

# THE PROSPECTOR

RESOURCE INVESTMENT NEWS

October 2016

## SEARCHING OUT VALUABLE COMPANIES IN THE ENERGY METALS BULL MARKET





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It's not how light you make it... It's how you make it light.



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I'm not a geo, and likely neither are you; I'm not a financial advisor, so do your Due Diligence! I AM a scientist, researching, analyzing and writing some original material. I often present items I believe to be credible 'facts', which may subsequently be proven, or not.  
D O'Brien - Covering the 'energy metals'; copper for 18 years, graphite for 6, lithium for 4 and now adding cobalt.



# CYPRESS MAKES GREAT STRIDES IN NEVADA

## WITH UNIQUE 'NON-HECTORITE' LITHIUM IN CLAYSTONES

By David O'Brien

Recent announcements indicate **Cypress Developments Corp. (CYP: TSX-V, CYDVF: OTC)** has not only been making great strides in the development of their Nevada prospects... they are getting the recognition and earning the credibility, and buy-in, of one of the major players in the Nevada lithium brines, **Pure Energy Minerals Ltd. (PE: TSX-V, HMGLF: OTC)**

**O**n September 27, 2016 Cypress announced the beginning of their 'Phase 3 Exploration' at Clayton Valley Lithium Brine/Clay Project in Nevada, which is a property-wide surface sampling program.

Cypress' Clayton Valley Project is within half a mile of lithium brine wells belonging to the **Albemarle Corp.'s (ALB: NYSE) Silver Peak Mine** and the property shares its western boundary with the lithium resource area of Pure Energy's **Clayton Valley South** project. Talk about an 'area play'... they're

literally surrounded by producing and great potential projects.

Cypress has collected more than 500 samples over the past few weeks. These additional surface samples, now waiting for assay results, compliment previous sampling conducted

by Cypress earlier this year in which CYP encountered a *strongly mineralized zone averaging 1,350 ppm lithium along a 1 kilometre strike length*. In addition to lithium, boron assays will also be completed for the surface grid sample program.

Back in August, Cypress optioned its flagship Clayton Valley Project to Pure Energy Minerals with Cypress remaining the operator of the project until Pure Energy earns a 51% interest. The agreement allows CYP to advance its Clayton Valley Project while working with and utilizing the geological expertise of the Pure Energy team. As Donald Huston, President, Cypress Development Corp. commented, "Cypress is excited and very pleased to have our land position in Clayton Valley recognized as a value-add to both companies through this Option Agreement with Pure Energy Minerals. Cypress already has Federal permits in place, so the Clayton Valley Lithium Property offers an immediate opportunity to drill for additional lithium resources. Planning for the field program is well advanced, and we should see field crews mobilizing for a systematic sampling program in the next two weeks." *A win-win...*

Just recently, Cypress announced an agreement to acquire a 100% interest in a 2nd Clayton Valley lithium project. The

2,700 acre "**Dean**" **Lithium Brine/Clay Project** is located immediately adjacent to Albemarle's Silver Peak Mine on the west boundary, Pure Energy Minerals project on its southwest boundary and Cypress' existing Clayton Valley Project on its southern boundary. *This is a coupe.*

**Robert Marvin, P.Geo.**, Exploration Manager for Cypress Development Corp. is the **Qualified Person** as defined by NI 43-101 and he approves all technical information.

Cypress Development Corp. is a publicly-traded lithium and zinc exploration company that continues to acquire and develop potentially viable mineral projects in Nevada. CYP's team is exploring its properties for another lithium-brine resource within the recently discovered non-hectorite "claystones", and has proven high-grade lithium assays recovered from these claystones.

Most lithium mines are produced from either hard rock, usually spodumene-bearing pegmatite; and secondly, from brines, called playas or salars. The third method is one that Cypress is pioneering: the cost-effective and less toxic method of extracting lithium from softer claystones. The unique chemical extraction process (Weak Aqua Regia digestion) uses a much cheaper diluted acid mixture of one part HNO<sub>3</sub> (nitric

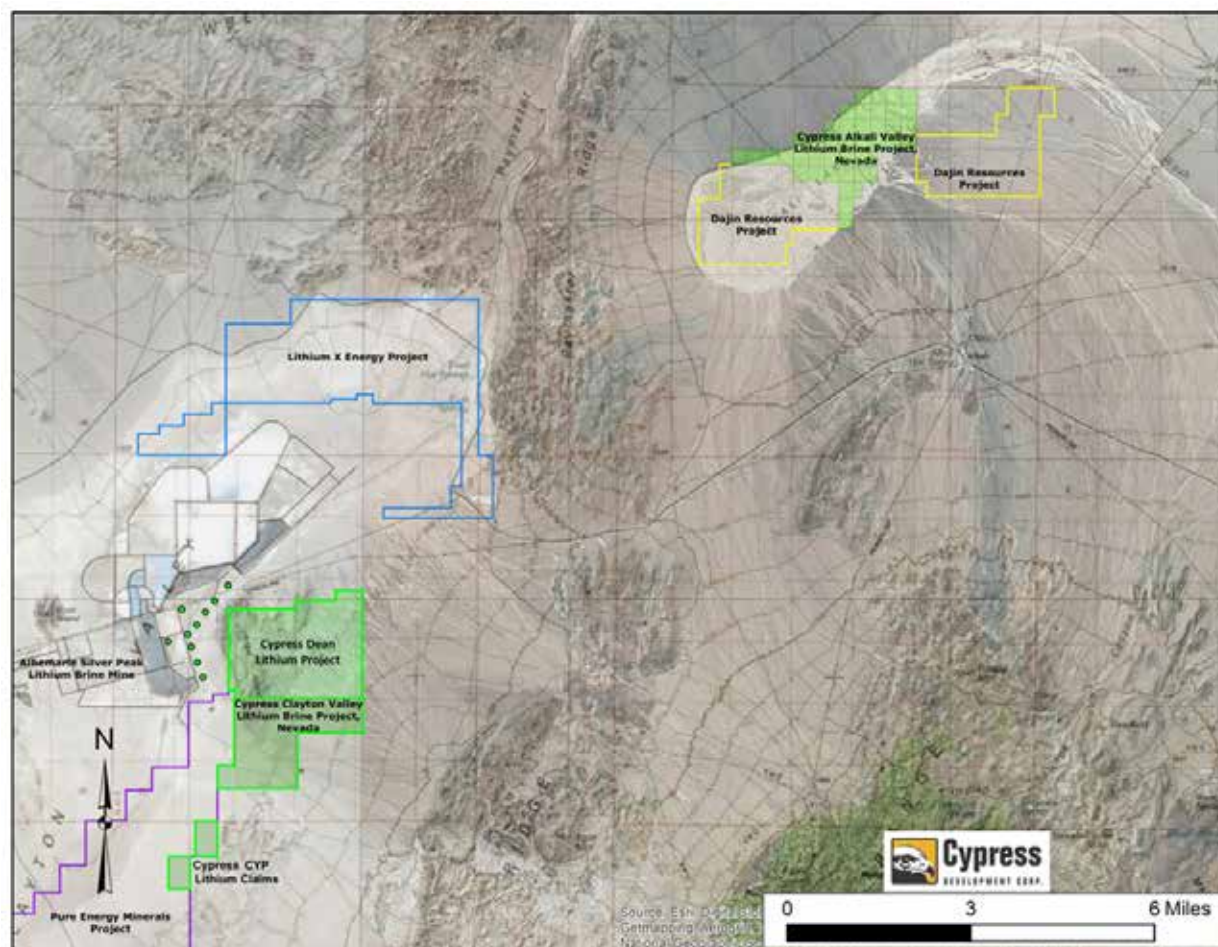
acid), one part HCl (hydrochloric acid) and one-part water (H<sub>2</sub>O) replacing the industry's expensive and caustic standard 4-acid method of a corrosive combination of HCl (hydrochloric acid), HNO<sub>3</sub> (nitric acid), HF (hydrofluoric acid) and HClO<sub>4</sub> (perchloric acid).

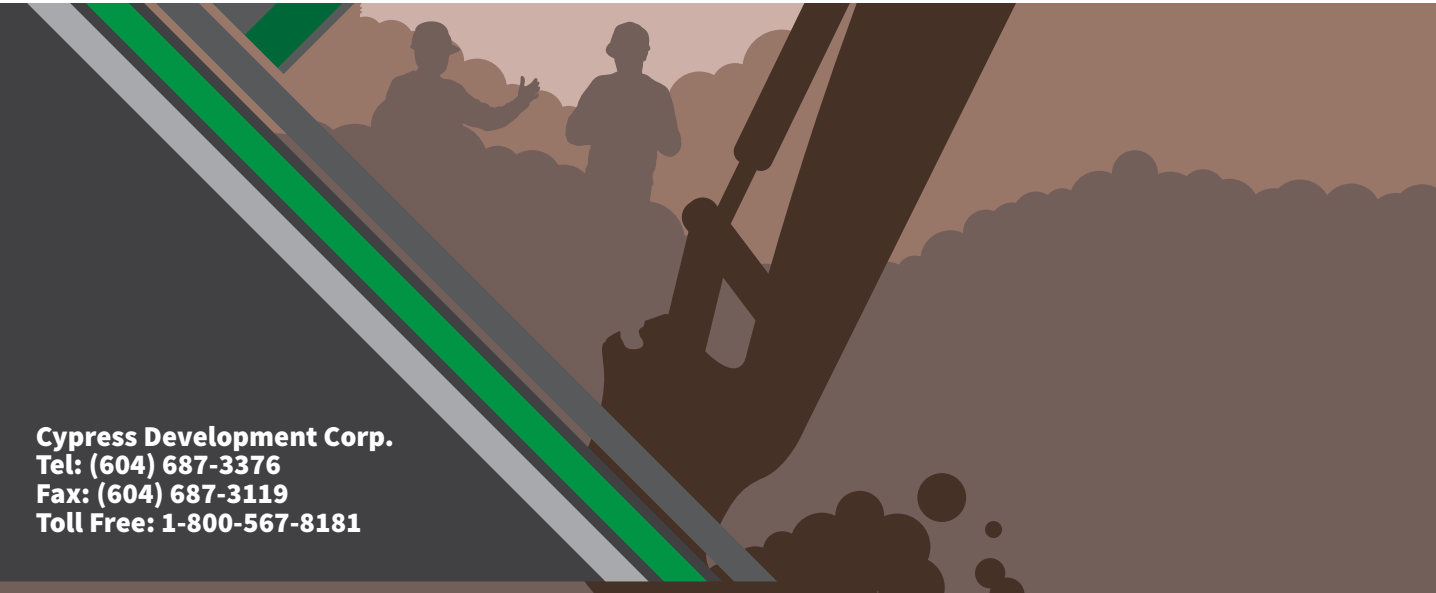
This is what other industry observers were saying wasn't even possible because of the huge expense (OpEx) of 'roasting-off' the hectorite-encumbered lithium. *No hectorite, no problem...*

Cypress Development Corp. has approx. 25.6 million shares issued and outstanding.

