



Canadian  
**Mining Report**

SIX CANADIAN MINING  
**MILLIONAIRE  
MAKERS**

# Six Canadian Mining “MILLIONAIRE MAKERS”

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Mining is the art of turning geological theories and discoveries into millions and often billions of dollars' worth of wealth.

This process is tedious, yet it is often highly rewarding for investors.

Despite the current market volatility, select miners have been creating value for their shareholders.

They have delivered 1,000% returns—or more. Mining billionaires have been investing in this sector heavily—and getting even richer. We will give you examples in a moment.

You won't believe this, but the best returns in the industry came from the companies trading for a couple of dollars or even a few cents per share.

And these gains didn't involve complex trading systems, options, or leverage (using borrowed money).

These gains were delivered by common stocks trading on public exchanges. Anyone with access to a brokerage account could buy those shares and see similar returns.

Based on the cases we will discuss below, if you had invested \$1,000 into each of these opportunities, you could make:

- **\$21,973...**
- **\$16,842...**
- **\$18,619...**
- **\$24,571...**
- **\$61,243**
- **...and even \$110,868**

On average, these stocks returned 4,135%. A total investment of \$6,000 would turn into \$254,116.

These are potentially life-changing returns... With just \$6,000 of capital.

You would hardly see gains like that if you put \$6,000 in a mainstream stock.

In the mining industry, they happen quite often. And in this report, we'll show you the five best examples of life-changing gains realized by investing in the Canadian mining industry.

And you'll learn five lessons that will hopefully help you find the next big winner.

## One Thing in Common

While each of these stories is unique, they have one thing in common.

All these returns were made by Canadian companies, with their shares listed on Canadian exchanges.

Canada is a global mining powerhouse. You can find a mining company from Canada working in the most remote areas to discover the next world-class mine and generate value for their shareholders.

Canadian stock exchanges are home to hundreds of publicly-listed mining companies.

These exchanges are the best place for companies to raise capital and increase investors' awareness of their success.

We highlighted some of the biggest success stories below.

Let's dig in.

### Case Study #1: Diamond Fields Resources

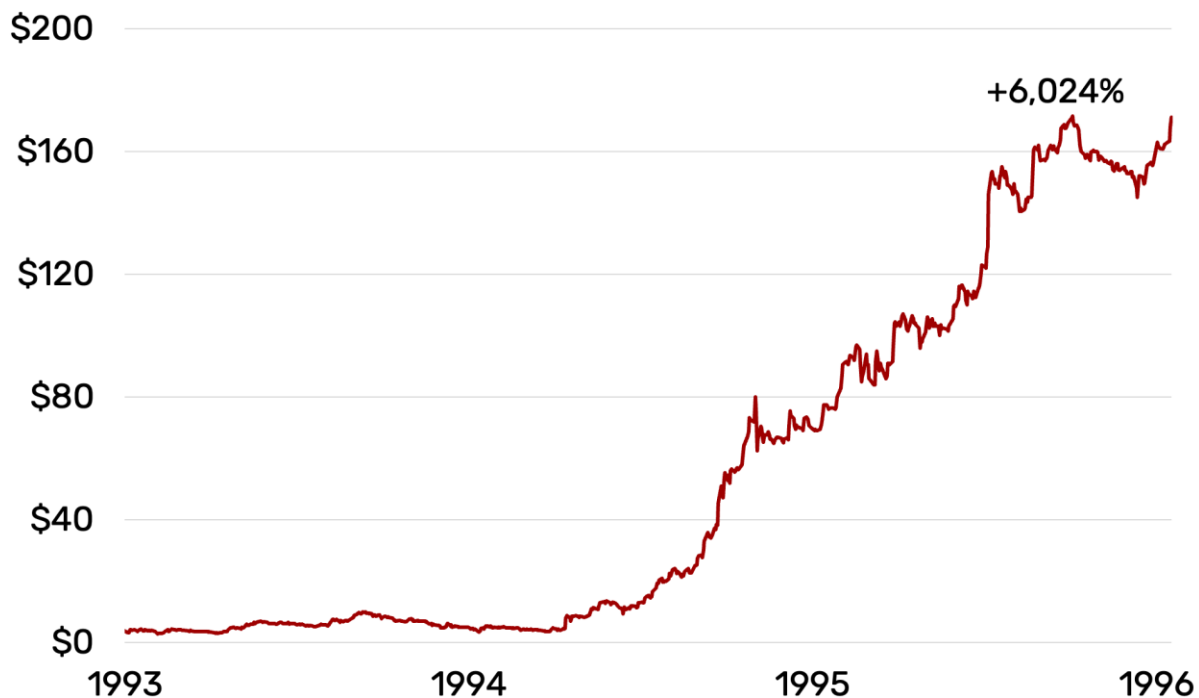
Diamond Fields, without a doubt, is the most impressive story in the mining world.

