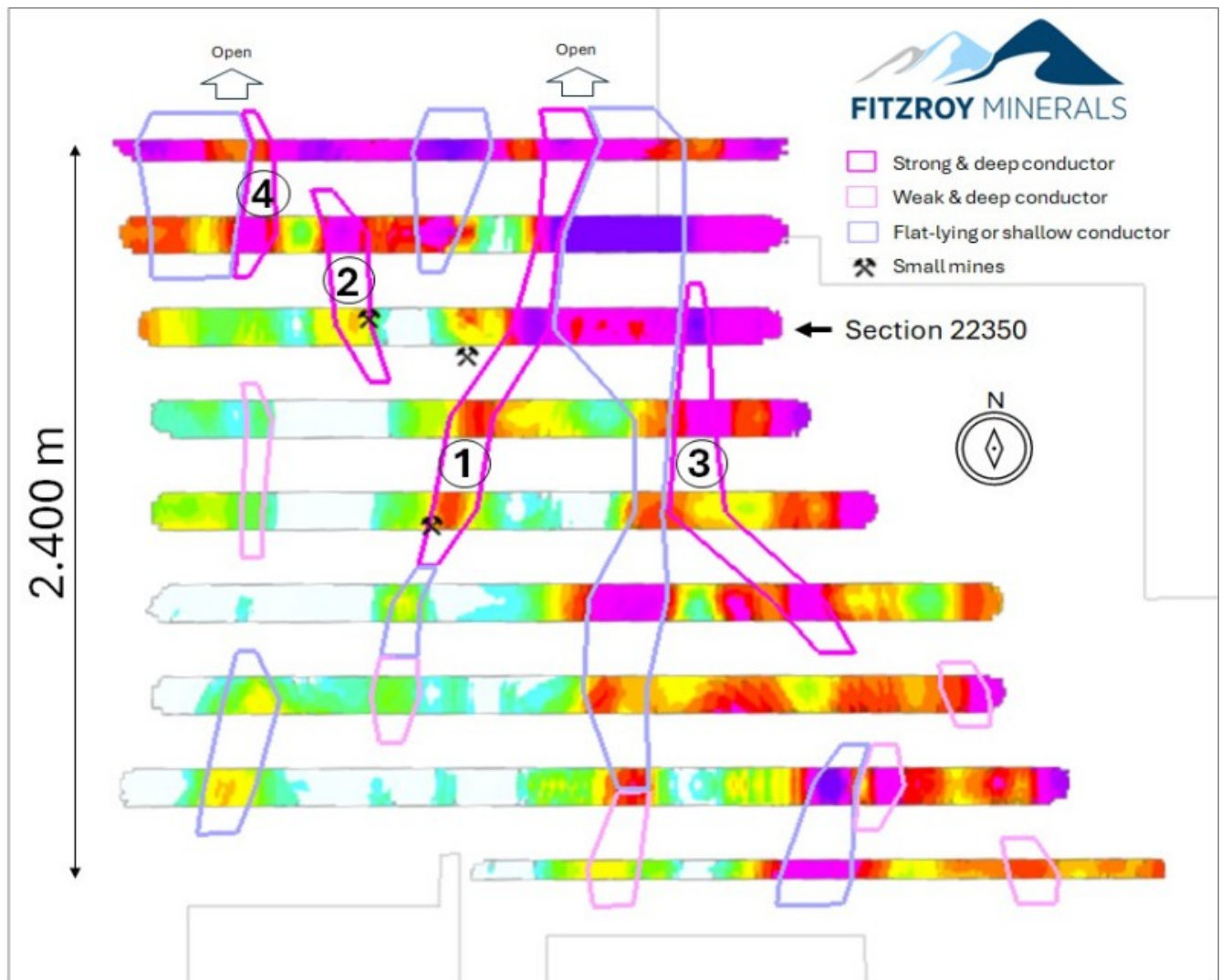
Entry Price \$0.15

Opinion - buy

Fitzroy announced that new geophysical results, paired with previously reported soil and rock results, and geologic mapping, have enhanced the understanding of the epithermal mineral system at their Polimet Gold-Copper-Silver Project, Chile.

An Induced Polarisation ("IP") geophysical survey showed a very good relationship between conductive zones and known historical workings, hydrothermal alteration, and elevated Au-Cu-Ag grades. In addition, a detailed ground magnetic survey confirmed the presence of a structural corridor at least 5 km long by 1.6 km that incorporates known mineralized zones, mapped veins, geochemical anomalies, and historical workings.

IP surveys were completed on 9 lines totalling 21.2 line-km up to a depth of about 300 metres. The 9 lines were spaced 300 m apart, and covered an area of about 540 ha, which is just under 25% of the total concession area. The IP survey was centered on the best geochemical, geological, and structural zones identified to date. The survey outlined four main conductors.



A 2,500 metre, minimum seven-hole diamond drilling program is due to start in February 2025. As soon as the drilling at Caballos finishes FTZ will move the rig and start the Phase 1 drill program at Polimet.

We just bought into FTZ in December so the stock has not had much chance to move up yet, but I would be a buyer before upcoming drill results in the weeks/months ahead.

GiantMining

CSE:BFG OTC:BFGFF

Recent Price \$0.44

GiantMining has engaged Exploration Technologies Inc. ("ExploreTech") from San Diego, California to apply their AI drill-planning technology to Giant's Majuba Hill Copper Deposit, Nevada.

ExploreTech will use its Engine AI and cloud computing platform in conjunction with Giant's expert geology team to optimize trajectory, target generation, and resource definition. Majuba Hill has a wealth of exploration data that has been collected since the 1940s. This data will be synthesized in a manner that maximizes the probability of success for the upcoming drill program.

With mining exploration, AI can much quicker analyze data and produce optimum results where it use to take geologists and engineers months to do.

ExploreTech's AI approach is specifically designed to combine surface geology and drilling results with computationally intensive remodelling of existing geophysical data sets to optimize targeting of covered targets. The process quickly generates thousands of solutions that cluster on the best fits between the geological and geophysical data and then generates drill hole trajectories designed to cut those clusters most effectively.

The stock made a nice move higher and is consolidating those gains, next resistance is about \$0.90.



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