# **岩**PROSPECTOR RESOURCE INVESTMENT NEWS

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THE "FLATION DEBATE" FOR 2020: WHICH WAY MIGHT THINGS TILT?

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# THE "FLATION DEBATE" FOR 2020: WHICH WAY MIGHT THINGS TILT?

**By Chris Temple** 



- The DEFLATIONISTS Epic bubbles in all manner of financial assets must bust as they most recently did in 2007-2008. Weaker economies and declining percentages of the population working/paying taxes will help insure this outcome and keep things on the back foot long-term—because the present Bubble Economy can no longer be sustained by what IS real out there.
- The INFLATIONISTS The Fed is inflating again. Donald Trump wants the dollar to fall and the Fed to keep cutting rates; both of which it appears Chairman Powell is belatedly accomplishing. Trump's budget-busting war spending and all—with a healthy assist from Congress—will finally cause the U.S. currency to become worthless.

It's my very strong opinion—at this point in the credit and market cycles and with the landscape in front of us that the deflationists have the better of the arguments.



"Whatever it takes, I'm going to make it to the top!" I do not take that position lightly. Among other things, I know quite well (and have reported extensively on) Powell's recently-expressed policy objective to push for higher "inflation." In this context, of course, is his pining for **a more notable rise in** consumer prices, wages, etc. Such an outcome in theory would mean that the "Main Street" economy may be better able going forward to at least service all the mountains of debt that have accumulated in recent years. We'll see about that.

### PROPERLY DEFINING OUR TERMS

What Powell now ignores, however, is the REAL inflation these days: that in asset prices. He conveniently (?) does so, of course, due to the very nature of our fractional reserve system and the increasingly-bloated debt structures it has built over time. To keep the skyscrapers of cards we have these days from imploding, the Fed has no choice but to run an E-Z money policy, throwing piles of money into markets just to maintain the status quo for the economy. . .and to keep asset prices inflated whether the fundamentals underlying them justify it or not.

The biggest thing that the "Inflationists" get wrong is they do not understand that the 1970's were. ..well. . the 1970's. Not since that time has there been the more direct correlation there once was between the Fed softening the dollar's value/printing money and those results manifesting themselves in everyday price inflation for businesses and consumers. In short, the Inflationists are fighting the last war.

Aside from the basic math of all of this (which I have expounded on now for over three decades, chiefly through my signature presentation entitled *Understanding the Game*) I recently reminded people of when this "Flation Equation" changed. And I had occasion to do so at the end of 2019, when former Fed Chairman Paul Volcker passed away.

In short, history has Volcker's REAL legacy wrong. Yes, he was a "hawk" for about the first three years of his term, after being appointed to the

chairmanship of the Fed by President Carter in 1979. But by the time he was reappointed to a second four-year term by President Reagan, he had done a "180" and was now a "dove."

In that FAR more important later manifestation, Volcker inaugurated the Fed's policy followed ever since then of inflating asset prices as a means to create a "wealth effect." That, in turn, is intended to trickle down to Main Street to lead to greater economic activity (and greater ability to service ever-growing debt.)

Thus, inflation today is properly addressed in looking at asset prices. Further, this goes hand-in-hand with the traditional business cycle having been replaced by a credit cycle. It's now credit that expands until it no longer can; and then snaps back.

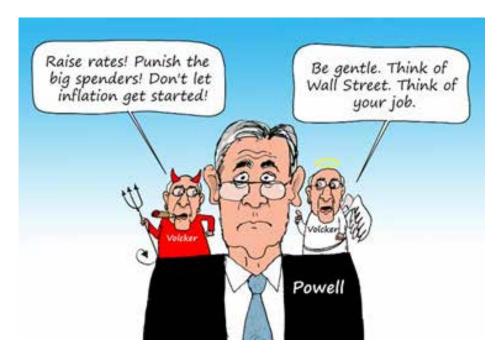
And the Main Street economy is now hostage to all this.

For MUCH more on this, visit https:// nationalinvestor.com/2168/the-fed-andyour-money-in-2020-volcker-revisited/.

#### **POWELL'S TRANSFORMATION**

It has been the Fed's blowing of bubbles that has led to sharp rises in asset prices of various kinds; ones inevitably followed by sharp declines. The two MAJOR occurrences of this were, of course, when bubbles burst in 2000 >>





(causing, since September, the fastest-EVER expansion of the Fed's balance sheet) but he has recently made clear that those "temporary" and "insurance" rate cuts of 2019 are here to stay.

Accordingly, he is no longer worried, it seems, about being the man who presides over the third major deflationary bursting of unsustainable bubbles of modern times that HE now is fostering. Following each of his predecessors (back even before Volcker, to Nixon appointee Arthur Burns) he realizes—as the late Richard Russell, dean emeritus of newsletter writers that he pretty much has but one mandate: INFLATE OR DIE.

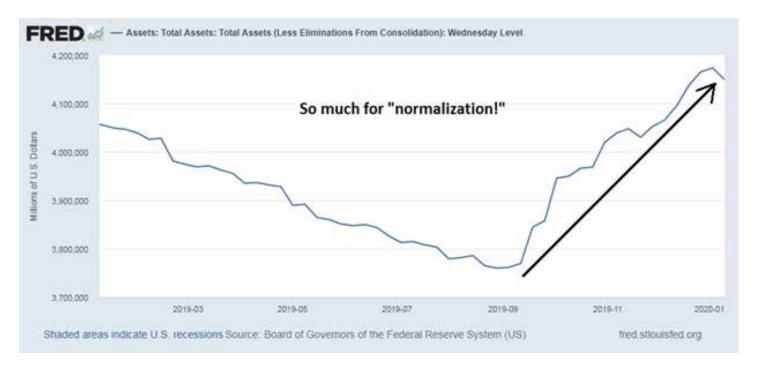
### DEFLATIONARY BUST? OR SLOW, DULL ACHE?

and 2008 (following "mini-episodes" of a similar nature in 1987 and a few times during the 90's.) But the last two especially were so debilitating that the deflationary bursting of credit excesses and asset bubbles led to a broader economic recession.

The first version of Jerome Powell (which lasted barely ONE year; see https:// nationalinvestor.com/2009/a-year-inthe-life-of-fed-chair-jerome-powell/) was like Volcker's first. In seeking to "normalize" monetary policy, in fact, Powell repeatedly pointed out that the last two major recessions were indeed caused by the Fed's first letting asset bubbles getting out of hand. So he sought to methodically raise interest rates and reduce the Fed's bloated balance sheet as his term as Chair began at the beginning of 2018.

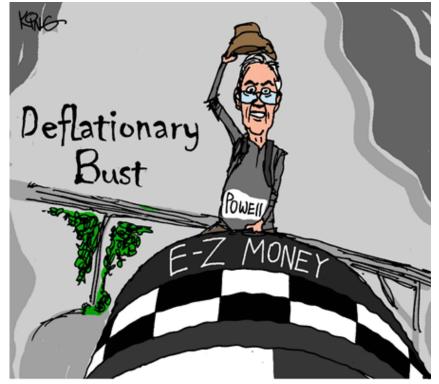
But then, as you see at that above link (and now know from the headlines anyhow) Powell is now into his own "dove" second act. Not only is he flooding markets with ever more fresh dough In discussing Powell's daunting task ahead (check out https:// nationalinvestor.com/2181/2020-fedchairman-jerome-powells-change-upand-his-likely-doomed-mission-for-theyear-ahead/) I did give him credit for one thing that—to at least some extent renders the "Flation" outcome still somewhat of an open question.

And that is, Powell—unlike Ben Bernanke in 2008, who reacted to a deflationary bust after it was already underway—has decided to get out in front of the next one as best he can.



As I point out in that last link above, the math is not in Powell's favor in the end. About all he is likely to accomplish will be to grow the present bubbles—in the stock market, leveraged loans, corporate debt, derivatives and the rest—even larger before an even more spectacular deflationary bust comes once again.

There is a chance that—if a LOT else goes right—things could stay together somewhat for a while, even if the result is what billionaire hedge fund manager Ray Dalio has called "The Great Sag." I have termed it the "Slow, Dull Ache." In that scenario, the U.S. will more or less follow the "Japanification" that hit that island nation long ago. ..is now sinking Europe into a lost generation. ..and will be all that affects the U.S. if we are lucky.