It created enormous wealth for its investors and put its founder and chairman, Robert Friedland, on Forbes' billionaire list.

In less than three years, its share price gained 6,024%. Here's the lesson investors should learn.

# Diamond Fields Resources

Split-Adjusted Share Price, CAD



Source: Stockwatch

Canadian Mining Report

In the early 1990s, the company was looking for kimberlite pipes rich with precious gemstones.

The process didn't go smoothly. Diamond Fields was trying a few projects around the world and even came up with the idea of vacuuming diamonds from the seafloor near the coast of Namibia.

None of them worked well, but the team kept trying. In 1993, it optioned a project in Labrador, Canada. The area is famous for its brutal cold weather.

As it turns out, the property called Voisey's Bay also had no diamonds. But the team found another element that led to a massive discovery and giant gains in the company's share price.

It was a mineral called chalcopyrite that carried rich nickel content. Very unusual for this area, and initially, very confusing. Yet, the team decided to drill a couple of targets to test a bold geological theory that the project could host a massive nickel resource.

Fortune favors the bold, and the drilling campaign confirmed one of the largest nickel discoveries of all time.

The drill bit hit 33 meters of massive sulphide. The assay returned 2.23% nickel, 1.47% copper and 0.12% cobalt. It was a success, yet only the beginning of the story.

Follow-up drilling kept delivering rich assays with strong nickel and copper content.

The share price began rising, and the major mining companies took note.

The top names in the industry, such as Teck, Inco, and Falconbridge, expressed an interest in the story.

They were looking for the next world-class mine in mining-friendly Canada. Voisey's Bay was an obvious choice, and Diamond Fields started getting hefty offers from the mining majors.

At this point, the company's share price had already increased over ten times and kept rising as more offers came in.

In mid-1995, Voisey's Bay got caught in a bidding war between majors. They didn't even bother to wait for the company to prepare an official mineral resource estimate. The drill results were astonishing.

Later that year, Diamond Fields made another discovery at the project. It featured similar high-grade nickel content, but it was made outside of the already drilled areas.

The mining majors went nuts. In just a month, Inco offered \$3.5 billion for the entire company, and Falconbridge placed a \$4-billion offer.

Diamond Fields said "no" to both, in what ended up being a wise move by Robert Friedland. He knew that the project carried much more value.

That's exactly what investors want to see from executives. The leadership team needs to care about shareholders and only take the most value-adding offers.

Robert Friedland managed to sign a \$4.5 billion deal in March 1996. A couple of months of waiting resulted in \$0.5 billion in cash.

The deal pushed the company's share price to a new high, and the transaction closed in August 1996.

From the bottom in 1993 to the highs in 1996, Diamond Fields' share price gained 6,024%.

Today, Voisey's Bay is one of the largest nickel mines in the world. It began production in 2005 and will continue producing nickel until 2035, with future expansion potential.

## Takeaway

Sticking with a solid team is key to investing in mining companies. Make sure you bet on people with a good track record. These will likely continue delivering value to their shareholders. These people are your best bet.

After his success at Voisey's Bay, Mr. Friedland went on to become one of the mining superstars, making thousands of investors rich in the process.

Executives of his caliber are rare, but they can deliver life-changing returns.

## Case Study #2: Vizsla Silver

Vizsla is a much more recent story. A young team of Canadian miners founded the company and optioned a long-abandoned project in Mexico, the country with rich silver resources and a long history of colonial-era mining.

The company took advantage of the Covid pandemic and delivered massive gains to its investors right in the midst of a global lockdown.

From the bottom of mid-2019 to late-2021, Vizsla gained 2,375%.

Another huge win by a Canadian miner.

# Vizsla Silver

Share Price, CAD



Source: Stockwatch

Canadian Mining Report

The company went public in September 2018. It optioned a project in British Columbia and quickly realized it wasn't working as planned... without wasting its time or resources there, the company moved on to what ended up being a big win.

That's another sign of a winning team. It recognizes when it needs to stop working on something that isn't promising and focus on the next project with high potential.

