

Acero-Martin Exploration (TSXv:ASD)

By Malcolm Bucholtz of the Commodity Supercycle Report

A Hidden Gem

At the Market Traders, we are always on the lookout for hidden gems that have significant upside potential. We think we have found one in the form of a small cap Canadian company with a flagship property in southern Peru. The name of the company is Acero-Martin (TSXv:ASD, Pinks ASDFF)

Peru is Mining Friendly

For readers who may be uneasy with a Peruvian exploration play, rest easy. Here's why. Peru is South America's 3rd largest country and it is endowed with an abundance of mineral resource wealth. President Alan Garcia recognizes this potential and unlike other South American socialist dictators who fail to grasp the capitalist concept, he is taking full advantage of it. In fact, 15% of foreign direct investment into Peru is into the mining sector. Companies like BHP, Newmont, Barrick and Teck Cominco are all active in Peru. If Peru is to the liking of the big majors, then I reckon all is well.



Flagship Pinaya Project

The more I look at the Acero-Martin story, the more I like it. Acero-Martin's flagship property is its Pinaya Project located in Southern Peru, 775 km (482 miles) southeast of the city of Lima as the following map shows. Pinaya is part of a larger belt of mineralization that extends over 300 km through southern Peru. The Pinaya property has all the essentials a

mineral exploration firm could need, including a road that comes to within 4 miles of the property and rail access to the Pacific Port of Matarani some 90 kilometers to the

south. Acero-Martin acquired this property in 2004 and has been diligently working on it ever since.

Pinaya is comprised of 3 zones named Western Porphyry, North Western Porphyry and the Gold Oxide Skarn Zone. Recently Acero-Martin issued a 43-101 compliant resource estimate and Technical Report that shows an Indicated Resource of 496,000 ounces Gold and 270 million pounds Copper as well as an Inferred Resource of 170,000 ounces Gold and 115 million pounds Copper.

Very Positive 43-101 Report

The author of the report, Minorex Consulting, concluded the report by saying: "The Pinaya property is a property of merit and worthy of continued exploration. It has the potential for hosting a bulk-tonnage copper-gold deposit that may be amenable to both conventional milling and heap leaching. Further detailed exploration work is required to define the limits of the known and inferred mineral resources. The Western Porphyry zone is open laterally to the northwest and southeast and down dip to the northeast. The Gold Oxide Skarn zone is similarly open and it has, at least, two areas within its known length that require in-fill drill testing. It is quite possible that these two zones join along strike and at depth. It is recommended that Acero-Martin should continue exploration of the property, and undertake a two-stage exploration program to continue drill-testing the strike and dip extensions of the known copper-gold mineralization on the property while investigating its mineral potential beyond the current areas of interest".

Undervalued in a Big Way

To put this all into perspective, Acero-Martin currently has 57 million shares outstanding along with warrants that could turn themselves into 7 million shares if the share price is at or above C\$0.75 come March 2008. There are also options, but the strike price of these is higher and the exercise dates a ways off in the future. At current market prices, the market capitalization of Acero-Martin absolutely pales in comparison to the economic value of the resource identified by the 43-101 Technical Report. In other words, Acero-Martin is a hidden gem that has been overlooked in the marketplace. And the story seems to just be getting better. The resource identified in the 43-101 Report is by no means the limitation. Recent drilling to expand the boundaries of Pinaya has intersected zones of Copper and Gold mineralization that are between 23 and 106 meters thick. No matter how you cut it,

this is serious stuff that deserves serious attention. In addition, recent rock chip and grab sample testing 10 kilometers away from the current known resource area has returned some very attractive assay values for Copper and Silver. Acero-Martin has now applied for titles to this land.

A Dynamic 2008

The team at Acero-Martin is charging full steam ahead. At this time of writing, the company is doing a small financing to raise some more working capital. Going into 2008, the pace is going to be lightening fast. The objective is to advance the Gold Oxide Skarn Zone into small scale production while at the same time continuing to grow the size of the overall known Copper and Gold resource.



The above chart shows that the market is starting to wake up and pay attention. In the past month price action has gone from C\$0.25 to C\$0.41. A move through the 50 day moving average at C\$0.46 should really start the ball rolling.

2008 promises to be a dynamic year for Acero-Martin. We are assigning a **STRONG BUY** rating to the stock. For further information, be sure to visit the corporate website at <http://www.aceromartinexp.com>

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