



The Stateside Report



“A Unique Report Service for the Intelligent Resource Investor”



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Minnova Corp.

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Gold Juniors to Overshoot to the Upside



- Minnova – MCI on TSX-V, AGRDF in the U.S
- 37 million shares outstanding - \$16 million market cap
- Just completed financing to fund current drill program
- Over 600,000 gold oz at over 5 g/t gold in Canada
- 2017 feasibility study – NPV of \$36 million and IRR of 53% at \$1,250 gold – NPV of \$185 million and IRR of 184% at \$1,875 gold
- New high grade gold structure in tonalite discovered in first 2020 hole
- Visible gold uncovered in previous logged holes in tonalite structure indicate at least 200m strike with additional holes being analyzed
- Strong news flow/increased marketing over the remainder of the year



For those of you who were following my nightly YouTube videos from 2011-2015 and more recently my podcasts since January 2016 (<http://www.statesidereport.com>) know the pain we have all been through investing in the Canadian junior exploration sector during the worst bear market in it's history. Other than a short reprieve from January 2016 through July 2016 we could not have picked a worse sector to put our hard earned money into. Well get in the fast lane grandma because the bingo game is about to start.

The worst bear market in history is about to be followed by the best bull market in history. The bear market that overshot to the downside pulling many juniors down 90% or more will now over the next 18-24 months overshoot to the upside propelling many juniors to gains of 10x, 20x or even more. Some have already had major moves at this early stage but others, like Minnova Corp that I'll discuss below, have just begun to awaken.

Will we still see pullbacks of 20-30% along the way of this 18-24 month journey? Of course, and we are presently seeing one of the first major pullbacks since roaring out of the pandemic lows of a few months ago. However if we ignore charts and the many, many top callers we will ultimately benefit from the best gold bull market in our lifetimes. Buckle up!



Long time readers know I promote chart free zones especially in a gold bull market that we are in as the real money is made in riding the bull, not trading it. However I wanted to show you a chart of the TSX-V (proxy for the Canadian juniors) over the past 10 years that shows where we were at \$1,900 gold in 2011 vs where we are at \$1,900 gold today:



As the chart on the previous page shows we have a looooooong way to go in the share prices of the juniors to match the levels we saw at the top of the last gold bull cycle that ended in 2011. Some companies who were around in 2011 are even more undervalued than the overall TSX-V index even though the fundamentals of the company are much stronger now than 10 years ago.



Take Minnova Corp. for example (MCI on TSX-V, AGRDF in the US) and their 10 year share price chart. In 2011 Minnova had just picked up their PL mill (1,000 tpd) and gold deposit and the share price reached \$5.



Today with gold at over \$1,900 Minnova's share price sits 90% lower than in 2011 even though they

tabled a highly profitable feasibility study in 2017 and just announced a new high grade gold discovery in a tonalite structure outside of the existing resource that has room to run for several hundred meters. Go figure.

The primary reason why Minnova hasn't received the attention it deserves comes down to investor awareness. Other less endowed junior companies sport market caps multiples of Minnova due to heavy marketing.

Management of Minnova on the other hand have been busy with their heads down discovering new high grade gold structures outside of the existing resource and advancing the PL gold project in the prolific Flin Flon – Snow Lake Greenstone Belt of Central Manitoba to near-term producer status.

They are now ready to tell their story and we should see an increased emphasis on marketing.



The Minnova Story

Minnova acquired the past producing PL gold project and mill in 2011. The project is located in the prolific Flin Flon – Snow Lake Greenstone Belt of Central Manitoba. The deposit consists of high grade gold in veins within 4-6 shear zones. There is a fully permitted mill on site that can be upgraded and put into production in less than two years. There is a global resource of over 600,000 gold oz at over 5 g/t gold. A 2017 feasibility study at \$1,250 gold showed an IRR of 53% and an NPV of \$36 million. At \$1,875 gold the IRR increases to 184% and a \$185 million NPV. As a reminder, the company's current market cap is \$16 million.

If there was no exploration potential the company's share price would be severely undervalued at current gold prices (assuming everything else being equal).

