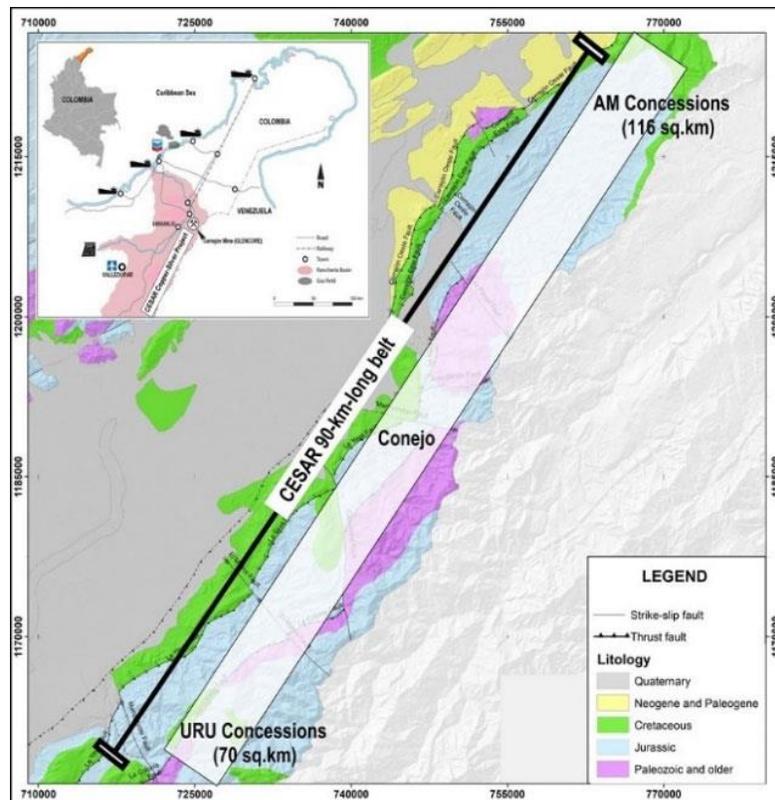


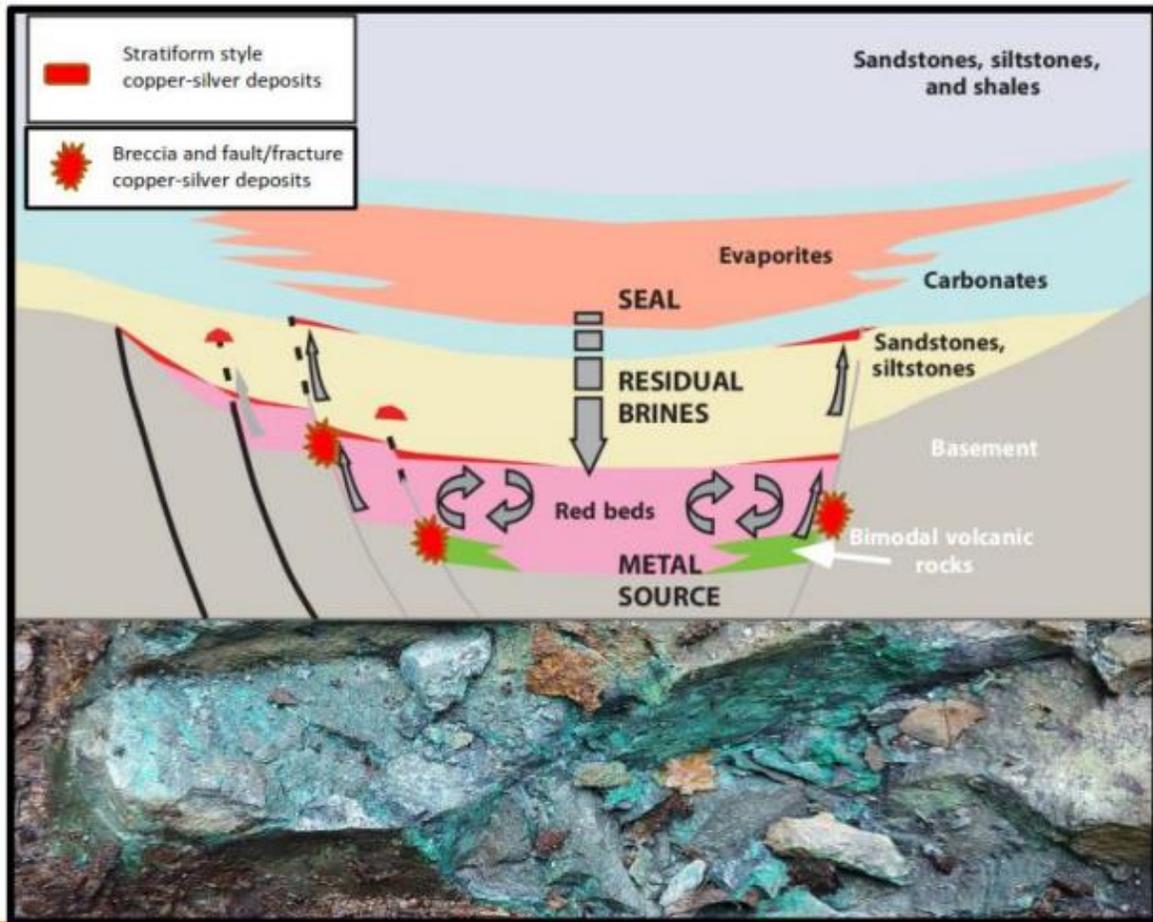
Max Resources (TSXV: MAX, USOTC: MXROF)

