



## This Mining Stock May Explode by 1,000%

### Description

You can get rich with mining stocks. Many experience regular rises of 50% or more. Just be careful—downside of 50% or more is also possible.

But if you understand the risks, you can make calculated bets on volatile stocks capable of doubling or tripling in under 12 months. Which stock is best suited for a massive rise? Here's your best bet for 2019.

### A huge opportunity

**Northern Dynasty Minerals Ltd** ([TSX:NDM](#))([NYSEMKT:NAK](#)) owns a mining project that could be worth more than \$10 billion. Why then is it trading at a valuation of just \$200 million? This is a complicated story with many moving parts, but if you understand what's at stake, you can make a small bet that could pay off handsomely.

Northern Dynasty has a 100% interest in the [Pebble Mine](#) project located in southwest Alaska. This is truly a world-class property, with more than 50 billion pounds of copper, 70 million ounces of gold, 3 billion ounces of molybdenum, and 340 million ounces of silver. But there's a catch: the mine hasn't been built yet.

If developed, this would be one of the most lucrative mining projects in history. Unfortunately, the project has been riddled with environmental concerns. Due to its location near a critical bear and salmon habitat area, environmental groups, politicians, citizens, and local labor groups have pushed back against the potential impacts.

Specifically, they're worried about water drainage from the facility that could destroy important habitats for salmon. Thousands of people rely on these habitats for employment, tourism revenues, and subsistence.

In response, Northern Dynasty dramatically reduced the scope of the project and addressed nearly all of the environmental concerns with improved infrastructure and transportation planning. Still, the

project is being treated as a dead-end by investors. If the company can approve its downsized plans, that could unleash the opportunity for massive upside—we're talking 1,000% or more.

## Here's the bet

If you want to bet on this stock, here's what you need to know. Currently the full-scale mining plans have been eliminated. The current plan calls for a conventional open-pit mining operation with a 20-year project life. Construction should take around four years, after which the project will produce an average of 70 million tons annually.

Here's the annual production broken down by resource 318 million pounds of copper, 362,000 ounces of gold, 1.8 million ounces of silver, and 14 million pounds of molybdenum.

In February of 2019, the U.S. Army Corps of Engineers released a draft Environment Impact Statement (EIS) that found no substantive issues with the current mine proposal. We're currently in a public comment period. The final EIS should be submitted early next year, with an ultimate regulatory decision expected around mid-2020. The project still needs a few other minor permits and approvals, but the EIS is certainly the biggest hurdle.

If approved, the mine could start production around 2025. That's a ways off with a lot of ifs, but the value of this mine is enough to warrant a small bet. The current stock prices values the copper reserves at US\$0.15 per pound. Gold reserves are valued at just US\$2.00 per ounce.

The average valuation for a mining company in development is roughly US\$3.00 per copper pound and US\$46 per gold ounce, which would result in a share price of more than \$10, representing more than 1,000% in upside!

Allocating a small part of your portfolio to this speculative bet could be worth the wager.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

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