Dr.StrangePowell (Or, How I learned to stop worrying and Love the Bubbles)



### AT OUR CORE: EXCEPTIONAL ASSETS + TECHNICAL EXCELLENCE = ROAD TO DISCOVERY

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by Andrew O'Donnell

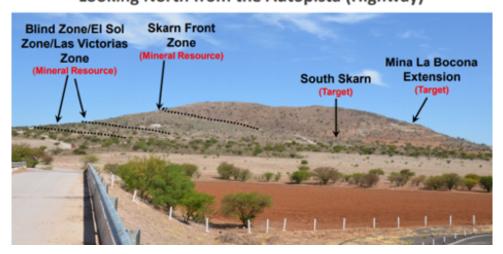
district scale polymetallic company with a history of discovery in Mexico. A district scale --not an interesting project with potential but a project with significant district scope. Mexico can be difficult to work in but overall it is considered safe. You must have a seasoned team with connections, relationships and



a strong history within the region you are working in. Southern Silvers continues to develop and advance its 340 sq.km flagship Cerro Las Minitas (CLM) property in Durango State., Mexico. This is an enormous land package within the prolific Faja



### Cerro Las Minitas Looking North from the Autopista (Highway)



de Plata (Belt of Silver), which has produced more than 3 billion ounces of silver to date. This is certainly a world class silver area. The scope and scale of number is incredible, and that is what fascinates the team, shareholders and potential investors. The company has met many milestones, built upon its geological theory and is proving up some incredible numbers. With all the buzz about silver, it is easy to forget about the importance of zinc. It is the fourth most common metal, used

primarily as an alloy. The annual world production of zinc is roughly 13 million tonnes and has been stable for the past three years while demand increased. Mining Technology reports that global supply zinc is expected to grow at a compound annual growth rate of 3.8%, to 15.7Mt till 2022.

Many of us know how majestic Mexico is from holidaying there but many are not aware of the underground riches waiting for use in the technology that creates a cleaner and greener future. The shift in the markets has happened and Southern Silver is poised to take advantage: It has the property, project, expertise and team to deliver outstanding results in 2020.

CLM (Cerro Las Minitas) features a large land position within the prolific Faja de Plata (Belt of Silver) of northern Mexico, with historic production and resources of over three billion ounces of silver. This has the potential for future "world class" discoveries. A key aspect to consider is illustrated in the picture below: power, roads, workforce, shipping... infrastructure!

Since 2011 \$18.5 million has been spent on developing the project. at a cash discovery cost of \$0.07/02 AgEq or \$0.005/Ib ZnEq. Mineral resources have increased substantially since 2016, with 59,000 metres in 133 drill holes completed. Other milestones that stand out despite this terrible junior market are include the following:

- 2011 Announces Initial Mineral Resource Estimate: Ind: 37.5Mozs AgEq; Inf: 77.3Mozs AgEq 32,410m completed.
- Jan 2018: Announces Mineral Resource Update: Ind: 116Mozs AgEq; Inf: 93Mozs AgEq 49,600m completed
- May 2019: Announces Mineral Resource Update: Ind: 134Mozs AgEq; Inf: 138Mozs AgEq 59,000m completed

Let's shift the focus for a moment to the expertise and team. The President and Director of Southern Silver is Larry Page, who is the principal of the Manex Resource Group of Vancouver. Mr. Page has been a director and Officer of companies that discovered and brought into production the David Bell and Page Williams mines in Ontario, the Snip, Calpine/Eskay Creek and Mascot Gold Mines in British Columbia, as well as the discovery of the Penasquito Mine in Mexico. These are incredible achievements and resources to bring to the CLM project, which looks to shine in a building market.

Mr. Robert Macdonald, MSC., PGeo, is the VP of Exploration and Vice President of Geological Services for the Manex Resource Group of Companies. He has overseen the exploration of many projects throughout North America, notably the discovery of the highgrade 1.2 million-ounce Homestake Ridge Au-Ag deposit in northern British Columbia. Prior to joining Manex, Mr. Macdonald worked as a geologist with the British Columbia Geological Survey and Teck Exploration on projects in Alaska, Peru and British Columbia.

Dr. Larry Buchanan serves as the Chief

Geologist and President of Electrum Resources LLC. Dr. Buchanan has been Chief Geologist of Apex Corporation since 1995. Electrum is a strategic partner in this story and having him is an absolute blessing. He is one of the industry's leading experts on epithermal deposits, on which he has written several definitive texts that inspired the industry paradigm known as 'The Buchanan Model.' Dr. Buchanan has published eight geological texts, played a key role in identifying several multi-millionounce gold deposits, and developed implementation programs for

### Southern Silver Exploration Corp. Electrum Group: The Partner

**Electrum Global Holdings L.P.** is a privately owned company that holds a large and diversified global portfolio of investments in precious/base metals exploration and development projects. Pursuant to the terms of the May, 2015 agreement, Electrum (60%) and Southern Silver (40%) have entered into a Joint Venture partnership in the 345 sq.km Cerro las Minitas property.

- Electrum has a diverse investment portfolio in both mine development and exploration companies:
  - Sunshine Silver Mining and Refining Private Company: Mine Construction Los Gatos Project, Chihuahua, Mexico
  - NovaGold Public Company: Exploration and Development Donlin Gold, Alaska
  - Trilogy Metals Public Company: Exploration and Development Upper Kobuk Cu-Zn-Pb-Au-Ag Projects, Northwest Alaska
  - Nickel Creek Platinum Public Company: Exploration and Development Wellgreen Ni-Pt Project, Yukon
  - Kaminak Gold Public Company: Exploration Coffee Gold Project, Yukon; Company sold to Gold Corp for C\$520M June/16



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numerous currently producing mines. This is a truly technical team. They have a depth of understanding of the region and its geology. Testing their thesis has been developing and this year so much more will be revealed. Taking advantage of markets, their achievements, milestones and team can propel this company forward. The CLM property is a joint venture with another impressive partner, Electrum Group.

A key consideration is the support from other newsletter writers and analyst who see the potential in the project. The list includes:

 Siddharth Rajeev, Fundamental Research Corp. (September 11<sup>th</sup>, 2018)

- Thibaut Lepouttre, Editor **Caesars Report**. report (July 31st, 2019) and here for latest update (May 18<sup>th</sup>, 2019)
- Eric Muschinski Phenom
  Ventures LLC
- Christopher Ecclestone, Equities Strategist – Hallgarten & Co., MEDITERRANEAN RESOURCES LTD., Geodex Minerals Ltd. Click here for latest report (August 14<sup>th</sup>, 2019)
- Dave Kranzler, Fund Manager Investment Research Dynamics

Finally, a quick look at the past year shows a stable stock chart that is on the rise. Relative to the length of time, the amount of money invested in reaching these milestones and the amount of stock out is not bad. There is a great deal of potential for appreciation as the generalist investor starts seeing merit in mining projects, and as the company keeps delivering on its plan.

Capital Structure	-	
*Current Share Price	\$	0.27
*Market Cap	\$34	.8M
Shares Outstanding	129,031	,448
Stock Options	9,551	,500
Share Purchase Warrants (incl. finder/agent warrants	64,409	,313
Fully Diluted	203,097	,361
*Share price at close on November 5th , 2019		

We have started into a mining sector expansion and Southern Silver has not only weathered the storm but met milestones while developing and proving up a substantial property. This business is as much about grit as it is about resilience. It takes a mindset to plan and endure through the lean times and position growth as the market expands. The company is focused on new drilling leading to a PEA in 2020. The team is continuing engineering and metallurgy work to de-risk the project. All in all, this will be an exciting year for Southern Silver. It may mean a big win for current shareholders, and for new investors it is certainly worth consideration.



Refer to the CTMF website for details.



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# ARE THESE SILVER CEOs INSANE OR JUST BUGGY-BRAINED?

by Mickey Fulp

ou know their story as well as I. Hard-core silver bugs believe that the so-called "poor man's gold" is still money. And some are apparently near-religious in their convictions that the United States of America should return to the bi-metallic monetary system that was established in 1792 and officially done away with in 1900.

The US was on a defacto silver standard for eleven years starting in1933 when

Roosevelt devalued the dollar by 70% and made ownership of gold bullion illegal. In 1944, the Bretton Woods Agreement established the American dollar as the world's reserve currency backed by gold and ended that silver relationship.

Monetary silver's finality in the US of A occurred from 1964 to 1970 with a series of Congressional Acts that ended the redemption of silver certificates, first for silver coins then for bullion, and ceased the minting of silver coinage.

Once its value as money was extinct, silver became predominantly an industrial metal and has been exactly that over most of the last 50 years. 70% of new silver is a by-product of base metal or gold mining and production is largely dependent on the prices of these primary metals. 60% of the silver mined every year is now consumed by industrial applications with 40% used for jewelry, silverware, coins, and metals.

Although silver functions mainly as an industrial metal, it is strongly tied to



 $\equiv$  PROSPECTOR JANUARY 2020 / 12

the price of gold and is generally more volatile during upside and downside moves of the yellow metal. In times of financial distress and economic calamity, silver tends to behave more like a precious metal with widespread hoarding and speculation trickling down from the gold market.

