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CAD drill rig at Flatbed.

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The market’s reaction to a very positive PEA from the Flatbed project was somewhat muted, although it has to be taken against the backdrop of falling prices across the sector, so maybe not a huge surprise?

CAD now has a PEA for both of their projects, and around a CAD $2.4 billion combined value, against the current market cap of some CAD$ 50 million!

So once takes into account the value of the assets against the market cap, it’s no real surprise the stock price has jumped up, and it looks like a delayed reaction to the recent excellent PEA news.

Looking ahead, at the current healthy margin against FOB, Colonial looks amazingly cheaply valued, and perhaps we shouldn’t be surprised if the stock rerates strongly from this point.