Vizsla optioned a new asset in Mexico. It wasn't cheap. But it was worth it...

The Panuco project had extensive historical work going back to the 16<sup>th</sup> century. However, it was largely unexplored by modern standards.

Vizsla brought modern exploration techniques and its expertise to get the most out of the project.

In the first round of surface exploration, it sampled high silver and gold grades, up to 4,244 g/t silver equivalent.

At this point, the company's share price started rising as industry insiders started recognizing Panuco's potential.

However, surface samples are not as precise as drill results. So, after receiving positive preliminary data, Vizsla raised more money and geared up for a drill program.

The program started delivering massive results shortly, such as 8,077 g/t silver equivalent over 6 meters. The company's share price went vertical.

Without delay, Vizsla raised more funds to pay off the option. Even though it needed to attract over \$43 million, it did so without any problems because investors were aware of the project's potential.

Vizsla secured full ownership and undivided control of the project.

At this point, it was clear that centuries of historical mining weren't enough to exhaust the project's rich resources. With modern mining techniques, the project is getting a second chance, and early investors booked massive profits.

Vizsla keeps exploration ongoing, and the project keeps growing. It will take more time to realize Panuco's full potential, and it will most likely become the next high-grade silver-gold mine in Mexico.

The company can repeat the success of Diamond Fields that we discussed above and get a takeover bid from one of the major mining companies. This can potentially boost its investors' total gains.

## **Takeaway**

Vizsla is an excellent example of how centuries-old mines can get a second life by using modern exploration methods applied by an experienced team. What was impossible to mine in the past can be extremely valuable today.

There are more forgotten projects that can come back to life and deliver strong returns to investors. The Canadian mining sector is your best place to discover opportunities like this.



## Case Study #3: Virginia Gold Mines

Virginia Gold Mines is another exploration success story. In addition to that, it created one of the largest gold royalty companies—Osisko Gold Royalty. Its story began in the early 2000s when it discovered a gold project called Eleonore.

Virginia was founded by a Quebec-based team that ended up delivering a 1,762% gain in less than three years.

### Virginia Gold Mines

Share Price, CAD



Source: Stockwatch

Canadian Mining Report

The company was looking for a gold discovery at several projects in Quebec, Canada.

And Eleonore, one of them, has delivered.

First, Virginia found high-grade gold samples right at the surface. These yielded up to 29 g/t gold—extremely high even by modern standards.

It was a solid indicator that gold was present at the project, but Virginia needed to find the underground source.

It started a systematic exploration campaign aimed at finding the core of the gold deposit.

In September 2004, the first drill results confirmed high gold values with up to 18.85 g/t gold over 6 meters. That was a success, and the company's share price picked up.

For the next two years, Virginia kept the exploration going, reporting strong gold values from the project. These were consistent and rich.

Clearly, the company was sitting on a large gold deposit with what looked like enormous size potential.

The drill results kept expanding the boundaries of the project, clearly suggesting that Eleonore could become a world-class project.

That's when major gold miner Goldcorp stepped in and placed a \$420 million offer.

It was buying the company because of Eleonore, a project of unknown but significant size and potential. It surprised the market and immediately rewarded Virginia's early investors.

Share price went up by 1,762% since mid-2003.

Goldcorp was right about the project. In 2007, it estimated 2.7 million ounces of gold at 7.3 g/t grade. That's a world-class-scale deposit with high-grade mineralization. By 2014, its resources went up to 8.1 million ounces.

The same year, Eleonore reached production, and in 2022, it is still running. It's one of the largest gold mines in North America, with around 250,000 ounces of output per year.

## **Takeaway**

Exploration success is a big driver for mining companies. Canadian miners have a strong track record of world-class discoveries, discipline, and creating shareholder value.

