



Mercenary Alert: Copper Developer on Sale

A Special Alert Musing from Mickey the Mercenary Geologist

For Subscribers Only

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I initiated coverage of [Trilogy Metals Inc \(TMQ.AM; TMQ.TSX\)](#) in late May of 2017 when the stock traded for 66 cents. TMQ has produced phenomenal returns for my subscribers who have played their hands well. In fact, it reached an all-time high of \$3.13 about five weeks ago; that's not far off a five-bagger.

However since then, the algorithm short-sellers have wreaked havoc on Trilogy Metals Inc. When combined with a falling copper price as Trump threatens more trade tariffs on China, it sold off to a year-to-date low of \$1.54 before rallying to \$1.75 today.

Here's the chart:



The chart indicates that steep drops over the past month are generally correlated with high volume trading days and supports the idea that TMQ is undergoing a well-managed short attack during the summer doldrums when many money managers are on vacation and away from their desks.

I spoke with company management a couple of times over the past week and have been assured that there is no material reason or change in the company's fortunes that would account for the rapid sell-off. The weak copper price, now at a +2-year low, is certainly a factor.

It can be argued that Trilogy ran up too hard too fast and was in a vulnerable position. I will not disagree with that assessment as it has significantly outperformed its peer group in 2019.

Yet at last month's peak, TMQ's market cap was less than half of the Arctic deposit's pre-feasibility net present value. This metric assumes the market is giving zero value for the Bornite deposit where Australian mining giant South32 has until the end of January to enter into a 50% joint venture for \$150 million.

The short attacks apparently paused today but may continue again. This is a risky time for the entire beaten-down base metal complex with a slowing world economy and no end in sight for the trade war turmoil between America and the Chinese.

That said, I look at the current share price as an opportunity to buy a premium copper developer on sale and championed this idea to some of my peers at the recent Sprott Resource Investment Conference. I am personally adding to my position in the company. Note that my cost basis on this stock is much lower than its recent trading range and the company sponsors my website. Also, I am not a certified financial advisor and do not give investment advice.

Take a look, talk with your trusted broker, and make decisions based on your own situation, risk tolerance, and speculative goals. As always, buyers beware.

Ciao for now,

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The [**Mercenary Geologist Michael S. "Mickey" Fulp**](#) is a Certified Professional Geologist with a B.Sc. in Earth Sciences with honor from the University of Tulsa, and M.Sc. in Geology from the University of New Mexico. Mickey has 35 years of 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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