



June 11, 2025

THE LONG PULL: Portfolio Updates (APM, IDR, NICU)

It's been a busy news week in our equity book. IDR and NICU reported drill results, and APM announced a new silver purchase agreement with comibol.

Before we discuss the news, I want to highlight our portfolio performance (I forgot to do that last week, for obvious reasons).

We returned **+1.46% in April** and are **up 10.52% YTD** (as of April 30). The S&P 500 returned -1.14% in April and is down 5.31% YTD, respectively. We'll take it.

Alex and I are planning a MOHO Webinar to discuss our performance, portfolio trades, and game plan for the rest of the year. Be on the lookout for that alert.

With that out of the way, let's get to those drill results.

Idaho Strategic (IDR): There's Gold In Them Hills

IDR [announced drill results yesterday](#) from its Golden Chest Mine in the Murray Hill gold belt. The company drilled three separate vein systems: Paymaster, Bush and Jumbo, and Claggett. Each yielded significant mineralization and continuation (along strike and down dip).

Paymaster Vein

The Paymaster vein represents most of IDR's current reserves and should be the source of the company's near-term resource expansion. Check out some of the drill results.

Drill hole GC 24-273 intersected **2.0 meters grading 4.85 g/t gold**, with a high-grade core of **0.5 meters at 18.50 g/t gold**. More significantly, drill hole GC 25-304 encountered **1.3 meters grading 9.60 g/t gold**, including **0.8 meters at 14.98 g/t gold**.

- **Average Grade:** 7.22g/t
- **Average Width:** 1.65 meters

The company liked the drill results enough to move another rig to Paymaster, which they would typically do in the winter. As CEO, John Swallow reminds me, “It’s easy to add a drill when you don’t have to dilute shareholders to do it.”

Bush & Jumbo Veins

The Bush and Jumbo Veins are located above and north of the current underground workings and are close to existing infrastructure and the planned Murray Mill location.

The Bush Vein delivered multiple significant intercepts, including GC 25-301 with **1.7 meters at 10.55 g/t**, highlighted by a **0.5-meter section grading 31.40 g/t** (or ~1oz/t).

Recent in-fill drilling has confirmed significant gold grades, positioning this area as a likely source of future gold resources and reserves. The Jumbo Vein complemented these results with consistent mineralization, including GC 25-299 returning **0.8 meters at 8.33 g/t**.

I love that these veins are near existing infrastructure. It allows IDR to drill and expand its resources at low costs while leveraging its existing fixed-asset base. In other words, eventual gold production from these veins should come at higher incremental margins.

Claggett Vein

I didn’t mention the Claggett vein in my April review of IDR’s golden assets because the company doesn’t advertise it. But they should. Claggett fits within the cluster of footwall vein systems between Katie-Dora and Popcorn. This week’s drilling confirmed historical drill results in the underexplored vein system.

Drill hole GC 25-281 intersected **3.0 meters grading 4.14 g/t gold**, including **0.24 meters at an exceptional 24.40 g/t gold**. Similarly, drill hole GC 25-301 encountered **1.8 meters grading 5.94 g/t gold**, with a high-grade core of **0.25 meters at 29.30 g/t gold**.

More importantly, the development of an underground drill station at Claggett will allow IDR to drill both the newly discovered Red Star area and historic footwall veins, including the Claggett, Popcorn, and Katie-Dora, all within the same drill hole (read: cost savings).

