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Saturday Morning Mining

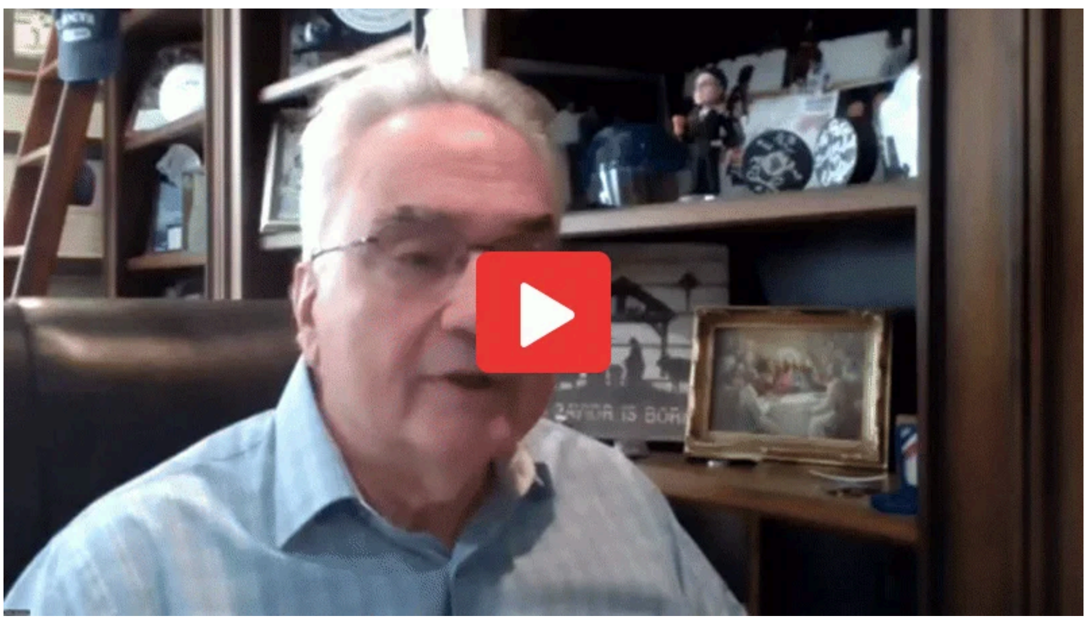
Message from Michael

Today you are receiving a special **"BUY CANADA NOW"** edition of my weekly newsletter.

Don't check your calendars. You are indeed getting Saturday Morning Mining on a Thursday.

The reason is because this week I made a major new investment in a Canadian-based junior mining company: Galway Metals (GWM).

I acquired a 19.9% partially diluted stake. You can watch a video of myself talking with Peter Grandich, along with CEO Rob Hinchcliffe and Jesse Fisher, project manager for the Clarence Stream project, here.



On the back of my strategic investment in Maple Gold (MGM) last summer, followed by Cambria Gold Mines (CAMB) in January, Cascadia (CAM) in Q1, and McFarlane Lake Mining (MLM) in Q2, and the doubling of my position in Big Ridge Gold (BRAU) in Q3 from 9.9% to 19.9%, I have now written six of my largest checks in my history over the last 12 months, and all six checks were in Canadian assets. That was not a coincidence.

These six Canadian assets are, in my view, deeply undervalued, benefit from solid existing infrastructure, and have existing resources where I and my team can see a path to a potential mine, along with significant additional exploration upside.

My view is that the proposed changes by Mark Carney will cause a major M+A boom, with producing companies looking to acquire Canadian development assets. The attention will likely first be on the assets that are fully permitted and ready to build. Those assets will sell for nice numbers — $200 to $400 or more per oz in the ground, in my view.

Once a few of those assets trade in the market, then the race will be on to find the next wave, as more and more producing companies look to position themselves with Canadian development pipelines now that the Canadian government finally looks like it's wide open for business again.

