



A New Year's Toast from The Mercenary Geologist

For Subscribers Only

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Dear Subscriber,

My business as an exploration and mining analyst, under the guise of MercenaryGeologist.com, is now over five years old. Meanwhile, a deepening bear market for junior resource stocks is approaching its third year.

For the third year in a row, the TSX Venture Index reached its yearly high in the first quarter of the year. In 2013 it occurred on January 22, as opposed to 2011 and 2012 when yearly highs were set in late February right before the PDAC.

2013's low happened during the summer doldrums of late June and was tested in mid- December with the culmination of tax-loss selling. Venture Exchange volumes remained extremely low with only four days of trading over the 100 million share mark; three of those higher volume days coincided with severe sell-offs.



Here's a five-year weekly chart illustrating the junior resource sector's early emergence from the global economic meltdown in Q1 2009 (driven largely by gold as the go-to safe haven for worried investors), a bull market run that continued into Q1 2011, and the sell-off and parabolic fall that continued until mid-2013:



Note the Venture Index has flat-lined since the mid-summer sell-off. With little liquidity, I find encouragement in that there also has been little volatility for over six months, perhaps indicating that most weak hands have finally exited the game. Now we need a few catalysts to attract buyers.

Our recent track record on stock picks has largely mirrored the bear market. All the juniors still have a double in their running 52-week lows and highs. However, those highs have often been at the beginning of the 52-week period and share prices have gone down from there.

The severe downturn in the sector has impacted company budgets. As a result, our sponsorship business model has declined as fewer companies have money to spend.

We began the year with six sponsor companies and are down to three at year's end. Our sponsors include long-term supporters Portuguese prospect generator [Avrupa Minerals Ltd \(AVU.V\)](#) and Arizona copper developer [Curis Resources Ltd \(CUV.T\)](#). Our longest tenured sponsor, Wyoming-New Mexico uranium developer **Strathmore Minerals Inc**, was taken over in August by integrated uranium producer [Energy Fuels Inc \(UUUU.MKT; EFR.T\)](#). We were pleased to become a shareholder and recently initiated coverage of Energy Fuels ([Mercenary Musing, December 27, 2013](#)).

We covered two other stocks during the year: Portuguese tungsten explorer/developer **Blackheath Resources Ltd (BHR.TVX)** and junior royalty company **Gold Royalties Corp (GRO.TVX)**. Financial constraints limited each of these companies to a six month contract. Both have maintained most of their market caps.

We ceased coverage on three companies in the spring and summer, graphite developer **Flinders Resources Ltd (FDR.V)** and gold explorers **Brazil Resources (BRI.V)** and **Mawson Resources Ltd (MAW.T)**. With lull periods in each company's news flow, the pending summer doldrums, and inability to generate substantial trading volumes due to market apathy, management and I agreed to put

sponsorships on hiatus. I anticipate picking up coverage on one of these companies again in the near future.

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

On the newsletter front, we posted 15 musings this year and fell well short of averaging two per month. With fewer sponsors I have less responsibility to post Mercenary Alert company updates. That's one advantage to posting a free newsletter. I am not obligated to write to keep my subscribers as paying clients. Despite the downturn, we have maintained our active subscriber base in 2013; it currently stands at 6600.

Quite frankly, I only write when I have something to say; this summer and fall, nothing much of import came to mind.

That said, I am now inspired and in writing mode. You may anticipate a few musings on commodities, stocks, and freedom and libertarianism to hit your inboxes over the next several weeks.

2013 was again a busy year on the speaking circuit with public appearances at 11 exploration, mining, and investment conferences. I appeared for the first time in Southeast Asia with invited speaking gigs in Singapore and Hong Kong. In addition, I made a career and mentoring presentation at New Mexico Tech and was honored to be an invited speaker at the inaugural Liberty Mastermind Symposium. These many engagements enable me to meet interesting people from all over the world and reach new speculators.

I maintained my commitment to radio and print media with 67 interviews and 48 television and video appearances. We continue with two regular radio shows, 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.

The cable television pilot called "The Human Rock" to which I devoted nearly 70 hours of time in the summer and fall of 2012 is apparently in some sort of post-production twilight zone. As the "talent", I have heard nothing from the filmmaker for the past six months. I guess it's time to rattle his cage again and will keep you posted.

Our 24/7 internet radio station MercenaryGeologist.FM has continued to grow in 2013 with more than a doubling of regular listeners tuning in from an average of 50 countries worldwide.