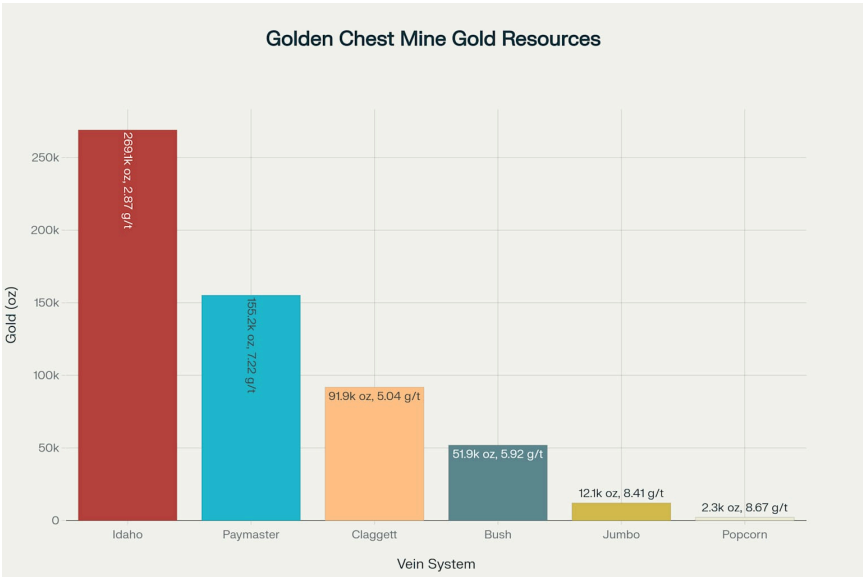
Projected Resource Expansion

The Golden Chest Mine's 2017 NI 43-101 established resource base comprises 4.63 million tonnes grading 1.71 g/t gold (254,000 ounces) in Measured and Indicated

categories, with an additional 3.86 million tonnes grading 1.80 g/t gold (223,000 ounces) in Inferred resources.

We can use these drill results to create an estimated resource expansion.

Based on the drill intercepts and applying standard resource estimation methodologies, the total estimated resource potential across all vein systems **reaches approximately 4.48 million tonnes at a weighted average grade of 4.05 g/t, containing 582,385 ounces of gold.** The Idaho Vein system shows the most significant resource potential with an estimated 269,067 ounces, while the Popcorn Vein demonstrates the highest grade at 8.67 g/t.



Here’s the breakdown by vein system.

Estimated Resource Potential by Vein System:

Vein System	Tonnage	Avg Grade (g/t)	Contained Gold (oz)	In-Situ Value (USD)
Idaho	2,916,000	2.87	269,067	\$903,849,279
Paymaster	668,250	7.22	155,227	\$521,438,890
Claggett	567,000	5.04	91,876	\$308,631,461
Bush	272,700	5.92	51,904	\$174,354,614
Jumbo	44,550	8.41	12,053	\$40,488,196
Popcorn	8,100	8.67	2,258	\$7,584,566
TOTAL	4,476,600	4.05	582,385	\$1,956,347,006

The TL;DR: Drill Results Confirm Our Bull Thesis

There are five main takeaways from IDR's latest drill results:

1. **High-Grade Discovery:** Multiple vein systems with grades well above industry averages
2. **Infrastructure Advantage:** Proximity to existing Golden Chest operations reduces development costs
3. **Exploration Upside:** Multiple targets remain open along strike and at depth
4. **Production Base:** Current production provides cash flow to fund expansion
5. **Jurisdiction:** Located in mining-friendly Idaho with established infrastructure

I can't think of another company you'd want to own in the current environment. Gold is at all-time highs, REEs are more strategic (and critical) than ever, and IDR can expand/explore both resources without diluting shareholders.

Also, shout-out to new Collective member Andrew Thrasher for sharing this IDR chart. Note how well IDR respects its one-year moving average.