- A series of projects in Colombia, specifically in NE Colombia where resource extraction is common, including one of the world's largest open pit coal mines. It's an area where permitting is not a red flag.
- Max does not disclose exactly where its projects are because getting mineral tenure in Colombia requires waiting a long time for applications to be granted. Opportunists might impede that process for ground where Max is still waiting to get its applications granted, hence the secrecy. That said, Max already controls some 90 sq. km via granted concessions.
- Max is focused on a belt of rocks with clear potential for sediment-hosted copper (plus silver). The team started at the northeast end of the belt and moved southwest, finding more evidence and applying for more ground as it went.



- The initial targets in the northeast, known as the AM Concessions, host Kupferschiefer-style mineralization. Kupferschiefer is a mine in Poland that's been running for over 400 years, tapping a shallow-dipping layer of copper-silver mineralization about 2 metres thick. If 400 years didn't convey the size – this thing stretches for kilometres in every direction.
 - While these deposits can certainly be big, defining a Kupferschiefer-style deposit would require a LOT of drill holes because of the huge lateral extent. And while those holes would likely hit reliable mineralization, Max was worried the market wouldn't pay attention to a string of 2-metre intercepts.

- As Max moved southwest, the team started to see evidence of a related but better kind of mineralization: breccia and fault/fracture zones. This image helps explain.



Kupferschiefer is a stratiform deposit, a layer of mineralization at the horizontal contact between two rock types. Stratiform deposits form when mineralized fluids travel up extensional faults – these kinds of basins spread apart, creating cracks. If those faults run through the right kinds of sediments and if fluids circulate for a very long time, then copper can accumulate around the cracks. Those accumulations are the kind of sediment-hosted copper-silver deposits for which the Central African Copper belt is famous.

- The latest discovery, at URU, seems to be a near-vertical zone that is 10 to 25 metres wide. We know that from 45 channel samples taken over 320 metres of vertical relief (they sampled across the zone, starting at the river and finishing at the top of the hill). A wide, near-vertical zone tracked at this point for 320 metres vertical and along 1.6 km of strike via sampling – that is a zone offering both scale and the perfect shape for low-cost underground mining. And the copper at URU is almost all chalcocite, which is the highest-grade copper sulphide mineral around, better even than bornite. URU is a granted concession covering 70 sq km.