Silver aficionados are adamant that the gold to silver price ratio should be less than 20:1. Their argument is based on the silver content in the Earth's crust at about 16 or 17 times that of gold and the ratio of silver to gold mined per year is around 9:1.

Accordingly, they claim it is not a matter of "if" but "when" the price ratio will revert to its normal level of 16:1. Because this ratio has not happened since 1884, the silver promoters cry "market manipulation". They apparently don't savvy that 16:1 was a product of government manipulation.

In my opinion, this is an illogical idea that ignores historical precedence for gold and silver values.

It is indeed true that over the 228-year history of American money, the gold to silver ratio was less than 20 for 97 of those years. That is 42% of the time but let's take a closer look at the facts:

- 93 of those years occurred when the price ratio of gold and silver was fixed by fiat at 15:1 (1792-1833) and then 16:1 (1834-1884).
- Outside of this 93-year period when gold and silver prices were government-controlled, annual gold to silver ratios of 20:1 or less occurred only over four other years. These anomalous ratios were mostly caused by extraordinary government interventions designed to either boost or reign in the price of silver.
- In 1890, Congress, in a disastrous attempt to raise the price of silver, required that the US Treasury purchase domestic silver bullion, mint coins, and issue redeemable paper certificates. This Act led directly to the Panic of 1893.
- With gold at a fixed price and huge debts from World War I piling up, a brief surge in the silver price occurred in 1919 but was unsustainable.
- In 1967 and 1968, Congress allowed the price of silver to float freely

after five years of price suppression and failed attempts to prevent hoarding and melting of coins. These were the last two years when silver bank notes issued in various tranches from 1878 to 1957 were redeemable in bullion. Silver bounced above \$2.00 and the goldsilver ratio dropped precipitously during this period.

In addition to the yearly ratios, monthly gold to silver ratios were less than 20 in the first half of 1970. Note this was when the dollar was collapsing and the official \$35 per ounce gold price was no longer working. It was a year prior to Nixon's first in a series of three executive orders that ended Bretton Woods, the gold standard, and floated the dollar against other world currencies.

During the failed attempt by the Hunt Brothers to seize control of the world silver market in early 1980, the gold to silver ratio was less than 20 for two months.

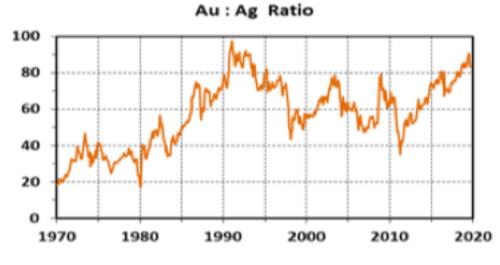
Here's our chart of monthly average gold-silver ratios since 1970:

all-time high in April and May of 2011 before quickly cratering, the monthly gold-silver ratio briefly fell below 40 for the first time in nearly 28 years. Folks, that's more than twice the previous low established during the Hunt Brothers' debacle.

Certainly the current gold -silver ratio in the mid-80s is highly anomalous, and I would expect it to drop going forward.

But based on the nearly 50-year record, I suggest that the gold to silver price metric has entered a completely different paradigm post-global economic crisis of 2008-2009. The case can be made that we have seen the last of abnormally low gold to silver ratios in the mid- to upper teens, 20s, 30s, and perhaps the 40s.

Some CEOs of struggling silver miners with obviously vested interests have repeatedly forecast prices of \$50, \$100, \$175, and even \$300 or \$1000 for an ounce of silver over the past three years. I don't need to name names because if you don't already know who these people are, little due diligence is required.



We are now three months shy of a 50year record of freely-floating gold and silver prices; the mean gold-silver ratio is 56.9 and the median is 58.6.

Note that both of these statistical measures are somewhat skewed to the low side because we have chosen to include abnormally low values during 1970 and the first half of 1971. This 1.5 year period illustrates conditions prior to the beginning of US executive actions to abandon the gold standard. When the price of silver spiked to its

Let's explore the ramifications of outrageously high silver prices predicted by the aforementioned CEOs. In the table below, we have listed various silver prices, the range of gold to silver ratios over the past eight years, and the resulting gold price.

We have ignored predictions of \$300 and \$1000 per ounce for silver and can speculate this particular CEO was in some altered state of mind when he suggested them. There is no doubt that a \$20 silver price is reasonable and seems likely occur in the near term. But I think the higher predictions go from improbable to ridiculous to ludicrous.

### SO FOLKS, HERE'S THE REALLY BAD NEWS:

Were gold to reach \$2500, \$5000, or \$10,000 per ounce in the foreseeable future implies that the economic system is on the verge of collapse, the US dollar is in hyperinflation mode and/or is no longer the world's reserve currency, and resource and/ or religious wars are raging across the planet. These buggy-brained or perhaps certifiably insane silver CEOs should be careful what they wish for. I trust each has a bug-out bag by the door, and lots of gold, guns, gas, and goods stashed wherever he/she/ it plans on staging a last heroic stand as the world regresses to survivalist lifestyles.

The good news is that a \$100, \$175, \$300, or \$1000 per ounce silver price in my lifetime (or yours) is about as probable as this:



#### Acknowledgment:

#### Lukas Smith is the research assistant for MercenaryGeologist.com.

The Mercenary Geologist Michael S. "Mickey" Fulp is a Certified Professional Geologist with a B.Sc. in Earth Sciences with honor from the University of Tulsa, and M.Sc. in Geology from the University of New Mexico. Mickey has 40 years of experience as an exploration geologist and analyst searching for economic deposits of base and precious metals, industrial minerals, uranium, coal, oil and gas, and water in North and South America, Europe, and Asia. Mickey worked for junior explorers, major mining companies, private companies, and investors as a consulting economic geologist for over 20 years, specializing in geological mapping, property evaluation, and business development. In addition to Mickey's professional credentials and experience, he is high-altitude proficient, and is bilingual in English and Spanish. From 2003 to 2006, he made four outcrop ore discoveries in Peru, Nevada, Chile, and British Columbia.

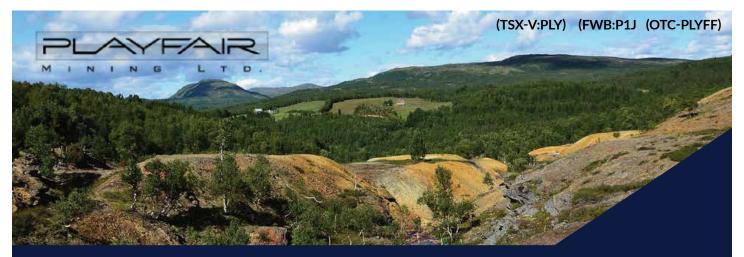
Mickey is well-known and highly respected throughout the mining and exploration community due to his ongoing work as an analyst, writer, and speaker. **Contact:** Contact@MercenaryGeologist.com

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**RKV PROJECT- COPPER NICKEL COBALT IN SOUTH CENTRAL NORWAY** 

BEGINNING WITH ARTIFICIAL INTELLIGENCE, PLAYFAIR IS USING MODERN EXPLORATION METHODS TO EXPLORE THIS 330SQKM HISTORIC COPPER NICKEL DISTRICT.

THE RKV PROJECT COVERS 2 PAST PRODUCING VMS COPPER MINES, A NICKEL-COPPER DEPOSIT AND OVER 20 ADDITIONAL KNOWN MINERAL OCCURRENCES

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# **TESTING ONES RESILIENCE**

#### By Andrew O'Donnell

hether we are facing obstacle, challenges or even success the best approaches to mining involve testing theories. There is a myriad of issues that can present themselves but if a geological technical team faces forward with their theory and tests the proposition, we can come out further ahead. A systematic and scientific approach allows teams to adjust and hone in on what the data reveals. Crystal Lake mining ran into some issues this Fall but fortunately it was not with the technical aspects or the theory: issues emerged in the financial management. This is not a piece on what occurred as that will probably, as in most things reveal itself in time. There are perils in the junior mining that many not immersed in it

can fall victim to, and those who have been watching CLM know the story, for those that do not you are sitting in a fantastic position with the stock fresh off tax loss selling. The issues have been removed from the board and the team and we are left with some exceptionally promising geology, data, results and drill targets with the same core technical team. This is a story about technical fundamentals and not only are the technical there they have become much stronger. It is easy to bail on a team when the going gets rough but give me the targets they have and the grit, resilience, integrity and will of people like President and CEO Maurizio Napoli, and CLM technical team All Star Cole Evans, CEO @HEG. You can survive anything except bad geology. If there is no foundation for targets all the management and media in the world cannot help you, but if you have The Project then you can weather any market and the company just closed \$1.88 million of financing in a difficult junior market which reflects the opportunity people see.

