



## Why Trump Will Make Northern Dynasty Minerals Ltd. Great Again

### Description

**Northern Dynasty Minerals Ltd.** ([TSX:NDM](#)) is a stock that, while not well known, has produced amazing returns for investors in 2016. The company's stock price is up over 450% year-to-date with the majority of the increase occurring since November 9 on speculation that the Trump administration could approve a copper and gold mine in Alberta that had previously been stalled by the U.S. Environmental Protection Agency (EPA) for three years due to concerns about the local sockeye salmon industry.

### Stalled Pebble deposit mining project in Alaska

Northern Dynasty's CEO Ronald Thiessen has announced that he expects the company's mining application for its Pebble deposit site located in Alaska's Bristol Bay region to be approved in early 2017 following the announcement of the recent election of Donald Trump to the presidential office. The project had previously been stalled by the EPA for three years, supported by the Obama administration's efforts to protect its environmental legacy.

In 2014, the EPA took an unusual step by blocking the mine before permits were submitted by Northern Dynasty. This action effectively killed the project, and the company noted that it would take a capital raise or an investment partner with sufficient capital to support the permitting process to aid the company in achieving the necessary permits for this mine. These uncertainties remain today; however, Mr. Thiessen is confident the company will be in a much better position to pursue these avenues if the veto is lifted.

The company's stock price has followed suit with Mr. Thiessen's assertions, climbing from a pre-election price of \$1 to its current price around \$2.30. The company's market capitalization has grown by \$500 million since the beginning of the year, growing to become a mid-cap stock from relative obscurity.

### Deregulation a positive for Northern Dynasty

Trump's campaign promises to cut regulation and red tape have been re-confirmed with his recent promise to cut two regulations for each one regulation imposed. The implication for mining companies

such as Northern Dynasty is that gaining the necessary permits to begin mining key sites will become less cumbersome in the coming months—something investors are clearly hoping for.

If the company is indeed able to secure the financing necessary to move forward with the permitting process for its proposed copper and gold mines in the Pebble deposit region of Alaska, it is unclear what sort of impact this will have on the stock price; however, investors and analysts are generally much more bullish about this stock's prospects now.

It's a speculative stock, but a very interesting one, for investors looking to buy risk in this new regulatory environment.

## CATEGORY

1. Investing
2. Metals and Mining Stocks

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