- ✓ 4.3% copper and 8 g/t silver over widths of 10.0m
- ✓ 3.9% copper and 7 g/t silver over widths of 10.0m
- ✓ 3.6% copper and 12 g/t silver over widths of 10.0m
- ✓ 2.7% copper and 1 g/t silver over widths of 25.0m
- ✓ 2.2% copper and 9 g/t silver over widths of 25.0m
- ✓ 2.1% copper and 3 g/t silver over widths of 10.0m
- ✓ 2.0% copper and 20 g/t silver over widths of 10.0m

- There is another similar discovery at Conejo. Vertical extent is not yet known because there is no convenient hill exposing the zone for hundreds of vertical meters, but width and strike and grade are all similar to URU. Conejo is an application.
- Max recently brought Endeavour Silver on as a partner. This is a smart and strategic move.
 - To get more concessions granted, Max needed to show the government a bigger balance sheet. This is because the Colombian government bases the amount of ground a company can hold under concession on financial capacity. The cooperation agreement with Endeavour essentially lets Max borrow Endeavour's balance sheet for this purpose. Max had already been max-ing out on the amount of ground it could hold (somewhere between 70 and 400 sq km) based on its balance sheet; with Endeavour's balance sheet, it is allowed to hold 5,000 sq km.
 - In return for this, Endeavour will get a 0.5% NSR royalty on *new* concessions granted going forward (NSR royalty does not apply to the 19 concessions Max already holds)
 - Endeavour also invested in a financing to take a 5% stake in Max. This is all good – Max got the balance sheet it needed and added a strategic investor but did so *without* denting its appeal to other companies interested in making a move (Endeavour is not going to take Max over; it is just happy to have upside exposure via the investment and royalties)
- Corporate interest is worth a comment. Before discovering the breccia – fault/fracture style mineralization at URU and Conejo, Max considered bringing a partner into the project because trying to drill off a stratiform deposit was going to be too expensive (and not sufficiently market exciting, as I mentioned). No fewer than eight major miners visited the project and apparently all of them made offers – that speaks to the scale potential at CESAR even before URU and Conejo and whatever other breccia-fault/fracture zones they find. Max decided against the offers, which worked out, but those miners remain interested and are watching this company closely.

- **This is the real investment thesis here: that Max will vault higher in valuation as the scale and grade of copper-silver mineralization at CESAR become apparent and it becomes clear that a major miner will buy the asset.**
- Up next: Max expects to start drilling URU and Conejo in two to three months. Drill permits are part of the application process, so it's all about getting more concessions granted. I want to be in before drilling starts. That give a 2 to 3-month window. During that time Max will run a large IP program (chalcocite is a good conductor) and will do more sampling and trenching.

Max has 131 million shares outstanding. At today's close of \$0.70 the company carries a market cap of \$92 million.

Is that high? Low? Impossible to answer.

It's high compared to a few days ago, which is annoying. But I don't want to wait for the price to pull back because (1) the share price hasn't pulled back significantly since it started climbing in February and (2) the team is marketing and copper is hot and people love pre-discovery exploration stories with strong evidence.

As such I will enter now, buying half of my desired position at the open tomorrow. I will enter a stink bid for the other half at \$0.60, in case there is a slight pullback. If there is no pullback, I will re-assess the stock daily to determine when to buy my second tranche.

Morien Resources (TSXV: MOX)

Long-standing Maven readers will recognize this name. Morien owns a healthy royalty on the Donkin coal mine in Nova Scotia. Morien was my top pick in 2020 because Donkin was just starting up, which means Morien was looking at rising quarterly royalty cheques for years. And the company planned to dividend out the majority of that royalty income to shareholders.

Then two things happened: a series of roof falls (Donkin is an underground coal mine) and COVID.

Roof falls are part of an underground coal mine. They obviously need to be managed and, as an experienced underground coal miner, Kameron (the owner) was assessing each fall and determining remedies. To be clear, no one was hurt and none of the falls were large.

Roof falls also must be reported to regulators so they can assess the management and risk. The problem is that Donkin is the first coal mine in Nova Scotia in decades. As such, the province did not have appropriate inspectors.

The answer was to bring inspectors in from the United States. That was ok – slow, but manageable – until COVID closed borders. Kameron had almost completed two long tunnels to