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Happy Holidays from The Mercenary Geologist

For Subscribers Only

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Dear Subscriber,

The flagship of my business endeavors, MercenaryGeologist.com, is now approaching its seventh anniversary. My how time flies, as we are also in the fourth year of a junior resource bear market that got significantly worse in 2014.

The TSX Venture Index started in the usual uptick mode and once again reached its high in the first quarter of the year. Unlike the past three years however, there was no post-PDAC sell-off; in fact, the juniors treaded water throughout the summer doldrums. Then they crashed after Labor Day along with falling commodity prices and a strengthening United States dollar.

Although there are still three trading days left in 2014, I am confident the Index' all-time low of 640 occurred on December 16, in line with the culmination of tax-loss selling. So far this year, the junior market is down 26%, and it is a whopping 36% off its closing high of 1046 set in early March:



The long downturn in the junior resource sector severely affects company budgets. As a result, our sponsorship business has declined as very few companies have discretionary money to spend, and only a select few of that lot could ever meet our strict criteria for coverage.

That said, we have seen continued success with our stock picks over the past 52 weeks.

We began 2014 with three sponsor companies and ended with two. Our sponsors include long-term supporter and European prospect generator [Avrupa Minerals Ltd \(AVU.V\)](#). This company had a banner year with two grass-roots drill hole discoveries in Portugal and Kosovo. Avrupa began the year at its low of 7.5 cents and most recently closed at 32 cents.

Another long-term sponsor, Arizona copper developer **Curis Resources Ltd (CUV.T)** had another eventful year with approval of its federal and state permits for ISR copper mining at Florence. Curis opened the year at 55 cents, reached a yearly-high of 96 cents in early March, and then traded sideways in the low 70- to high 80-cent range. In September it was acquired by fellow HDI Mining's [Taseko Mines Ltd \(TKO.T\)](#) in an all-share transaction that valued the stock at \$1.05. Although most shareholders including yours truly were not pleased with the share valuation, we are now shareholders in a copper mining company with the financial wherewithal to fund Florence to production.

Integrated uranium producer [Energy Fuels Inc \(UUUU.MKT; EFR.T\)](#) became a six-month sponsor on December 27, 2013 while trading at \$5.61. At the time, it was evident the stock was oversold and undervalued. Our timing was impeccable as the company gained traction in the new year and provided a double in nine weeks to subscribers who reacted quickly to my musing. UUUU reached its yearly high of \$11.85 during PDAC. I followed up with a field tour in May but by that time, the uranium spot price had collapsed and management decided not to renew coverage. Energy Fuels closed at \$6.53 on Wednesday and appears primed to rise again.

My mid- to long-term bullish view of the uranium market also led to a six-month sponsorship for domestic ISR producer [Uranium Energy Corp \(UEC.MKT\)](#) in late February. My timing on this pick was not good as the uranium spot market collapsed six weeks later. The stock was at \$1.77 when I initiated coverage; closed at \$1.99 a week later, fell to a low of \$0.99 in early May, bounced to \$1.50 a week later, and ended on Christmas Eve at \$1.71. Because UEC does not enter into off-take contracts, it is more highly leveraged to the spot price of uranium than any other North American producer. We saw this in 2014 with abrupt swings in its stock price. UEC is one of my core uranium holdings and I look forward to a better 2015 as a few Japanese reactors are scheduled to power up.

Gold explorer and long-term sponsor [Brazil Resources \(BRI.V\)](#) was briefly on board during the summer months, commencing on May 21 at 95 cents and hitting \$1.07 about a month later. When the market went south in September, management and I mutually agreed to put sponsorship on the shelf until conditions improved. BRI closed yesterday at 53 cents. That said, I think its outlook is bright with a recently oversubscribed private placement for \$3.5 million at 55 cents from mostly insider and smart money participants.

I anticipate resuming coverage on both UEC and BRI in the near future.

Please note that I also remain a committed shareholder of *all* the above issuers.

On the newsletter front, we posted 15 musings so far this year. By posting a free newsletter, I am never obligated to write on a regular basis and churn stocks to retain subscribers. Therefore, I put fingers to keyboard only when I have something of import to say. Despite these down times, we again maintained our active subscriber base in 2014; it now stands at over 6500.

While the junior market capitulated during the early fall, I took a two-month sabbatical and put little work on the agenda. Most of that time was spent where my roots lie exploring the hills, woods, and rivers of the Missouri Ozarks.

In retrospect this was a very good move. I came back to the business in November inspired and with lots to say about commodities and the equity markets. You can look forward to more think-piece missives from me as we transition into this middle decade year.