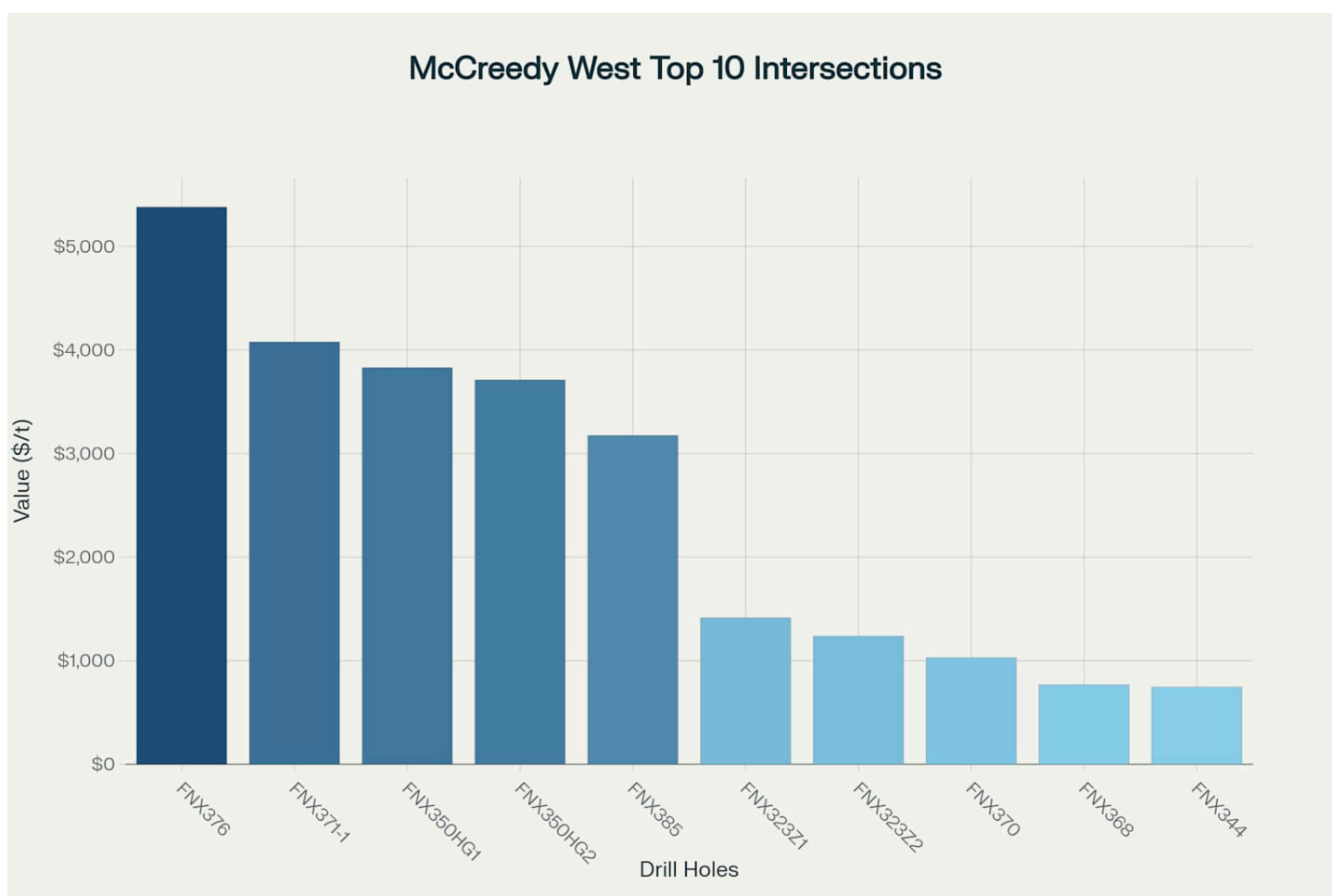
We'll add to our position on confirmed support around these levels.

Magna Mining (NICU): Positioning For 2026

NICU is an enigma of a mining company. They have copper, nickel, PGMs, and precious metals all in a Tier-1 mining jurisdiction led by a management team that knows the assets better than anyone.

The company [reported drill results on Tuesday](#) demonstrating its high-grade copper potential. Highlight holes include:

- 29.5% copper over 0.5 metres and 23.4% copper with 38.5 g/t total precious metals over 0.5 meters
- 3.0% copper, 0.4% nickel, and 9.1 g/t Pt+Pd+Au over 10.8 meters
- 5.1% Cu, 1.0% Ni, 1.8 g/t Pt + Pd + Au over 6.6 meters



These results validate the high-grade nature of the 700 Cu-PGE Footwall Zone and provide evidence for substantial resource expansion beyond the current 9.3 million tonne indicated resource base.

However, we already know about the NICU's high-grade copper potential.

Instead, I want to discuss NICU's precious metals and PGM endowment, something most investors either ignore or don't know about.