Its numbers, baby!

There is a lot to say about CLM but here is a simple breakdown: 91.26m of 0.38% Cu, 0.30 G/T Au, 4.12 G/T Ag Near Surface on 180m Step Out...and and open in all directions.

There is a reason why Ross Beatty likes it because it has results like Skeena which has been impressive. Who else has delivered such promising results in this prolific region? This is a company that can make a lot of

### **ESKAY CAMP** GOLDEN TRIANGLE

ADVANCING THE LARGEST UNEXPLORED AREA IN THE PROLIFIC ESKAY CAMP



## CRYSTAL LAKE MINING

### NEW DISCOVERIES: 3 MAJOR AREAS: Newmont High-Grade Gold Corridor

Historic Northwest Gold Zone was deemed to not continue until CLM's Technical team recovered thousands of metres uncut drill core that were processed and sent to the labs which had gold results up to 28 g/t. These summers geophysics confirmed the potential of the historic gold zone to extend potentially +2kms in strike length. Awalting summer drill results to confirm.

### **Ridge Zone**

Exciting new grassroots discovery from end of last year as CLM followed up with interesting surface results from previous operator. This summers program contained extensive geological and geochemistry sampling followed by drilling. Initial drill results confirmed a porphyry system zone to up to 2.3km. With drill results of 56.35, @ 0.45% Cu, 0.33 g/t Au, 3.44 g/t Ag & also 91.26m of 0.38% Cu, 0.30 g/t Au, 4.12 g/t Ag near surface. Awaiting more drill results

### Chachi Corridor



Conducted a massive geological and geochemical exploration program this summer which led to the discovery of an expansive, multi-element mineralized system that is unlike any other project in the Golden Triangle of BC. The Chachi Corridor is a massive 8km long x 4km wide geochemistry anomaly which coincides with a continuous >2km long geophysical anomaly along the eastern side of the McLymont Fault. Surface sample results are high-grade and continuous throughout this large area. Results to date include up to 21.03 g/t gold, 2.350 g/t silver, 5.4% copper, 7.7% nickel, 0.85% cobalt, 15.2% zinc and

6.2% lead. These are the first publicized high-grade nickel and cobalt surface outcrop results ever to be published on the massive +50,000 hectare project

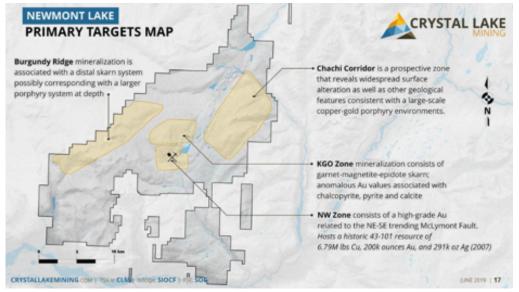
CLM TSX-V SIOCF OTCQX SOG FSE money for existing shareholders. Even raising more capital and increasing the share structure there is fantastic possibility of growth. For those that understand the merit in the data, results and team they understand the upside. For some one new you are getting in at a ridiculous discount.

The story of CLM is not complex it is entirely based on fundamentals and that is the geology, the assay results and the data. The thesis for Newmont Lake is being confirmed as we await more drill holes over the winter. Usually it is quite in the Golden Triangle over the winter and people tax loss sell driving stocks down but CLM is still waiting on the bulk of their results. These could come out in 3 weeks or 6 weeks, I have no idea, but I do know that the bulk of the data is still coming. The target is huge and the results they have are excellent so for me this is a screaming opportunity. I do not work for CLM but have been up at the property and am impressed by their technical team especially Mars and Cole.

A good friend of mine Liam hardy knows the team well and spent the summer of 2019 on site. Liam is a PhD geologist and founder of Spotlight Mining which has a strong presence in Europe. Liam posted a video over the Christmas/Yule holidays that touches on the story of CLM.

### BURGUNDY RIDGE – NEAR SURFACE AND OPEN IN ALL DIRECTIONS

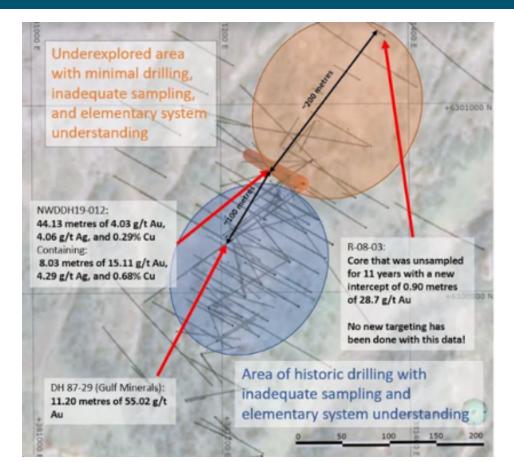
I have run into people that tell me CLM only drilled a couple holes last season! I must remind them that they only released the assay on a few holes, the bulk of the results are still to come.





The results from the first two of ten drill holes in diamond drill program at the Ridge Zone intercepted **91.26 metres of 0.38% Cu, 0.30 g/t Au, and 4.12 g/t Ag** starting at a **depth of 36.7 metres**. Furthermore, a higher-grade core of mineralization within the 91.26 metre interval assayed **25.78 metres of 0.73% Cu, 0.63 g/t Au, 9.36 g/t Ag, and 0.11% Zn** starting at **82.22 metres depth**. The drilling was meant to go to 350meters but poor weather and collapse at 147 meters meant there is significant depth to further explore.

There were rumours put out that this was a twinned hole but that is not the case – the hole is 100 meters away from any hole drilled to date. As you can clearly see from the map, it is approximately 100 metres away along strike of the highest-grade centre known to date. CLM had an intersect at 44.13 metres of 4.03 g/t Au, 4.06 g/t Ag, and 0.29% Cu starting at 82.00 metres depth outside of the historic footprint of the NW Zone. This had a high-grade centre of 15.11 g/t Au, 4.06 g/t Ag, and 0.68% Cu over 8.03 metres.





 $\equiv$  PROSPECTOR JANUARY 2020 / 18

### **THE DEPTH OF WORK**

Work	Quantity	Status/Purpose
Diamond Drilling	6,546 metres	Majority of the assays pending. The initial assay results highlighting (1) significant expansion of high-grade gold at the NW Zone and (2) discovery of first Cu-Au-Ag porphyry system at 72' Zone.
IP Geophysical Surveys	~12-line kilometres	Identification of potential new high-grade Au systems along the Newmont Lake Gold Corridor.
Soil Sampling	> 3,000 samples	To define large scale, well- endowed metal systems across the Newmont Lake Property.
Rock Sampling	~2,500 samples	To outline new surface discoveries, geochemical vectoring, and confirmation of historic assays in a variety of locations.
Hyperspectral Sampling	~4,500 samples	To create numerous spectral geology layers critical in the interpretation of alteration systems and vectors in exploration targeting.
Geological Mapping	~350 km <sup>2</sup>	1:2000 scale or finer, to outline the geology, structure and alteration zones within variety of areas of interest across the Newmont Lake Project to assist in drill targeting and new discovery.
Exploration Camp and Logistical Network Build	50-person spring/summer/fall capacity with current 8-person winter capacity.	Critical component for low- cost exploration complete with 2 airstrips, 2 sets of bulk fuel tanks, equipment storage etc.

The mountain of data CLM has is the core, the foundation of the opportunity. All good exploration companies start with a theory and that has not changed. They are proving up the theory and with 8 more drill holes to be released there is urgency to this story.

It is a new intercept and I also have 3D models to show it. The image also highlights 28.7 g/t Au over nearly a metre on a 200-metre step-out from hole NWDDH19-012 (the second hole we drilled at the NW Zone, but 12th of the program). Crystal Lake simply sampled core that was drilled 11 years prior which was never sent to the lab. Cole Evans wrote a compelling piece that looks at a different way to consider the results, and to highlight the case for CLM.

The elephant in the room has been dealt with and we are left with the foundation of CLM. That foundation is not only there but strengthened by character as well as by the numbers. This is more than a real project. It is a massive project that has more assay results, the bulk of them being released over winter. You do not have to wait till next spring for more drilling or next Fall for more results. Results could come anytime and at \$.13 this company could start making a move.



EXPLORING AND DEVELOPING RARE EARTH ELEMENT AND URANIUM DEPOSITS IN CANADA'S ATHABASCA BASIN AREA OF NORTHERN SASKATCHEWAN AND THE HISTORIC MINING CAMP OF ELLIOT LAKE, ONTARIO.