Even before this announcement, Canada has some very distinct advantages, and it's why I have 11 out of my top 15 holdings based in Canada, and over 70% of my entire junior mining portfolio is in Canadian assets. With today's move, that is going even higher. This is not because I live in Canada, but it's where I see the best value and opportunity in junior mining on a global scale.

My more advanced assets and top holdings in Canada include:

- McFarlane (MLM)
- Iamgold (IMG)
- Northisle (NCX)
- Radisson (RDS)
- Big Ridge Gold (BRAU)
- Galleon Gold (GGO)
- Cambria (CAMB)
- Cascadia (CAM)
- Ongold (ONAU)
- Canterra (CTM)
- Errington Metals (EM)
- and Galway Metals (GWM), which I am announcing today.

I also have four pending investments and or private companies based in Canada that should go public in the next 6-12 months.

In general, these assets all share similar characteristics: resources of a size and grade where you can credibly envision an economic mine, resource and exploration upside, infrastructure in place, First Nations support for their project, and all of them trading at very low valuation relative to the true economic value of their assets.

Earlier-stage exploration investments in my Canadian portfolio also include:

- Aeonian (ALTN)
- Nican (NICN)
- Solstice Gold (SGC)
- Magna Terra (MTT)
- NorthX (NIX)

For me, this is a generational **BUY CANADA MINING NOW** moment that intersects with a pending M+A boom, as I have been predicting for the entire junior mining sector. This week's news in Canada has dramatically increased my conviction in this regard.

Why do I love Canadian assets?

1. Terrific mining infrastructure is already in place in many areas.

2. Exceptional geologic potential that remains untapped. Canada has some of the largest mineral endowments in the world, and due to its small population and limited capital has just scratched the surface of its potential.

2. Educated workforce and mining know-how that make exploration and development much easier than in most jurisdictions.

3. Weak Canadian dollar and lower-cost labour market. This means the costs to explore and build mines in Canada are much lower than in the US. Drill costs in Ontario, Quebec, and Eastern Canada are typically between $150-$300 CAD per meter, versus areas like Nevada and Arizona (two mining hotbeds in the US) that can be $500-$700 CAD per meter.

4. Strong tax incentives for exploration drilling: most mining companies or investors can get back 20-50% of the dollars invested in the ground for exploration with tax rebates.

5. Rule of law, stable tax regimes, and security of ownership.

6. Now the mother of all kickers! 100% year 1 deductibility of CAPEX for mine builds. This is a major game changer.

7. The final kicker will be if Carney can follow through in shortening the timelines for permitting with his 1 project-1 review proposal. I have been saying and praying for this for years, and if this comes to pass it will just drive the momentum even faster.

But don't take my word for it; why don't you listen to the CEO of one of the best gold mining companies in the world. Here, Ammar Al-Joundi, President & CEO of Agnico Eagle Mines Limited, talks about the opportunity in Canadian mining.

I have been saying publicly, almost non-stop since gold crossed $4,000 an ounce last October, that it makes zero sense for gold producers to be trading at the same levels on a per-ounce basis as they were when gold was $1,500–$2,000 an ounce (in 2010–2012). After all, producers are now enjoying all-in margins of more than $2,000 an ounce.

How can I still be able to buy quality resources in the ground in a world-class jurisdiction like Canada for $10, $20, or $30 USD per oz when the gold price is $4,300?

It's why I keep buying and why I was so aggressive this week in adding another high quality asset to my portfolio.

These recent announcements in Canada this week, coupled with the realization that record industry margins are not going away anytime soon, should start a major revaluation higher in Canadian resource and development stories.

Now, let's jump into a review of the investment I made in Galway Metals (GWM) today.

Galway Metals (GWM)

Galway Metals owns the Clarence Stream project in New Brunswick, which has 2.7M oz and is blessed with terrific infrastructure.

The asset has paved roads throughout the entire property, a rail line, and cheap electric grid power — with some of the lowest cost power in North America and globally. Plus, a deepwater port and two airports (including one international) within 100 km of the resource.

