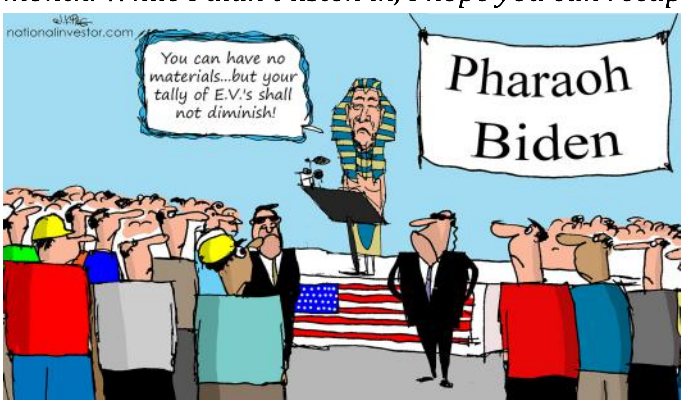
THE National Investor

Dec. 31, 2022 *You can get information anywhere. Here, you get KNOWLEDGE.* **Vol. 27 – No. 18**

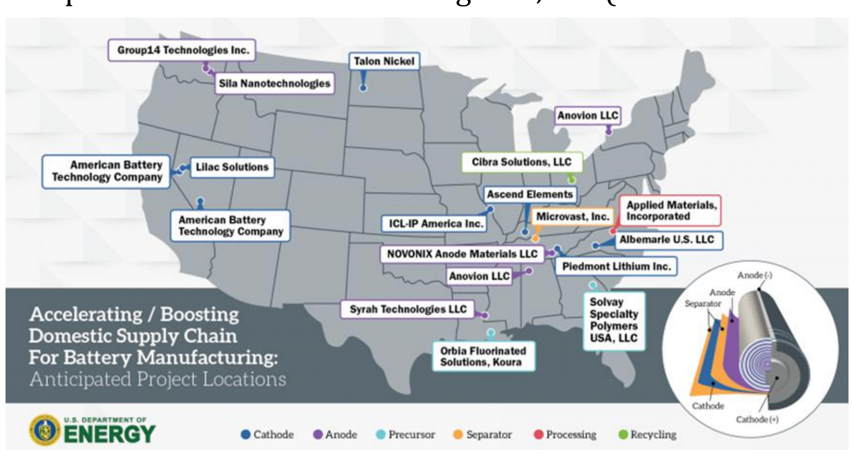
FROM OUR AUDIENCE

"PHAROAH JOE" UPDATE, PLEASE – BETTER IN 2023?

Chris, I saw you pass along a link to an Energy Dept. meeting including Piedmont Lithium earlier this month. While I didn't listen in, I hope you can recap what's relevant to those of us in PLL. Also, as I know there are other companies benefitting from some IRA money, can you impartially give us your assessment on how much "Pharoah Joe" is relenting? Are things loosening up in a good way for the US to start sourcing our own critical materials and all that…?



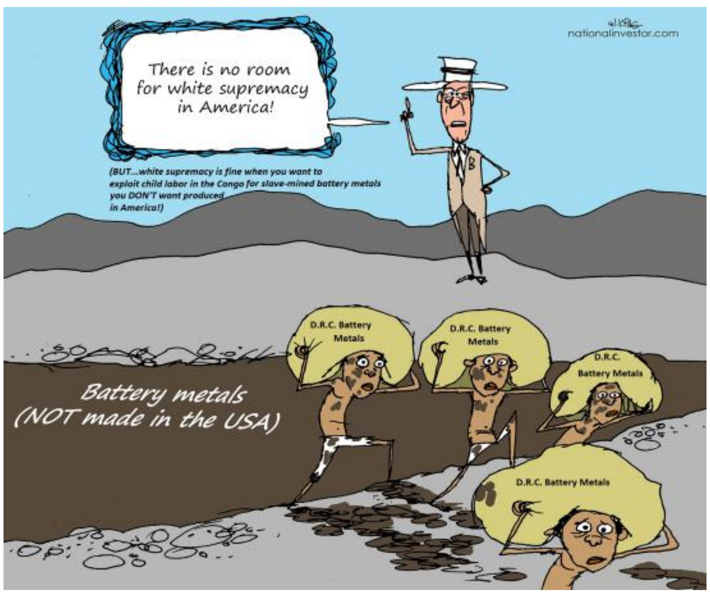
Look, there is *some, small* progress in the pressing and major need nationally for us to regain control of our own destiny in all the areas we've been discussing for a long time. At https://www.youtube.com/watch?app=desktop&v=Th6JCftKpR8 you can watch the recording of that early December D.O.E. "Fireside chat" with E.V. industry and other leaders, including **Piedmont Lithium's** C.E.O. Keith Phillips. Discussed was the funding deal, etc. (see https://wpln.org/post/tennessee-will-house-the-nations-largest-lithium-refining-plant-to-supply-evs/) for Piedmont's lithium processing plant in Etowah, Tennessee; one of several projects getting loans or grants from the government following last year's passage of the "Inflation Reduction Act" et al.



I say "huzzah" to all this; but still need to remind one and all that what

relatively little is being done, belatedly, is a pimple on a flea compared to what we *need*. Take, for one example, the inexcusably long time to do something as simple as allocate the first $75 million for America's uranium reserve I discussed last issue. That funding was authorized long ago; yet it took this long to *very* modestly begin the process of weaning America from foreign uranium (though it never takes as long to throw multiple billions multiple more times at that filthy comic/American stooge in Ukraine helping to prosecute our proxy war against Russia.)

That little real *action* to bolster what in the 1950's was the envy of the world—our peaceful nuclear energy program—has been happening was reinforced recently by the announcement (see https://www.channelchek.com/news-channel/russia-related-supply-issues-delay-gates-buffett-nuclear-plant for a story on this) that **the target date to fire up TerraPower's reactor in Wyoming has been postponed two more years to 2030.** This favorite project of Bill Gates and Warren Buffett needs HALEU; a type of enriched uranium that Russia has pretty nearly had the market cornered on for some time. Again, belatedly, Washington is looking into this; but things are going WAY too slow.



"Marse" Joe—in this context—continues to be of a mind himself/driven by the N.I.M.B.Y. crowd (Not In My Back Yard) and other environmental leftists to extract minerals, battery metals and such in *other* countries like the Democratic Republic of the Congo, though; see https://www.foxnews.com/politics/biden-turns-country-documented-child-labor-green-energy-mineral-supplies-its-egregious in case you missed this latest GALLING hypocrisy. More overtly financing the exploiting of African *children* is OK in these people's books, it seems; even though we have lots of cobalt, for example, right here in America (notably in Northeast Minnesota) that "Marse" Joe and his allies do NOT want mined.

It's become quite clear that the Biden Administration is going to stick to its general game plan of *importing* most of what we need for infrastructure, our green energy needs and the like. At least the "Big Guy" wants to do some of these deals with more First world-like nations/established jurisdictions where labor is treated better than in laces like the D.R.C. As I have pointed out a few times, this will greatly benefit Canada (which, relatively speaking, is *far* more serious about developing its domestic battery metals wealth) and some others. As I have also been pointing out, the U.S. in the end will be competing against others for these things; and with America's "muscle" declining at a faster pace than ever, *at best* we're going to be paying up for everything as time goes on.