However, with the announcement of high grade gold assays from the first hole of the 2020 drill program in a new tonalite structure outside of the resource area and the re-sampling of core from hole 17-56 in previous drilling 200 meters north of hole 20-01 showing visible gold in this same tonalite structure the current share price is just down right silly. The press release is shown on the following page and also can be viewed here (includes 2020 hole visual observations -

(http://www.minnovacorp.ca/2020-08-10_NR.pdf)

Minnova drills one m of 19.2 g/t Au at PL

2020-08-10 15:29 ET - News Release

Mr. Gordon Glenn reports

MINNOVA CORP. WIDE INTERVAL OF HIGH-GRADE GOLD MINERALIZATION CONFIRMED IN HOLE M-20-01

Minnova Corp. has released initial positive results from its summer 2020 PL mine on-lease exploration and resource expansion drilling program.

Highlighted intercepts include:

6.33 grams per tonne over one metre;

5.4 g/t over one m;

5.37 g/t over one m;

19.2 g/t over one m (duplicate -- quarter-split of above 5.37 g/t half split);

7.86 g/t over one m.

The purpose of the drilling program was to demonstrate the exploration and resource expansion potential on strike from the PL gold deposit.

Assay results have now been received for hole M-20-01, the first hole of the company's summer 2020 drilling program. See the included table for details on assay results received to date.

The National Instrument 41-101 compliant PL deposit resource and reserve estimates are hosted within multiple stacked shear zones trending northwest-southeast and currently defined in drill core over a strike length of approximately one kilometre. The deposit remains open to expansion along strike and down dip. The summer 2020 PL mine drilling program was designed to test the on-strike exploration and resource expansion, and specifically target the shallow, on-strike extension of the gold-mineralized structures in an area of multiple surface showing called the PL North trend (PLN).

Assay results from hole M-20-01 reconcile with the visible gold initially observed in core. The included table presents continuous assay results over a core length of eight m from 102.3 m to 110.3 m that defines the new footwall tonalite structure. Based on these initial positive results, the company's geological team relogged past hole M-17-56, located over 200 m along strike to the northwest of M-20-01, to determine if the footwall tonalite structure was present. M-17-56 was a relatively short hole (EOH 80 m) that did not report any meaningful structures or gold mineralization. Hole M-17-56 was relogged and visible gold was observed along a microfracture in a quartz vein at 76.87 m. The visible gold was associated with arsenopyrite near the margin of a quartz vein starting at approximately 76.5 m and extending to the EOH at 80 m. It is believed that this mineralized vein marks the beginning of the footwall tonalite structure, and the drill hole was stopped prematurely and the footwall tonalite structure was not recognized at that time. If this is the case, the footwall tonalite mineralized structure can be traced over 200 m along strike to the northwest. These positive assay results, combined with previous drilling, suggest the company has identified a new wide zone of gold mineralization occurring within the footwall tonalite.

Gorden Glenn, chief executive officer, commented: "Initial results highlight the exploration potential of the property with confirmation of a new, gold-mineralized structure in the footwall tonalite. Of note is the width of the intersection, which would represent one the widest mineralized intervals reported on the property to date. Considering the footwall tonalite has typically been the 'shutdown rock' occurring below the main PL deposit, we have paused the summer drilling program to focus on relogging previously drilled holes to determine if the newly defined footwall tonalite structure was missed in previous drill logs. Drilling will resume in the fall to further delineate the footwall tonalite structure property wide and along strike from current drilling. Results to date and the identification on visible gold mineralization from relogging an earlier hole are exciting developments that highlight the exploration and resource expansion potential of the PL deposit."