The topography is favourable and flat lying for infrastructure and facilitates development. And it has a very large and knowledgeable local workforce that is pro-mining and very excited to see the potential for mines to return back to New Brunswick.

My regular readers know that I use drill costs for a good proxy of the cost and quality of the infrastructure in place. In the case of Galway, its terrific infrastructure is reflected in the lowest drill costs I have seen — at $120 CAD all in per meter.

Finally, as I mentioned, there is very favourable community support and a very pro-mining Premier of New Brunswick. Eastern Canada is also much quicker in terms of permitting and fast-tracking projects than the rest of Canada, and it is why I continue to expand my exposure to the region.

I have followed this project off and on for many years, but was recently very pleasantly surprised by how much progress the company had made in moving this from a resource to a project that has a real shot of being a mine. Recent drilling at Clarence Stream has increased the ounces in the deposit substantially, filled in many areas previously defined as waste, substantially lowered the strip ratio and refined to over 90% indicated the high-grade starter pits in the North and South Zones.

The strip ratio has been cut from 11:1 to approximately 6:1, with higher-grade starter pits with approximately 2g per ton. These starter pits are also blessed with high-grade antimony, which in the first few years will be high enough to enhance an already high gold grade of 2g/t. and enhance the paybacks and IRR even further on the upcoming PEA.

The company is currently in the middle of a 45,000-meter drill program and has yet to release or drill 30,000 meters of that program. Drilling is split 50/50 between infill drilling and exploration drilling to make new discoveries so additional news flow should be abundant in the coming months.

As mentioned, the company is also working on a PEA for the Clarence Stream project, which will be released in Q1 2027. I like the economic potential here, especially due to the terrific infrastructure, and the company has about 1M oz of higher grade material of close to 2g/t of its 2.7M total oz that can be used in starter pit scenarios in the North and South pits.

Best of all is the valuation.

Beyond the flagship Clarence Stream project, the company owns a second asset — the Estrades Zinc project in Quebec — where Dowa (a large Japanese smelter/trader) has agreed to spend $25M USD to earn 45% of the project. If you assume the 55% of the Estrades project is worth only just what Dowa agreed to spend for their share, you are talking about a value of approximately $30M USD net to Galway or $42M CAD — essentially 1/3 of the current market cap.

Removing the value of Estrades and the cash on the balance sheet post this offering, and assuming full exercise of all the warrants and options, I get a fully diluted Enterprise Value per oz for Clarence Stream at $20 USD per oz.
That's well below all their peer group companies, many of which trade at multiple times that per oz valuation.

It appears the CEO of the company, Robert Hinchcliffe, agrees with me. He owns 9.2M shares of GWM and, so far in 2026, he has purchased over 700,000 shares of his own stock in the OPEN MARKET. In fact, 80% of the shares he has today have been purchased in the open market. Nothing speaks better about conviction of how your stock is cheap than when you see management and insiders buying size in the open market.

Along with Robert, management, insiders, and family own 15% of the company — so there is great alignment with shareholders, and that number will increase to over 30% post closing of my investment.

The company has minimal institutional following and suffers from a lack of visibility and awareness. This financing anounced today will fully fund their 2027 program and investors get the benefit of a fully funded 2026 drill program with 30,000 meters yet to be reported and now a well financed 2027 program that should exceed 100,000 meters of drilling and including a major de-risking moment with the release of the PEA in 2027.

The company also has a substantial and largely unexplored land package with the potential to find multiple new deposits similar to Clarence Stream over time. The 100,000 meter potential drill budget in 2027 will go a long way to de-risking the infill drilling required to move this project forward towards a PFS and have plenty of horsepower left to expand the close to 3M oz deposit and make new potential discoveries on the property.

Galway will also be attending my London Forum, where I expect to be able to introduce them to a much wider audience of investors.

Please sign up here **if you are interested in attending.**

I have attached an investor deck below for you all to review along with the contact info of Rob Hinchcliffe and Jesse Fisher if anyone would like to follow up directly with the company.

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