We'll get some new clues on how all this might go shortly: **on January 9-10, when Biden meets with Mexican President Lopez-Obrador and Canadian P.M. Justin Cast...er, Trudeau...in Mexico City**. Much of the oxygen in the room is going to be over Biden's continuing efforts to end Title 42 so an even bigger flood of people can come into America across the southern border, as well as other angles over "migration", etc. *But most reports suggest some "work" on a broader North American critical materials strategy is also in the offing.*

A double-minded administration is unstable in all its ways, paraphrasing James 1:8. I have heard on multiple occasions in discussions with a few of our companies and others that, when you get down to the second or third layer in the Biden Administration, *most* everyone "gets" the situation. And if they had *their* way, we'd be MUCH farther along by now. However, a half-senile president…a Treasury secretary who—as I have pointed out *many* times—is single-minded in her determination to wreck the old energy economy…and their various comrades have gummed up things *a lot*.

"We can't wait to give you our NEW Green economy! We just need to finish wrecking the old one first..."

And we will be paying further for all this sooner rather than later.

Accepting his recent "support" at face value, Biden supposedly *does*, at least, want to see something such as Sen. Joe Manchin's (D-WV) permitting reform measure pass. Manchin's was one of a few recent attempts to speed up a multi-layered, archaic and very anti-development permitting process for extractive industries. Yet this ended up on the cutting room floor ahead of the recent budget bill monstrosity passage; see https://news.yahoo.com/senate-rejects-manchin-energy-permitting-233715073.html?fr=sycsrp_catchall.

In summation, Pharoah/Marse Joe gets a D-minus grade on all this through his first two years.

NAT GAS "CLUES"?

Kudos on your "portfolio management" and methodical approach taking gains again in SQQQ and the rest. But on natural gas—which I am anxious about and which you "teased" on—I see the price action has continued to get worse rather than better. What are you watching that maybe I should be also to tell you when it's again time to buy BOIL?

As I expressed this past weekend with Mickey as we were wrapping up 2022 (the recording is at https://www.kitco.com/commentaries/2022-12-30/The-Metals-Money-and-Markets-Weekly-Dec-30-2022-X-is-for-eXit.html) the continued weakness for natural gas was curious. This was mostly due to the big, albeit brief, **production decline** during the recent outsized cold snap we mentioned; *one which you'd have thought would firm up the price*.

But that is past: and with us now is record *warm* weather in much of Europe which has put a bigger dent in spot gas prices there, as well as allaying fears of stockpiles running out sooner rather than later. Here in the U.S. forecasts do not presently show a repeat of the recent cold any time soon; averaging things out, the weather is more normal. That will keep American stockpiles from moving back *out* of their five year range for now.

As with many other commodities—oil, most notably—natural gas is characteristically volatile as speculators all lurch from one side of the proverbial boat to the other. **Clearly, positioning right now is overwhelmingly bearish; that's a "start" for us.** Last year around this time under similar circumstances, the bears were caught offsides, first, by simply having gone *too bearish* compared to firmer fundamentals. Next, of course, came Russia's invasion of Ukraine. That added to the first of a few bullish waves; and helped us considerably on our way to cobbling together a positive portfolio performance for 2022 (around 5% or so of that *solely* on our UNG/BOIL moves.)

I think the odds favor a recovery sooner rather than later. Notwithstanding all the bearish "inputs" recently, I agree with my friend Phil Flynn (see https://blog.pricegroup.com/ to get his daily free energy blog posts, as well as other goodies from the Price Futures Group) that any coming surprises are likely to cause *buying*.

Beyond all that, too, keep in mind that *the narrative* has swung in the bearish direction, too: and that's a mistake. I.M.O., and abetted by the favorable weather elements, **traders are overlooking the big, longer-term picture: surging demand against various impediments to sufficient development and production.** This is the story, as I have been repeating incessantly, for *most* commodities.

So when it comes to natural gas, I am looking for 1. A high-profile reminder of the impediments to increased production, 2. A "change in the weather" coupled with inventories dropping to the bottom of the five year range anew and/or 3. Some new development in the global commodity wars. We *probably* could be buyers of BOIL and UNG now and be vindicated but this knife might not yet be quite done falling this go-round. *Stay tuned*.

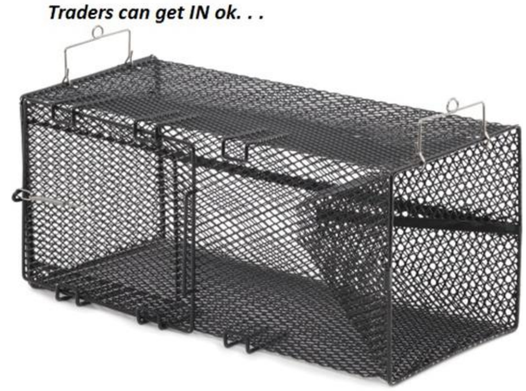
BLACKSTONE LIMITS WITHDRAWALS…CANARY IN THE LEVERAGED COAL MINE?

Chris, a few weeks back I thought of your "minnow trap" when I read a story abut Blackstone not allowing people to take money out of a real estate fund. And I thought I saw, too, where this kind of thing lately as not isolated. What do you know? And might this be a harbinger of a bigger "liquidity crisis" in global markets?

At https://www.bloomberg.com/news/articles/2022-12-01/blackstone-real-estate-fund-tops-limit-for-redemption-requests, *Bloomberg* was one of many to carry this story. Apparently for the first time, the Blackstone Real Estate Income Trust, known as BREIT, breached its *stated* withdrawal limits well before Q4 end. Those allow only up to 2% of net-asset value a month and 5% a quarter to be liquidated. Nobody made an issue of this for the last several years amid a reported 13% annual return (including a 4% income payout); until worries of the "everything bubble" going into reverse caused more people to want to cash in their chips.

And no, Blackstone isn't a sole example of this. Schroders, plc supposedly also has a non-traded real estate fund that has had to do the same thing of late. **And don't forget the biggest example I told you of months ago: the now-in-CCP "receivership" Evergrande**, which was enforcing a form of "payment in kind" to some real estate investors by forcing them to take pieces of real estate ownership in lieu of cash.

Traders can get IN ok. . .



. . .But might not be able to get back OUT!

Such is the story to varying extents with many assets; a situation *very* likely to continue as the Everything Bubble continues unwinding for the foreseeable future. In much less dramatic fashion than these real estate examples limiting and/or qualifying withdrawals, of course, **prices get marked down otherwise the more sellers than buyers you have**. Whether it's the stock market or conventional/residential real estate, everyone is finding out to one extent or another that things are not as liquid on the downside; especially if you think you are going to get "top dollar."

