SEARING FOR THE “THE SWEET SPOT”

The “Sweet Spot” in sports refers to the perfect location on a baseball bat, golf club, etc... to get the absolute maximum thrust to send your target in a full a powerful trajectory. Similarly, in investing I am always looking for companies that I feel are in the “Sweet Spot” and ready to take you on a long profitable and seemingly effortless journey. I have found one such company and am going to share it with my subscribers and readers. The name of the company is Nevada Copper, it trades on the TSX Exchange under the symbol NCU.
I phoned VP of Investor Relations, Richard Matthews and after the usual pleasantries, right off the bat Rich led his pitch of Nevada Copper as being in the “RIGHT PLACE, RIGHT MINE, RIGHT TIME”. This was truly music to my ears... as that is what being in the Sweet Spot is all about.

RIGHT PLACE- located in mining friendly, Yerington, Nevada (1 ½ hours northeast of Reno). There is easy access to water, power, highway, rail etc.- but most importantly, the Mayor of Yerington, George Dini is ecstatic with the 300 well-paying jobs and also with the ancillary service jobs that trickle down from this employment boom. Watching an interview on his feelings about NCU, it seemed he was downright giddy and that will make sure that it will be a sweet partnership for both entities.

RIGHT MINE- The name of the mine is Pumpkin Hollow, which is catchy and unique, who doesn’t like pumpkins and the sweet candy associated with it? What is really sweeter however is the 5 Billion (yes Billion with a B) pounds of copper, that is awaiting to be mined. It is easily accessible, very cost efficient and waiting to be unearthed. The mine life is expected to be at least 20+ years.

The very unique situation is there are two distinct separate mines only 2 miles apart on the property and here is the kicker... one is under ground and one is open pit. That allows much flexibility in the direction of how to best succeed in
making this a profit generator. Oddly the underground portion is being mined first as that is where the previous management spent over $220 Million in infrastructure that brought us to this point. Production is scheduled to begin in Q4 of this year and that is what being invested in the sweet spot is all about.

RIGHT TIME - There is no better time to be a copper producer than now. The copper price has been on a steady rise and is closing in on $3 a pound, making it very profitable to mine. The good news for producers is demand is rising due to the electrification of the auto industry and the rapid rise in use of solar panels and energy storage applications like Tesla’s Powerwall for home users and much bigger installations for power companies. There is a serious shortage of new copper mines and the existing ones are rapidly depleting their reserves. This further makes Nevada Copper the center of the sweet spot. When US President Trump settles the trade dispute with China this should also give Copper a nice boost in price along with most industrial metals.
Readers of my work know I am “a people person” and that is what sets Nevada Copper apart from most companies. They are loaded with highly experienced management and ground crew. Boasting some of the most impressive resumes possible, steeped in experience from the likes of Barrick & Rio Tinto. The Board of Directors is solid with stellar credentials and boatloads of mining experience.

**Matt Gili is President & CEO** and has been with the company for a little less than a year but has definitely taken the bull by the horns. His upbeat fast paced management style has brought this company clarity and renewed sense of purpose. He is a boots on the ground, hands dirty kind of leader, which is so needed and valued in mining companies. His 20 years of production experience including time spent in Mongolia setting up a highly profitable copper mine for Rio Tinto. This makes working in mining friendly Nevada all the more appreciated.
His management style is TEAM first and is shown by weekly, conference calls involving all senior levels of management & production. This facilitates quick timely decisions and improves efficiencies and keeps morale high. The other key men on the management team also boast years of successful mining for some of the biggest names in mining.

Another definite positive in my book is **having a highly successful veteran in Investor Relations heading up the marketing and promotion for NCU. Richard Matthews** brings years of experience in the resources sector and has solid ties to the North American and European financial community. Many companies fail to realize the role that Marketing & Promotion play in success of how a company is able to get the word out and build long term shareholders.

Commissioning of the Pumpkin Hollow Mine should start in the fourth quarter of 2019, and the underground mine should reach 5,000 tons per day by mid-year 2020. Together the underground and open-pit assets have more than 5 billion lbs. copper, which would sustain a 23-year mine life. The underground part of the project has a 13.5-year mine life based on reserves of 23.9 million tons grading 1.74% copper-equivalent. The underground mine will produce an average 50 million lb. copper, 8,000 oz. gold and 150,000 oz. silver a year at all-in sustaining costs of US$1.96 per lb. copper.
UNDERGROUND MINE

▪ Fully-permitted, fully-funded, mineral reserves of 23.9 mt @ 1.74% Cu eq1
▪ Production targeted for Q4, 2019
▪ Years 1 -5pa avg. of 60 M lbs. Cu, 9k oz Au, 173k oz Ag
▪ Significant expansion potential from 636 M lbs. of inferred resources
▪ Exploration/expansion drilling from underground planned once production commences

OPEN PIT MINE

▪ Fully-permitted
▪ Mineral resources of 4.2 billion pounds of copper and significant precious metals credits
▪ Strong project economics
▪ Significant optimization and growth potential
ROBUST AND FLEXIBLE

BALANCE SHEET

US$80 MILLION

Project financing facility in place:

Tranche 1: 7-year term,
two-year grace period
Tranche 2: 9-year bullet

US$108 MILLION

Cash and cash equivalents

Nevada Copper is indeed in the sweet spot and set for a long nice run for the shareholders willing to get in now before the crowd. An upcoming PFS for the open pit and fresh drill results should generate excitement and eyeballs for the stock. The only fly in the ointment is the share structure. Previous management blew it up in a sour copper market and when financing was nearly impossible at reasonable terms.

When I brought that up to Richard Matthews, he pointed out that 85% of the stock is held in institutional hands which leaves the remaining 15% free trading or about 90 Million Shares. A rollback could be in the distant future but I’m sure the current entry point of now of 39 cents, which is near its 52-week low. With all the news pending it makes it a sweet time to get into Nevada Copper (NCU). Just eight years ago this stock traded north of $6 with nary the great projects the company has now.

It is all about the Sweet Spot and in my humble opinion NCU is in it right now. Now is your chance to climb aboard a producing mine with a metal in high demand and run by stellar management. All the pieces of the puzzle line up and its ignition time !!!
NEVADA COPPER

SYMBOL NCU-TSX

39 CENTS

52 WEEK H-72 CENTS /L-32 CENTS

This article was written by Kevin Dougan of Blue-Sky Marketing for informational purposes. It is my opinion on a company I think deserves looking into and your own due diligence. It is NOT investment advise please leave that to your professional financial planner. I was not compensated in any way for this piece. Blue Sky Marketing is a contract marketing firm especially tailored for the Junior Resource Sector. I have been investing and following these markets for 15 years.

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