



April 16, 2025

## THE LONG PULL: Diving Deep Into IDR's Gold Assets

Last week, we explored IDR's Rare Earth Element (REE) land package assets. We determined that the company's REE land package could be worth anywhere from \$250M-\$750M, depending on a *lot* of variables.

Was it too early to generate a resource estimate? Probably. But has anyone else done that work to get an idea of IDR's REE package? Nope. And it looks like we timed that well (lucky!).

 Bloomberg.com

### Seven Rare Earth Metals That China Is Weaponizing Against the US

From fighter planes to nuclear reactor rods and smartphones, rare earth minerals are vital to a wide array of products.

9 hours ago

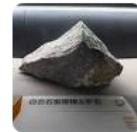


 Fortune

### China has stopped exporting rare earths to everyone, not just the U.S., cutting off critical materials for tech, autos, aerospace, and defense

After President Donald Trump unveiled his so-called reciprocal tariffs on "Liberation Day," China retaliated with its own duties and export...

1 day ago



Maybe investors start valuing IDR's REE assets at something other than \$0. That's why I love IDR. Regardless of what the REE assets become, the company has a profitable and growing gold production business.

Here's the best part: **even the gold business is highly misunderstood by the market.**

IDR has a path to reach 60,000oz of annual production from its current asset base. But most investors still see the company as a small-tier producer.

They don't see the massive package of underexplored, historically high-grade gold assets waiting to be developed.

The stock is at all-time highs, but IDR is just starting. Let's dive in.

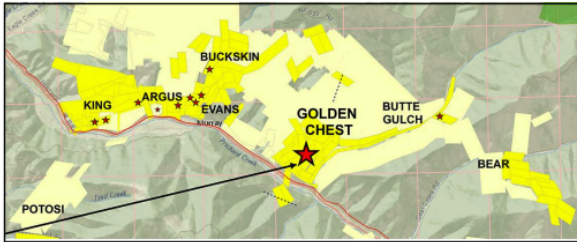
# An Overview of IDR's Gold Properties

IDR has eight gold properties:

- Golden Chest Mine (currently the only producing property)
- Eastern Star
- Butte Highlands (25% JV ownership)
- New Jersey Mine
- Murray Area
- McKinley
- Park Copper/Gold
- Oxford

It's a lot to wrap your head around, but it helps to break the properties into **Murray Gold Belt** and **Eastern Star camps**.

## Murray Gold Belt



Approximately 7,300 acres (1,500 acres patented)

- Golden Chest Mine is only on 220 acres
- Infrastructure onsite with year-round mine access.
- Adjacent to Hecla's Toboggan property (IDR royalty)

### Exploration Potential

- Number of high-grade historic mines and prospects
- Explored for open-pit potential by Newmont, ASARCO, Cominco, and others in the past
- IDR drilling planned on the Buckskin, King, and Butte Gulch properties focused on narrow vein underground mining potential

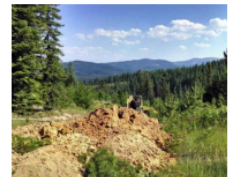
## Eastern Star

Approximately 1,640 acres (220 acres patented)

- Numerous IDR samples ranging from 12-65 grams per tonne gold (gpt)
- IDR exploring for narrow vein underground mine potential
- Modern district-wide exploration by Kinross, Bema Gold, and Cypress-Amax focused on open-pit resources
- Located in the Elk City Mining District – hosted more than 20 gold mines in the 1860s.

### Exploration Potential

- IDR drilling planned for summer 2024
- Targeting vein structure that yielded 4.3 meters of 11.34 gpt including 1 meter of 35.9 gpt gold in surface trench sampling



Let's start with the Murray Gold Belt.

## Murray Gold Belt: Current & Near-Term Production

Idaho Strategic Resources has methodically consolidated the historically fragmented Murray Gold Belt (MGB) in northern Idaho, creating a substantial land position that encompasses:

- 1,500 acres of patented (private) mining claims

- 5,800 acres of unpatented claims
- Recently acquired 169 acres at Butte Gulch (adjacent to Golden Chest)

This consolidation is particularly significant as this area has seen minimal modern exploration despite its rich history. CEO John Swallow calls the Murray Gold Belt, “one of the last great undeveloped patented/private land holdings in the western US.”

The Guggenheim family assembled Much of this area in the early 1900s and remained closed to modern exploration until IDR reassembled the land package over the past 4-5 years.

The Golden Chest Mine, IDR's flagship producing asset, sits within the broader Murray Gold Belt.

There's some cool history behind the Murray Gold Belt region. The district was originally discovered in 1883, leading to a gold rush until silver was found nearby in the Silver Valley in the early 1890s. Miners literally chased the next shiny object (silver) and forgot about the region.