None of us knows, of course (and I was complaining to my wife during the New Year's weekend *Back to the Future* trilogy that I *still* can't find Doc Brown to borrow his car to know these things in advance) **when garden variety lower prices *with liquidity* becomes something worse and systemically debilitating**. Those Blackstone/Schroders and even Evergrande examples probably aren't the fairest ones; *by nature and contract*, they were never intended to be liquid to all their investors on a daily basis. They *could* still, none the less, cause some dominoes to fall down the road.

I think for the most part stories such as this will grow in number. But unless and until one or more cause a seizing up of the entire financial system a la 2008, the Fed and other central banks—at least for the time being—are of a mind to let nature take its course once more; at least until things freeze up again *systemically*.

GOLD TO GET HELP FROM CRYPTO, FTX DEBACLES? INVESTIGATIONS TO DOOM REMAINING CRYPTOS?

1. Chris, I am wondering with gold rallying to end the year back above $1,800US how much you think all the FTX scandal, crypto debacle, etc. had to do with this? If cryptos are in their death throes won't gold benefit even more…?

2. …Predictably, all that's gone on with this "SBF" guy and his scam is causing many to say that crypto currencies all together need to be done away with. Fresh stories are out about all the "money laundering" done with them. I heard you on Drew Mariani referring to this all being choreographed: can you explain?

I am of the belief that gold's rally of late 2022 was 1. Central bank buying, 2. Seasonal and 3. A view that we are nearing that place, as I wrote in my precious metals-centric issue some weeks back, where investors are sniffing an opportunity again, as the day nears when the Fed *at least* pauses its rate hikes. **None of those reasons have anything to do with the reasons why people were buying crypto currencies, by and large**. On the latter, virtually everyone Yours truly ever spoke with, at least, bought cryptos believing they would make a lot of money. Not an "inflation hedge, crisis hedge or anything else: *simply the "Greater Fool Theory" on steroids.*

The closest thing to "competition," I think is when people have used Bitcoin (chiefly) and perhaps some other cryptos to move large sums of money. Much of this has been in China, where many people have been getting their money out of Dodge in contemplation of bigger troubles there. In that case for the average person, buying cryptos is easier/cheaper than buying gold and other assets, I suppose. But hey…I'll allow the gold promoters somewhat of a "moment" here when they can dance on crypto currencies' apparent looming graves. And I'll also allow that the bloom coming off the crypto rose won't exactly *hurt* gold.

When I was on *Relevant Radio* several weeks back with Mariani as you recall, yes, I did muse over somewhat of a "conspiratorial" view of how Sam Bankman-Fried—"The J.P. Morgan of crypto"—so neatly accomplished so much:

* Set up a conduit for money back and forth to/from Ukraine, greasing the laundering skids? *Check*.

* Fund *mostly* Democrat Party politicians and "The Big Guy," escaping any meaningful oversight along the way but instead receiving those "Morgan" accolades? *Check*.

* Become the poster boy for how and why the feds must at least tightly regulate crypto currencies and exchanges, if not abolish them? *Check*.

As former Rep. Ron Paul (R-TX) and Daniel McAdams described as the *merde* hit the fan last month, the second largest Democrat donor (behind George Soros) accomplished all he did (by coincidence, design or accident; *you* decide) largely due to a complicit Establishment media even more disproportionately allied with the Democrat Party. As I said on Mariani's show and otherwise, if you take the SAME set of circumstances—real and alleged—here, BUT changed some names (Ukraine becomes Russia…SBF replaced, say, by Elon Musk…"The Big Guy" Biden/Democrats replaced with Trump and the G.O.P.) the media would have been clamoring these past several weeks for the gallows to be erected.

As it's been, a lot of the early "reporting" on Fried was of the fawning variety (Aww, gee—he can't help fund the ongoing defense against COVID anymore and the like.)

It hasn't been any secret that a good contingent of elected officials in Washington, Treasury Secretary Yellen and others would *completely* do away with crypto currencies if they could. **In the end, it may well be Fed Chairman Powell who numbers the cryptos among his victims as he continues**

trying to squeeze asset prices enough to "rein in inflation." As a recent *Reuters* piece simply put it, the decline to date in cryptos which has obliterated about *two-thirds* of their peak "value" came "…as central banks tightened credit." For that is the other explanation as to how these essentially sham "assets" got to where they did in the first place: TOO MUCH MONEY PRINTING.

It should surprise nobody that these things are now disproportionately being whittled down by the same forces that sent them skyward with everything else. And now, "SBF" and his act have set the table for these cryptos to be kicked further while they are down; moves to further throttle and maybe even eliminate them that will now be endorsed by people who have lost gobs of money on these "assets of tomorrow."

ANAVEX NEWS A "DUD"?

1. Chris, Do you have any insight on the significant drop in AVXL today beyond the disappointing financial report…?

2. I listened to the call with Dr. Missling and the others on Monday (**Ed.**-That Dec. 5 update recording is at the top of Anavex's home page at https://www.anavex.com/)*. To a non-medical professional as myself, it was hard to follow. I know you have followed the company and its thesis for several years now and hope you can help make sense of this…not to mention decide whether or not to stay in AVXL or take the rest of our money and move on?*

In regard to the first question above, as I wrote in my Nov. 30 e-mail update discussing Anavex, I largely dismissed the excuse earlier that week of a larger-than-expected loss for the preceding quarter being the reason for the *first* big drop.

When the company on Dec. 1 "…announced positive topline results from its Phase 2b/3 ANAVEX®2-73-AD-004 clinical trial of oral ANAVEX®2-73 (*blarcamesine*) for the treatment of mild cognitive impairment (MCI) due to Alzheimer's disease (AD) and mild AD (collectively known as early AD). ANAVEX®2-73…" the share price ahead of the company's call linked above was *higher* initially in the pre-market. But as that call got going, the price eroded; and AVXL shares ultimately matched their lowest price in the last two years. (Check out https://www.anavex.com/post/anavex-2-73-blarcamesine-phase-2b-3-study-met-primary-and-key-secondary-endpointsfor the full, written and meaty press release itself.)

Most of the negative reaction, I think, is due to investors and analysts having the sense that "Dr. Missling doth protest too much, methinks," if I may give a nod to Shakespeare. The presentation was geared very much to seemingly *complaining* that ANAVEX®2-73 doesn't get the respect it deserves; and sought to prove this by measuring the new trial results against its drug's real/imagined competitors, including Biogen's controversial Aduhelm. (*That* drug continues to be the subject of scorn and accusations; see https://www.cnn.com/2022/12/29/health/biogen-aduhelm-alzheimers-drug-investigation/index.html for the latest on a congressional investigation's findings into the "atypical collaboration" on Aduhelm between Biogen and the F.D.A. being "rife with irregularities.")

Without getting too technical here and confusing us *both*, I am still a BIG believer in the science here. And I am *hopeful* that, on January 12 when Dr. Missling presents to the 41st annual J.P. Morgan Health Care Conference in San Francisco, he'll get *the messaging* back on track.

Whether one is new to the game here or—at the other extreme—keeping some of the "house money" on the table still after we locked in some HUGE profits in that early 2021 pop, my recommendation is still very much a BUY.