My commitment to broadcast and print media continued with 74 interviews and 31 television and video appearances. Our two regular radio programs, the bi-weekly Mercenary Musings Radio with Rob Graham and its focus on commodities, and the Monthly Market Review with Kerry Lutz of the Financial Survival Network are especially robust with many thousands of listeners for every show.

Our 24/7 internet radio station MercenaryGeologist.FM stabilized in 2014 with regular listeners tuning in from an average of 40 countries every month.

Our Twitter feed: [@mercenarygeo](https://twitter.com/mercenarygeo) gained nearly 5700 followers over the year and is now approaching 40,000. Our philosophy is to attract quality followers from the resource and investing sectors and it continues to pay off. We have lots of fun tweeting on a variety of subjects that interest us including business news, commodities, equities, geology, individual freedoms, libertarian ideals, the outdoors, and sports.

For me, the biggest downturn in 2014 was in public speaking opportunities, down to only five. We witnessed the demise of several North America conferences including the smaller Cambridge House venues and the long-lived Hard Assets shows in New York and San Francisco. The latter two will be especially missed as I was a core participant and advisor to their organization.

Besides the usual investment conferences, I was honored to be an invited speaker at the 2nd Liberty Mastermind Symposium and the 120th Annual American Exploration and Mining Meeting, formerly known as the Northwest Mining Association. These later two engagements enabled me to meet and greet interesting libertarians and free thinkers and renew acquaintances with old friends from my 30 years as a field geologist.

As spokesman for MercenaryGeologist.com, I turn to my annual appreciation of the dedicated staff that brings our products to you on a weekly basis. Most of these very important people are located in my second home of Vancouver, British Columbia.

Webmaster, IT, and SEO wizard Raffaele Della Peruta has been the man since launch in April 2008. Promotions manager Kirsty Hogg markets our organization at local investment shows and handles all social media. Gwen Preston, formerly of The Northern Miner and Casey Research, is now in year two as editor and recently launched her own free newsletter, [Resource Maven](http://ResourceMaven.com). Elena Tanzola is our research assistant for the commodity and equity markets.

In the Albuquerque office, I thank James Tabinsky for his work as research and office assistant and wish him luck as he completes graduate school and enters the real world of exploration and mining. We will be introducing our new Albuquerque-based geology and research assistant in January.

Gratitude also goes to my workers, friends, and neighbors in the South Valley who tend the farm and keep watch when I am away.

And thanks as always to you, our ever-loyal subscribers, who read, listen, and watch on a regular basis. Your interest in our thoughts and ideas enable the wonderful living we enjoy so much.

Contrarianism is what differentiates us from the sheeple and herd of speculators, and we are ever mindful that the most money is made by maintaining maverick strategies in the midst of market meltdowns.

Solid speculations and informed investment decisions made today will provide the best returns when mining and energy markets inevitably return to the upside.

Finally, we wish you and yours an abundance of holiday cheer and are hopeful for a bountiful 2015 for all the good companies in which we hold shares.

Ciao for now,

Mickey Fulp
Mercenary Geologist



Acknowledgment: Gwen Preston is the editor of MercenaryGeologist.com.

The [Mercenary Geologist Michael S. "Mickey" Fulp](http://MercenaryGeologist.com) is a Certified Professional Geologist with a B.Sc. Earth Sciences with honor from the University of Tulsa, and M.Sc. Geology from the University of New Mexico. Mickey has 35 years experience as an exploration geologist and analyst searching for economic deposits of base and precious metals, industrial minerals, uranium, coal, oil and gas, and water in North and South America, Europe, and Asia.

Mickey worked for junior explorers, major mining companies, private companies, and investors as a consulting economic geologist for over 20 years, specializing in geological mapping, property evaluation, and business development. In addition to Mickey's professional credentials and experience, he is high-altitude proficient, and is bilingual in English and Spanish. From 2003 to 2006, he made four outcrop ore discoveries in Peru, Nevada, Chile, and British Columbia.

Mickey is well-known and highly respected throughout the mining and exploration community due to his ongoing work as an analyst, writer, and speaker.

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Disclaimer: I am a shareholder of all the companies mentioned in this musing. Avrupa Minerals Ltd and Curis Resources Ltd each pay a fee of \$4000 per month to sponsor this website. I am not a certified financial analyst, broker, or professional qualified to offer investment advice. Nothing in any report, commentary, this website, interview, and other content constitutes or can be construed as investment advice or an offer or solicitation or advice to buy or sell stock or any asset or investment. All of my presentations should be considered an opinion and my opinions may be based upon information obtained from research of public documents and content available on the company's website, regulatory filings, various stock exchange websites, and stock information services, through discussions with company

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