The payments from the Pure Energy option will carry CYP forward, sourcing and buying additional prospects such as the Dean Property. Positive cash flow from these deals puts CYP in a unique position for a junior. *Sounds like management earns a Check, too. Do your Due Dili, of course.*


*David O'Brien, is the owner of Int'l Mining Research Inc. which employs Media, Event and Online exposure, including MineSnooper.com. O'Brien also owns W.I.T. Marketing, an ad agency, and has been contributing articles to TheProspectorNEWS.com, on demand. He owns no shares in the above companies. [dobrien@InternationalMiningResearch.com](mailto:dobrien@InternationalMiningResearch.com)*






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**Cypress Development (TSX-V: CYP) is a publicly traded lithium and zinc-silver exploration company advancing projects in the State of Nevada, U.S.A.**



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# AIX: AHEAD OF THE CURVE IN THE JUNIOR 'HARD ROCK' LITHIUM SECTOR

By David O'Brien

**Alix Resources Corp. (AIX: TSX-V)** is a junior exploration company focused on exploring advanced lithium properties in excellent mining jurisdictions. Alix's main lithium properties, the Jackpot property in Ontario and the La Corne Lithium Camp in Quebec, have historical lithium resources.

**A**lix is focused on maximizing their return on exploration spending and bringing historical lithium resources to NI 43-101 standards. Historical lithium resources enable Alix to start advanced exploration programs while others are still trying to locate spodumene. For this reason, we believe Alix has a unique opportunity to be 'ahead of the curve' in the junior 'hard rock' lithium sector.

**Corporate Structure** looks pretty good even after the Full Dilution:

**Property Overviews** (precised from their current Fact Sheet):

SHARES O/S	FULLY DILUTED	WARRANTS	OPTIONS
50,381,941	69,615,941	15,894,000 @ \$0.07	3,340,000 @ \$0.09

## JACKPOT LITHIUM

(2Mt of 1.09 Li<sub>2</sub>O, an HISTORICAL RESOURCE ESTIMATE)

Initial sampling returned multiple samples running greater than 2% Li<sub>2</sub>O and as high as 2.86% Li<sub>2</sub>O. The Jackpot Lithium property, located in the Georgia Lake Area about 140 km NNE of Thunder Bay, Ontario, is close to the TransCanada Highway and the main railroad. The property has a historical resource on the Dyke No. 2 pegmatite zone, reported as 2Mt @ 1.09 Li<sub>2</sub>O estimated in 1956 by Ontario Lithium Company Limited.

Alix is focusing its exploration efforts on this property as well as the La Corne Lithium Camp.

## LA CORNE LITHIUM CAMP

### LA CORNE 1

(135,000t of 0.95 Li<sub>2</sub>O HISTORICAL RESOURCE ESTIMATE)

Initial surface samples collected returned an average of 2.41% Li<sub>2</sub>O with above-limit tantalum concentrations. The La Corne 1 Lithium

property is located in the Figuery Township. Mineralization consists of spodumene-rich sub-horizontal, irregular dykes.

### LA CORNE 2

(75,000t of 1.45 WT. % Li<sub>2</sub>O HISTORICAL RESOURCE ESTIMATE)

The La Corne 2 Lithium Property is situated in the La Motte Township. Mineralization is contained within two granitic pegmatite dykes (182-259 m long x 2-3 m thick), rich in spodumene (Li) with accessory tantalite (Ta) and beryl (Be).

### LA CORNE 3

(HISTORICAL ASSAYS OF 1.65 WT. % Li<sub>2</sub>O)

The La Corne 3 Lithium Property is located in the La Motte Township. Granitic pegmatites dykes, 0.60 to 1.20 m thick, reveal 15 to 30% spodumene accompanied by beryl (Be).

### LA CORNE 4

(CONTIGUOUS TO PAST-PRODUCING LITHIUM MINE)

The La Corne 4 Lithium Property is contiguous to the western boundary of RB Energy's Canada Lithium Mine property located in the La Corne Township. RB Energy's Quebec Lithium Mine reported measured and indicated resources of 29.3 Mt grading 1.19% Li<sub>2</sub>O and 20.9 Mt of inferred resources grading 1.15% Li<sub>2</sub>O, respectively. (source: NI 43-101 Technical

Report filed by Canada Lithium, on SEDAR, June 8, 2011).

## ELECTRA PROJECT, SONORA, MEXICO

The Electra Project is a strategically located exploration property in Sonora, Mexico, totalling approximately 22,000 hectares and contiguous to **Bacanora Minerals (yyy: TSX-V)**'s Sonora Lithium Project. Alix's property targets interpreted extensions of lithium-bearing clays extending from Bacanora Minerals' property. **Lithium Australia NL (LIT: ASX)** will jointly explore and develop the Electra lithium project with Alix.

The 'Project Generator' model continues to work for this management team, as **Michael England** says " ".

In the field, there is the experienced team of **David Lajack (B.Sc.)** and **Michel Boily (M.Sc., PhD, P.Eng.)** and the Advisory Board has some notables with clout: **Robert Schafer (now President of the PDAC)**, **Gerald Rayner (P.Eng)** and **Chris Ecclestone...** lending 'cred'. Recently, **Ms. Tracy Weslosky** was also appointed to the Board.

President and CEO Michael England commented, "With the additions of Mr.

Ecclestone, a very influential mining strategist, and Ms. Weslosky, a leading online publisher in the resource sector, we continue to enhance our international bench strength."

Tracy Weslosky is the Founder and CEO of **InvestorIntel Corp.**, a company that publishes InvestorIntel.com, a leading e-news source for investors, entrepreneurs and industry leaders; InvestorIntel hosts global investment symposiums with the 6th annual **Cleantech and Technology Metal Summit** scheduled for May 15-16, 2017 at the Omni King Edward Hotel in Toronto.

These are the kind of projects that generate interest from potential Joint Venture partners to advance... providing exit strategies at many stages of the development plan. Or, hold onto the shares for its longer-term growth prospects. Either way, keep an eye on the News coming from **AIX**, and, of course, do your Due Dili.

*David O'Brien, is the owner of Int'l Mining Research Inc. which employs Media, Event and Online exposure, including MineSnooper.com. O'Brien also owns W.I.T. Marketing, an ad agency, and has been contributing articles to TheProspectorNEWS.com, on demand. He owns no shares in the above companies. dobrien@InternationalMiningResearch.com*

**ALIX RESOURCES CORP.** TSX.V AIX FRANKFURT 37N

## LITHIUM IN MEXICO

- New discovery of clay mineralization returned up to 1,000 ppm Li from new Agua Fria extension of the Electra project in Mexico
- Highest lithium values received by Alix to date from the Electra project and are strongly anomalous
- **Aggressive work programs underway**

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# CRUZ CAPITAL KEEPS ACQUIRING PROSPECTS: GOAL OF BECOMING NORTH AMERICA'S FOREMOST COBALT PROJECT GENERATOR AND DEVELOPER



By David O'Brien

**E**specially as the cobalt industry deals with the entirely negative news coming out of the Democratic Republic of the Congo (DRC) which has traditionally produced the majority of the world's cobalt supply. Their reputation of hiring children and poor labour practices are driving some DRC producers out of business, even as many others over there are painted with the same broad brush, much like the 'blood diamonds' tainted almost everything African.

This inevitably reduces supply while demand is dramatically increasing due to the many uses being developed for cobalt, and in particular the battery sector. A North American producer will benefit from both moral and economic support. Read 'politically safe jurisdiction', always a good Checkmark in our Due Dili.

As **Jim Nelson**, President of **Cruz Capital Corp (CUZ: TSX-V, BKTPF: USA, A2AG5M: Germany)** stated after its October acquisition, "We are very pleased to acquire the **Idaho Star Cobalt Prospect**, strengthening our presence in the prolific Idaho Cobalt Belt. Geological data was gathered showing this prospect area to have been active for mining of cobalt, silver and copper in the past, which was the reason for the immediate acquisition."

In terms of end-user applications' market share currently:

- (49%) **Battery Chemicals Rechargeable Batteries:** Li Ion (LCO, NCM, NCA cathode) and NiMH/NiCd
- (18%) **SuperAlloys Nickel - Cobalt** based alloys: Aerospace, land based turbines, medical and others
- (8%) **Hardmetals** cobalt as a binding material: Cutting tools, mining and oil and gas drilling and others

**Electric Vehicles (EV) and/or Energy Storage Systems (ESS)** will 'fuel' future Cobalt demand:

- Cobalt market expected to tighten due to combination of a robust demand and absence of definitive project pipelines.
- Electric vehicles have potential to more than double cobalt demand:

**Tesla, Ford, Mitsubishi, Porsche, Aston Martin, BMW, GM, Volvo, BYD, Renault - Nissan, Mercedes Benz, and Volkswagen** have all announced significant financial investments in producing

Electric Vehicles (EV) and/or Energy Storage Systems (ESS) in the next several years.

- Tesla: US\$5 billion **Gigafactory** ahead of schedule. Ramp up production from current 50,557 cars produced in 2015 to 500,000 in 2018. First ESS to be in production end of 2016.
- Ford: invest US\$4.5 billion and bring 13 EVs to market by 2020.
- Volkswagen: 20 EVs or hybrids to be introduced within VW Group's by 2020.
- Renault - Nissan: US\$5.2 billion investment in EV and battery developments.
- Porsche: investing €1 billion to produce first EV sport cars by 2018.

The above tens of billions of investment in EV and ESS in less than ten years means more lithium-ion batteries and literally tons of cobalt... and ballparks from various Newsletter Writers are averaging about a quadrupling of current world demand. Could be less, and could be more...

*It's an automatic Check in our book.*

**BKTPF—USA | A2AG5M—Germany | CUZ—TSX.v**

**CCC**

**CRUZ CAPITAL CORP.**

**THE FOREMOST COBALT PROJECT GENERATOR AND DEVELOPER IN NORTH AMERICA**

Cruz has recently acquired eight separate cobalt prospects across North America; and as **Chris Berry** of **House Mountain Partners** recently effused "...I think one of the things that's surprised me is how most people haven't woken up to the opportunity. Again, we can get into a lot of the details about battery and battery metals and how important lithium is, or cobalt is, or graphite is, but I think cobalt is really sort of an undiscovered opportunity right now..."

Cruz recently executed a '3 for 1 Forward Split', potentially benefiting Shareholders with increased liquidity as well as the increased shareholding, of course; and with their recent financing are rapidly achieving their stated goal of becoming the foremost cobalt **Project Generator** and developer on the TSX Venture Exchange. Other management moves will ensure progress as well, such as the addition of **Fritz ten Doornkaat** of Switzerland as a strategic European adviser and seasoned expert. For more information directly: [www.cruzcapitalcorp.com](http://www.cruzcapitalcorp.com); 604 899 9150; [info@cruzcapitalcorp.com](mailto:info@cruzcapitalcorp.com) and Twitter: @CruzCapitalCorp.

*Cobalt and Cruz Capital Corp... why now?* To paraphrase 'Management feels that cobalt is about to have many of the same high calibre mining executives entering the space as lithium did and Cruz has set itself in the forefront by being the first mover to the space, acquiring its choice of the best projects available before the inevitable rush occurs.'

We like their attitude, and can readily acknowledge the early-movers' precedent and advantage set by the lithium players. *Many of them, in fact... as usual, do your Due Dili.*

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Everyone knows that the combination of a hot metals market and the New Orleans Conference is a recipe for life-changing profits.

