



Heady Brew For Project-Ors: RZZ | GZZ

VAL-D'-OR, Canada -- Stick-loving hockey fans in Québec have little on the professional front to celebrate this week of NHL Stanley Cup.

A superb run of 2015 starting wins for the **Montreal Canadiens** left Habs fans with high hopes -- soon to be dashed after player injuries and queasy defense.

This week, it is the San Francisco-San Jose region with its team, the Sharks, in the National Hockey League finals. The San Jose Sharks are down 1-nil vs. the Penguins of Pittsburgh.

On the **Abitibi** gold front, once again -- we have high hopes. Our royalty collector in that greenstone belt of mineralized **Québec, Abitibi Royalties**, flirts with an all-time high. Its goal tender, **Golden Valley Mines**, owns half of that company.

Golden Valley Mines is what we call a project generator via staked claims and options on Québec and other far-north Canada mineral properties.

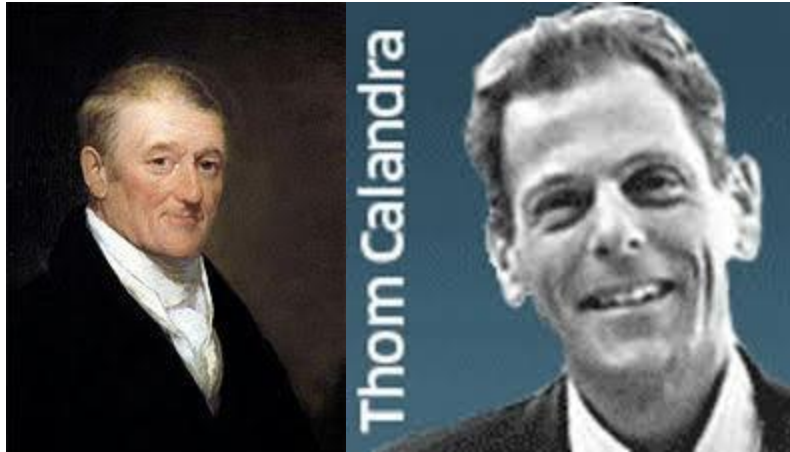
The other piece of this thing, **Abitibi Royalties**, collects net smelter returns and other royalties and share positions in mostly regional explorers of gold.

Golden Valley Mines, thanks to a three-part separation of assets into public companies some five or six Julys ago (when I got "involved" as a shareowner and as a reporter), also owns 60 percent of **Nunavik Nickel Mining** and 37 percent of **Uranium Valley Mines**. Those two, like a professional hockey player stranded at home during the sport's professional playoffs and finals, sit in the **TCR** portfolio lounge: untended and barely appreciated.

I thought I would take a moment to excerpt comments from Golden Valley Mines' **Glenn Mullan**, who has been collecting royalties since he was a *Quebecois* teen-ager. Mr. Mullan graduated from one of the final geology classes at Montreal's **Concordia University** -- a school that boasts one of North America's busiest business and commerce schools, named after **John Molson**, an Englishman who emigrated to Montreal and started North America's now oldest commercial brewery in 1786.

I mention Mr. Molson and show his portrait here mostly because I am thankful *not* for his brew (I am an India Pale Ale drinker), but for the fact that Mr. Mullan's **Abitibi Royalties**, and to a lesser extent the Golden Valley Mines piece, are two of the few natural resources holdings that are delivering stock-market profits to share-owners when they are still young enough to enjoy the returns.

That is, we won't have to wait until we look like old [John Molson](#) to cash in. Abitibi Royalties shares are about 600 percent higher than they were at the start of their trading season. Unlike the Habs of Montreal, Abitibi Royalties' team is scoring fresh and fundamental goals almost daily.



John Molson lived to the age of 72 or 73, That was elderly in the 19th century, not so much in the 21st century.

Mr. Mullan, who is nearly 58 years old, just penned a letter to his fellow stock holders. The letter actually is *actionable*, which is a rarely observed quality among "President's letters." Glenn, himself the part owner of a semi-pro hockey team, lives in Val-D-'Or, many hours' drive from Montreal but just down the road from some of Golden Valley Mines' leading prospects. So does his scoring team, led by lead and understated geologist **Michael Rosatelli**.