### **ALCES LAKE PROJECT**

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Sixty North Director Brian Malahoff and NDM Director Dr. David Webb on site 2017, A-Zone

# **SIXTY NORTH GOLD MINIG LTD.: GOING DEEP AT MON** (STY: CSE, 2F4: FSE, SXNTF OTC PINK) by David O'Brien

hen we first started our investigation into Sixty North Gold Mining Ltd. (SXTY: CSE; 2F4: FRANKFURT; SXNTF: OTC-PINK)'s Mon Gold Project, the original Mon Gold Mine's geological features were the first clue, and the parallels to the nearby Discovery Mines was the second... it's the deeper regions in the ore body that are what give the new operators great hope. Not just a 'stope 'n' hope', as is often the case.

#### HIGH-GRADE GOLD MINING OPPORTUNITY: RESTARTING A PAST PRODUCING HIGH-GRADE MINE

As Ron Handford, VP Corp Dev & Corp Sec, said last year "We acquired our interest in the Mon Property because of its high-grade nature and similarities to the past producing Discovery Mine which is located 45 km north of us. The results collected by our President and CEO [Dr. Dave Webb] with specific geological knowledge in this belt confirms our beliefs and reveals some grade exceptionally-high results. similar to anecdotal descriptions from individuals who had previously mined the property. It is our belief that the historical drill holes from beneath the previously mined areas together with descriptions from what was mined provides further support that the mineralization extends below previous workings at shallow depths, less than 10 m below the portal elevations. This represents an exciting exploration

opportunity that can be assessed easily by bulk sampling."

In conversations with Dr. Dave Webb, Pres & CEO, he reaffirms those observations, and he should know, having worked on many of the mines in the area including the Mon Gold Project and the Discovery Mine over

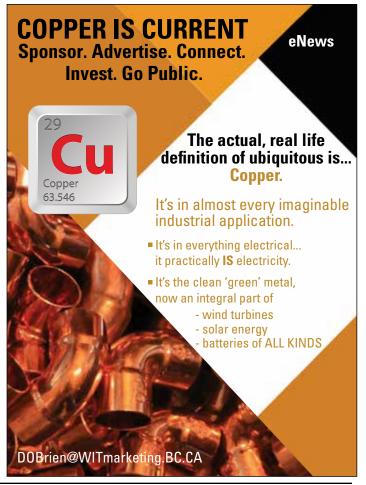
the past 30+ years. Recently in T.O., he was so enthusiastic in his assessment of the potential, *I just* had to dig deeper.

Let's start with a review of the original Mon Gold Mine, and include the Discovery Mine for those geological parallels/ similarities. The Mon Gold Property is located in the Archean-aged, Yellowknife Greenstone Belt, NWT, Canada.

Past mining in this Belt exceeds 15 million ounces of gold at grades >0.5 oz./ton, including the Con (6 m oz.), Giant (8 m oz.) and Discovery Mines (1 m oz. at 1 oz./ton, 1949-1969). The *Mon Gold Property* is geologically similar to the *Discovery Mine*, 45 km to the north.

Note the horseshoe shape for one... the folded structure.

From his description we get a synopsis of the similarities:



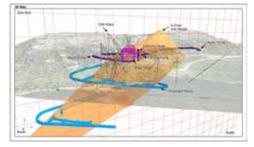
"There are two principal types of gold deposits in Yellowknife, the NWT, or even in any Archean terrain, each with variations. In Yellowknife, we have a simpler but less common subdivision, 1) ductile (shear zones, usually but not always in igneous rocks) and 2) brittle (simple quartz veins, in igneous and sedimentary rocks). The Discovery Mine, and the Mon A-Zone are ductile deposits within sedimentary rocks adjacent to igneous rocks. The Con Mine, Giant Mine, and the Ormsby Zone are ductile deposits in igneous rocks (volcanic) and Nicholas Lake is a ductile deposit in igneous (intrusive) rocks. These *typically go to great depths* (> 1km).

Ductile deposits are large and have significant alteration whereas the brittle deposits are smaller with very minor alteration (Ptarmigan, Dome Lake, Camlaren). These typically do not go to great depths.

The Discovery Mine is hosted within a quartz vein system with significant alteration, and low sulphide concentrations, folded into a horseshoe shape within sedimentary rocks a few meters from a mafic igneous rock. It hosts patches of high-grade gold mineralization over a strike-length of about 200 m. The vein is nearly vertical and the fold plunges almost vertically. It has been mined to a depth of 1,200 meters yielding 830 ounces per vertical meter.

The MonA-Zoneishosted withina quartz vein system with significant alteration, and low sulphide concentrations, folded into a horseshoe shape within sedimentary rocks a few meters from a mafic igneous rock. It hosts patches of high-grade gold mineralization over a strike-length of about 250 m. The vein is nearly vertical and the fold plunges moderately to the south. It has





been mined to a depth of 15 m below surface, recovering an estimated 1,000 ounces of gold per vertical meter from half of the folded structure."

#### **PROPOSED RESTART OF OPERATIONS**

Three dimensional representations of the A-Zone (gold) with drill hole traces (dark grey), and existing workings (purple) with planned development (blue) in views to the south (top image) and to the west (bottom image)

**Sixty North Gold Mining Ltd**. (Optionee) has an option to earn an 100% interest in the *Mon Gold Property*, subject to a 2% NSR, through funding \$2 million by 12/31/2018 (achieved), and a cumulative \$6 million by 12/31/2020.





### MON GOLD PROPERTY NEAR YELLOWKNIFE, NWT, CANADA

### **RESTARTING A PAST-PRODUCING HIGH-GRADE MINE**

- Mon Gold is the only gold project in the NWT permitted for production
- Mining equipment and camp has been acquired, ready for transport to site
- Similar geology, scale and structure to the regional 1m oz gold Discovery Mine
- Crown pillar grades up to 688 g/t gold over 0.5m; 98.8% met recoveries
- Further exploration potential for VMS and shear zone gold

**60 NORTH GOLD** 

### SIXTY NORTH GOLD MINING LTD. CSE: SXTY FRANKFURT: 2F4 OTC-PINK: SXNTF

Contact: Dave Webb, B.A.Sc., M.Sc., Ph.D., P.Geol., P.Eng., President & CEO p: 604-818-1400 • e: dave@drwgcl.com

### www.sixtynorthgold.com

( >

Land Use Permit and Water License for mining and milling production at 100 tpd are in place – the Mon is the only gold project in the NWT permitted for production.

Exploration has demonstrated substantial additional potential.

### LOCATION, REGIONAL GEOLOGY & CLAIMS & MINING LEASES







### DISCOVERY MINE, 901 STOPE, PRODUCTION SAMPLES

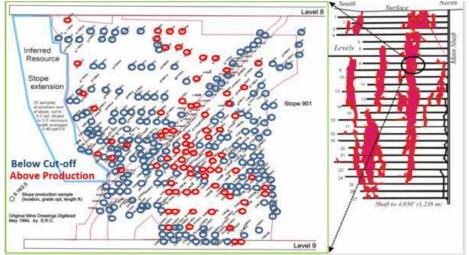
High-grade gold is not homogenously distributed, rather it occurs in clusters of very concentrated grades

### METALLURGICAL TESTING 2018: RECOVERIES AVG. 98.8%

Composite ID	Sample Weight Tested	Head Grade, git Au		Gold Recovery, % Au		
	kj	Measured	Calculated	Gravity	Flotation	Overall
Composite 1	75.6	17.4	16.6	79.9	18.0	97.9
Composite 2	83.8	265.8	314.8	73.2	26.0	99.3
Composite 3	83.6	170.7	128.9	75.7	23.5	99.2
Composite 1+2+3	243.0	156.2	158.0	76.1	22.7	18.8

- Simple gravity and flotation circuit averaging 98.8%
- recovery on 158.0 g/t Au calculated head grade
- Environmental benefit high recoveries without the use of cyanide leaching
- Details in news release August 15, 2018

Past production at the *Mon* totals 15,000 ounces of gold from 15,000 tonnes of ore from 15m of elevation in part of the folded quartz vein system. Historic drilling results show continuity of



From August 7, 2018>> <u>Results of a</u> <u>confirmation mechanized trenching</u> <u>program of the crown pillar of the</u> <u>A-Zone at the Mon Gold Property.</u>

Trench	From (m)	To (m)	True Width (m)	Gold Grade (gpt)
TR 17-1	0.00	0.28	0.28	20.3
ne roem-	0.28	0.78	0.50	3.4
TH 17-2	0.00	0.50	0.50	688.8
	0.50	1.30	0.80	273.1
	1.30	1.80	0.50	2.6
TR 17-3	0.00	0.40	0.40	5.6
	6.40	1.00	0.60	15.9
TR 17-4	0.00	0.40	0.40	1.8
TR 17-5	0.00	0.58	0.50	8.4
TR 17-6	0.00	0.50	0.50	4.9
	0.50	1.00	0.50	3190.0
_	1.00	1.60	0.60	3.0
TR 17-7	8.00	0.50	0.50	16.3
	0.50	1.40	0.90	12
TR 17-8	0.00	0.90	0.90	148.9
TR 17-9	0.00	0.50	0.50	65.0
	0.50	1.00	0.50	311.6
	1.00	1.70	0.70	198.4
TR 17-10	0.00	1.00	1.00	60.2
	1.00	1.90	0.90	27.7

mineralization to the maximum depth drilled, for an additional 63 m below the area mined.