Moreover, perhaps the most controversial presidential election in American history comes just days after the event — bringing with it the potential of a major recession and a stock bear market, if past experience holds true.

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- **James Altucher** — the entertaining and inspirational hedge fund manager, entrepreneur, bestselling author and podcaster...
- Hedge fund guru and legendary trader **Dennis Gartman**...
- **Dr. Marc Faber**, the respected Swiss maverick who brings powerful evidence to back his tumultuous forecasts...
- Popular and prescient investment authority **Peter Schiff**...
- Legendary free-market economist **Stephen Moore**...
- The undisputed king of controversy and contrarianism, **Doug Casey**...
- Master resource investor **Rick Rule**...  
...PLUS the world's leading authorities on gold, silver, mining stocks and

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# SIENNA'S CLAYTON VALLEY DEEP BASIN LITHIUM BRINES 'DEEPER THAN DEEP'

The "Clayton Valley Deep Basin Lithium Brine Project" is located in parts of the deepest sections of the only lithium brine basin with a producing operation in North America: **Albemarle's (ALB: NYSE) Silver Peak Mine. Pure Energy Minerals Ltd. (PE: TSX-V)**, which owns the Clayton Valley South project, has recently released an inferred resource of 816,000 tons of lithium carbonate equivalent on the Clayton Valley South project.

**A** According to the Pure Energy Minerals Ltd. website, "Geophysics shows that the same brine-bearing formations encountered during drilling (Pure) appear to extend to much greater depths within the basin."

**Jason Gigliotti**, President of **Sienna Resources Inc. (SIE: TSX-V, SNNAF: OTCBB A1XCQ0: FSE)** stated, "We are very fortunate to be able to engage **GeoXplor** who have the most intimate knowledge of Clayton Valley. The GeoXplor team have been instrumental with the development and discovery regarding the lithium brine deposit that Pure Energy Minerals Limited has, and we look forward to utilizing their experience and expertise to develop our "Clayton Valley Deep Basin Lithium Brine Project." GeoXplor has proven to be the pre-eminent Clayton Valley lithium brine discovery team. We are very excited to

start up our program as Sienna is located in the deepest sections of the basin that holds the only lithium-producing development in Nevada."

**John Rud** M.Sc. Geologist and a Principal of GeoXplor Corp states that "We look forward to working with the Sienna team as their project is located in the deepest sections of the Clayton Valley Basin, the only producing lithium brine basin in North America, with no company to date testing these deeper sections. Their (Sienna's) efforts in this regard is something we are very excited about."

Although Rud explains that the structure is 'correct' and there's ash and therefore a heat source, and a basin... that despite all of the seismic and other above-ground testing that are positively indicative of potential... until one drills, one doesn't know for certain what resource is down there. When asked if this is a 'long shot' his response is still that there is a good likelihood there's a resource and it's a matter of defining it... by drilling. The goal is to explore well below anything drilled in the area.

One of the principles driving Sienna's and GeoXplor's theorem is that the heavier brines will collect at the deepest levels. There 'should be' something to discover. Sounds logical, given the sedimentary nature of the lithium brines' building process (not being a geo myself, of course...). Stay tuned for more technical information, as GeoXplor has been in Nevada, and Esmeralda County, and working with the BLM for well over ten years, so issues like permitting are all being facilitated by those long-standing relationships... and by always 'doing things right'.

**For Sienna the 'Pure' drill program ending in brine at depth is probably the most important thing for the company to date.**  
As always, do your Due Dili.



David O'Brien, is the owner of **Int'l Mining Research Inc** which employs Media, Event and Online exposure, including **MineSnooper.com**. O'Brien also owns **W.I.T. Marketing**, an ad agency, and has been contributing articles to **TheProspectorNEWS.com**, on demand. He owns no shares in the above companies. [dobrien@InternationalMiningResearch.com](mailto:dobrien@InternationalMiningResearch.com)



Essential Power...Infinite Possibilities

# eCOBALT SOLUTIONS'

## FOUR E<sub>S</sub>

ESSENTIAL ENERGY ENVIRONMENTAL ETHICAL



**eCobalt**  
ECS.TSX

By David O'Brien


Back in June, **eCobalt Solutions Inc. (ECS: TSX)**, announced the completion of a CA\$4.4 M financing allowing it to move forward and to complete it's recently commissioned Feasibility Study on its **Idaho Cobalt Project (ICP)**. The ICP will be the United States' sole, near term, primary producer of high purity cobalt. Management and Insiders subscribed to 8% of the Offering.

**W**e see this as a vote of confidence by the management.


"The closing of this financing is a major advancement in moving our Idaho Cobalt Project towards production," stated **Paul Farquharson**, President and CEO of eCobalt. He continued, "These funds are expected to allow us to produce a feasibility study that will assist the Company in moving forward on Project CapEx financing".

Recently, **Rick Honsinger**, Senior V.P. was even more specific in that it 'sets the stage' for raising the CA\$147MM required to complete construction of the mine and commence production.

Your author's first 'assignment' for this group, 20 years ago, was to help the company's image reflect the nature of its business: **cobalt**. It certainly is encouraging to have them get to the precipice of success... in the best way, of course.



"eCobalt Solutions is committed to providing a unique opportunity for consumers to acquire an ethically sourced, environmentally sound, transparent supply of battery grade cobalt salts, essential for the rapidly growing rechargeable battery and renewable energy sectors, produced safely and responsibly in the United States."



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**OTCQB: ECSIF** 604-682-6229

More on management theory, Honsinger posited the 'Four Es'...

**ECS's Corporate Mission:**

**ESSENTIAL ENERGY ENVIRONMENTAL ETHICAL**

#### ESSENTIAL

The United States and China, among others, have categorized cobalt as a Strategic or Critical Metal. It is an important component of Renewable Energy Systems and Super-Alloys.

#### ENERGY

75% of rechargeable batteries currently produced contain cobalt. In addition to increased demand for cell phones, laptops, cameras, power tools, e-bikes, medical devices, electric power trains and grid storage, Electric Vehicles (EV's) are expected to require 10-20kg of cobalt per vehicle. There are currently 17 auto makers developing EV's.

#### ENVIRONMENTAL

Thanks to underground mining and modern mining techniques, eCobalt's environmental impact will be minimal. Tailings will be dry stacked, there will be no tailings pond. Environmental reclamation at the end of the mine life will be 100%.

#### ETHICAL

eCobalt's supply chain will be transparent and the labour force will be local. End-users will have a reliable and ethical source of quality Cobalt Sulphate Heptahydrate (the ICP's primary product used in the cathodes of rechargeable batteries) and consumers can be confident their end use product will be ethically sourced.

Consumers are increasingly demanding transparency in the supply chains of raw materials used in the end products they produce. Apple was recently taken to task for not being transparent in their supply chain for cobalt used in the batteries of their products and therefore not being able to guarantee the cobalt in your iPhone was not mined by children in the DRC.

The purity of the cobalt sulphate heptahydrate expected to be produced from eCobalt's ICP is suitable for rechargeable battery production and is expected to meet strict high quality specifications.

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2. hi-grade, low cost Ag in Peru
3. electric cars with longest-life batteries
4. plastics-to-oil technology with Int'l manufacturing contracts in place
5. 100K in Au mineralization, great financial structure with incentives
6. 'shell' available in AZ; US\$10mm in debt



**David O'Brien** 604 987 6657  
**Gary M. Sugar** 416 640 0500  
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**Battery usage** accounts for 49% of cobalt demand. Let's start there:

- **Lithium Cobalt Oxide (LCO)** batteries contain 60% cobalt by weight and are used in cell phones, laptops, cameras and other handheld portable devices
- **Lithium Nickel Manganese Cobalt Oxide (NMC)** batteries contain 15% cobalt by weight and are used in power tools, e-bikes, EVs, medical and hobbyist devices;
- **Lithium Nickel Cobalt Aluminum Oxide (NCA)** batteries contain 9% cobalt by weight and are gaining importance in electric power train and grid storage and are the choice of Tesla for their electric vehicles and grid storage batteries.

The second major use of cobalt is in **SuperAlloys** which account for 18% of current demand. These alloys are suitable for critical applications the aerospace sector – namely the moving parts of all land- and air-based turbines, primarily the turbine blades themselves. Cobalt's characteristics give SuperAlloys its high temperature strength that is very resistant to hot corrosion and thermal fatigue. Cobalt is used in every aircraft jet engine and in land-based turbines used in power generation plants.

All in all, it's encouraging to tell a story... *with no negatives. Do your Due Dili, of course.*

David O'Brien, is the owner of **Int'l Mining Research Inc.** which employs Media, Event and Online exposure, including **MineSnooper.com**. O'Brien also owns **W.I.T. Marketing**, an ad agency, and has been contributing articles to **TheProspectorNEWS.com**, on demand. He owns no shares in the above companies. [dobrien@InternationalMiningResearch.com](mailto:dobrien@InternationalMiningResearch.com)



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# DAJIN RESOURCES READY TO PROCEED...

WITH DRILL PROGRAM IN NEVADA, AND IN ARGENTINA  
WITH INDIGENOUS COMMUNITY SUPPORT

By David O'Brien

**Dajin Resources Corp. (DJI: TSX-V, DJIFF: OTCMKTS, A1XF20: Germany)** is a Vancouver-based energy metals exploration and mining development company, holding strategically located brine-based lithium projects in Argentina and Nevada. They have been active in the business since well before the current 'rush to claims' propelled by the Tesla Motors (TSLA: NASDAQ) and lithium-ion battery frenzy.

**K**ey properties are advantageously located within Nevada's **Lithium Hub** and South America's **Lithium Triangle**.

From a July 2016 News release "Dajin is an energy metals exploration company holding a 100% interest in 294 placer claims known to contain lithium (Li) and boron (B) values in the Teels Marsh region of Mineral County, Nevada. These claims, which cover 5,853 acres (2,369 hectares), are adjacent to the birth place of US Borax Corp's first borax mine. Dajin also holds 191 placer claims covering 3,851 acres (1,558 hectares) in the Alkali Lake region of Esmeralda County, Nevada.

Dajin has entered into an option agreement with Nevada Energy Metals Inc. to explore these claims located 7 miles (12 kilometers) northeast of Rockwood's Clayton Valley Lithium operation.

In Argentina, Dajin holds a 100% interest in concessions or concession applications in Jujuy Province, that were acquired in regions known to contain brines with potassium (K), lithium (Li) and boron (B) values. These concessions total approximately 93,000 hectares (230,000 acres) and are located in the Salinas Grandes/Guayatayoc salt lakes basin adjacent to concessions held by Orocobre Limited. Dajin has signed a binding Memorandum of Understanding with Lithium S Corporation ("Lithium S") whereby Lithium S has been granted an option to earn a 51% interest in Dajin's lithium properties in Argentina by making a payment of CDN \$1.0M and expending a total of CDN\$2.0M on the properties."

Dajin's Teels Marsh and Alkali Lake projects are located in Nevada. Alkali Lake is approximately 7 miles from **Albemarle Corp (ALB: NYSE)**'s Rockwood Mine, the only producing brine-based lithium operation in North America. At Alkali Lake, Dajin owns 100% of 191 placer claims, covering 1,558 hectares. The property is located approximately 7 miles northeast of the Silver Peak mine in Clayton Valley. Clayton Valley, Teels Marsh and Alkali Lake all have active geothermal systems.