HDGE EXPENSES

Hi Chris, Thanks for sending the new issue.

Regarding HDGE, the 4.15% expense ratio seems to be a rather high hurdle to overcome for a portfolio allocation of 15%. Apparently you have a high level of confidence in this strategy?

Have a Merry Christmas and Happy New Year.

That 4+ % expense ratio is a bit of a misnomer as the average person would look at it. Among other things, and due to HDGE's activities, various dividend and interest expenses are included in the overall expense ratio.

Bottom line is if the trouble/expense of shorting selected stocks is worth it in the end...and if I (and they) am/are correct on the overall direction of the market, then such an expense ratio for a fund that *rises* as the overall market falls is worth it.

Worst Years in US Stock Market History

Rank	Year	S&P 500	Note
1	1931	-43.8%	Great Depression
2	2008	-36.6%	Great Financial Crisis
3	1937	-35.3%	1937 Crash
4	1974	-25.9%	1973-74 Bear Market
5	1930	-25.1%	Great Depression
6	2002	-22.0%	Dot-Com Bubble
7	2022*	-19.7%	Brandon
8	1973	-14.3%	1973-74 Bear Market
9	1941	-12.8%	WWII
10	2001	-11.9%	Dot-Com Bubble
11	1940	-10.7%	WWII
12	1957	-10.5%	1957-58 Recession

And contrary to some wishful thinking, I am one of those who thinks we *will* have a second consecutive year where the broad market is down by double digits. True, it is an unusual occurrence to have back-to-back years like that, *but consider the nearby chart of the Top Twelve losing years of the last century.* 1930-1931…1940-1941…1973-1974…and 2001-2002; eight of those twelve were two-year double-digit bears.

Unlike those prior examples, too, the Fed is continuing to tighten into the second of those years. It has promised to keep its ultimate peak rate level for all of 2023 and perhaps beyond. Stock prices are starting from a place of being more elevated *still* than in any of those past episodes; certainly going into year two. So I am of a mind that the high "expenses" of HDGE will prove well worth it.

RATE DIRECTION—ANY UPDATED THOUGHTS ON TREASURY ETFS?

Given your recent insistence that Treasury yields had to move back up I'm wondering why your conviction on that still is not enough to get into the ETFs that short Treasuries, like Direxion's TMV which is the biggest bet on rising long-term market rates…

I've been more of the mind to play that via shorting the most suspect among stocks, as with SQQQ which we just took profits on…and EDZ, which I think we'll *still* do well on. As for TMV and the like, though, I guess all I can say is that I often at such times lean on my late dear old Dad's admonition from my youth: "When you don't know what you're doing, don't do it."

Near term I think we *could* see yet another rally in Treasuries and decline in yields; this would come about if the next CPI number due January 12 is another "benign" one. There is still an inclination on the part of markets—though Fire Marshall Jay has done his best to chip away at it—to think that at the next "soft" number the Fed will run up the white flag. So no, my conviction is not all that great that the markets will do what they should, as opposed to follow their own Pollyannish *hopes*.

Tougher talk of late from both the Bank of Japan (though its recent adjustment to make markets "more efficient" is still the subject of a lot of debate) and the E.C.B. (which suddenly is as hawkish or more than the Fed) could mean that the better shorts at this juncture are on their debt *for a trade*. Even there, however, we're but one financial markets accident from all this going into reverse; and with other ideas to occupy us, I still can't bring myself to short *any* of this sovereign paper.

FRONTIER FINANCING…WHAT'S NEXT?

Chris--Bummer that the latest FL placement was gone by the time they announced it…wondering what the next milestones are for the company we should be looking for. Any thoughts on when a deal might be in the offing for offtake? I see another company, Rock Tech Lithium, just entered one with Mercedes…and a few other smaller deals too lately.

Both resource companies and various mid-to end- users are under a lot of pressure to simply make deals. My initial observation (and I *will* be doing additional homework) is that most of these purported offtakes, Letters of Intent and the like are more for eye wash than anything with real economic bite near term. I don't say that to disparage anybody; Just to reflect the reality that *all* of these things are likely to take a number of years (consider, too, the delayed plans of that TerraPower facility mentioned above.)

(Continued on p. 11; next page, 10, is the first of a recent Stifel Nicolaus Canada report on Frontier)

Frontier Lithium Inc.

FL-TSXV

November 21, 2022

Canada - Metals & Mining

BUY
INITIATION OF COVERAGE

Financial Summary

Changes	Previous	Current
Rating		Buy
Target Price	—	C$4.80

Price (11/21/22):	C$1.95
52-Week Range:	C$4 - C$1
Market Cap.(mm):	C$437.0
Shr.O/S-Diluted (mm):	224.1
Enterprise Val. (mm):	$298.4
Avg Daily Vol (3 Mo):	345,211
Dividend / Yield:	C$0.00 / 0.0%
NAV:	C$2,024.20
NAVPS:	C$5.88
Price/NAV:	0.33x
Cash (mm):	$25
Debt (mm):	$0.0
Net Debt (mm):	$(25)
Target P/NAV:	0.80x
FYE	Mar

	2022E	2023E	2024E
EPS (adj.)	C$(0.08)	C$(0.02)	C$(0.02)

Price Performance

Completed: 21 November 2022 21:45EST
Disseminated: 21 November 2022 21:45EST

Initiating Coverage with a Buy Rating: Vertically Integrating Ontario's Electric Avenue

Summary

We are initiating coverage of Frontier Lithium with a Buy rating on the shares. FL is an emerging lithium minerals and salts company focused on the development of its 100% owned PAK Lithium Project in Ontario. The PAK Project hosts North America's highest grade hardrock lithium resource, with significant resource expansion potential. The North American battery market is expected to be significantly under supplied by continental lithium sources.

Key Points

Frontier's PAK is the highest grade Li resource in North America and top five globally. Higher grade resources mean fewer tonnes need be delineated, drilled, blasted, trucked, and processed to produce an equivalent tonne of product, an inherent inflationary hedge. The consolidated PAK project is made up of two deposits – PAK & Spark. PAK's global resource of 9.3MMt @ 2.02% Li_2O is the highest grade consolidated NI 43-101/JORC compliant resource globally. FL has the potential to be the lowest cost integrated producer of LiOH in North America, feeding the Ontario EV build out.

Lithium pegmatites occur in clusters, and FL's land package has locked up 65km of regional structure. The current FL resource is made up by two deposits 2.3km apart with two more along 3km of strike. Lithium pegmatites are like fingers pushing through a crack, and they occur in areas of favourable structure (*FL has staked the 65km long regional Bear Head Lake Fault Zone*) with favourable peraluminous granitic source rocks (*nine exist along FL's ground*). Lithium pegmatites (PAK & Spark) are the end member of these sources. Metal zonation follows a well-documented pattern with indicator elements at PAK providing a good read through for additional tonnage. In a scaled up production scenario to right size production to resource, we calculate each additional 10MMt discovery is worth approximately ~C$1.00/sh fully funded.