Gerry V. Hess, President

Mr. Gerry V. Hess is a metal worker, miner, superintendent and manager, who has transitioned into mine contracting and development. He is the former shift boss and mine captain at *Giant Yellowknife Mine, Con Mine,* and acting mine manager at The Mon Gold Property is located in the Archean-aged, Yellowknife Greenstone Belt, NWT, Canada.

Past mining in this Belt exceeds 15 million ounces of gold at grades >0.5 oz./ton, including the *Con* (6 m oz.), *Giant* (8 m oz.) and *Discovery Mines* (1 m oz. at 1 oz./ton, 1949-1969).

He co-founded **Germac Contracting** and acquired a lease to mine the *Mon Gold Mine* in Yellowknife, starting operations at this greenfield project at 100 tpd. He also contracted for development work at the *Yellowknife Gold Project* for **Tyhee Gold Corp**.

### OPERATIONAL EQUIPMENT IS READY FOR TRUCKING ONTO SITE



### <u>NI 43-101</u> TECHNICAL REPORT HIGHLIGHTS MON GOLD PROP-ERTY, NWT, CANADA

DECEMBER 11, 2017, available on www. Sedar.com

- A number of gold-bearing quartz veins occur on the Mon Gold Property. Only the A-Zone has seen significant exploration.
- The Mon Gold Property is an Archean, turbidite-hosted, stratabound, non-stratiform quartz shear/vein deposit geologically similar to the Discovery Mine and as such has substantial potential.
- The deposit is an antiformalyfolded quartz vein, plunging to the south at around 20 to 40 degrees. The higher gold grades at the fold nose are consistent over the mined length of 75 meters (open to south).

Grade and width decreases with distance away from the fold into the limbs of the structure.

A five-hole diamond drilling campaign by **Sixty North Gold Mining Ltd.** In October 2016 has shown continuity of the A-Zone to a vertical depth of 54 m below the East Stope and to a vertical depth of 63 m below the West Stope.

Nearby properties: **GoldMining Inc.**'s *Clan Lake*, 5 km away (79K oz, Measured and Indicated Resource, 316 K oz. Inferred); **TerraX's (TXR.V)** *Yellowknife City Project* 25 km to the south (735k oz Inferred Resource).

The overall size, grade and form of the mineralization as well as its host rock assemblage is geologically similar to the *Discovery Mine* (located 50 km to the north) where 1 million tons of ore were mined and 1 million ounces of gold were recovered between 1949 and 1969. *Mon Gold Property's* A-Zone appears to be a viable exploration target for a "*Discovery Mine*" type of deposit.

A planned >1,000 tonne bulk sample will be collected from the "A" zone. The sample will allow for confirmation of the geometry and size of the vein, and the larger sampling will allow for a better estimate of the grade. This underground work *may provide* an estimate of any Mineral Resource or Reserves.

[**Disclaimer:** There are no known resources or reserves on the *Mon Gold Property,* and the presence of mineral deposits on properties adjacent to or in close proximity to the *Mon Gold Property* is not necessarily indicative of mineralization on the *Mon Gold Property.*]

### SIXTY NORTH GOLD MINING LTD. DIRECTORS AND MANAGEMENT

John Campbell, MBA, CFA, CPA; Chairman of the Board & CFO Dr. Dave R. Webb, B.A.Sc., M.Sc., Ph.D., P.Geol., P.Eng., President & CEO Ronald L. Handford, B.A.Sc., MBA; VP Corp. Dev. & Corp. Secretary Grant Block, CPA, CA, CMA, CPA (Nevada) Director Andriyko Herchak, B.Comm., CPA, CA Director Gavin Kirk, Director and Investor Relations Consultant Brian Malahoff, P.Geo., Director

### NEW DISCOVERY MINES LTD. PROJECT MANAGER

Dr. Dave R. Webb, B.A.Sc., M.Sc., Ph.D., P.Geol., P.Eng., Director Gerry V. Hess, President

### **CAPITAL STRUCTURE**

2019-10-24	Shares and warrants issued
Shares	60,533,333
Warrants	15,582,000
Options	4,080,000
Fully Diluted	80,195,333
Note: Management and I	Directors hold 28.1% of outstanding shares

### **KEY OPERATIONS PERSONNEL**

[quoted from supplied text] **Dr. D.R. Webb**, Ph.D., P.Geol., P.Eng. has over 40 years of experience, completed his M.Sc. and Ph.D. in Yellowknife.

He discovered four gold deposits in Yellowknife, developed the largest gold resource reported in Yellowknife in the past 50 years subsequently taken to feasibility, and the largest granitoid-hosted gold deposit in the NWT. He acquired the *Mon Property* in the late 1980's from **Cominco Ltd**. and developed it into production in the 1990's. He recently obtained operating permits for mining, processing, and storage of tailings at the *Mon Property*.

**Mr. G.V. Hess** is a former mine manager of the *Mon Mine*, and underground superintendent at four other mines in the Yellowknife area. He has been an independent mine contractor installing several kilometres of underground workings at various remote sites and has been a former contractor at one of the NWT's diamond mines.

Direct contact: www.sixtynorthgold.com **Dr. Dave R. Webb**, B.A.Sc., M.Sc., Ph.D., P.Geol., P.Eng., President & CEO **Sixty North Gold Mining Ltd.** p: 604-818-1400 • e: dave@drwgcl.com

David O'Brien is the owner of **Int'l Mining Research CENTRE** which employs Media, Event and Online exposure, including eNews **News Release Reprints & eNews 3<sup>rd</sup>-Party Articles**. O'Brien also owns W.I.T. Marketing Writing, an Ad Agency, and has been contributing articles to TheProspectorNEWS. **com**, on demand. He owns no shares in the above companies. DOBrien@ InternationalMiningResearch.com

# WHEN WAS THE LAST TIME WE HAD A BIG WINNER?

THE ANSWER TO THIS OFTEN-ASKED QUESTION IS: NOT SO LONG AGO... AND MORE THAN ONE.

### By Lawrence Raulston

hile chatting about the junior mining market with an old friend and colleague, he asked: When was the last time we had a big winner?

Having been asked this frequently, I surprised him with a quick list of stocks that have provided big rewards to shareholders over the past couple of years.

He said: Yes, those are all nice gains, but what I mean is a really big win, like Arequipa or Diamond Fields.

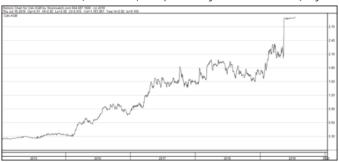
For anybody who wasn't around in the 1990s: Arequipa was taken over by Barrick in 1996 for \$790 million after just 9 drill holes into the Pierina discovery. Diamond Fields, having discovered the Voisey's Bay nickel deposit, was acquired by Inco that same year for \$3.2 billion after an intense bidding war.

Well, I would argue that New Pacific is an even better win for investors than Arequipa, with a value now in excess of a billion dollars, with drilling continuing to push out the limits of that discovery.

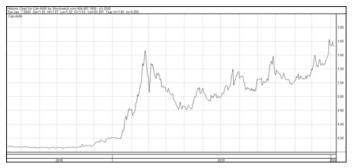
Kirkland Lake Gold is now worth \$12 billion, easily eclipsing the Diamond Fields valuation, and still offers further upside potential.

Both of those stock charts are included below, along with a few other recent ten-fold and better gains.

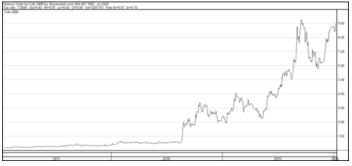
So, yes, the mining industry has had some big wins. And, with the recent move in the gold price, the fun is just getting started. Atlantic Gold (AGB-tsxv): Acquired by St. Barbara in July 2019.



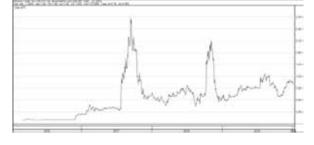
Amex Exploration (AMX-tsxv) – gold discovery in Quebec.