The Teels Marsh prospect is also only 40 miles north in another geologically similar brine valley. Claims!

In South America, the Salinas Grandes Project covers a massive land position in the Salinas Grandes/Guayatayoc salars in northwestern Argentina. Salinas Grandes has previously been reported by **Orocobre Ltd. (ORL: TSX, ORE: ASX)** to be potentially one of the best salars in the country.

## A KEY DIFFERENTIATOR IN NEVADA AND WITH THE BLM IS WATER RIGHTS:

### Dajin has Acquired Them at Teels Marsh

Dajin has completed several geological studies including high resolution seismic and gravity surveys and is now gearing up to drill two large diameter exploration wells in the near-term. Dajin also acquired water rights for the Teels Marsh project through the Nevada Division of Water Resources. Regardless of the any long term decision on the type of extraction method to be used, attaining water rights is a crucial milestone for the project given both the importance of water for lithium brine extraction and the political issues surrounding water allocation in the state of Nevada.

In 2010, the **Critical Materials Strategy, U.S. Department of Energy** said the following: "Lithium is now considered a key, strategic energy metal in the clean technology economy that is being fueled by advances in electric vehicles, energy storage and electronics. The U.S. Department of Energy has identified lithium as a critical material whose demand is forecast to grow dramatically in the medium term, with rechargeable lithium batteries leading the way."

Helpful in the funding process was a \$25,000 Grant by the **National Science and Engineering Research Council of Canada** to fund efficient and sustainable lithium extraction. (Surprising, since all of their projects thus far are in the US and Argentina.)

Following the more than year-long series of activities at Teels Marsh, it is now drill-ready and work is underway to start drilling as soon as possible. A strategically sound move at the beginning of this process was to stake the entire playa surface, with no financial obligations to work the property, or make payments to third-party vendors.

As Dr. Hickson says "We are very excited about our upcoming drill program at Teels Marsh. After discovering measurable quantities of lithium in near-surface brines, this production-sized deep drilling will validate the potential of deeper brines."

As **Brian Findlay**, President and CEO of Dajin stated "We are still in the early stage of exploration at Teels Marsh and eager to begin our initial drilling to test the potential for finding significant lithium brines at depth."

Dajin has an option agreement with Southern Sun Minerals Inc., now **Nevada Energy Metals Inc. (BFF: TSX-V)**, whereby Nevada Energy may earn up to a 60-percent stake in the Alkali project. The agreement requires Nevada Energy to make a one-time payment of shares, cash payments over three years and complete certain exploration milestones in order to earn the interest.

The gravity survey completed by Dajin has shown that the basin is over 4,000 feet deep (1,200 metres) and a sub-basin of similar depth is present to the east of the previously identified and staked playa.

In the Salinas Grandes salar of Argentina, Dajin controls a 100% interest in over 93,000 hectares of lithium brine concessions located in Jujuy Province, Argentina, a province that is historically known to host lithium, potassium, and boron brine-based deposits. Known as the Lithium Triangle, it is reported to be about 70% of the world's lithium supply. The properties are situated in the Salinas Grandes/Guayatayoc salar basins adjacent to concessions held by Orocobre.

Dajin has been actively working with the Government of Jujuy and the indigenous communities to secure the exploration permits for its claims focusing on the **San Jose Project**. In the spring of 2016, Dajin's Director and COO **Dr. Catherine Hickson** met with representatives of the Aboriginal Community of **Inti Killa Tres Morros** and signed a co-operation deal for the exploration phase of the project.

Shortly afterward, Dajin signed a deal that will allow **Lithium S Corp. ("Lithium S")** to earn a 51% stake in Dajin's lithium properties in Argentina. Under the terms of their

Memorandum of Understanding, Lithium S can exercise the Option by making a \$1 million payment in cash and/or shares and spending \$2 million on the project. Lithium S is a privately-owned minerals exploration company, working with the Toronto-based **Enirgi Group Corp.**



With the indigenous community support and the funding from Lithium S Corp., this Argentinian deal looks to be very promising and imminent.

In Nevada, securing the Water Rights was key to the promise as well, and Teels Marsh will now depend on the planned drilling program to further define the asset.

All in all, a developing story about four years in the making... with lots of Checkmarks along the way.

As always, do your Due Dili.

David O'Brien, is the owner of **Int'l Mining Research Inc.** which employs Media, Event and Online exposure, including **MineSnooper.com**. O'Brien also owns **W.I.T. Marketing**, an ad agency, and has been contributing articles to **TheProspectorNEWS.com**, on demand. He owns no shares in the above companies. [dobrien@InternationalMiningResearch.com](mailto:dobrien@InternationalMiningResearch.com)

# LITHIUM

IN NEVADA	DAJIN RESOURCES CORP.	IN ARGENTINA
<ul style="list-style-type: none"> <li>Teels Marsh 294 placer claims are 100% owned</li> <li>Gravity survey indicates over 6,000 feet in depth</li> <li>Seismic program completed</li> <li>Drill program being organized</li> <li>Alkali Lake 191 placer claims in JV with Nevada Energy Metals (BFF-V)</li> </ul>	<p>is a resource exploration company focused on the exploration and development of energy metal projects with strategically located brine based lithium targets in the salar basins of northwestern Argentina and Nevada, USA.</p>	<ul style="list-style-type: none"> <li>100% interest in Salinas Grandes and Guayatayoc salar basins</li> <li>Covers 93,000 hectares (230,000 acres)</li> <li>Holds agreements with Cooperativa for San Jose Project as well as with the local community</li> <li>Has signed an MOU with Lithium S Corp for 51% interest in Dajin's lithium property</li> </ul>

TSX-V: DJI | OTC: DJIFF | GERMANY: A1XF20

CONTACT: BRIAN FINDLAY – 604-681-6151

WEBSITE: WWW.DAJIN.CA

EMAIL: INFO@DAJIN.CA



Dr. Catherine Hickson



# IT'S NOT HOW LIGHT YOU MAKE IT... IT'S HOW YOU MAKE IT LIGHT.

By David O'Brien

**Scandium International Mining Corp. (SCY: TSX)** is a metals technology story, focused on improving aluminum alloy properties through the addition of scandium.



From Scandium International's corporate presentation, we capture some of the features and advantages, summarily:

- Aluminum-scandium alloys can be expected to roll back substitution from some lightweight steels, magnesium alloys and carbon fibre.
- A better AlMgSc (5 Series) alloy will definitely be cost-competitive; aluminum-based alloys are easier to apply to conventional manufacturing processes.
- These specific alloys will be more field serviceable, repairable, and tougher in rough service.
- A 5 Series with scandium will add enough strength to move that alloy family into high value markets they cannot reach today.
- High weldability is a game changer in higher strength aluminum alloys, where welding usually becomes difficult.
- Scandium transforms AlMgSc (5 series) alloy into the highest performing alloy choice for many demanding applications, immediately.

owned) has earlier this year completed a Definitive Feasibility Study (DFS) on the surface-mineable resource, with both excellent infrastructure and jurisdiction. **Highlights:**

- Financial results - 33% IRR, \$225M NPV (8%), constant \$, after-tax.
- Build cost - US\$87M.
- Scandia (Sc203) production target - 38,500 kg/year.

Taking a look at SCY's corporate structure, we see 225mm shares O/S (248mm F/D), cash in the bank and no debt as at June 10, 2016.

**Where Can AlSc Alloys Be Employed Today?**

- Transportation uses (weight savings)
- Marine applications (corrosion)
- Extruded products (thin wall structures and fast flow rates)
- Stamped rather than CNC-machined shapes (less waste, better weldability)

**Where Else Can Scandium Be Used Besides Aluminum Alloys?**

- Solid Oxide Fuel Cells (SOFCs), where scandium is a superior heat stabilizer.
- Lighting systems, lasers and chemical catalyst applications.

**SCY MANAGEMENT'S OBJECTIVE:**

Management's objective is to be the world's first primary scandium mine, with production in 2018. Their **Nyngan Scandium Project in NSW, Australia** (80%

Note what V.V. Zakharov states on this possibility in **Metal Science and Heat Treatment**. Here's an edited intro to the abstract:

"It is shown that the addition of scandium considerably influences the structure and properties of aluminum and its alloys.

- Scandium is the strongest inoculant of the cast grain structure of aluminum alloys, the strongest suppressor of recrystallization, and the strongest hardener (per 0.1% of the additive).
- The addition of zirconium intensifies and stabilizes the action of scandium. [...]

The combination of operating properties of scandium-bearing aluminum alloys is substantially superior to that of traditional aluminum alloys."

One of the main applications of these new scandium-enhanced aluminum alloys is in the production of aircraft fuselages, with both **Boeing** and **Airbus** participating in the industry transformation.

From **Aerospace Manufacturing & Design** we selectively quote an article with **Dr. Matthias Miermeister**, (Manager, Field Engineering Global Aerospace), **Aleris Rolled Products, Germany**, where he discusses his company's new aluminum-magnesium-scandium alloy (AlMgSc, AA5028):

"When Boeing introduced the **787 Dreamliner** and Airbus the **A350**, everyone thought the next generation of planes would be made of composites, but we have to say now that is not so. For example, Boeing's 777X will have composite wings but a metallic fuselage. We have the fourth generation of aluminum-lithium alloys where the lithium content has been reduced significantly, which offers more weight savings from density reduction. Aleris has co-developed with Airbus an alloy of aluminum-magnesium-scandium (AlMgSc) - designated AA5028 - which offers an even lower density than aluminum-lithium."

(<http://www.aerospacemanufacturinganddesign.com/article/the-future-of-aircraft-metals-appears-february-2016/>)