Domestic supply chain policy becoming increasingly aggressive as the North American auto market builds out EV capacity. Increasingly active friend shoring policy and competitive tension for domestic value capturing have the ability to drive cost of capital down for priority projects. The U.S. Inflation Reduction Act necessitates 40% of battery critical minerals must be mined/processed in the U.S. or a FTA partner by 2024, increasing to 80% by 2026. The DoE recently allocated US$2.8B under the Infrastructure Investment and Jobs Act in part as grants to critical mineral projects – a significant shift toward focusing on upstream resources. Importantly, the U.S. DoD considers Canada as domestic, meaning product mined in Canada qualifies. The U.S. DoE has outlined US$57B in support for domestic critical mineral processing, and the Canadian 2022 Budget has outlined $4B in critical mineral infrastructure and advancement.

In total, we estimate at least 711GWh of battery manufacturing capacity by 2030 has been announced in U.S. and Canada worth at least US$50B with at least US$10.8B pledged by U.S. states in corporate subsidies, intimating as much as ~600kt LCE demand per year. Our current supply and demand analysis intimates a supply gap of approximately ten North American domiciled lithium mines by 2026, in excess of forecast supply.

Valuation. We base our valuation loosely off the 2021 PEA with approximately 40% cost escalation alongside scaling our throughput rate 20% by year five based off our assumption of processing approximately 75% of the current resource. We arrive at an asset $NAV_{10\%}$ of C $1,564MM or C$4.54/sh fully funded and diluted. Accounting for corporate adjustments, our corporate NAV is C$2,031MM or C$5.88/sh. Via a 0.80x NAV multiple used to reflect the PEA stage of the project, our target price is C$4.80/sh.

Cole McGill | (416) 943-6631 | cmcgill@stifel.com

All relevant disclosures and certifications appear on pages 26 to 28 of this report.

(Continued from p. 9) **Even the high-profile Tesla-Piedmont deal of a couple years ago has been extended once already and may be again**. At least here—as I passed along when it was announced and added at the beginning of this issue again—Piedmont is now getting formal backing from some of the infrastructure appropriations to go toward building its chemical plant.

When I spoke with Frontier's V.P. Bora Ugurgel recently, he mentioned that the company's plans by and large were to release both an updated resource estimate (primarily on Spark, and primarily upgrading material from inferred to indicated) and then follow that quickly with a Preafeasibility Study early in 2023. ***Interestingly, he suggested the PFS could include plans to produce both technical grade as well as battery grade products.*** Those of you who have followed Frontier for a while know that the low iron content of the spodumene and high/fairly pure grade/product lends itself to that higher end specialty market for ceramics, etc. *And that segment of the market is arguably even tighter supply-wise going forward than the relatively more mundane battery- quality products*. Check out https://www.benchmarkminerals.com/membership/chinese-ceramic-producers-move-into-lithium-industry-as-prices-hit-new-highs/.

Ugurgel also reminded me that the Province of Ontario (which has already put some money towards development at the Frontier PAK complex as you'll recall) is likely to continue being an even more aggressive "matchmaker," as he termed it. So especially post-PFS, if not sooner, I suspect we'll hear more about one or more deals.

Keep in mind that Stifel's analysts' calculation of a target of C$5.00, give or take, for Frontier pretty much contemplates only/primarily the present resource. There's no doubt in my mind that resource has many years of growth ahead of it; and that in the end, we should do considerably better than that C$5.00 mark.

PRIVATE PLACEMENT QUESTIONS, ACCESS

Chris, How do I understand these private placements you occasionally talk about? Is there something I can read…?

…Is it always required with private placements to be an "accredited investor?"

There are a host of things you could literally get lost in reading that govern private placements. The official S.E.C. Guidelines are included at https://www.sec.gov/oiea/investor-alerts-bulletins/ib_privateplacements.

I'll oversimplify things a little, perhaps, thus:

1. Private placements are what the name implies: private, at least relative to *public* stock offerings, which require a prospectus and lots of related disclosure. Normally (and for our purposes) PP's are of existing public companies which wish to raise additional funds without having to go through all the normal course paperwork.

2. PPs are usually limited in scope to a certain $ amount that the company in question wishes to raise for certain purposes, which are usually disclosed (or, in part, these raises can be "for general

corporate purposes.") Sometimes PP raises are done at a discount to the market price and include warrants, allowing the buyer to buy additional shares from the company at a fixed price, and within a certain time (2 - 3 years is typical).

3. In cases of Canadian exploration companies that raise money for exploration purposes that will be conducted *that year*, you will sometimes see these characterized as **"flow-through" financings**. Under Canadian tax laws which, in this instance, are friendly to exploration activities, Canadian investors get a tax benefit by investing. This usually results in the units (stock and warrants) being sold at a *premium* to the then-market price due to the tax break.

4. Due to the nature and relatively limited regs for a company to raise $ via a PP, **there are rules as to the "sophistication" of investors companies are allowed to sell to.** You must certify to the company whose PP you want a part of that you meet the net worth and/or minimum net income requirements or other pertinent ones. This rule, thus, assumes that you are more sophisticated than the average investor *and able to both do your own acceptable due diligence and bear the potential total loss of your investment.*

5. The average minimum for an investor in these is $10,000.00 -- I have seen higher and lower also.

6. While some companies in an effort to bring in broader numbers of shareholders and all will deal directly with you, it's best practice to *first* have a brokerage account funded from which you will be buying PPs from time to time. The issue many of us have and have had is it's no problem in buying shares of a PP from a Canadian company, say, *but then we end up with a physical stock certificate like in the OLD days.* And then you have the issue later of trying to deposit those certificates in your brokerage account (NOT a friendly world for that these days, especially with the average US brokerage firm) and selling them. Ditto when you go to exercise warrants later.

Personally, I have an account with a Canadian brokerage that is set up for US investors; there really are a few such ones! If you are interested in this for the future let me know. Also, for anyone who has physical certificates looking for a home, I'd recommend these folks (who in turn, prior, were highly recommended to me.)

The 2012 JOBS Act greatly expanded and "democratized" private placements, start-ups and the like: allowing both private and public companies to engage in offerings under *greatly* relaxed rules. Some of you were fortunate enough to get in, for example, **BacTech Environmental's** "Reg A" offering back when at 1.5 cents/share. The usual disclosure rules did not apply there, nor did the typical minimum investment and some of the other rules.

There are also the most familiar "Reg-CF" crowd funding offerings these days as well. Not all of these are charitably-minded; some are of outfits that hope at least to one day be public.

Given the evolving nature of things, I continue to expect private offerings of *all* types to flourish, as general public equity markets settle in for a period of perhaps many years of sub-par performance. As a first matter, via our evolving Insiders Circle and such, we'll be featuring these much more. (**A REMINDER**: If you are not already and wish to be on my notification list for when private placements of any kind come up, write me back and ask to be added.)

CORNERSTONE-SOLGOLD MERGER; TAKEOVER RUMORS?

On this, too many questions/comments have accumulated since the proposed merger between these companies was announced…so I'll not take up the space to repeat several of them. Simply, I'll give my overall take below, following up on my initial and somewhat subdued initial take on things and then—a few days afterwards—my more positive attitude which has <u>kept</u> Cornerstone as a BUY….