The Guggenheim family bought the land in the early 1900s to dredge for gold and silver. Historical records indicate approximately 200,000 ounces of recovered gold from placer mining in Prichard Creek (which runs along IDR's land package) from about 1885 to 1926.

Here's the crazy part – the Murray Gold Belt saw **zero modern exploration** during its ~100-year ownership under the Guggenheim family. It wasn't until Swallow bought the package over 4-5 years ago and started turning his drills.

### **Resource Estimate & In-situ Value**

The company completed an NI 43-101 resource in 2012, demonstrating:

- 477,000 oz total gold resource (0.4 g/t cut-off)
- 254,000 oz in Measured and Indicated categories
- 223,000 oz in the Inferred category

The deposit has six individual shoots: Katie Dora, Klondike, Golden Chest, Skookum (current producing shoot), Paymaster, and Joe Dandy. All shoots remain open at depth and are believed to be comparable to the Coeur d'Alene silver deposits, which have vertical extents greater than 8,000 feet.

Let's create an in-situ value for just the 43-101 defined resource (which is conservative because all shoots remain open at depth/along strike):

- Gold price: \$3,000
- In-situ Value:  $477,000 * \$3,000 = \mathbf{\$1.43B}$

IDR should trade at **~\$150/oz** of in-situ ounces given it's a producer in a Tier-1 jurisdiction with no debt and high margins ... so **~\$72M**.

That's just for the defined 43-101 resource in **one** of IDR's properties.

### **Future Production From Shoots: How To Get To 60Koz**

The Golden Chest Mine contains five primary oreshoots: Katie-Dora, Klondike, Skookum, Paymaster, and Joe Dandy.

Let's review each oreshoot to determine how IDR can get to 60,000oz of annual production from the Golden Chest Mine (using historical drilling data).

#### **Katie-Dora: 6,000oz Production**

The Katie-Dora area represents the original discovery zone of the Golden Chest Mine, hosting the bulk of historic production from 1883-1926 with reported grades up to 17 g/t gold.

- Inferred Resource: 150,000 tonnes @ 4.2 g/t Au (20,000 oz)
- Potential Annual Production: 50,000 tonnes @ 3.8 g/t (6,100 oz)
- Margin Potential: **\$1,500/oz**

#### **Klondike Shoot: 30,000oz Production**

The Klondike represents a 100m x 100m mineralized body north of Skookum with exceptionally high-grade results:

- GC 21-208: 793 g/t Au over 0.1m (second highest intercept)
- GC 24-265: 150.25 g/t Au over 1.3m
- GC 22-212: 37.4 g/t Au over 1.3m

Here's the resource potential based on 2021-2024 drilling:

- Indicated Resource: 225,000 tonnes @ 18.7 g/t Au (135,000 oz)
- Inferred Resource: 400,000 tonnes @ 9.2 g/t Au (118,000 oz)
- Annual Production Capacity: 75,000 tonnes @ 12.5 g/t (30,000 oz)
- Margin Potential: **\$1,800/oz given high grades**

The shoot remains open down-dip and along strike, with recent drifting exposing 25.1 g/t Au over 24.8m strike length.

### **Paymaster-Joe Dandy Complex: 16,700oz Production**

Drill result highlights from 2022 revealed:

- 54.7 g/t Au over 0.32m & 27.0 g/t over 0.19m
- 16.4 g/t Au over 1.2m
- 19.5 g/t Au over 2.3m

Here is our simplified (and preliminary) resource estimate:

- Measured & Indicated: 350,000 tonnes @ 5.8 g/t Au (65,000 oz)
- Inferred: 500,000 tonnes @ 4.1 g/t Au (66,000 oz)
- Projected Margin: **\$1,350/oz**

Remember, these are rough estimates of potential production, but you have a path towards 60,000oz in annual production **just from the Golden Chest Mine** property.

### **Blue Sky: Butte Gulch Property**

The company purchased the Butte Gulch property in February 2024 for \$1M. Here's John Swallow describing the transaction in 2024 (emphasis mine):

*“Butte Gulch is a piece of property that **we have had our eye on since the very beginning**. Not only because the property is adjacent to our mine and makes a lot of sense for us strategically, but because **I believe it is a desirable parcel of land from a real estate perspective as well**. Our geologists are already making plans to better explore Butte Gulch's lode deposit potential and to expand our exploration focus beyond the Golden Chest Mine across our greater Murray Gold Belt landholdings.”*

Butte Gulch sits right next to the Golden Chest Mine along the Murray Gold Belt. IDR conducted surface sampling in 2024 and found grades ranging from 5-75 g/t.