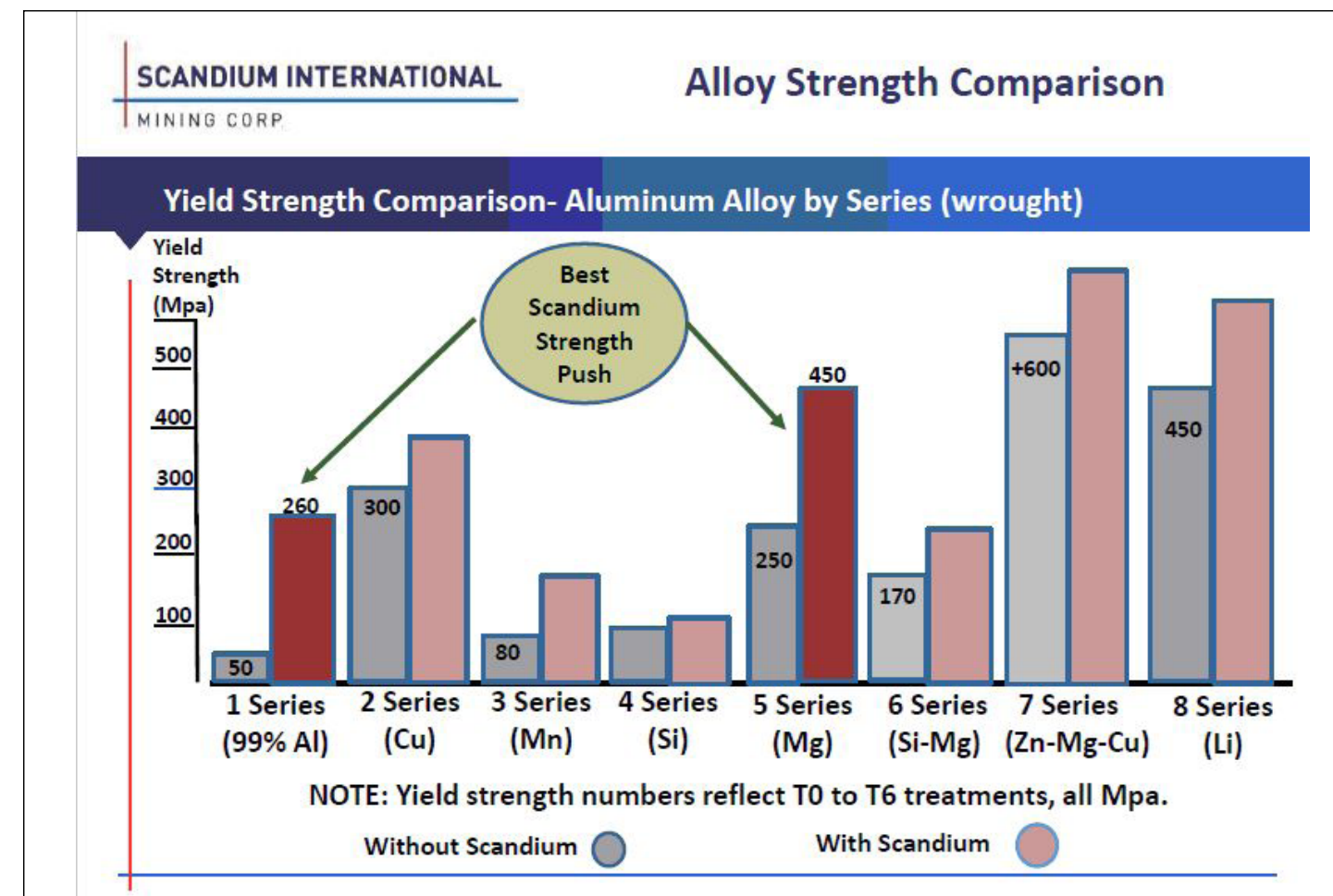
**SCANDIUM INTERNATIONAL**  
MINING CORPORATION  
(Ticker Symbol: SCY.To)

**DEVELOPING THE WORLD'S FIRST PRIMARY SCANDIUM MINE**  
**Nyngan Scandium Project - NSW, Australia**  
Production Planned For 2018

**HIGHLIGHTS**

- Feasibility Study Completed (2016)
- Surface-Mineable Resource (16Mt)
  - Project Capital Cost - US\$87M
  - Project IRR - 33%
- Initial Offtake Agreement in Place
- Experienced Management Team

For more, go to: [ScandiumMining.com](http://ScandiumMining.com)





**What Does the Scandium Market Look like Today?**

- Scandium's benefits are known and understood, but the market today is very much under-supplied and over-priced.
- Sellers make scandium as a by-product from other mineral processing operations, or waste stockpiles.
- Limited supply means inadequate volume for wide-scale adoption.
- Virtually all current supply sources are located in Russia and China.

*Increased supply, from reliable sources, at reasonable cost will be the catalyst for a dramatic increase in scandium interest and usages.*

**The Scandium Effect Is Most Dramatic In the 5 Series Family of Aluminum Alloys**

The 5 Series alloys, consisting of aluminum and magnesium, show the best response to scandium additions, yet preserve their superior properties in other areas. They remain 'manufacturing-friendly' yet become significantly stronger. The 1 Series (+99% Al) also shows great strength response—where that series is generally too weak to use beyond cladding and trim applications.

**Initial Offtake Agreement - Alcereco.**

- Aluminum alloy R&D group in Ontario (ex Novelis/Alcan).
- Capabilities in alloy formulation, with scandium.
- Excellent laboratory facilities in place, with capability to make test alloys.
- Strategic alliance to develop markets.
- Alcereco has a deep understanding of Al-Sc alloy applications.
- 7,500 kg of scandium oxide annually, for three years to 2020.

**This Is A Rapidly Developing Story**

- New South Wales, Australia hosts a game-changing discovery of high-grade primary scandium resources for development.
- Scandium International is developing marketing channels and multiple markets are emerging. More offtake agreements are anticipated.

**THE SCANDIUM INTERNATIONAL ADVANTAGE - HIGHLIGHTS**

**Advancing to Production**

Scandium International completed a **Definitive Feasibility Study ("DFS")** in May 2015, and anticipates completing all required governmental approvals by year-



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end 2016. Project financing/construction planned for 2017, with first production targeted for 2018.

**Substantial Scandium Resource and Expandable**

The Nyngan Project scandium resource is of sufficient size to support a project of the size envisioned in the DFS for 160 years, or alternatively, to support significant project expansions over a 20-year term. In addition, the Company holds exploration licenses over a neighbouring area known as Honeybugle, which shows promise for similar grade scandium-enriched resources and further expansion capability.

**Extraction Technology Understood**

The planned scandium extraction process involves conventional metals separation techniques, specifically high pressure acid leach (HPAL) and solvent extraction (SX), supported by over US\$1M in independent test work. The Company has filed five US patent applications to protect techniques developed from extensive independent test work on Nyngan's resources.

**First Offtake Agreement in Place**

Scandium International has a 3 year offtake agreement in place with a knowledgeable aluminum alloy group, for 7,500 kg/year, at prices consistent with the DFS.

**Ahead of its Competitors**

While there are three scandium projects under development in Australia today, Nyngan is the only project with an independently-published DFS, providing a clear time line to construction and production.

**Our Note of Recognition...**

it wasn't hard for us to get excited about the potential for Scandium International, after meeting and talking with George Putnam earlier this year. Having a completed SEDAR-filed DFS, and the emerging market driving forces that scandium represents, particularly in aircraft aluminum alloys, simply point to the practical realization of becoming the first primary scandium producer in the world by 2018.

**Experienced Team**

Since acquiring an initial earn-in interest on the Nyngan Project in 2010, Scandium International's team has demonstrated both its project development and leadership abilities, and applied extensive mining and processing experience to bring this project to a final investment decision in late 2016.

Much of the above material has been sourced directly from **SCY's** website, News and Corporate Presentation, and augmented by sourced information from the media, industry experts and the end-user websites and News. *As always, do your Due Dili.*

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# GOLDSOURCE MINES WORKS ON PLANT IMPROVEMENTS IN GUYANA

*It's been said that anything can be endured except for an unbroken string of prosperity.*

By Christian Vakenti

If your business plan has never had to deal with a single hiccup and everything has always gone your way for as long as anyone can remember, then you and yours will surely fail when the inevitable and long overdue wrench comes tumbling down that golden pipe.

Sometimes, it's the setbacks that tell us who a company is at its core. More precisely, it's how a company deals with those wrenches in the pipes that matters. A perfect modern example of this idiom is Goldsource Mines.

Based in Vancouver, BC, with operations in Guyana, South America; the beginning of 2016 saw the conclusion of Phase I mine construction on time and under budget, but the mid of the year was for them, by all accounts, not good. Equipment delays, torrential downpours, lower-than-expected grade material.

But by the end of this year, they will have met their strategic hiccups, faced their environmental challenges and not only hurdled them, but working with all stakeholders to bring something entirely new to the country they've chosen to do business in. An intense, close-end system and environmentally safe leach reactor, to significantly increase gold recovery in comparison to their current pure gravity processing plant.

"The deposit is amazing, let me start with that," says Yannis Tsitos, President of Goldsource. "And the management team, you could not ask for better. Eric Fier, from Pegasus and Eldorado. Nicholas Campbell, SilverCrest and Canaccord, and on and on - we have an incomparable team in place.

We have working capital that we've built up over a number of years and ability to access further funds when needed. We employ the same philosophy and Phased Development approach that has been so successful before, because it de-risks the project with time as discrete milestones are accomplished. And, he stresses, "we're on time and under budget."

"Yes it is true, we had some challenges in the earlier quarter. A truck was delayed 6 weeks. La Nina rainfall made the roads temporarily difficult but we met those challenges and fixed those issues. Everything is now onsite. In fact, we're not only operating at or near capacity, our biggest priority right now is increasing that capacity and improving the gold recoveries."

Yannis lays out his plan to add a second working shift at the Eagle Mountain Gold Project.

Located 200 km southwest of Guyana's capital, Georgetown, and 45 km from the

historic Omai Gold Mine which produced an estimated four million ounces of gold between 1993 and 2005, Eagle Mountain is about to go into overdrive.

"We're going to add a full second shift within the Q4 of 2016 - that will see us in operation for 20 hours a day."

In Guyana the official language is English, the system of law is British and Yannis says that the small but friendly country located between Venezuela and Brazil contains one of the most prospective, yet under-explored gold regions in the world. A few big mines and a long history of alluvial gold production.

**"We've worked hard to meet the challenges of start-up. Now we're working with the government and the people to bring even more jobs to the area to ramp up production and output. We're working hard to see even better returns for shareholders. We won't stop working. Because it's not only our area of expertise, it's our passion. And we believe no one else is better-equipped and - situated to accomplish this,"** states Yannis.

And that, more than anything else, demonstrates what the company is at its core. Golden.




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570 Granville Street, Suite 501, Vancouver, BC V6C 3P1



### WHY GOLDSOURCE MINES?

- Extensive management experience in low-cost phased project execution in the Americas
- Low pre-production Capex at US\$4.8M for Phase I, close to \$5.9M with full Commissioning Phase. 8 years mine life (for oxides only), then mine hard rock.
- Anticipated Low Opex (US\$600 to US\$700/oz All-in sustaining cash costs). PEA: 5,000oz first year, reach 35,000oz/y in year 3.
- Advanced gravity operation (current), expansion to leaching in 2017.
- Minimized technical risk
- Short timeline to free cash flow (expected in Q1, 2017)
- Compelling economics (after-tax IRR 63%, PEA)
- Mine construction completed near-time and under budget (Jan 2016). Mine Commissioning commenced in February 2016. First gold production in March 2016. First gold sale in April 2016.
- Commercial Production Announced in Q2 2016 (June 20, 2016).
- Aggressive Expansion Phases for H2 2016 and 2017.



# SOUTH CAROLINA'S JEFFERSON GOLD PROSPECT... WHO KNEW?

By David O'Brien

*Now and then this industry comes along with surprises... who among us knew that South Carolina had the United States' first gold rush in the 1820s, and has been producing ever since.*

**R**ight on trend with the past-producing Ridgeway and soon to be producing Haile Gold mines is a very attractive prospect in **Pancon Gold's (PUC.H: TSX-V)** newly acquired **Jefferson Gold Project**. With modern techniques of exploration, management is expecting to prove up its viability quickly. Drilling is planned for November of this year. The potential is certainly there. In 2011, drill results from only 4 holes assayed 539 feet @ 1.27 g/t (hole #103) and 232 feet @ 0.88 g/t (hole #102), with all 4 holes encountering gold mineralization.