There are a few points I want to make, as succinctly as possible:

1. Upon reflection, agreeing to be taken over by SolGold was, at the least, the "less bad" option for Cornerstone. No bid for them alone seemed forthcoming from Newcrest which—as I have pointed out a few times—by appearances has soured somewhat on SOLG. It is spending a LOT of money elsewhere in the recent past.

Remember that—once SOLG delivers a bankable feasibility study—Cornerstone would have been obligated to start paying in its share of development costs from that point. **Realistically, that would have been tough.** So the choice is between burying the hatchet and joining forces with SOLG *now* and NOT having to come up with that 15% of the costs…or not, and being diluted as a result down to a glorified royalty on Cascabel if they couldn't hold up their end.

2. The bringing in of Scott Caldwell onto the Board/management as ***a CGP appointee*** was positive; http://ir.q4europe.com/Tools/newsArticleHTML.aspx?solutionID=3676&customerKey=Solgold&storyID=15591202. Caldwell is now the Interim C.E.O.

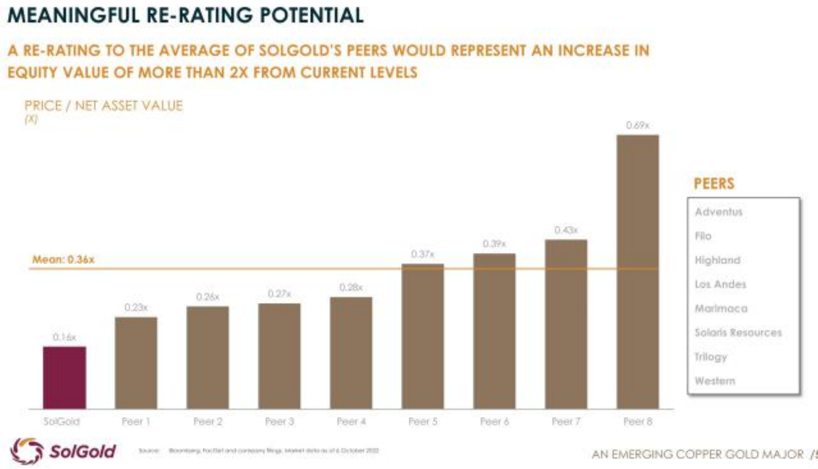
What surprised me a little after the fact was the apparent S**T show under the now-departed Daryl Cuzzubbo. The *accusation* has been made that he—a former top man at BHP—was there to "slow walk" SolGold (and by extension, Cornerstone) into a stink bid; something I have expressed worry over given the weak markets of recent months to boot.

By appearances, everyone is on the same page and—belatedly or not—aggressive in marketing Cascabel once the merger is done.

3. By hook or crook, **SolGold has continued to attract some serious investors**, even as the share count blows open farther. SOLG just closed another royalty deal; this one with Osisko (the details are at http://ir.q4europe.com/Tools/newsArticleHTML.aspx?solutionID=3676&customerKey=Solgold&storyID=15604554.)

Another $36 million recently raised featured Jiangxi Copper *as a new* investor; see http://ir.q4europe.com/Tools/newsArticleHTML.aspx?solutionID=3676&customerKey=Solgold&storyID=15637851. As Caldwell said in announcing this Dec. 12, "We are very pleased to welcome Jiangxi as an investor and partner in SolGold. Jiangxi Copper Company Limited, the parent company of Jiangxi, is one of the largest global producers of refined copper. Their presence is another strategic endorsement for SolGold, the world class Cascabel project and Ecuador as an emerging mining jurisdiction and will be of great benefit to Ecuadorians and SolGold shareholders. This investment further bolsters SolGold's balance sheet and provides the Company with greater optionality while we maintain a disciplined approach to capital allocation to advance strategic project initiatives and exploration opportunities that hold the most significant potential to maximise shareholder value."

This investment makes Jiangxi Copper a 6%+ shareholder of SolGold; and according to some chatter, is an opening salvo by that company in what will *most* likely become a contest between it and BHP among mining majors.



4. There is no denying that—after the mismanagement of the past by former SOLG head Mather and then, apparently, Cuzzubbo—**the combined companies' valuations do not *remotely* reflect the fair value of Cascabel.** This point was very much driven home in the recent webinar presentation on the merger, as the accompanying graphic shows (taken from the full presentation, which can still be accessed at https://wp-solgold-2021.s3.eu-west-2.amazonaws.com/media/2022/10/SolGold-Cornerstone-Transaction-Investor-Presentation_2022-10-12.pdf)

The legitimate belief is that a post-merger, combined company will cause at least some who have shunned it due to the past foibles to consider the reality of that nearby chart; and that a "re-rating" will boost things considerably.

5. **A global shortage of needed copper into the future combined with at least a pause in the central banks' rate hiking antics should provide a more constructive macro backdrop in 2023 than we saw in 2022.** So as late as things have dragged, the timing is going to swing back into the favor of Cascabel's owners.

CGP's board is hosting a virtual meeting on January 9 to ratify the SolGold deal; *a decision I am in support of.* Happily, Cornerstone's own shares have held up better than its average peers in 2022; and I think a far better number awaits in (my base case) a consortium-like buyout of Cascabel.

Somewhat understandably lost amid all this subject was the news that **another Cornerstone partner—Sunstone Metals—reported an initial 2.7 million ounce gold-equivalent resource at Bramaderos;** see https://www.proactiveinvestors.com.au/companies/news/1000981/sunstone-metals-fields-2-7-million-ounce-maiden-gold-equivalent-resource-for-bramaderos-1000981.html. And as Sunstone's C.E.O. Malcolm Norris confidently suggested, this is but the start on the way to a 5 – 10 million ounce resource.

Don't forget that those of you so inclined can follow my thoughts, focus, occasional news on covered companies AND MORE pretty much *daily* ! ! !

* On Twitter, at https://twitter.com/NatInvestor

* On Facebook at https://www.facebook.com/TheNationalInvestor

* On Linked In at https://www.linkedin.com/in/chris-temple-1a482020/

* On my You Tube channel, at https://www.youtube.com/c/ChrisTemple (MAKE SURE TO *SUBSCRIBE*!)

