Aston Bay Holdings (TSXV: BAY) – SELL

The fundamental argument for owning Aston Bay changed last week: BHP Billiton, which had been funding work at the Storm copper project as part of an earn-in agreement, terminated the deal.

Storm is an interesting asset. Located on Somerset Island, Nunavut, Storm has the potential for sediment-hosted copper and zinc mineralization. Geophysics, geochemistry, and sampling support the theory enough that BHP signed on last year to earn as much as a 75% stake in the property by spending $40 million on exploration.

BHP's endorsement brought a wave of attention to Aston Bay. We rode that wave from $0.22 to as high as $0.47; during that ride I suggested several times that anyone who invested alongside should think about taking money off the table.

Summer field seasons are short in northern Canada. BHP and BAY did what they could, including setting up camp, running several geophysical surveys, completing a large soil sampling program, and drilling 12 holes. Three of those holes carried visual copper mineralization; the best returned 16 metres grading 3.07% copper and 12.3 g/t silver. The other nine holes returned no significant results.

Apparently it was not enough for BHP, which has dropped the deal. BAY shares plummeted on the news, losing 34% in a day. They have since recovered a bit of ground.

I think Storm has very interesting geologic potential, but unfortunately the combination of BHP's departure, the high cost of exploration in the north, the need to raise capital, and the short summer exploration season mean that I see challenges for BAY as a stock. I don't see any rush to sell – there is no more bad news to release – but **I will gradually sell my position to rotate capital into opportunities with clearer near-term potential.**

Cordoba Minerals (TSXV: CDB) – BUY; High Risk ($1.20)

Colombian explorer Cordoba Minerals saw its share price jump 39% on Monday when the company announced a truly astonishing drill intercept: 4,440 g/t gold, 10.25% copper, 24.7% zinc, and 347 g/t silver over 0.9 metres.

The hit came from the edge of the Alacran skarn, where CDB and partner High Power Exploration (HPX, Robert Friedland's private explore-co) recently defined an initial resource of 53.5 million inferred tonnes grading 0.7% copper and 0.37 g/t gold. Yes, the drill hit something very different than the known resource, but that's not actually a surprise.

I visited the San Matias project, home to the Alacran deposit, in November. I left with two key impressions:

1. The (very good) geologists at HPX and Cordoba don't understand Alacran. At first they thought it was a skarn, but with each hole a new idea surfaced. Is it a skarn? A porphyry? An iron oxide copper gold system? A carbonate base metal epithermal zone? It is probably some combination of all these things, but at this point it doesn't really matter. What matters is that

multiple hydrothermal events overprinted one another and left behind a large, complicated, and well-mineralized system.

2. The locals have been hand mining at Alacran for 30 years. The town is centered on a tailings pond, dozens of small diesel-powered ball mills, and tables where the ground ore is leached using cyanide. Alacran must offer some very good grades to keep these guys going.

Small-scale miners need good ore. At Alacran they mine both lower-grade disseminated sulphide mineralization (like the defined Alacran resource) and high-grade veins. The low-grade rock works but it's the high-grade that has really kept them going at Alacran for 30 years.

Until this new result, Cordoba hadn't hit into any high grade. Now they most certainly have. My guess is that the hit came from right in town, where I saw a drill rig turning when I was there in November.

The team is interpreting the hit as a carbonate base metal (CBM) vein cutting through the disseminated skarn-like copper-gold mineralization. In fact, the high-grade vein came within 136 metres grading 1% copper and 0.56 g/t gold. Importantly, note that mineralization in the broad intercept is not a spreading of the high-grade segment. If it were, spreading 4,440 g/t gold over 136 metres would have given an average grade of 29 g/t!

No, the broad intercept carried the more classic Alacran-type copper-gold mineralization and the high-grade hit was a distinct event. The vein structure is 5 metres wide and carries chalcopyrite, sphalerite, carbonates, and coarse gold.

The core photo Cordoba released, showing "strong coarse visible gold in sphalerite-carbonate vein cutting chalcopyrite"

CBM systems are known for exactly this kind of mineralogy. One such system is Continental Gold's Buritica deposit, which is located south of San Matias along Colombia's Mid-Cauca belt.

CBMs are known for their high grades, good continuity, and depth extent – all very worthwhile characteristics. Knowing that, it's no surprise Cordoba president Mario Stifano says they are going to "drill the crap out of this thing." He also noted that CDB and HPX are now logging some earlier core that carried high-grade segments with an eye for CBM characteristics.

CBM occurrences in earlier core will likely exist but may well be limited because this one CBM structure is subvertical with an easterly dip. The main Alacran body dips to the west, so CDB and HPX have been drilling west to east. That means drills may well have missed or threaded between easterly-dipping CBM structures. Work will now incorporate a wide range of drill directions to better understand and intercept this high-grade intrusion within the Alacran body.

Cordoba's share price gained $0.36 on Monday to close at $1.28. It gave back some of that ground the next day but the market is clearly very excited about the high-grade hit.

Columbus Gold (TSX: CGT) – BUY; Medium Risk ($0.92)

It's only been a week since I wrote up Columbus Gold but already the company has put out two news releases.

The first expanded Columbus' Eastside gold project in Nevada with the acquisition of the Castle project. As shown in the map, Castle is contiguous with Eastside to the south. Castle covers about 10 sq. km and includes historic gold resources in three places.

All three are near surface oxide gold zones covered by a thin (10-30m) layer of alluvium.

The open pit, heap leach Boss mine produced roughly 30,000 oz. gold in the late 1980s. The Berg, Castle, and Black Rock zones were discovered after Boss closed.