Recently, mid-cap **OceanaGold Corporation (OGC: TSX/ASX/NZX)** purchased Romarco's properties for \$856 million, and is developing the Haile Mine, only 7 miles up the road. It will be an open pit mine with production scheduled to begin early next year. In September, they announced the potential for a future high-grade underground operation below the pit together with recent drill results that included: 11.2m @ 35 g/t Au, 50.6m @ 6.8 g/t Au, 27.4m @ 11.7 g/t Au and 27.2m @ 11.3 g/t Au. The Haile Gold mine in South Carolina, according to analysts' consensus, is expected to produce around 150,000 ounces of gold in 2017, 2018 and 2019 and expected to ramp up to 250,000 annually after that... at an all-in sustaining cost of less than \$600 an ounce.

What attracted us to this prospect is the management team, with **Rick Mark** and company, having recently taken a prospect

for copper owned by **VMS Ventures Inc. (VMS: TSX-V)** through discovery, which we covered only five years ago, through a Joint Venture on the **Reed Copper** mine in Manitoba with the very successful **Hubbay Minerals Inc. (HBM: TSX)**, to production in less than four years, which we also covered.

Directors **Don Whalen**, Chair, and **David Mosher**, both previously led **High River Gold Mines Ltd. (HRG: TSX)** and took that company from an explorer to a multi-mine gold producer with discoveries and mine developments in multiple jurisdictions around the world, including Manitoba, Burkina Faso, and Russia.

Director, **David Petroff**, has had executive positions with **Cameco Corp. (CCO: TSX, CCJ: NYSE)**, **Centerra Gold Inc. (CG: TSX)**, **Breakwater Resources** and **Jaguar Mining Inc. (JAG: TSX)**.

On the ground' there is **Dennis LaPoint**, Technical Consultant to the Company with over 40 years of proven project management and project generation experience in gold, base metals, diamonds and industrial minerals. He's been successful in new discoveries in Suriname and North and South Carolina (for **Newmont Mining Corp. (NEW: NYSE, NMC: TSX)**, **Alcoa Inc. (AA: NYSE)**, **Texas Gulf Energy Inc. (TXGE: PINX)**, **Firebird Resources Inc. (FIX: TSX-V)** and **Iamgold Corp. (IMG: TSX, IAG: NYSE)**).

Management believes that the mineralized footprint at Jefferson is similar in size to the Haile Mine, with the same style of mineralization.



Infrastructure is well established, and South Carolina is ranked by the **Fraser Institute's** Annual Report as tied for 5th as a 'Favourable Mining Jurisdiction', with producing mines continually 'setting the example'.

Recently, a \$1M financing was completed at \$0.08. Full warrants are redeemable at \$0.12.

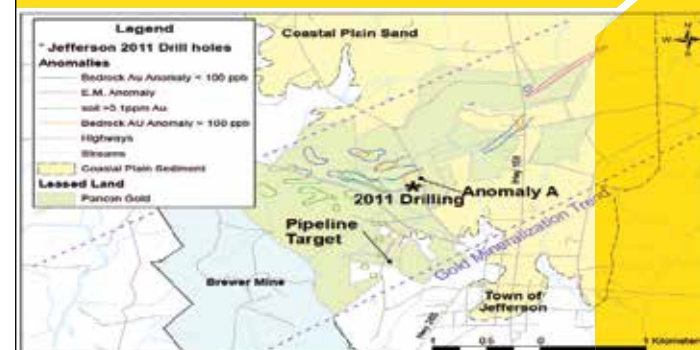
This past June, Rick Mark, President and CEO, stated "The Pancon Board believes we are in the early stages of a significant bull market for gold and the Jefferson Gold Project provides us with an excellent advanced exploration opportunity to capitalize on this renewed interest in gold"

To reflect this new direction, the Company's shareholders approved a name change to "Pancontinental Gold Corporation" on June 22, 2016.

Our now well-known Checklist is filling out properly, so '**Pancon Gold**' is worth watching. *As always, do your Due Dili.*

*David O'Brien, is the owner of Int'l Mining Research Inc. which employs Media, Event and Online exposure, including MineSnooper.com. O'Brien also owns W.I.T. Marketing, an ad agency, and has been contributing articles to TheProspectorNEWS.com, on demand. He owns no shares in the above companies. dobrien@InternationalMiningResearch.com*

## ADVANCED GOLD EXPLORATION



### PANCONTINENTAL GOLD CORPORATION

PUC.H: TSX-V

Rick Mark, Chairman, CEO & Director | info@panconu.com

**Location:** South Carolina

- 100 km northeast of Columbia, S.C. and about 80 km southeast of Charlotte, N.C.

**Where:** Less than 12 km from Haile mine:

- 4 M oz. Au @ 2 g/t (M-I resource)
- Purchased by OceanaGold for \$ 856 million in July 2015

**Why:** Potential to be the next Haile

- Significant exploration potential
- 164 metres (539 feet) @ 1.27 g/t (hole 4 of 4)
- 70 metres (232 feet) @ 0.88 g/t (hole 3 of 4)

**Target:** Over 1 M oz. resource

**Management:** Proven mine finders

**Timing:** Ground floor investment in gold up-cycle

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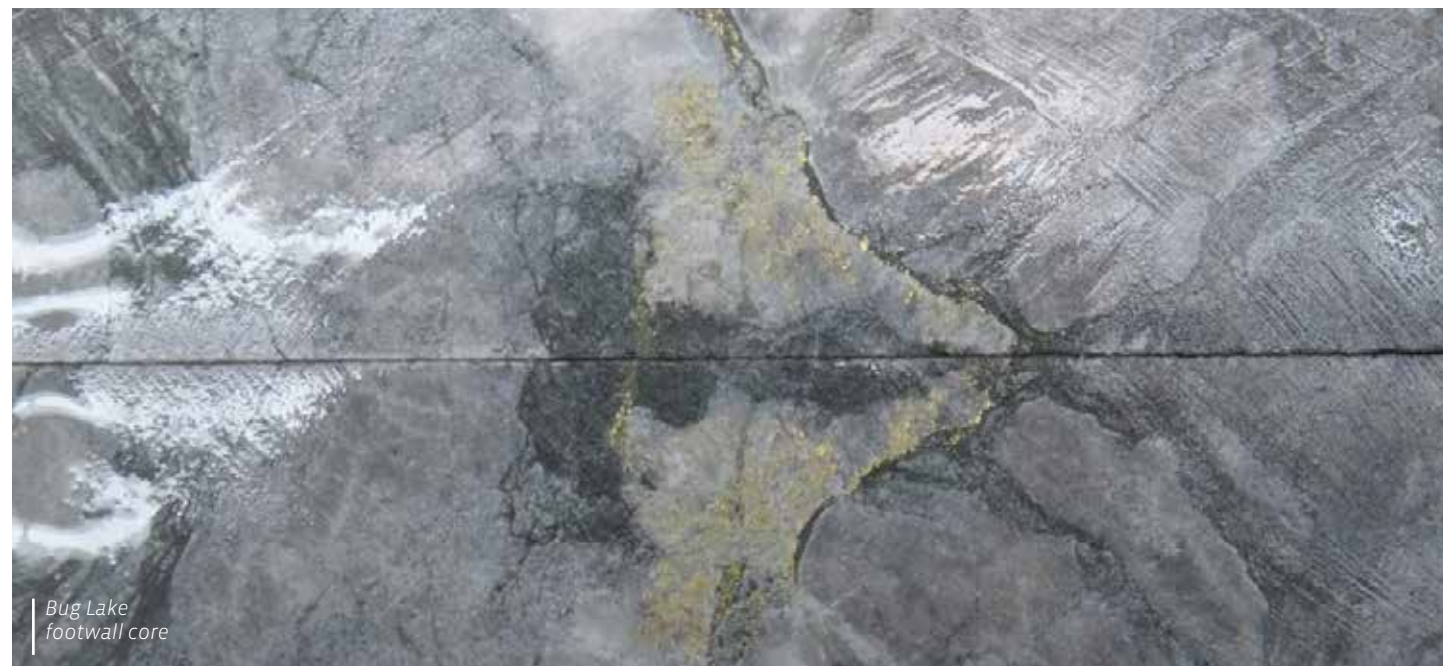
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# BALMORAL RESOURCES SITTING ON SHALLOW GOLD

Near-surface deposits confirmed, more anticipated as >50 holes pending results



Bug Lake  
footwall core

By Christian Vakenti

It's been a long, hot and productive summer for Balmoral Resources, as Darin Wagner describes the latest news from his company's Vancouver headquarters.

"We currently have over 50 drill holes completed from the summer/fall program which are pending results," Wagner, President and CEO of Balmoral tells The Prospector.

"This constitutes the bulk of our summer program which was mainly focused on the southern portion of the Bug Lake Gold Trend on our Martiniere Property in Quebec. These pending results include numerous holes following on the recent release of results which demonstrated a significant broadening of the Bug South deposit at shallow depth."

The Sept. 7th, 2016 new release Darin is referring to does indeed show some impressive statistics: 115.45 metres grading 1.40 g/t gold and a high grade intercept of 18.26 metres grading 5.41 g/t gold

both from the Bug South deposit. Further results and an in-depth analysis of the numbers are available on the company's website ([www.balmoralresources.com](http://www.balmoralresources.com)) The deposit remains open to depth and down plunge.

"The rapid expansion of the Bug South Deposit and the strengthening of the mineralized system apparent from these results are potential game-changers for the Bug South area," said Wagner.



**"The rapid expansion of the Bug South Deposit and the strengthening of the mineralized system apparent from these results are potential game-changers..."**

Darin Wagner, President and CEO of Balmoral Resources

"With Bug North and Martiniere West there are now three near-surface gold deposits on the Martiniere Property. All three are open at relatively shallow depths for expansion, and a number of other prospective zones and exploration targets can add to this list."

As the company prepares to release results from the latest round of drilling at Bug Lake, they're also gearing up to begin drilling on their wholly-owned Detour East property 30 kilometres to the west.



"We expect to start drilling Detour East by the end of this week (Sept 30th, 2016)," Wagner said.

Looking ahead to 2017, Balmoral Resources is prepared to enter the new year with a strong forecast, backed by both solid numbers in the ground and deep pockets.

"I'm proud to say we're already fully funded for 2017 and beyond," Wagner stated.

A pending sale of a non-core asset is expected to garner Balmoral an additional \$2.5 million, which should top up their treasury to approximately \$15 million.

"The Fenelon Mine Property is being sold to Wallbridge Mining," explains Darin. "We expect that sale to close in the next couple weeks, bringing an additional two and a half million dollars with it, giving us around fifteen million in total."

The 10.5 square kilometre subdivision of the Fenelon Property being sold is just a small part of Balmoral's 700+ square kilometre Detour Trend Project located in west-central Quebec. Wallbridge Mining Company Limited is buying the property in exchange for a mix of shares and cash and with a view to near term, small scale production. Balmoral also retains a 1% NSR on the property.

"We are pleased to have found a group with a background of safe and environmentally responsible project management to potentially move the Discovery Gold Zone forward," Wagner stated at the time of the announcement.

"The funds acquired in this transaction will support our on-going efforts to delineate and expand the nearby Martiniere Gold System and our continued exploration efforts throughout the Detour Trend Project area."

All these developments spell good news for the Canadian junior, as it builds on a strong groundwork laid in 2016 and springboards into next year. With multiple drills turning, new drill permits in the queue and each successive round of results building upon the last, Balmoral has a solid outlook from an investment standpoint.