Our most successful marketing tool continues to be Twitter: [@mercenarygeo](https://twitter.com/mercenarygeo) has gained nearly 11,000 followers in 2013 and now stands at over 34,000. We have made concerted efforts in the past few months to attract quality followers who are genuinely interested in the resource and investing sectors. We realize the importance of social media to the success of our internet-based business and now tweet an average of three times a day.

As you know, I am a dedicated advocate of the busman's holiday and enjoyed many diversions during the past 12 months. I have never been accused of the old adage that starts with "all work and no play" and I am not "a dull boy". You can check out my fun times as they happen via our twitter feed.

Highlights of 2013's travels, included several weekend trips to Seattle from my home away from home in Vancouver; a memorable John Mayall performance; a gold mine evaluation in northeast China; a week of fun in NYC and Baltimore; a two-week road trip from Vancouver to LA to Albuquerque in my great

American road car that included wine tours, the redwoods, the San Andreas fault, Hearst Castle, the beach, a baseball game, and Disneyland; field evaluations of Arizona copper deposits; a tour of giant Alaskan base metal deposits; fishing trips to Roaring River in the Missouri Ozarks, Prince William Sound, Vancouver Island, Straits of Georgia, southern Newfoundland, Bluewater Lake in New Mexico, and the Mississippi River in St. Louis; frogging on the Rio Grande and crabbing in Coal Harbour; beer school at Anheuser-Busch Brewery; and baseball games in five major league baseball parks that culminated in seeing my beloved St. Louis Cardinals in three World Series games. Many of these adventures were in company of my significant other and her company makes me realize that I am one lucky *hombre*.

I remain just the front-man for MercenaryGeologist.com. Our copious products are generated only with help from a dedicated back-office team. Loyal webmaster Raffaele Della Peruta has been with me since the business was launched in April 2008. My promotions manager, Kirsty Hogg, markets at some of the investment shows we do every year, handles social media, and is directly responsible for much of our recent growth.

In mid-April I changed editors and retained a veteran resource sector journalist who prefers to remain anonymous. Since procrastination often seems to result in my best efforts, I appreciate her fine work and willingness to provide timely reviews on short notice.

James Tabinsky continues to work as Albuquerque office assistant while he completes a Master's in Economic Geology at New Mexico Tech. Jim Connolly, who I have known since geology grad school at the University of New Mexico, resolves IT problems in Albuquerque. Elena Tanzola is our new commodities researcher in Vancouver; I appreciate her diligent work and feedback on supply and demand fundamentals.

Thanks as always to my friends, neighbors, and laborers in the South Valley who keep watch and tend my hobby farm during frequent journeys away from home base.

Most importantly, we dependent on you, our loyal subscribers, to read, listen, watch, provide feedback, and ask questions. I hope we can continue to garner your attention and interest with our opinions, ideas, rants, raves, and diatribes on commodities, macroeconomics, geopolitics, American freedom and libertarianism, education and mentoring, and speculating in the junior resource markets.

We remain dedicated contrarians and ever mindful that *the baddest bears beget the bestest bulls*. Solid speculations and informed investment decisions made today will provide the best returns when markets inevitably turn.

We wish you all an abundance of holiday cheer and raise a glass to a better 2014 for all the good companies in which we own shares.

Ciao for now,

Mickey Fulp
Mercenary Geologist



The [Mercenary Geologist Michael S. “Mickey” Fulp](#) 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, Curis Resources Ltd, and Energy Fuels Inc 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 representatives, agents, other professionals and investors, and field visits. My opinions are based upon information believed to be accurate and reliable, but my opinions are not guaranteed or implied to be so. The opinions presented may not be complete or correct; all information is provided without any legal responsibility or obligation to provide future updates. I accept no responsibility and no liability, whatsoever, for any direct, indirect, special, punitive, or consequential damages or loss arising from the use of my opinions or information. The information contained in a report, commentary, this website, interview, and other content is subject to change without notice, may become outdated, and may not be updated. A report, commentary, this website, interview, and other content reflect my personal opinions and views and nothing more. All content of this website is subject to international copyright protection and no part or portion of this website, report, commentary, interview, and other content may be altered, reproduced, copied, emailed, faxed, or distributed in any form without the express written consent of Michael S. (Mickey) Fulp, MercenaryGeologist.com LLC.

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