"Two of our public company holdings enjoyed real success in 2015 and again to date in 2016: Abitibi Royalties on the **Malartic CHL Prospect** near Val-D'Or and Sirius Resources on the **Cheechoo Prospect** in James Bay, Québec." That is from [the letter to share-owners](#).



Golden Valley Mines and Mr. Mullan's team staked the **Malartic** property -- now owned and operated as Canada's second largest gold mine and mill (Agnico-Eagle and Yamana Gold) -- in 2006. Sirios's Cheechoo Prospect "is one of the few that was optioned by Golden Valley from the original holder (Sirios)." That one became a joint venture in 2004.

Another storied Canada project spawner, **Virginia Gold**, marked a gold discovery in the area, Éléonore, around that time. Goldcorp is now owner.

Sirios, whose stock, like Abitibi Royalties and to a lesser degree Golden Valley Mines, is outpacing its peers, has spent 12 years working Cheechoo as a mine prospect with what the tiny company calls frequent "visible gold" on site.

Here is a blow-by-blow for GZZ, the ticker in Canada for Golden Valley Mines:

Some [91 exploration properties](#) held by Golden Valley (and/or its public subsidiaries). As an aside, when I saw the staking paperwork laid out in Golden Valley Mines' rickety office years ago, I immediately saw the potential -- for a fire hazard that is. I since have come to believe, like Mr. Mullan and his small team of geologists and technicians, that there is gold in all that paperwork.

1. **Areas**

-- **Abitibi Greenstone Belt** (Ontario and Québec), with 77 projects;

2. -- **James Bay**, Mistassini and Otish regions, north-central Québec;
3. -- **Nunavik** (Ungava and Labrador) region, northern Québec;
4. -- **Athabasca Basin**, Saskatchewan;
5. -- James Bay Lowlands, northern Ontario (McFauld's Lake area).

The Abitibi Greenstone properties hold gold (47 of 'em), copper-zinc-silver (25), nickel-copper-PGE (2), molybdenum (1) and cobalt-silver-nickel (2) prospects located in Québec (49) and Ontario (28). If the commodities equities rebound continues this year and into 2017, that list is what makes GZZ actionable for share-owners.

Two years of GZZ (lower line) and RZZ

I know professional investors who own two little-known project spawners, GZZ and unrelated **Eurasian Minerals**, precisely for the reason that when gold (and silver and copper and nickel, etc.) equities are rising, it is the *project-ors*, as I call them, whose spigots are open full throttle. Full blast on data, on assays, on releases, on transactions, on rulings, discoveries, JVs and NSRs and ... well, you know: mineral-ware.

Golden Valley has directly funded and drilled 95 targets (25,475m) across 51 properties. If this sounds like an advertisement, let me assure you it is. Yes, this is an UNPAID advertisement for one of **TCR**'s, and my, longest standing and now largest holdings.

I wanted our newest **TCR** network members -- eight of them in the past six days, and none from Quebec or Ontario -- to know that Golden Valley Mines is less than half the market value of Abitibi Royalties, whose stock ticker in Canada is RZZ. At 22 cents CAD per share, GZZ (*\$25 million CAD market value*) is seriously (Sirios-ly?) trailing the RZZ rocket ride of the past two years.

At the same time, RZZ (*\$65 million CAD market value*), with its Agnico-Eagle and Yamana gold shares, its cash and other ownership stakes (and NSR net smelter returns and royalties), remains more than 50 percent below what **TCR** estimates is FAIR VALUE.

I think time is on our side here with both of them. As well, time in coming months and years likely shall be well spent with unrelated **Eurasian Minerals** (EMXX in USA and EMX in Canada tickers), with Sirios Resources, and hey, with any long-lasting rally in, say, uranium and nickel, Nunavik Nickel and Uranium Valley shares, too.

If you are a buyer today, even today (Tuesday) with more than a half-million shares changing hands by midday in North America, GZZ shows signs of thickening activity on the big-investor front. I

We will *not* have to wait until we look like Mr. Molson up there to cash in.

-- **Thom Calandra**