Like McKinley, the company has done **zero exploration work** at Butte Gulch. But that doesn't stop us from creating a “way-too-early” resource estimate:

- Strike: 1.2km (adjacent Golden Chest Mine vein extensions)
- Width: 2.5m (comparable to H-Vein and Klondike Veins)

- Depth: 200m (Golden Chest is currently ~300m)
- Grade: 5-15 g/t
- Tons: 1.65M
- Gold Content: 265,000 - 795,000oz
- In-Situ Value: **\$795M - \$2.39B**

Butte Gulch is another in a series of “Sleeping Giant” potential deposits right in IDR’s existing land package. It’s incredible.

Let’s shift our focus to the Eastern Star.

## **Eastern Star: Elk City's Forgotten High-Grade Potential**

The 1,640-acre Eastern Star property sits in Idaho's Elk City Mining District - a region that supported over 20 mines during the 1860s gold rush. The project exhibits classic orogenic gold mineralization (a fancy way of saying “similar geology to what IDR currently mines) with high-grade veins.

Historic operators focused on near-surface bulk tonnage targets and **overlooked the narrow-vein underground potential that IDR is now pursuing.** This is a big theme you’ll hear John Swallow repeat. What might have been unprofitable (or impossible) in the 1860s could be highly profitable for IDR’s specialty: narrow underground mining.

IDR drilled Eastern Star in 2014-2015 and found:

- 68.9 g/t Au in grab samples from previously unexplored areas
- Trench channel samples showing 11.34 g/t Au over 4.3m
- 35.9 g/t Au in oxidized material from trench walls

The 2024 field season identified six parallel vein structures over 1.2km strike length, with individual veins measuring 0.5-2.5m widths. Surface mapping suggests vertical continuity exceeding 150m based on historic shaft depths.

Here is our preliminary resource estimate using historic data and IDR's trench results:

- Inferred Resource: 850,000 tonnes @ 4.8 g/t Au (**131,000 oz**)
- Projected Grades: 5.5-7.0 g/t Au based on vein consistency
- Margin Potential: **\$1,500/oz**
- In-Situ Value (at \$3,000 gold): **\$393M**

## **McKinley-Monarch**

This 2,288-acre package includes:



- 560 acres of unpatented claims
- 1,728 acres split estate mineral rights
- Strategic position along Fiddle Creek placer fields

The property borders the historic McKinley Mine (PM & Gold Mines Inc.), which produced intermittently until WWII.

Drilling from 2012-2013 identified:

- Monarch Zone: 26 g/t Au in grab samples over 400m strike
- Fiddle Creek Area: 18.7 g/t Au in float samples
- Ground mag survey outlining 5.6km mineralized trend

It's important to note that **IDR has not drilled on these claims to date**. However, we can still generate a resource estimate based on district geology and historic analogs (like the McKinley Mine, owned by PM & Gold Mines).

- Strike Length: 5.6Km (magnetic survey trend aligning with McKinley Mine mineralization)
- Width: 50-100m (typical for shear-hosted gold systems in Idaho)
- Depth: 150m (based on historical placer workings)
- Grade: 1.2-2 g/t (comparable to nearby Simpson District deposits)
- Tons: 15-30Mt (Strike x Width x Depth x Specific Gravity (2.75))
- Gold Content: **180,000-600,000oz**
- In-Situ Value: \$540M - \$1.8B

Again, I want to stress that this is **way too early** to put any confidence in, but you're not paying for it at the current market cap.

## **IDR's Future: It's All Right There**

Okay, that was a *lot* of geology, history, resource estimates, and in-situ values to digest.

But all of that is important if we want to own IDR for the long term. It's table stakes to own a *real* compounding machine in the natural resources space.

There are thousands of mining stocks to buy. I spend most of my time going through each of them, and the result is the same: "I'd rather just buy more IDR."

And that's the point!

IDR has everything it needs to go from a 10Koz producer to a 60Koz producer, from 477,000oz in resources to over 1Moz, and from a \$250M market cap to a \$1B market cap.

It's all right there in Idaho, in land packages they already own, with a CEO who has spent his entire life studying *that specific area*.

Will the expansion plans require lots of capital, some shareholder dilution, and a few bumps along the way? Of course. This is mining. However, IDR has three of the most critical assets in spades: assets in Tier-1 jurisdictions, aligned and honest management, and miners dying to work for the company.

IDR is up 77% this year and ~160% since we first wrote about the company. But it's just getting started.

In a way, IDR is the perfect company for the world we are moving towards, one of Resource Nationalism, Reshoring, Multi-polarity, Balkanization, and Scarcity.

What better company to own during these times than a profitable gold producer with the US's largest REE land package?

I can't think of any.