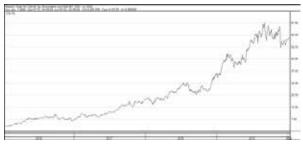
Great Bear (GBR-tsxv) – gold discovery in Ontario



GT Gold (GTT-tsxv) – gold / copper discovery in BC

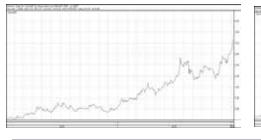


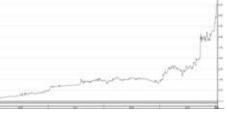
Kirkland Lake Gold (KL – tsx) – building a gold mining company



K92 Mining (KNT-tsxv) – an emerging gold mining company

New Pacific (NUAG-tsxv) – silver discovery in Bolivia





Abitibi Royalties (RZZ-tsxv) – royalty company

Metalla Royalty (MTA-tsxv and NYSE) -

early-stage royalty company



Lawrence Roulston is Managing Director of WestBay Capital, and invests in and provides management and advisory services to resource companies.

**Disclosure:** Lawrence Roulston, author of this article is chairman of and holds an interest in Metalla Royalty, one of the companies mentioned in this article.



XimenMiningCorp.com

# **"THE MICK" SEES A HOME RUN IN GOLDEN GOLIATH**

By Kevin "The Mick" Dougan

olden Goliath CEO , Paul Sorbara has truly paid his dues and has persevered through some very tough times. He is poised to prosper handsomely, as it seems he is sitting on some very prolific

properties in the very safe mining jurisdictions in Ontario, Canada. He has assembled a very talented board of advisors who indeed know the lay of the land and seemingly have zoned in on some very juicy prospects. The channeling and sampling programs are ongoing and early results have been very encouraging. Drill targets are being carefully chosen and the Truth Meter will tell the tale in the coming weeks. To learn of the long strange journey Paul has been

on click here to read "Fat Chance" https://kdblueskymarketing.com/wpcontent/uploads/2019/06/GNG-fAT-CHANCE-2-1.pdf.

What you will learn is from rock star in music, to rock star in geology, it has been a long remarkable trip. One that will hopefully have a very happy golden ending for Paul Sorbara and his long, patient and loyal shareholders, which I have faithfully & expectantly been.

Awell-known, independent Geophysical Engineer, **Robert Middelton**, **BSC.**, **MSC.**, **Peng.**, who discovered the Bell Creek Mine in Timmins in 1979, was retained by the Company to examine the geophysical data and give his own interpretation and recommendations. Middleton's report stated: "The Induced polarization survey of the Kwai Property in Red Lake has traced two major shear Zones across the length of the grid for a 1.6 km distance and drill holes at selected intervals will determine the presence of gold mineralization. **Such a setting occurs**  on the Dixie Lake Property now held by Great Bear Resources north of the Golden Goliath claims where a sharp contact of basalt and sheared sericite schists demarks a gold bearing zone (See Great Bear Resources web site for maps)." "You are in Virgin territory!



Paul Sorbara, President, Golden Goliath Resources Ltd

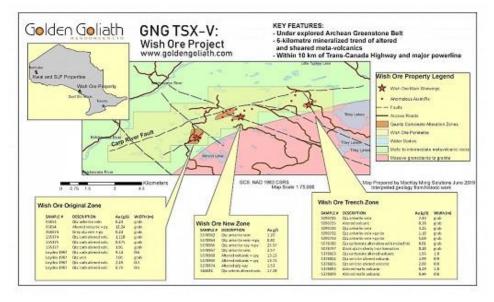
And you can have a whole new type of discovery here. The gold bearing fluids are in the area and just need the right structure to channel them."

As per last NR "Company CEO Paul Sorbara says, "My recent trip to all three of our Ontario properties was very successful. I am very encouraged with what I have seen on our Wishore property. The excavator kept turning up good looking, mineralized outcrop. I anticipate the results of the geophysical surveys which are now in progress. We got two for two with

the IP anomalies on the Kwai and SLF properties in the Red Lake area and the MAG and VLF results from them are still in process. I believe those results will further enhance the drill targets. Now we have three for three with the Wish Ore sampling and trenching and the geophysics isn't even done yet. Things are looking good." The fall drill program could be some very exciting times for shareholders.

Company CEO Sorbara

says, "I could not be happier with the results of the geophysical surveys here in the Red Lake area and with Bob Middleton's interpretation and enthusiasm. He is very respected in the industry. We have ten good drill targets on Kwai and another on SLF. They are all in areas of overburden cover, which



means that no one in history has seen those rocks before "virgin territory" as Bob Middleton said, not to mention "The gold bearing fluids are in the area and just need the right structure to channel them." For me, that is very exciting and I look forward to the drilling to come. You can be sure I will be there when that core comes out of the ground."

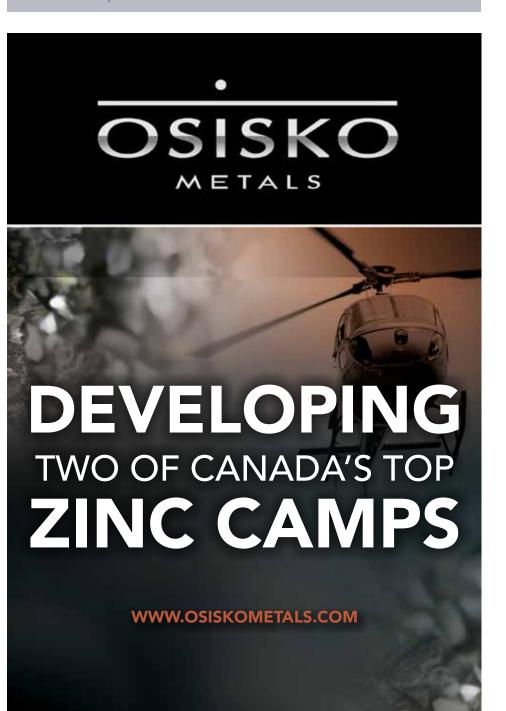
The current price allows one load up and roll the dice and hopefully ... score big. GNG has assembled a stellar team of experts who specialize in the knowledge of Ontario which is rapidly becoming the next boom area for Ir. Miners. They are cashed up and ready to drill near the darling of the juniors, Great Bear Resources, which is surely going to be bought out by a major at a fantastic premium. Golden Goliath holds a land package land less than 7 miles away and will be applying the truth meter (the drill) this fall. Paul and his experienced team have acquired some interesting and noteworthy properties.

The recent samplings from the Wish Ore property were very encouraging and spurred much interest and over 7 Million shares have traded in the last week since the NR. The sampling and studying of the data assures that it will be an exciting fall drill season. The Kwai property seems to be the crown Jewel of the GNG stable. The ongoing IP surveying of this very prospective target could hold the wonder hole that Paul has patiently sought after & reward him handsomely.

The fact he was able to assemble a crew with such expertise in the Ontario region only adds to the allure and confidence in the projects which were very carefully studied and chosen by GNG. In my humble opinion, Paul Sorbara has paid his dues in full. It is time for him to grab the brass ring. Everything he has set as his lofty goals he has achieved, albeit Rock Star to Mining Executive. He is an example of the word... Perseverance. I asked him about his lofty goal to build that hospital in Mexico and he confidently replied, "There is still time and not only there... but perhaps the native lands of Ontario could use a hospital also." Spoken by a man who sets lofty goals and sees them thru.

#### Disclaimer:

My newsletter is named after my boyhood idol, Mickey Mantle. Reason is the "Mick" used to swing for the fences. He not only hit a ton of homers but he was the King of the Grandslam. That is what I do with Mick's Picks. We aim to knock it out of the park with the companies we select. The companies who sponsor my website or who I own shares in, have been carefully vetted and researched. Do we always hit homers... of course not, but some of my winners produce staggering returns. There is no better time to buy juniors than during the summer doldrums. Most companies are at their 52-week lows now. Gold is breaking out of its multi-year slumber. IMHO now is the time to scoop up undervalued, unknown juniors with strong management and stellar properties in safe regions. IMHO Golden Goliath checks all the boxes when it comes to an undervalued stock that is poised to explode to the upside. Junior Miners are where the action is at and now is the time to get in before the crowd joins in.



TSX-V: OM; FRANKFURT: 0B51; OTCQX: OMZNF

# A URANIUM BULL RUN IN 2020, OR...?

#### By David H. Smith

n 2003, after 20 years of getnowhere prices, uranium made an unexpected moon launch, running from \$7 pound to around \$140 without a decline-in just five years. At the 2007 top, there were close to 600 explorers and producers in this "uranium space". When the bull run started, there had been five!