* Every Friday evening w/ Mickey Fulp on the *Metals, Money and Markets Weekly* at https://www.kitco.com/

RECENTLY CLOSED POSITIONS

The *current* allocation and individual recommendations which follow this section are but a part of our experience/story. Below are those ETF's and stocks we've sold of late (typically, this is about a three month-running list), together with the *approximate* gain/loss on each. Figures are on a total return basis for dividend-paying securities and also take into consideration *specific* weighting/trading recommendations during our coverage as appropriate:

Security (stock or ETF)	Disposition
-- Monarch Mining (GBAR) (1)	Sold 11/3; 85% GAIN from Dec. '16
-- Sibanye Stillwater (SBSW)	Sold 11/3; 38% LOSS from Jan. 12
-- Direxion Daily Small Cap Bull 3X (TNA)	Sold 11/11; 16.8% GAIN from 11/4
-- ProShares UltraPro QQQ (TQQQ)	Sold 11/16; 4% GAIN from 9/22, etc.
-- ProShares Ultra Basic Materials (UYM)	Sold 11/16; 15.6% GAIN from 11/4
-- U.S. Natural Gas Fund (UNG)	Sold 11/22; GAIN 10.1% GAIN from 10/17
-- ProShares Ultra Bloomberg Nat Gas (BOIL)	Sold 11/22; 15.3% GAIN from 10/17
-- Fluor, Inc. (FLR) (2)	Sold 12/14; 213% GAIN from Feb. '21
-- ProShares Ultra Silver (AGQ)	Sold 12/14; 39.3% GAIN from 7/28
-- ProShares UltraShort QQQ (SQQQ)	**Sold 12/28; 29% GAIN from Nov. 28, etc.**

1) Total net gain reflects/includes prior sale of Yamana Gold

2) Adj. cost basis from spin-out of SMR

PORTFOLIO ALLOCATIONS

Conservative/Income-Oriented Accounts

Cash	21%
Sprott Physical Uranium Trust. (U.UN)	3%
Sprott Uranium Miners ETF (URNM)	3%
ProShares Short High Yield (SJB)	5%
ProShares Ultra Gold (UGL)	4%
Direxion Daily Energy Bull 2X Shares (ERX)	2%
Direx. Daily MSCI EmMkts Bear 3X (EDZ)	2%
Advisor Shares Ranger Equity Bear ETF (HDGE)	15%
Growth/Speculative stocks	34%
Income/Growth stocks	11%

Aggressive / Growth Accounts

Cash	12%
Sprott Physical Uranium Trust (U.UN)	3%
Sprott Uranium Miners ETF (URNM)	3%
ProShares Short High Yield (SJB)	5%
ProShares Ultra Gold (UGL)	4%
Direxion Daily Energy Bull 2X Shares (ERX)	2%
Direx. Daily MSCI EmMkts Bear 3X (EDZ)	3%
Advisor Shares Ranger Equity Bear ETF (HDGE)	15%
Growth/Speculative stocks	42%
Income/Growth stocks	11%

INDIVIDUAL INVESTMENT RECOMMENDATIONS

	Purch. Date (1)	Price (2)	P/E (3)	Yield (%)	Status
Exchange -Traded Funds & Sectors					
Sprott Phys Uran. Trust(TSX-U.UN;OTCQX-SRUUF) (15)	12/9/2020	C15.83	--	--	BUY
Sprott Uranium Miners ETF (NYSEArca-URNM)	3/16/2021	31.74	--	--	Accum.
Proshares Short High Yield (NYSEArca-SJB)	6/13/2022	19.00	--	--	BUY
ProShares Ultra Gold (NYSEArca-UGL)	6/16/2022	55.27	--	--	Accum.
Direxion Daily Energy Bull 2X Shs (NYSEArca-ERX)	11/4/2022	66.55	--	2.1	Accum.
Direx. Daily MSCI EmMkts Bear 3X (NYSEArca-EDZ)	11/28/2022	14.27	--	--	Accum.
Adv Shs Ranger Equity Bear ETF (NYSEArca-HDGE)	11/29/2022	28.75	--	--	Accum.

	Purch. Date (1)	Price (2)	P/E (3)	Yield (%)	Status
Income / Growth Stocks					
Omega Healthcare Investors (NYSE-OHI)	10/6/2021	27.95	9.38	9.6	BUY
Western Union (NYSE-WU)	10/15/2021	13.77	7.69	6.8	Accum.
Univ. Health Realty Inc. Trust (NYSE-UHT)	10/15/2021	47.73	13.26	6.0	BUY
Energy Transfer, L.P. (NYSE-ET)	10/18/2021	11.87	7.97	8.9	BUY
Cheniere Energy Partners, L.P. (NYSEArca-CQP)	10/18/2021	56.87	14.22	7.2	Accum.
BHP Group (NYSE-BHP)	1/12/2022	62.05	7.53	5.6	Accum.
Enterprise Products Partners, L.P. (NYSE-EPD)	2/7/2022	24.12	9.73	7.9	BUY
ONEOK, Inc. (NYSE-OKE)	6/17/2022	65.70	17.06	5.7	Accum.
Medical Properties Trust (NYSE-MPW)	6/17/2022	11.14	6.19	10.4	BUY
Verizon Communications (NYSE-VZ)	10/4/2022	39.50	7.63	6.6	Accum.
Growth Stocks					
Cornerstone Cap. Res. (TSXV-CGP; OTC-CTNXF) (8)	2/9/2000	C3.87	--	--	BUY
Enterprise Group, Inc. (TSE-E; OTC-ETOLF)	3/14/2014	C0.385	--	--	BUY
Frontier Lithium (TSXV-FL; OTCQX-LITOF)	8/25/2014	C2.06	--	--	BUY
Energy Fuels, Inc. (NYSE-UUUU; TSE-EFR)	11/27/2015	6.21	--	--	BUY
Salazar Resources, Ltd. (TSXV-SRL; OTCQX-SRLZF)	10/13/2016	C0.125	--	--	BUY
Seabridge Gold (NYSE-SA, TSE-SEA)	11/22/2016	12.58	--	--	BUY
NexOptic Technology (TSXV-NXO; OTCQB-NXOPF)	8/2/2017	C0.08	--	--	BUY
Anavex Life Sciences (NASD-AVXL)	12/29/2017	9.26	--	--	BUY
Cameco Corp. (NYSE-CCJ; TSX-CCO)	5/24/2019	22.67	--	0.7	BUY
Uranium Energy Corp. (NYSE Arca-UEC)	5/24/2019	3.88	--	--	BUY
Piedmont Lithium, Ltd. (NASD-PLL)	10/18/2019	44.02	--	--	BUY
Integra Resources (NYSE-ITRG; TSXV-ITR) (12)	1/27/2020	0.63	--	--	BUY
Guanajuato Silver Co., Ltd. (TSXV-GSVR; OTCQX-GSVRF)	7/20/2020	C0.37	--	--	BUY
Amex Exploration,Inc (TSXV-AMX; OTCQX-AMXEF)	11/12/2020	C1.70	--	--	BUY
ProStar Holdings, Inc. (TSXV-MAPS; OTCQX-MAPPF)	1/11/2021	C.0.23	--	--	BUY
Izotropic Corp (CSE-IZO; OTCQB-IZOZF)	1/21/2021	C0.70	--	--	BUY
Salem Media Group (NASD-SALM)	1/29/2021	1.05	5.83	--	BUY
Juva Life (CSE-JUVA; OTCQB-JUVAF)	2/12/2021	C0.09	--	--	BUY
IperionX, Ltd. (NASD-IPX)	5/18/2021	4.73	--	--	BUY
Avino Silver & Gold Ltd (NYSEArca-ASM; TSX-ASM)	11/16/2021	0.68	13.60	--	BUY
Soma Gold Corp. (TSXV-SOMA; OTCQB-SMAGF)	1/24/2022	C0.33	--	--	BUY
BioLargo, Inc. (OTCQB-BLGO)	2/7/2022	0.195	--	--	BUY
Vision Marine Technologies, Inc. (NASD-VMAR)	2/22/2022	4.61	--	--	BUY
Red Cat Holdings, Inc. (NASD-RCAT)	4/4/2022	0.94	--	--	**Accum.**
NuScale Power Corp. (NYSE-SMR)	4/26/2022	10.26	--	--	BUY
Royal Helium, Ltd. (TSXV-RHC; OTCQB-RHCCF)	5/30/2022	C0.285	--	--	BUY
Trillion Energy Int'l (CSE-TCF; OTCQB-TRLEF)	7/11/2022	C0.44	--	--	BUY
i80 Gold Corp. (NYSEArca-IAUX)	10/4/2022	2.82	--	--	BUY