"Balmoral is following an established formula with a goal of maximizing shareholder value through the discovery and definition of high-grade, Canadian gold and base metal assets".





# SECOND CHANCE: HOW TO MAKE AND KEEP BIG MONEY FROM THE COMING GOLD AND SILVER SHOCK-WAVE

By David Smith

Many of you are anticipating the biggest leg up in the precious metals and especially the mining shares. A few of you have already experienced this one time during the previous bull market, which peaked in January, 1980.

**D**avid Morgan and I are working on a book dealing with trading gold, silver and the mining stocks. Our main purpose is to help you maximize profits and minimize your risk.

Which means this book will show you how to hang onto most of your earnings when the bull market inevitably rolls over some years hence, and heads down for the count, for what may turn out to be a very long time. The legendary Jesse Livermore knew the

that "as much as 90% of the profit potential becomes available during the last 10% of the entire bull run." But it's only accessible if you avoid what I call "the amateur's mindset." **Second Chance** targets not just one type of investor, but the spectrum of readers, from those well-versed in the vagaries of the resource sector to the neophyte who wants to get involved, but who fears jumping into the deep end.

As for demographics, our intent is that it reaches a wide audience in the two most

## THE WAY FORWARD FOR GOLD AND SILVER? (COURTESY NICK LAIRD)

The effect on the metals and miners will be further magnified by structural imbalances in the sector itself - the arrival of peak gold production along with questionable silver supplies, intersecting with investor demand for safety (insurance) and profit in a zero percent interest rate world. Frank Holmes has coined these impulses the "fear trade" and the "love trade" - the desire for precious metals by 3 billion "Chindians" armed with rising disposable income. These tectonic plate drivers will propel gold, silver, palladium - and the mining companies who produce them - to new all time nominal, and eventually, inflation-adjusted highs.

**As you read this essay**, the metals and miners may still be in the midst of the first major consolidation since their new bull run got underway almost a year ago. Or prices may have launched another attempt at 2016 highs. Either way, do not despair. Whether or not you get around to reading our book, take some time to research what's going on, see how you fit into the picture, make your plan, and then start carrying it out! If you think it's hard to start a new position or add to one when opinions are all over the board, you would be right!

**There is only one difference** between people like Rick Rule, Eric Sprott, Marin Katusa and the late Sir John Tempelton - who act - and the majority who just watch until prices rise to the point where they become afraid they're being left behind. The difference is that the winners go against that pervasive uncertainty and yes, fear. Stu Thomson sums it up well when he says, "We're all cowards on price weakness. Those who admit it, those who bet against it make money. Those who hide it and lie about it, lose money. End of story."

Don't let indecision and the fear of taking action keep you from establishing a good position while "the price is right". Don't miss your Second Chance - to make and keep big money from the coming gold and silver shock-wave. We are here for you, through our book, interviews, consultations, and other publications.



following truth, and if you expect to sit at the winners' table when all is said and done, you will need to understand and act upon it too: You may have missed the gold and silver spike runs to \$1900 and \$50 dollars respectively in 2011. You might have jumped in near the top, and ridden them all the way down into the December 2015 lows. Or perhaps you didn't buy at all, and by last summer, while the most explosive precious metals and mining stock run-up in decades was taking place - you watched. You may think you've missed the boat. But you would be wrong!

More times than I can count at conferences, I have shared extensive research from The Morgan Report demonstrating decisively,

critical age-groups who will be affected by, and hopefully also be in a position to respond to, the paradigm-shift we see looming during the coming months and years. The so-called Baby Boomers (those born between 1946 and 1964), and Millennials (1982-2004).

**Our core message** is that a massive financial wave of dislocation and destruction - bigger than 2008, but initiated because of the problems left unsolved in its wake - is on the way. Those who are ready can not only side-step much of the ensuing financial destruction, but also find themselves in a position to actually ride that wave, achieving life-altering gains in the process.

# MAG SILVER...THEORIES ACTUALLY CAN COME TRUE

By David O'Brien

**MAG Silver Corp. (MAG: TSX / NYSE MKT)** is focused on advancing and exploring high-grade district scale silver projects located within the Fresnillo Silver Trend in Mexico.

**M**AG Silver's mission is to become one of the premier companies in the silver mining industry. They are developing the underground decline towards the high grade **Valdecañas** and **Juancipio** silver veins in **Zacatecas State**, all within the joint venture between **MAG Silver (44%)** and **Fresnillo PLC (56%)**. What becomes obvious from these drilling results is that these systems are polymetallic, adding plenty of value to the silver grades reported.

In addition, ongoing exploration continues within the Juancipio joint venture; MAG is concurrently working on regaining surface access to their 100% owned **Cinco de Mayo** property in **Chihuahua State**.

This August MAG Silver announced two significant discovery holes: wide, high-grade intercepts confirm and extend Valdecañas Deep Zones laterally and to depth.

**#1: In DEEP ZONE EAST (VM2)**, collectively, the mineralization below the East Vein and the West Vein Bonanza Zones is: 29.85m (true width) grading 235 g/t (6.87 opt) silver, 0.50 g/t gold, 4.76% lead, 5.79% zinc, 0.99% copper, including: 7.21m (true width) grading 475 g/t (13.86 opt silver). Higher grade zones within the East Vein's overall intercept include very high-grade lead (>40%) and high-grade silver (1,290 g/t) associated with the highest copper values (6.79%) reported to date on the property: 0.66 g/t gold, 1.91% lead, 5.27% zinc, 2.38% copper; P6 is the best new hole in the Deep Zone West cutting 22.90 metres (true width) grading 119 g/t (3.47 opt) silver, 1.13 g/t gold, 4.18% lead, 11.89% zinc and 0.27% copper; including 2.87 metres (true width) grading 292 g/t (8.52 opt) silver, 4.48 g/t gold, 13.24% lead, 24.92% zinc and 0.55% copper. This hole is a 100 metre offset to Hole P3, the best hole of the previous program (in 2015).

**#2: ANTICIPADA VEIN:** The drilling also resulted in the discovery of the "Anticipada Vein", a newly recognized vein of unclear geometry lying about 100 metres into the hanging wall of the East Vein.

It has been cut in five holes and swells from 0.8 metres (true width) in Hole VM2 to 6.68 metres (true width) in Hole P13 where it grades 105 g/t (3.06 opt) silver, 2.69 g/t gold, 3.59% lead, 10.79% zinc and 0.23% copper. It remains open in several directions. Hole P-13: 6.68m (true width) grading 105 g/t (3.06 opt) silver, 2.69 g/t gold, 3.59% lead, 10.79% zinc and 0.23% copper. "We are delighted to confirm wide, deeper mineralization with high-grade silver, gold, lead, zinc and *now consistent copper* in our deep drilling", said **George Paspalas**, President and CEO of MAG. "Results show that a widening zone occurs below the Bonanza Zone and that these structures remain open to depth and more significantly, laterally. The Deep Zone discovery is still in its early days and we look forward to results from the newly approved US\$1.2 million drill program currently underway with six rigs turning on the joint venture property."

**Dr. Peter Megaw**, the Company's Chief Exploration Officer, comments "We can now see how changes in vein dip have created a fat horizontally-elongated dilatant zone that should continue laterally for some distance in both directions. Further, Valdecañas continues to show the expected zoning of a typical epithermal vein but the later quartz veining that carries local Bonanza silver grades does not conform to the overall vein orientation. This indicates we still need to determine the controls on this latest mineralization stage and how all the geologic pieces fit into the ore-fluid upwelling zone model".

We've been following MAG Silver since the stock traded in the \$4 range, and it's gratifying to see that Dr. Megaw's theories of the **Carbonate Replacement Deposits** that so impressed the **RoundUp!** audience of the **AME BC**... are about to be realized.

The same CRD model is propelling MAG in the **Guigui Property** in the Municipio Aquiles Serdan of Chihuahua, Mexico.

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From their website, slightly edited: "Guigui represents a dominant landholding around the world's largest CRD district; it represents an opportunity for MAG to play a leading role in uncovering new mineral wealth in the historically rich Santa Eulalia District. CRDs represent 40% of Mexico's historical silver production and the Santa Eulalia Mining District is the leading CRD producer with nearly 450 million ounces of silver and substantial amounts of lead and zinc mined from the period 1702 - 2001. Today, **Grupo Mexico** operates the **San Antonio Mine** in the East Camp of Santa Eulalia District. Our 100%-owned Guigui property covers approximately 4,500 hectares within the Santa Eulalia Mining District, 22 kms east of Chihuahua City, Chihuahua, and is a key project within MAG's CRD project portfolio. MAG controls all of the ground to the immediate south and between the east and west Camps of the Santa Eulalia making us a significant player in any future developments in this historically silver rich district."

A great addition to the company's potential. So, even though the stock now trades around the \$20 range, growth still appears to be the company's mandate.

*'Theories actually can come true'... to coin a phrase. Do your Due Dili, as 'we're' not quite there yet;=}*

*David O'Brien, is the owner of Int'l Mining Research Inc. which employs Media, Event and Online exposure, including MineSnooper.com. O'Brien also owns W.I.T. Marketing, an ad agency, and has been contributing articles to TheProspectorNEWS.com, on demand. He owns no shares in the above companies. dobrien@InternationalMiningResearch.com*



# SOUTHERN SILVER AND THE MEXICAN HAT... TRICK

By Christian Vakenti

“This is what we mean when we say Southern Silver has the looks of a genuine Mexican hat trick: a triple score that checks all the boxes for a game winning resource estimate.”

That's hat trick, putting three goals on the scoreboard in rapid succession – not hat dance, which is entirely a different thing.

The Prospector asked Lawrence Page, President of Southern Silver Exploration Corp., about the company's most recent report from their Mexico holdings – where things stand now and where they're headed.

“Southern Silver is focused on two projects,” explains Page, “we have the Cerro Las Minitas project in Mexico, and our Oro Stockpond operation in New Mexico. Both have new progress reports that we're pleased to share with you, including an update on our corporate side of things which spells good news for everyone.”

The management team at Southern Silver have been hard at work, diligently stick-handling their way to a recent announcement (Sept. 28<sup>th</sup>, 2016) which gives further details regarding their structure and holdings. They own a 70% indirect interest in the Cerro las Minitas property, and as operator of the project, Southern Silver has been performing exploration utilizing funds provided by Electrum Global Holdings L.P.

“Southern Silver joined forces with Electrum in Q1 2015,” states President Page. “Electrum has consistently demonstrated its willingness to provide funds and expertise on a timely basis to allow the completion of an initial Resource and to continue exploration to test the extent of the large property while the resource at Cerro las Minitas expanded and developed,” he continues.

So far, approximately \$3,050,000 US has

been directed towards the venture from Electrum, targeting both the known zones of mineralization and new discoveries.

“The purse strings have been opened up,” says Page. “The goal is to develop a large silver-polymetallic resource on the property.”

Details of the co-venture are as follows: Electrum has earned a 30% indirect interest in the Property and has until May 14, 2019 to advance the balance of \$1,950,000 US to earn a total 60% indirect interest in the property. Electrum has advised Southern Silver that it will accelerate the remaining provision of funding to reach a total of \$5,000,000 US to increase its indirect interest in the property to 60%.

