Acero-Martin represents exceptional value and appears poised for significant upside revaluation. The resource at Acero-Martin’s Pinaya property located in Peru has an in-situ value of approximately $4.00 per oz gold (equivalent) and is the subject of cash offers from Chinese and Korean companies seeking multi-billion gold-copper bulk tonnage potential.

Source: Market Equities Research

Greg Thompson
Precious Metals Review

Acero-Martin Exploration Inc. (TSX-V: AMG)

Acero-Martin Exploration Inc. is a Canadian-based mineral exploration mining company listed on the TSX Venture Exchange (ticker symbol AMG) (US Listing: ACERF.PK).

Acero-[Martin’s 100% owned Pinaya gold-copper deposit in Peru contains a NI 43-101 compliant 666,000 ounces of gold and 385 million pounds of copper resource and also possesses near term open pit mine potential at the past producing Pinaya mine where ~200,000 ounces gold of the 666,000 ounce gold resource is readily available for the taking from the pit area. Acero-Martin has a number of choices in deciding how to advance the Pinaya gold-copper project which possesses multi-billion bulk tonnage potential. With current gold prices Acero-Martin has fielded several significant cash offers and enquiries from entities probing the possibility of purchase and/or taking on the risk of development, management was obviously not able to provide details, however did say AMG.V would not rule out the possibility if the right situation was put on the table to enhance and maximize shareholder value -- With 498,000 of the 666,000 ounces gold resource in the indicated category, coupled with the copper and massive expansion potential, it would stand to reason interest in such a sizeable known quantity would command an acquisition or buy-out price significantly above the current trading price of AMG.V. An alternate option would involve advancing the project itself or with a partner from cash flow of a small scale mill at the pit, this would enable advancement of all their projects without further dilution to the share structure.

The current resource estimate was based on the first 70 holes drilled. Since then 93 additional holes have been drilled totaling 163 holes (representing well over 40,000m of drilling) and thus the resource estimate if done now would likely be significantly larger. Since acquiring the project Acero-Martin has invested ~US$12M in exploration to derive the results to date. Pinaya is a large property consisting of 28 contiguous mineral concessions totalling an area of ~14,300 hectares ripe with untested potential -- the property is believed to contain multi-billion bulk tonnage copper-gold potential.

Valuation Commentary

The risk-reward characteristics are highly advantageous for investors establishing a long position in AMG.V as the current market cap of AMG.V relative to the inherent value of their properties seem disproportionate. The current in-situ gold equivalent resource valuation is one of the most undervalued in the industry. Acero-Martin was recently issued a new trading symbol (TSX-V: AMG) as a revised mining entity with new share structure and appears undervalued with only ~28M shares outstanding and is trading under CDN$0.50.

AMG.V also has two other gold properties in Peru plus the highly prospective Red Mountain gold project within the Tintina Gold Belt, Yukon, in the same geological belt as Underworld and several very large multi-million oz gold type bulk tonnage open-pit world class deposits including gold producer Kinross’s Fort Knox mine and International Tower’s 12M oz discovery. Acero-Martin’s Red Mountain Project contains a large aeromagnetic anomaly, which may represent a buried intrusive structure. Previous drilling has yielded significant gold mineralization with impressive drill results including 125m grading 1.14g/t gold and 105m grading 1.07g/t gold.

Click here for expanded content review on Acero-Martin