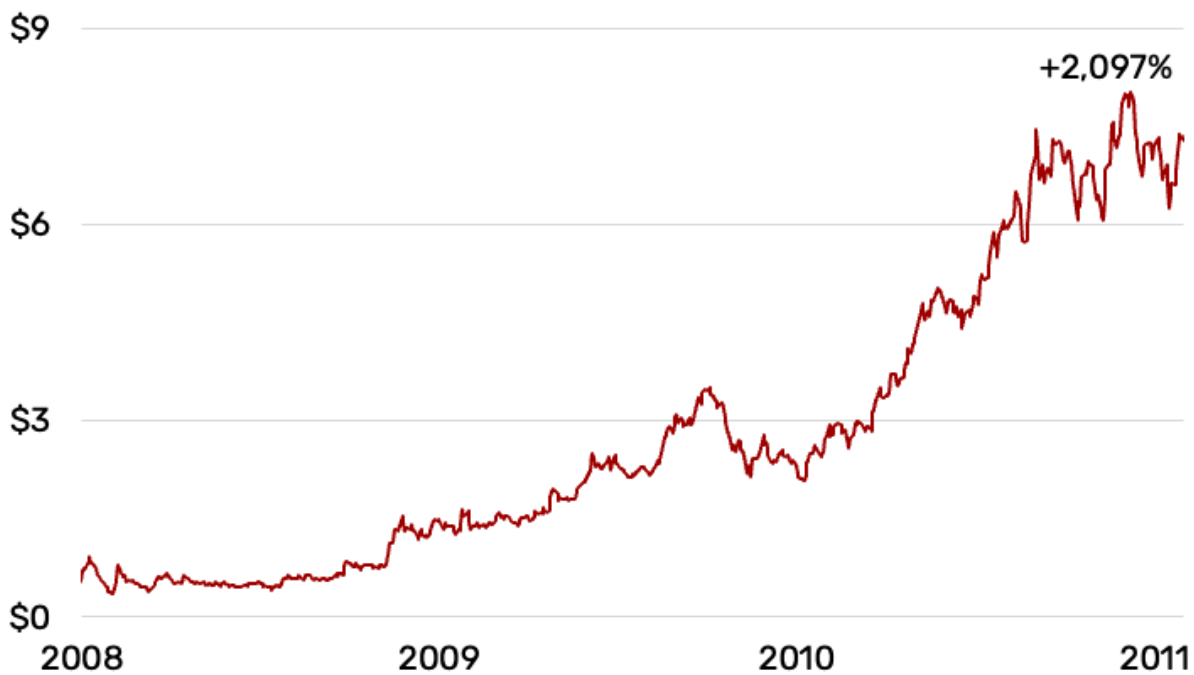
## Case Study #4: Copper Mountain Mining

This case is quite unique. Copper Mountain gained 2,097% while building a namesake copper mine in British Columbia, Canada.

It is unique because the company managed a successful turnaround from an unknown copper developer into a profitable miner. That was the company's mission, and investors booked solid gains as a result.

### Copper Mountain Mining

Share Price, CAD



Source: Stockwatch

Canadian Mining Report

As they say, cash is king. And being able to generate cash flow can turn an unknown company into a mining superstar.

Copper Mountain is a vivid example.

Once a project gets its economic study, the study signals how much the project could be worth. This number comes from the future cash flows that the project can deliver during its lifetime. It's called Net Present Value or NPV.

However, the project's owner has to prove that the numbers on paper are real. The company has to build a mine and operate it efficiently.

That's not an easy task. It requires a team that can turn a development-stage project into a producing mine. It's also capital intensive.

The Copper Mountain mine had a capital expenditure (or capex) of \$438 million. If anything goes wrong and the mine can't produce the estimated volumes of metal, these hundreds of millions of dollars will go to waste.

The team has to secure funding, purchase all the parts and equipment, and hire the people who will successfully manage the mine.

A lot of things can go wrong, but the risk decreases as the date of the first pour—and the money the company will make selling its product—comes closer. During this “de-risking” period, the company's market value tends to increase, and the share price tends to go up.

The Copper Mountain team did an incredible job. They finished building the mine on time and on budget, and investors were seeing enormous gains by the time of the first pour.

That was another success story from a Canadian mining team.

## **Takeaway**

Betting on a company transitioning from the development stage to the “first pour” isn't straightforward. Some companies fail.

A successful one has to have the right team capable of building a profitable mine. Also, the project has to have a detailed engineering study, mineral reserves, and economics that work under multiple price scenarios.

Yet once the mine is ready to operate, the company starts generating cash flow, which helps the market assign a high value to its shares.

And Copper Mountain is a perfect example.

## Case Study #5: Great Bear Resources

Great Bear Resources is a legendary name in the mining industry.

The company's share price went up 10,987% between November 2017 and February 2022.

An investment of just \$1,000 would turn into \$110,868 in a little over four years. A mind-blowing return, showing that investing in mining companies could be extremely rewarding when everything goes right.

### Great Bear Resources

Share Price, CAD



Source: Stockwatch

Canadian Mining Report

Great Bear started out like most Canadian exploration-stage companies. It looked for a project in a region with a long mining history.