NICU's Precious Metal/PGM Resource

NICU has ~2.6 million ounces of PGMs/precious metals distributed across multiple properties, including the Crean Hill Project, McCreedy West mine, Levack mine, and other Sudbury Basin assets.

Using historical Sudbury deposit mineralogy and company resource data, we can estimate 650,000 ounces of platinum, 1.04 million ounces of palladium, and 910,000 ounces of gold.

That's ~\$5B in in-situ value from its PGM and precious metal resources at today's prices. Yet everyone sees NICU as a copper/nickel-only play.

Taking A Long-Term Mindset

Here's another reason why I like NICU. The company takes a long-term mindset. They're willing to sacrifice short-term profits for long-term durability and earnings power.

NICU's primary focus this year involves completing development work to enable production ramping in 2026. The company plans to invest CAD \$5-10 million in 2025 for capital development at McCreedy West, opening additional workplaces and expanding operational flexibility.

Underground development includes access to multiple mineralized zones: the 700 Copper zone currently in production, the Intermain Nickel Zone, and a Precious Metals Zone containing platinum, palladium, and gold.

CEO Jason Jessup explained this long-term mindset on a recent [KER Report podcast](#) (paraphrasing):

"We are setting ourselves up for a really strong 2026. So, if we have a choice of moving ore or moving waste, we will always move the waste first. It's critical. And that's the message we're giving to the workforce. We do not want to sacrifice development for short-term ore production."

"Too often, junior companies take a short-sighted approach and put production ahead of development. You paint yourself into a corner because you don't have the necessary development to expand production over time."

Doesn't that remind you of John Swallow and IDR? Find me two better mining CEOs, I'll wait.

Here are my main takeaways. We shouldn't focus on NICU's revenue or earnings this year. Instead, we should concentrate on McCreedy West development, resource expansion, and the progression of restarting the Levack mine.

So far, the market likes NICU's long-term approach. The stock closed at a new all-time high yesterday (see below).



We hold a ~2.5% notional position and will add on any weakness within the longer-term uptrend.

Andean Precious Metals (APM): A Company-Changing Deal

APM [announced a new purchase agreement](#) with Comibol last week to buy 7M tons of oxide ore located within a 250-kilometer radius of the San Bartolome processing facility.

This is a potentially company-changing agreement. For reference, APM currently produces ~4.5Moz annually from its silver operations with the San Bartolome processing facility operating at 75% capacity.

It leverages APM's existing San Bartolomé processing infrastructure, requiring minimal capital investment while providing significant operational leverage at \$37 silver prices.

The agreement fundamentally transforms APM's production capabilities, adding approximately **1.65 million ounces of annual silver production once fully ramped**. This represents a 36.5% increase over current San Bartolome baseline production levels, with the ramp-up occurring over 2025-2027 and sustained output through 2035.

Here are my assumptions for APM's ramped silver production:

Year	2025	2026	2027
Historical Silver Production	4.8	4.8	4.8
COMIBOL	0.45	1.15	1.65
Total Silver Production	5.25	5.95	6.45
Avg. Silver Margin	\$11	\$11	\$11
Silver FCF	\$58	\$65	\$71
FCF Yield	19.91%	22.57%	24.47%

At a ~\$11/oz cash margin, APM will generate over \$70M in fully ramped free cash flow from its silver business (for a ~25% FCF yield).

This *doesn't* include the company's Golden Queen cash flows, which should increase with lower AISCs and \$3,300/oz gold.

The stock also has one of the best long-term charts in the mining space (see below).

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ANDEAN PRECIOUS METALS CORP - 1M - TSX O2.20 H2.86 L2.12 C2.72 +0.61 (+28.91%)
SMA (50, close) 1.19
SMA (200, close)



Despite hitting new all-time highs, I don't think the market fully appreciates the nature of this COMIBOL deal.

APM has ~\$20M in net cash on the balance sheet and should acquire one more producing asset this year. The COMIBOL deal increases run-rate silver production by 37%, and a new acquisition could do the same for the company's gold business.

We have a ~5% notional position. I want to get that to 7-10% notional, and will add on pullbacks within the longer-term trend.