CONTINUOUS ASSAY RESULTS FROM NEW FOOTWALL TONALITE STRUCTURE IN HOLE M-20-01

<i>Hole</i>	<i>Location</i>	<i>Sample type</i>	<i>From (m)</i>	<i>To (m)</i>	<i>Length (m)</i>	<i>Au g/t</i>
<i>M-20-01</i>	<i>373028E/6100986N</i>	<i>Half-split</i>	<i>102.30</i>	<i>103.30</i>	<i>1.00</i>	<i>0.74</i>
		<i>Half-split</i>	<i>103.30</i>	<i>104.30</i>	<i>1.00</i>	<i>0.81</i>
		<i>Half-split</i>	<i>104.30</i>	<i>105.30</i>	<i>1.00</i>	<i>6.33</i>
		<i>Half-split</i>	<i>105.30</i>	<i>106.30</i>	<i>1.00</i>	<i>5.40</i>
		<i>Half-split</i>	<i>106.30</i>	<i>107.30</i>	<i>1.00</i>	<i>5.37*</i>
		<i>Duplicate quarter-split</i>	<i>106.30</i>	<i>107.30</i>	<i>1.00</i>	<i>19.20*</i>
		<i>Half-split</i>	<i>107.30</i>	<i>108.30</i>	<i>1.00</i>	<i>0.16</i>
		<i>Half-split</i>	<i>108.30</i>	<i>109.30</i>	<i>1.00</i>	<i>0.42</i>
		<i>109.30</i>	<i>110.30</i>	<i>1.00</i>	<i>7.86</i>	

- *Quarter split sample returned assay of 19.2 g/t*

The holes are designed to test the vein structures at shallow depths (minus 50 m to minus 150 m). All drill holes and vein/structure intercepts are located on the permitted mineral lease within 350 m of the PL mill and other PL mine site infrastructure. Results to date appear to be defining a new mineralized vein structure within the tonalite that typically occurs in the footwall of the main PL deposit. As noted, the drill program has been paused and will resume in the fall, following a review of past footwall tonalite drill core.

PL mine restart update

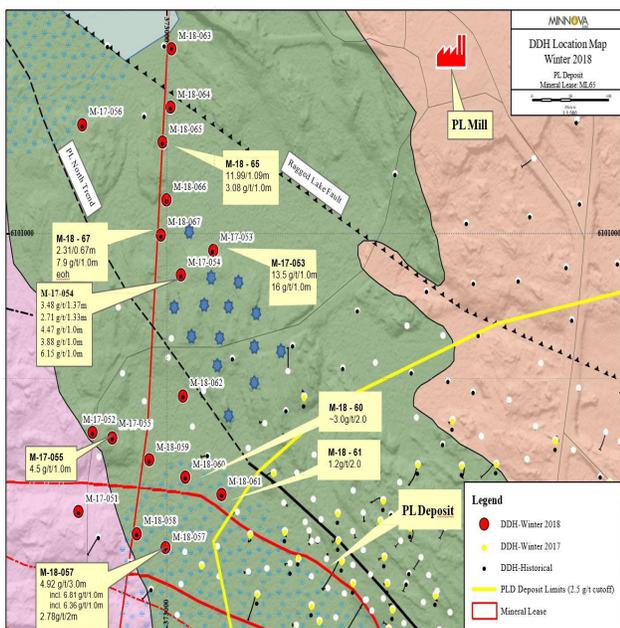
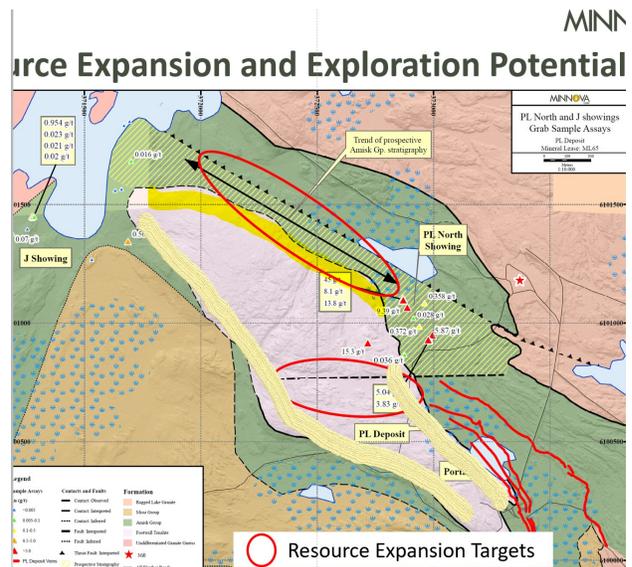
In addition to the latest positive results from the continuing exploration and resource expansion work programs, and considering current gold price and market conditions, the company is accelerating discussions with mining contractors and various project finance groups to restart gold mining operations at the PL mine. Development options being reviewed range from 1) an initial underground test mining and bulk sampling program with an indicative budget of \$5-million to \$6-million, 2) complete refurbishment of the mill and underground development as contemplated in the positive 2017 feasibility study with forecast capital expenditures of \$35.7-million (Minnova holds a valid environment act licence No. 1207E permit that allows for underground mining operations of up to 1,000 tonnes per day and anticipates it could restart operations within 12 to 18 months of putting project finance in place), and 3) solicit and consider joint venture proposals or outright merger and acquisition to deliver shareholder value.

