

Discovery Ventures Inc. Issued Significant Upside Market Valuation In Research Report as Highly Synergistic Assets Move Forward Toward Gold Production

16.12.2015 | [ACCESS Newswire](#)

NEW YORK, NY / ACCESSWIRE / December 16, 2015 / [Discovery Ventures Inc.](#) (TSX VENTURE:DVN) (OTCQX:DTVMF) (Frankfurt:ODV) is identified in a newly issued research report by Market Equities Research Group with several potential catalysts that exist in 2016 with potential to result in \$65 million market cap for DVN.V. Discovery Ventures is currently advancing its Max Mill and Willa Gold Mine near Revelstoke British Columbia toward becoming Canada's newest gold mining operation. The Company will have 94.9 million shares outstanding (after closing of the most recent private placement), is trading near 16 cents, and is fully-financed thru to 10,000 t bulk permit. This comprehensive report places a 12 month price target on shares of DVN.V at C\$0.65 based on key valuation drivers.

The full research report may be found at <http://sectornewswire.com/Report-DVN-Dec-2015.pdf> online.

Since acquiring its interest in the high grade, near-production ready Willa Au/Cu/AG deposit in late 2012 and the Max Mine processing facility in late 2013, Discovery Ventures has been intent on moving these highly synergistic assets forward toward production. The Willa deposit is an intensively-explored, high grade, near-production-ready Au / Cu Ag deposit. Management is now marrying this resource with the Max Mine, located within easy trucking distance and includes crushing, milling & concentrating facilities, tailing storage facilities, as well as the underground molybdenum mine, which ceased production in 2011 due to low prices. Acquisition terms were recently revised, resulting in much lower dollar payments, placing the WillaMAX project on a very solid footing going forward.

Willa Deposit Highlights:

- High grade deposit to generate high NSR / profitability (M&I 758,199t @ 6.67 g/t Au, 0.85% Cu, 12.54 g/t Ag)
- Well defined by closed-spaced, underground drilling (~600 drillholes)
- Good access with >2km of underground workings & good ground conditions expected for low cost underground mining methods
- Positive metallurgical work completed to date for expected high recoveries
- Planned mining rate of 500 tpd a perfect match for MAX.

MAX Processing Facility Highlights:

- The facility includes a full complement of crushing, milling / concentrating facilities, & tailing storage facilities
- Equipment is late model and in very good condition (kept in good shape in anticipation of another start-up)
- Can be retrofitted with ease for Willa material at low cost
- Fully permitted facility
- 135 km distance to Willa on paved roads offers reasonable transportation costs
- Substantial molybdenum deposit remains for long term blue sky potential. Currently heavily discounted, given time should Mo rise to \$20/lb the gross value of the resource would exceed \$300 million. Very low capex to refit mill to accommodate moly production.

The Analyst sees a well-delineated, high grade Willa deposit with excellent underground access - combined with a processing facility that is in excellent shape and easily retrofitted. They are in good proximity to each other and ideally suited in terms of scale (i.e. 500 tpd). In addition, we see a highly motivated management team with a CEO that has put up \$7 million in financing to move this project along.

Summary of key value drivers:

- 1) Achieve Production: Upon realizing a successful 10,000 tonne bulk sample through Q2, 2016 and reaching the planned 500 tpd production in Q3, 2016 (i.e. under a 75,000 tonne / yr small mine permit mentioned in July, 2015 news release), the company will have reached a very significant milestone. The company could continue mining into 2017 (renewal), providing time to gain mining permits.
- 2) Use of MAX Mill to Process Additional Resources: The Willa & MAX properties are located in highly mineralized areas of BC with over a century of production. Acquiring additional deposits in the area would also represent a highly significant milestone for the company and facilitate a long term, highly profitable future for MAX.
- 3) Blue Sky Mineral Potential: There is significant, known exploration potential remaining at Willa that has only seen limited exploration largely due to topography and the historical emphasis on the West zone. In addition, records indicate a very promising Tungsten resource at MAX as well as additional moly resources (see discussion in report).
- 4) Remaining Molybdenum Resource at MAX: The significant remaining, virtually untouched moly resource at the MAX property (see discussion) provides very significant option value for Discovery, particular when viewed in the context of the mitigating effects of having a MAX mill in operation, along with the development work completed when the original MAX moly mine was placed into production.
- 5) Management: Given the events over the past months and level of current activity, there is little question regarding management's intent to make the WillaMAX operation a reality, providing some comfort to investors.

Several Potential Value Catalysts exist in 2016, with Potential for \$65+M mkt cap, \$0.65+/ share: Including, commencement of mining / processing, and demonstrating successful mating of Willa resource with MAX processing facility. The above target share price was based on current gold prices (near US\$1,075/oz), the company is leveraged to underlying commodity prices.

Synopsis of reasons the Analyst likes Discovery:

- High grade Willa deposit,
- MAX processing facility in excellent condition,
- Indications for modest capx (subject to confirmation in upcoming PEA),
- Recent revisions to acquisition terms which facilitate much easier financing terms,
- Highly aggressive and motivated management,
- Near term to production (fully-financed thru to 10,000 t bulk permit),
- Ability to utilize MAX mill for additional deposits beyond Willa – combined with location in prolific mining district in British Columbia with remaining resources believed to be within trucking distance of MAX,
- Ability to expand capacity at MAX in future,
- Apparent lack of permitting issues at Willa, existing processing permits at MAX,
- Virtually unexploited known / defined moly resource at MAX along potential for additional deposits (i.e. Tungsten).

For these reasons, in view of Discovery's current market cap of ~\$15 million, the company appears undervalued and offers significant upside with favorable risk-reward characteristics. Upon the realization of a successful bulk sample, commencement of commercial production pursuant to a small mines permit, and

indications for a successful permitting process, we could see an upward revision in the market cap for Discovery to the C \$65+ million level by 2017. A price target of \$0.65+/share may well be warranted. The aforementioned target share price was based on current gold prices (near US\$1,075/oz), the company is leveraged to underlying commodity prices. Depending on capx estimates for the project, and any indication that additional resources may be available for acquisition, the potential for significant upward revisions to these estimates may be possible, depending on resource size. Further, the long term option value for the MAX moly deposit is very substantial, given the size of the deposit; a heavily discounted value of \$10+ million for the moly now is not unreasonable, however should moly rise to US\$20/lb shares of DVN.V would increase in multiples as the gross value of the Mo resource would exceed \$300 million (note: back in 2008 Roca Mines, the former owner & operator, was trading at a ~\$half-billion market cap at ~\$4/share while producing molybdenum). Should gold and moly prices cooperate, even modestly, it is not unreasonable to expect to see DVN.V trade well beyond \$1/share.

The full research report may be found at <http://sectornewswire.com/Report-DVN-Dec-2015.pdf> online.

This release may contain forward-looking statements regarding future events that involve risk and uncertainties. Readers are cautioned that these forward-looking statements are only predictions and may differ materially from actual events or results. Articles, excerpts, commentary and reviews herein are for information purposes and are not solicitations to buy or sell any of the securities mentioned. Readers are referred to the terms of use, disclaimer and disclosure located at the above referenced URL(s).

Contact information:

[Discovery Ventures Inc.](#)

Fredrick William, BA Ec., Managing Director

Market Equities Research Group

f.william@marketequitiesresearch.com

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/218694--Discovery-Ventures-Inc.-Issued-Significant-Upside-Market-Valuation-In-Research-Report-as-Highly-Synergistic-Ass>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer](#)!

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).