The company optioned the Dixie Lake project in the Red Lake mining district in Ontario, Canada. The region produced over 30 million ounces of gold and still hosts multiple world-class gold deposits.

Red Lake is well-known for its high-grade gold deposits and complex geology. Most of the gold deposits in the area are hosted in narrow veins.

These veins have high gold concentration but are very hard to define.

Many junior mining companies failed to find a world-class gold deposit there. Great Bear knew the risks and was very selective in choosing the project.

The company found a property with a high-grade gold presence and a lack of recent activity. Historical drill results yielded up to 17.77 g/t gold over 1.97 meters, but the project never got proper attention... Up until Great Bear started working on it.

The reason why Great Bear felt confident it could do what others had failed at was that the company had previous experience in the Red Lake district. Its team knew that historical high-grade gold results were not isolated. They might be pointing to a massive gold system...

The company started a systematic exploration at the project. The first round of drill results returned 130.1 g/t gold over 1.05 meters. That was a success, and yet only the beginning of the story.

The company used leading exploration techniques that helped it delineate high-grade gold mineralization all over the project. Its drill results were consistent, and the company began outlining high-grade gold deposits.

Each round of drilling kept returning encouraging results. At this point, major mining companies started watching the progress at Dixie Lake. These companies are always ready to acquire world-class gold projects—especially high-grade assets in the mining-friendly Canada.

The entire mining world was waiting for the maiden resource estimate at Dixie Lake. The high volume and grades would support a high valuation.

But it didn't happen...

In late 2021, major gold miner Kinross placed a \$1.8-billion offer for Great Bear. The offer valued the company's share at C\$29, up from C\$0.265 in late 2017.

The deal was closed in February 2022, and Kinross is now advancing the Dixie Lake project on its own.

## Takeaway

Investing in exploration companies is risky, yet success can be highly rewarding. Great Bear turned a bold geological theory into billions of dollars' of wealth for its early investors.

The company gathered a skilled team, a project with strong potential, and eventually was acquired by a major mining company. When everything goes right, the Canadian mining space delivers massive returns.

## Case Study #6: Lithium Americas

Our last case is part of an unstoppable investment trend: the “green transition,” which involves replacing fossil fuels with clean energy sources.

Lithium is at the heart of this megatrend. It is used in the batteries powering smartphones, laptops, electric cars, and even industrial power storage solutions.

Lithium Americas is a Vancouver-based junior mining company working on lithium projects in the US and Argentina.

During the massive spike in lithium prices, the company gained 1,584%. At the same time, lithium itself “only” went up 332%.

# Lithium Americas

Share Price, CAD



Source: Stockwatch

Canadian Mining Report

The company eclipsed lithium's own appreciation, returning massive gains to its shareholders.

Yet, the company didn't just follow the trend. It was developing two world-class lithium assets, which provided it with extra upside—and over 1,000 percentage points in extra return.

In Argentina, the company prepared a detailed study for its Cauchari-Olaroz project. It led to the construction activities with the support of a major lithium miner.

In order to secure future lithium supply, Ganfeng Lithium acquired 51% of the project. That's a strong vote of confidence from a well-known name in the industry that directly lifted Lithium America's share price.

Also, in the US, the company is advancing its Thacker Pass project in Nevada. In late 2021, it boosted lithium resources by 119% and sent the company's share price straight up.

By this time, investors were sitting on a 1,584% gain in less than two years.



## Takeaway

This story gained a lot of boost from the rising lithium prices. Yet, the company did an incredible job developing its assets, too. Right now, it is working to expand its mineral resources and bring its projects to production.

This combination yielded strong returns for this Canadian mining company.

## Finding the Next Big Winner

Now you know the most profitable strategies in the mining industry. These have worked across various metals and market cycles.

- Putting the Canadian mining industry on your radar is your first step. As you have seen, it is filled with success stories.
- Choose the team with a solid track record and strong gains achieved in the past.
- Select a project with significant discovery potential based on solid data obtained with best-in-class methods and expertise.
- An experienced team will quickly advance a promising target to its next stage. This is where “de-risking” creates life-changing gains.
- Focus on the mining companies that work in well-recognized megatrends, from inflation (gold and silver) to the “green transition” (copper and lithium), and others.

Keep this list handy before making your next bet, and keep your portfolio diversified.

Here at the *Canadian Mining Report*, we will continue delivering valuable insights and investment ideas to help you find the next Canadian mining “millionaire maker.”

*The Canadian Mining Report team.*