	Purch. Date (1)	Price (2)	P/E (3)	Yield (%)	Status
Speculative Stocks					
49 North Resource, Inc. (TSXV-FNR; OTC-FNINF)	3/15/2010	C0.025	--	--	BUY
ValOre Metals (TSXV-VO; OTCQB-KVLQF) (6)	2/27/2012	C0.275	--	--	BUY
NuLegacy Gold (TSXV-NUG; OTCQX-NULGF)	4/7/2017	C0.015	--	--	HOLD
BacTech Environmental (CSE-BAC; OTCQB-BCCEF)	9/11/2017	C0.07	--	--	BUY
CanAlaska Uranium (TSXV-CVV; OTCQX-CVVUF)	12/13/2017	C0.385	--	--	HOLD
Omineca Min&Metals (TSXV-OMM; OTC-OMMSF)	3/17/2019	C0.10	--	--	BUY
Skye Bioscience (OTCQB-SKYE)	3/20/2019	0.016	--	--	BUY
Sernova Corp. (TSXV-SVA; OTCQB-SEOVF)	9/20/2019	C0.79	--	--	BUY
Blue Sky Uranium (TSXV-BSK; OTC-BKUCF)	1/20/2020	C0.09	--	--	BUY
Apollo Silver Corp. (TSXV-APGO; OTCQB-APGOF)	7/31/2020	C0.17	--	--	BUY
CO2 GRO, Inc. (TSXV-GROW; OTCQB-BLONF)	9/1/2020	C0.10	--	--	BUY
AirTest Technologies (TSXV-AAT; OTC-AATGF)	11/12/2020	C0.01	--	--	BUY
Clean Air Metals (TSXV-AIR; OTCQB-CLRMF)	12/1/2020	C0.13	--	--	BUY
Quebec Precious Metals (TSXV-QPM; OTC-CJCFF)	1/7/2021	C0.075	--	--	HOLD
Getchell Gold (CSE-GTCH; OTC-GGLDF)	1/27/2021	C0.43	--	--	BUY
Fireweed Metals (TSXV-FWZ; OTCQB-FWEDF)	2/12/2021	C1.02	--	--	BUY
GT Biopharma (NASD-GTBP)	3/29/2021	0.89	--	--	BUY
Bion Environmental Tech (OTCQB-BNET)	4/12/2021	1.30	--	--	BUY
European Metals Holdings Ltd (OTCQX-ERPNF; ASX-EMH)	7/1/2021	0.42	--	--	BUY
E2Gold, Inc. (TSXV-ETU; OTCQB-ETUGF)	11/3/2021	C0.04	--	--	BUY
FPX Nickel (TSXV-FPX; OTCQB-FPOCF)	11/16/2021	C0.43	--	--	BUY
Stillwater Critical Minerals (TSXV-PGE; OTCQB-PGEZF)	11/16/2021	C0.195	--	--	BUY
Arizona Silver Expl. (TSXV-AZS; OTCQB-AZASF)	2/22/2022	C0.28	--	--	BUY
Algernon Pharma (CSE-AGN; OTCQB-AGNPF)	9/1/2022	C2.14	--	--	BUY
Vision Lithium, Inc. (TSXV-VLI; OTCQB-ABEPF)	11/7/2022	C0.125	--	--	BUY

*1. Represents date of **initial recommendation**; does not reflect any subsequent status/weighting changes and trading*
*2. Prices/other info. as of **market close on Dec. 30, 2022;** pricing information in U.S. currency unless otherwise noted*
3. P/E stats are typically represented as Price/FFO for REITs and other covered companies using that measure
6. The former Kivalliq Energy. Price reflects 1-for-10 consolidation effective 6/28/18
8. Cornerstone price represents 1-for-20 consolidation effective July 15, 2019
12. Price reflects 1—for—2.5 consolidation effective July 9, 2020
13. Price reflects 1 – for – 20 consolidation effective Oct. 26, 2020
15. Formerly Uranium Participation Corp.; commenced trading July 19, 2021 at a 1-for-2 consolidation v. Uranium Participation Corp.

Explanatory Notes: The purchase dates given for each of the stocks recommended above is the date on which a Member receives an actionable instruction to buy/accumulate. Typically, the purchase (and, where appropriate, recommended sell) date is determined as falling on the same day said recommendations are given via the e-mail updates or, in the alternative, the regular newsletter upon its delivery to Members. In addition, we determine these dates based on any specific instructions given subscribers, such as target prices for buying/selling, stop loss orders, etc.
Definitions: Categories of stocks are compiled above based on our assessment of a variety of factors. Those individual stocks labeled "Income/Growth Stocks" are deemed the most conservative, as well as providing current returns via dividend income. "Growth" and "Speculative" stocks are so labeled based on our assessment of current health of the underlying company, business prospects and more, with those classified as "speculative" generally carrying the higher relative risk. Subscribers are encouraged to regularly read updates given by the Editor on these companies to help in determining the proper portfolio exposure to these stocks, and are reminded to invest based on the Editor's overall asset allocation recommendations as well.
Status: Recommended stocks and ETF's are rated as "Buy," "Accumulate," or "Hold" based on the Editor's current assessment of each based on valuation, changing business prospects and other factors. Stocks rated a "Buy" should be purchased at currently published or even higher prices. Stocks rated an "Accumulate" should be purchased at current or, preferably, lower prices, on any short-term weakness. Stocks rated a "Hold" should be

retained, but no new purchases are recommended. Changes from the last published list are in **bold print** above as a reminder, as are new recommendations.

The National Investor is published and is e-mailed to subscribers from chris@nationalinvestor.com . The Editor/Publisher, Christopher L. Temple may be personally addressed at this address, or at our physical address, which is -- National Investor Publishing, P.O. Box 1257, Saint Augustine, FL 32085. The Internet web site can be accessed at https://nationalinvestor.com/ . **Subscription Rates:** $275 for 1 year, $475 for two years for "full service" membership (twice-monthly newsletter, Special Reports and between-issues e-mail alerts and commentaries.) **Trial Rate:** $75 for a one-time, 3-month full-service trial. Current sample may be obtained upon request (for first-time inquirers ONLY.)