So what is this tonalite structure all about and why should we be excited?

- (1) The apparent thickness of the gold mineralization in the tonalite is greater than the mineralization in the veins that make up the existing resource with similar or greater gold grades (early days but 2/3x).**
- (2) In past drill campaigns the footwall tonalite was thought to have indicated barren rock and once the geologist started seeing tonalite in the holes they would terminate the hole. They would usually go down 10 meters or so into the tonalite and then stop.**
- (3) The company now believes the footwall tonalite can host significant gold mineralization. In the latest drilling the company has identified a mineralized structure in the tonalite starting at about about 20 meters into the tonalite so most of the previous drilling stopped short of the potential gold mineralization (some holes did go deeper but the tonalite wasn't sampled).**

(4) The company is in the process of resampling several previous holes.

The red lines in the bottom right of the map at the right show the veins in the existing resource. The red circles show the targets for possible resource expansion. The pink area in the middle is the tonalite structure and the bright yellow maker on the eastern side of the tonalite is the footwall where holes 20-01 and 17-56 hit visible gold mineralization. No drilling has occurred in the western side of the tonalite structure (lighter yellow). Previous exploration did show a 15.3 g/t gold sample in the tonalite but was never followed up as it was thought to be an anomaly.



Thirteen holes were drilled in this summers 2020 program (blue stars in the map at the left represent the approximate locations) and based on the new tonalite discovery in hole 20-01 and the re-sampled hole 17-56 the company is pausing the program in order to resample previously drilled core that may have been drilled into the tonalite but not sampled. Drilling will resume in September/October. Notice the location of hole 17-56 (top left) and the northern most blue star (hole 20-01) 200 meters to the southeast). Both showed visible gold in

the tonalite. The ground to the south of the yellow line represents the existing resource. Mineralization north of the yellow line where the 2020 drilling was performed would add to the existing high grade gold resource.

Catalysts/Next Steps

Increased marketing/investor awareness combined with increased news flow over the near-term should bring more eyes onto this extremely undervalued opportunity. We can expect:

- Assays from hole #2 (visible gold) as well as other 2020 summer drill holes in batched releases
- Re-sampling of hole 17-56 (visible gold) as well as several other previously drilled holes for tonalite mineralization
- Increased marketing and interviews

The company is in the process of updating their website (<http://www.minnovacorp.ca/>).

A June 2020 presentation can be viewed at (<http://www.minnovacorp.ca/MCI-Presentation-June-2020.pdf>).

Greg Nolan, one of the better newsletter writers in the resource space did an initial write-up on Minnova at)<https://highballerstocks.com/2020/08/a-new-addition-to-the-highballer-shortlist-minnova-corp-mci-v-also-forum-fmc-v-strategic-smd-v-and-puregold-pgm-v/>).

One final note – Minnova is most definitely NOT a lifestyle company. Management is keenly aware of the opportunity now that we are in a generational gold bull market (hey – even Warren Buffet is dumping his Wall Street stocks for Barrick Gold) and understands the systematic hard work they did over the past 9 years moving this project forward in a bear market will now benefit current shareholders. Management will either go it alone and move the PL project into production in the near-term or look for a M&A opportunity.

The next 18-24 months will be fun for those of us who suffered the pains of the past junior exploration bear market - now we get to enjoy the gains.

Vince Marciano

<http://www.statesidereport.com>



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