Now about the property in question: a total of 91 drill holes for 35,955 metres have now been completed on the Cerro Las Minitas project.

Inferred Resource estimates put the property in the neighbourhood of 17.5 million ounces of silver, and 237 million pounds of lead and 626 million pounds of zinc (77.3Mozs AgEq). This is what we mean when we say Southern Silver has the looks of a genuine Mexican hat trick: a triple score that checks all the boxes for a game winning resource estimate. Indicated Resources show a potential 10.8 million ounces of silver, 189 million pounds of lead and 207 million pounds of zinc (36.5Mozs AgEq).

a 30.4m thick interval of continuous polymetallic semi-massive and massive sulphide mineralization averaging 107.4g/t Ag, 0.40% Cu, 1.1% Pb and 2.3% Zn (275g/t AgEq) in one drill hole which forms part of a new, previously unrecognized, deep extension of the Blind and El Sol deposits. Geological modelling of this target has outlined a 450 metre by 450 metre area for testing which, if successful, could significantly expand the Mineral Resources of the project.

Follow-up drilling is anticipated as new targets are developed and refined.

The Oro project in New Mexico has completed a 1,223 metre drill program at the Stockpond gold target. The program comprised nine reverse circulation holes which tested an area

“Southern Silver is well funded to continue its programs and we look forward to continuance of a long and fruitful relationship with Electrum [...]”

within and around a previously outlined 500 metre x 500 metre gold-in-soil anomaly and

mineralized outcrop exposure where rock-chip samples returned up to 4.8g/t Au. Visual results from the drill program have been encouraging with most holes intersecting multiple thick (+10 metres) beds of strongly silicified and hematite-rich sediments, which are visually similar to surface rock chips containing anomalous concentrations of gold. The drilling tested an area approximately 450m by 450m, which encompasses and expands the area defined by anomalous gold in a small outcrop and the surrounding soil survey. Samples have been submitted for analyses and assays are pending.

All in all, a promising resource outlook coupled with strong initial results and precise maneuvering by management bodes well for Southern Silver. We look to the near future to see similar results from Page and his team.

“Southern Silver is well funded to continue its programs and we look forward to continuance of a long and fruitful relationship with Electrum in the development of the property after earn-in and establishment of a joint venture for the exploitation of the resource,” finishes Page.



Next steps will focus on three key areas that we will be watching the outcomes of:

- further delineate the depth extensions of their Blind and El Sol deposits
- fund and publish an initial mineral resource estimate at the Mina La Bocona target (located approximately 1.2 kilometres to the east of the Blind-El Sol-Santo Nino deposits)
- complete the drill testing of targets identified through the current surface exploration program throughout the property.

The 13,700 hectare site will require further surface soil and rock sampling through the fourth quarter, which Page says is already underway. Drilling from earlier this year 2016 identified





THE RIGHT PEOPLE, THE RIGHT METALS, THE RIGHT PROJECT, THE RIGHT TIME

Southern Silver Exploration Corp. (SSV-TSX.V; SEG1-Frankfurt; SSVCL-SSEV; SSVFF-OTCQB), a Canadian-based precious/base-metal exploration company focused on the acquisition, exploration and responsible mining development in Mexico and New Mexico.

In the Faja de Plata (The Belt of Silver) in north-central Mexico, 70 km by road from the city of Durango, exploration on the Cerro Las Minitas property from 2011-2016 has led to identification and delineation of three mineral deposits (the Blind, the El Sol and the Santo Nino) as well as a new discovery at the Mina La Bocona Zone. Recently announced NI-43-101, with Mineral Resources at a 150g/t AgEq cut-off equal: Indicated Resource of 36.5Mozs AgEq: 10.8Mozs Ag, 189Mlbs Pb and 207Mlbs Zn; and Inferred Resource of 77.3Mozs AgEq: 17.5Mozs Ag, 237Mlbs Pb and 626Mlbs Zn.(1-6) (See News Release dated 03/18/16).

A US\$850,000, 2016 four hole drill program (recently completed) focussed on the expansion of known mineral resources and new discoveries throughout the 13,640ha (130 sq. Km) property. Electrum Global Holdings L.P. headed by Thomas Kaplan, provides stable funding, up to \$5 million over a maximum of 48 months, to advance the project towards development. Currently a surface exploration program on the company's second project, the Oro gold, silver, copper, lead and zinc property in New Mexico is underway consisting of prospecting and trenching to resolve targeting prior to the next phase of drilling this Fall on the Stockpond project. The company has identified a widespread zone of porphyry/skarn alteration and near surface bulk-tonnage gold potential.

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# SILVERCREST METALS PUSHED TO NEW HEIGHTS

AS HISTORIC VEINS PROVE CONTINUITY AT DEPTH

By Christian Vakenti

**“We have so much going on at the moment,” Michael Rapsch, VP of Corporate Communications at SilverCrest Metals began. Things got quieter as he shut the door to the conference room and switched us to speakerphone.**

“It’s so much more than just that latest press release,” he continued, “that’s a lot of it, but there’s things we haven’t covered there that are important and that either have just happened, are happening now or are about to happen. Let me tell you a bit about what’s going on.”

Michael leads us down the path of a tale we’ve often trod before – but like a favourite story, we happily follow him along, enjoying the richness of the material. Gleelessly we listen to the details, and even though we think we know the ending, it steals nothing from the adventure.

An historic mine, this one untouched since 1930; the mind wanders back to the

equipment and techniques of that time – pictures how rough and imprecise that would have been. How hard, and wasteful the results.

After sitting disused and unoccupied for a very long time, a new company negotiates an option agreement to purchase 100% of the land and begins exploration and old shafts are peered into for the first time in nearly a century. Tentative holes are dug, assays are judged and results are published. The verdict: there’s gold (and silver!) in them thar hills. Lots of it.

“We know from historic reports that were around 14 holes at Las Chispas,” says Rapsch, “in existence from about 1880 to 1930.”

The property consists of 17 concessions totalling to 1326 hectares, northeast of Hermosillo, Mexico. During the early 1980s, a local Mexican company reprocessed old waste and tailings dumps from Las Chispas. Processing was by vat leaching with no production records available. Previous to that, during the 1880 to 1930 period, several mines on the property were in intermittent production. From public information, approximately 100 million ounces of silver and 200,000 ounces of gold were cumulatively produced from the property. Since 1930, no significant work has been completed on the property and it has never been drilled before.

Of the original 14 holes, SilverCrest has narrowed the field down to three targets

“We know from historic reports that were around 14 holes at Las Chispas,” says Rapsch, “in existence from about 1880 to 1930.”

of import: the self-titled Las Chispas, the William Tell vein and Babicanora. Here’s where the story picks up.

“We applied for permits about earlier this year,” says Rapsch. “From the moment we received the green light we pulled the switch on our end and began to drill. And we sifted results and we dug some more. Now all the results are in from Phase 1.”

And what do they tell you?

“Begin Phase 2,” we could hear Michael smiling through the phone, “with confidence.”

Interim CEO and P.Geo Dunham Craig put his official notes on the matter, “The remaining drillhole results from the Phase I drill program intercepted the Las Chispas vein which has further demonstrated continuity of high grades and potential mineable thicknesses. Phase II exploration work will continue to define the Las Chispas vein for resource estimation expected in H1 2017. As we continue to systematically

explore this district-wide discovery with multiple undrilled epithermal veins, we could potentially have several more discoveries. The Babicanora area (no previous drilling), immediately adjacent to Las Chispas and William Tell veins, is considered the largest target in the district and will be tested in Phase II exploration.”

But like any good yarn, the Las Chispas story is being spun out over several volumes. Book two is currently being read, while book three has yet to be written.

The first NI43-101 technical report (non-resource) is currently being completed and should be available in the last quarter of this year.

“Look to us again in February or March,” says Rapsch, “I think you’ll see us with additional drill results and assays. Then following on the heels of that we expect our maiden resource estimate.”

Official company statements read: based on the recent success of the Las Chispas Phase I program and subsequent announced discoveries, SilverCrest is targeting a first resource estimation to be announced in

H1 2017 along with a 100,000 tonne bulk sampling plan to form the basis for a preliminary economic assessment.

Underground rehabilitation work continues as scheduled with approximately 5 kilometres of the estimated existing 11.5 kilometres reopened.

The company is completing final permitting for the Phase II exploration program. Work is anticipated to commence in Q4 2016.

“There’s a lot happening that we can’t or haven’t put out yet through official sources, but when we do here’s what we expect: thousands of metres of drilling and all those results. Two thousand of underground drilling at Babicanora alone. Great continuity at depth with high grades.

Continuation of the types of numbers we’ve already seen. More results, more resources from this property. More return on investment for shareholders. More gold.”

And for those of us who love a good story that ends in gold, that’s all we could ask for. When the next chapter in the saga that is SilverCrest’s quest for Mexican silver and gold is published read it here.






**Why SilverCrest Metals?**

- SilverCrest Metals is led by an experienced management team, proven in making international exploration discoveries, financing, achieving construction on time and budget, and fast-tracking production.
- Strong cash position.
- Great exploration potential in historic mining districts.
- Las Chispas Phase I drilling completed; multiple sample results greater than 2,500 gpt AgEq.
- Phase II surface and underground drilling planned for Q4/16 to delineate a bulk sample and in preparation for initial Las Chispas resource estimate.

*Las Chispas Area (aerial view of the project location)*

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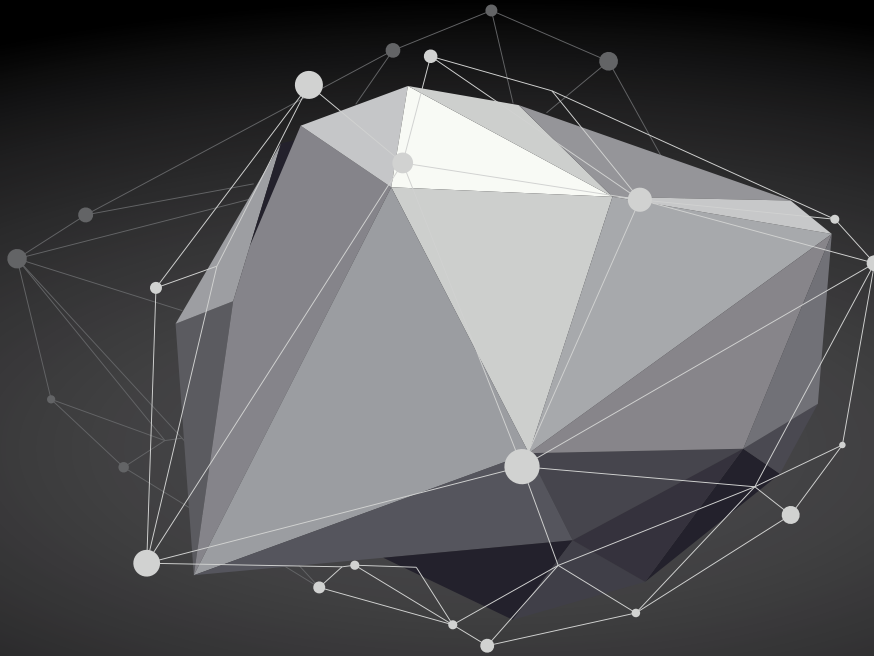


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