In 2020, less than two dozen companies of varied financial strength and potential have survived. The spot price per pound is around \$30. Producers need at least \$40 - \$50 to turn a profit. (Commercial users may contract "offline" at a different price than the public quote.) One unsubstantiated source claims that the current exchange rate is actually running in the neighborhood of \$45-\$65, based upon "the marginal cost at a minimum." at ten cents, before it fell to...one cent! With nerves of steel he held on, and several years later was amply rewarded for his steadfastness.

Despite a "spikelet" to \$70 in 2011, followed by Fukushima pounding a nail in the coffin for the entire sector, it was pretty much all downhill for Paladin Energy. In 2015, its founder stepped down as CEO. In 2016, Paladin sold its non-core Australian exploration properties. The next year trading was suspended at four cents, and it was delisted from the Toronto Stock Exchange.

Restructured in 2018, this sector entry which had once been a two billion dollar company, trades on the ASX at...S0.06 cents! The moral of this round-turn penny stock devolution? Extreme gains are possible, but over barely starting to catch the public eye, but once it becomes mainstream, the uranium market will really take off. (2011)

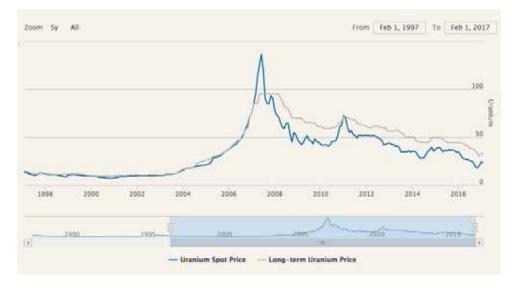
**Only one year to go!** Analysts at one of the world's largest banks wrote: We don't believe the uranium price can sustain a sub US\$30/lb level for longer than a year given the cost structure of the industry and rising demand. With an all-in basis cost of production north of US\$30/lb and only legacy contracts ensuring miners are cash flow positive today, this is an unsustainable position in our view. (2016)

And this: Trump's election signaled this commodity's new bull market—which I think has the potential to deliver the same eye-popping investment returns as its previous bulls. (2017)

Yellowcake, the 80-90% refined mined uranium oxide analogous to gold or silver doré, oscillates around \$30/pound with large users contracting out higher or lower, depending upon delivery date, buy/ sell forward, etc. Taking a share position years early while your target investment keeps declining is a recipe for frustration and loss, not to mention opportunity cost as you wait around for the big move.

Investors like Eric Sprott or Rick Rule, who can hold on for years and suffer epically-large draw-downs while waiting for their ship to start sailing, are truly the exception to the norm. You and I? Maybe not so much.

Is a new uranium mega-bull run in the cards for 2020 - or later? While uranium is still "out of favor", some investors and brokers are making the case for a new secular upswing. Truth be told, just about everything stated over the last decade supportive of uranium as a reasonable investment, can and will come across as valid if/ when a new bull run gets going...along with additional data points that this time <u>could</u> tip the balance in favor of a large, sustainable run.



Uranium - "Gradually and then suddenly" - Hemingway

For five years, investors and analysts have predicted an imminent, sharp rise in price that would mimic 2007, during which a flock of explorationto-evolving producer plays shot into the stratosphere. But none was more famous than Paladin Energy, which rose from \$0.03 - that's three cents per share - to \$10! Well before it got underway, Rick Rule financed Paladin time become buoyed more by belief than substance. If you're lucky enough to "make" a big score, at least take some - lest the winds of change wrest it from your grip. And we're not just talking about uranium!

**Uranium bulls, tilting at windmills?** A well-known site said this at \$130/ pound: I'm here to tell you that this amazing price run is not over yet, not even close. In fact, this market is just Rick Rule (bullish right now), says that he is most interested in investing when the answer to the question is "When" not "If". Problematically, another uranium run could be in the cards "sooner rather than later"; "sooner or later"; or so far away that for most mortals it doesn't really matter. **Uranium Participation Corp (U.TO)** with the majority of its trading volume on the TSX - invests substantially all of its assets in uranium oxide in concentrates ("U308") and uranium hexafluoride ("UF6") (collectively "uranium"), with the primary investment objective of achieving appreciation in the value of its



U.TO Weekly

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*uranium holdings through increases in the uranium price*. This, or the less liquid OTC version, can serve as a rough status proxy, while offering price direction hints.

**Technical Take:** Weekly charts indicate a longer-term bottoming formation. The 20 year chart (not shown) demonstrates that the price, after falling without respite in 2011, bottomed in late 2015, tested the level repeatedly throughout 2018, and performed a small "lift-off" in 2019. Sustainable?

We're contrarians who keep an eye out for investment options well beyond just gold, silver and the miners. Longtime TMR subscribers recall that well before the first bull phase matured, David Morgan profiled a uranium exploration stock that could have returned readers almost 1100%.

These days we're being asked questions about whether or not history in the sector could repeat itself. Is such a case compelling? (Yes). Could it get underway in 2020 (Possibly, but so far the jury is out.). Could it still be several years away? (Yes). Is the potential for outsized gains worth the risk (Probably). Is it possible to participate while keeping risk manageable and not tying up major funding for other "opportunities" while waiting? (Yes).

Subscribers to The Morgan Report

will get the information they need about a market whose profit potential could greatly exceed the current frustration quotient, see how long the run might last, and learn what building a strong risk/reward model entails. "Catch the magic" with David Morgan's free weekly report here

#### Disclaimer:

David H. Smith is Senior Analyst for TheMorganReport.com and contributor to MoneyMetals.com He has investigated precious metals' mines and exploration sites in Argentina, Chile, Peru, Mexico, Bolivia, China, Canada and the U.S., and shares resource sector observations with readers, the media, and North American investment conference attendees.

# PDAC 2020: THE WORLD'S **PREMIER MINERAL EXPLORATION AND MINING CONVENTION**

he word's mineral exploration and mining industry will come together in downtown Toronto for the annual Prospectors & Developers Association of Canada's (PDAC) Convention from March 1-4, 2020 marking the 88th year for this iconic event.

Toronto is known as the mining investment capital of the world, and the annual PDAC Conventionthe sector's unofficial temperature gauge—is set to bring another unrivaled lineup of programs, speakers, investment opportunities and networking to the Metro Toronto Convention Centre.

More than 25,000 attendees from 132 countries attended in 2019, including analysts, mining executives, geologists, prospectors, investors, students, and government officials.

The PDAC Convention is the one event the mineral exploration and mining industry cannot afford to miss," says PDAC President Felix Lee. "It is the only place where professionals and companies can connect every year to best position themselves and their companies for the year ahead. For me, 2020 will be my  $32^{nd}$ consecutive year attending.



Highly-acclaimed programs—such as the Capital Markets Program, Indigenous Program, Short Courses, Sustainability Program and Technical Program—will return, along with a Keynote Program focussed on discoveries of the 21st century.

The International Mines Ministers' Summit (IMMS)—a unique event bringing together Mines Ministers from around the world—is returning for the fifth consecutive year. Cohosted with the World Economic Forum, the IMMS provides a communal setting for sharing insights and taking part in discussions that are aimed at enhancing the positive impacts the industry can provide to communities and regions globally.

More than 130 countries are consistently represented at the PDAC Convention. and one of the top reasons for this is the learning opportunities," adds Lee. "In addition to regular programming, the IMMS offers a unique platform for international mining leaders to share their knowledge with others who work in similar roles, but in other parts of the world. It's a rare meeting

opportunity that we are proud to provide.



For more #PDAC2020 information and the latest programming details, head to www.pdac.ca/convention.



### **HIGHLIGHTS OF PDAC 2020**

### Awards Gala & After Party:

A prestigious event where outstanding achievements in the Canadian and international mineral exploration and mining industry are celebrated.

### Grand Finale:

After four outstanding days at the world's leading convention for mineral exploration and mining, it's time to party at this free event!

### Mineral Outlook Luncheon:

2019 saw the return of major M&A activity in the mining industry. Catherine Raw, Chief Operating Officer of Barrick Gold Corporation will discuss the recent spate of M&A in the gold mining sector.

### Network Reception:

PDAC's new reception is the mustattend event to connect with domestic and international professionals, and discuss matters shaping the industry.

#### **Opening Day Reception:**

Come to the largest networking event at the convention! Connect with attendees, peers, and exhibitors while you enjoy a free drink and appetizers.

### **PDAC New Members Networking Reception:**

Over 1,500 industry professionals are invited to network with PDAC Directors and fellow members from around the world. This is an opportunity to meet with your peers, make valuable connections and discuss issues facing the industry.

### **Student-Industry Networking Luncheon:**

This reception-style buffet luncheon provides an opportunity to make valuable connections with the industry professionals and peers.

### Trade Show Reception:

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