

MIF

METALS INVESTOR FORUM MAGAZINE

Great Bear Resources:
\$10,000,000

Private Placement Including
\$5,700,000 Investment
from Rob McEwen and McEwen Mining

[September 11, 2018]

Exciting news after the Summer doldrums

Gwen Preston:
**Unlocking
Hidden Gems**

Greg McCoach's
**3 Strategies
for Profits**
in Junior Mining Shares



SEPTEMBER 2018 | METALSINVESTORFORUM.COM

MACMILLAN PASS ZINC PROJECT: ADDING TO AN ALREADY SUBSTANTIAL ASSET

Fireweed Zinc Ltd. is focused on advancing the Macmillan Pass Zinc-Lead-Silver Project in Yukon Territory, Canada. It is one of the world's largest undeveloped zinc resources.

VALUE-DRIVING NEWS FLOW

Fireweed released their maiden Preliminary Economic Assessment on the Macmillan Pass Project in May 2018. The company just finished their exploration campaign with assays anticipated in the coming weeks. Fall 2018 will provide exciting drill results.

WORLD-CLASS PROJECT

The Macmillan Pass Project contains not just the Tom & Jason Deposits, which together represent a rare blend of size and grade, but also compelling exploration potential.

COMPELLING VALUATION

Fireweed is a new company still flying below the radar with a valuation that, when compared to its peer group, demands consideration.

EXCEPTIONAL EXPLORATION POTENTIAL

The company has an excellent potential for resource expansion along trend and at depth. The Company has more than doubled its claim holdings to 46,900 Ha, and much of the large land package remains little explored using modern exploration techniques.



Come visit our booth to learn more about our latest company updates.

We invite you to watch Brandon Macdonald's (CEO) presentation, followed by a Q & A session.

**Saturday, September 29th
at 2:20pm**



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JORDAN ROY-BYRNE

EDITORIAL

Produced by the
Metals Investor Forum
Communications
Department

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ERIC COFFIN

KEYNOTE SPEAKERS



GWEN PRESTON

PUBLISHER,
RESOURCE MAVEN

Gwen Preston launched *Resource Maven* after spending almost a decade writing about resource investing, most of it as a senior writer at *The Northern Miner*.

She understands which projects and pieces of news matter. She understands what it takes for a project to advance along the exploration-development-production path and what opportunities each stage offers.

She knows how the metals markets work, alone and within the global economy, and how to profit from commodity cycles.

Resources are Gwen's world and she seeks to pass that knowledge on to others. She is a scientist and journalist who has spent the last decade focused exclusively on metals and mining. Through investment experience, site visits around the world, endless self-education about economics and geology, and a strong network of friends and colleagues in the sector, she either knows or can figure out the answer to almost any metals and mining question.

JAY TAYLOR

EDITOR, *J TAYLOR'S GOLD,
ENERGY & TECH STOCKS*

Jay Taylor is the editor of *J Taylor's Gold, Energy & Tech Stocks* newsletter and host of the web-based radio show "*Turning Hard Times into Good Times*." In 1981 he began publishing his gold-orientated newsletter. His continuing interest in gold mining prompted him to study geology, supplementing his MBA in Finance and Investments. Throughout his career Mr. Taylor worked as a banker, including holding a job in the Mining and Metals Group of ING Barings in New York. In 1997 he resigned from ING Barings to devote himself full time to researching mining and technology stocks, writing his newsletter and assisting companies in raising venture capital.

ERIC COFFIN

PUBLISHER,
HRA ADVISORIES

Eric Coffin has been publishing *HRA Advisories* for 20 years; this has given him the experience to identify market trends early and to understand exactly what a company needs to be successful. Thirty years of mining sector experience, from joint ownership of an exploration consultancy to sector wide data analysis and company specific advising on M&A, project selection, financing and market awareness give Eric the background to know what works.

He has been interviewed by and contributed to numerous international websites and news services providing commentary on finance, economics, markets and individual companies and exploration regions. Eric regularly speaks at a number of North American gold and resource conferences. He was one of the first analysts (along with David) to point out the disastrous effects of gold hedging and gold loan capital financing (1997) and to predict the start of the secular commodity bull market in commodities based on the movement of the US Dollar (2001) and the acceleration of growth in Asia and India.



JOE MAZUMDAR

ECONOMIC GEOLOGIST,
EXPLORATION INSIGHTS

Joe Mazumdar is an Economic Geologist/Analyst at *Exploration Insights*. Prior to that he was a senior mining analyst at Haywood Securities, then Canaccord Genuity. His work experience includes Director of Strategic Planning, Corporate Development at Newmont and Senior Market Analyst/Trader at Phelps Dodge. Mazumdar also worked in technical roles for IAMGOLD in Ecuador, North Minerals in Argentina/Chile and Peru, RTZ Mining and Exploration in Argentina, Chile, Peru and Ecuador and MIM Exploration and Mining in Queensland, Australia, among others. Mazumdar has a Bachelor of Science in Geology from the University of Alberta, a Master of Science in Geology and Mining from James Cook University and a Master of Science in Mineral Economics from the Colorado School of Mines.

JOHN KAISER

FOUNDER,
KAISER RESEARCH ONLINE

John Kaiser is the founder of *Kaiser Research Online*, an information portal covering the Canadian publicly listed resource sector, and the publisher of his Spec Value Hunter and Bottom-Fish recommendations. His analysis focuses on the four key narratives that drive the resource sector. John Kaiser is an independent analyst based in the San Francisco area who has covered the junior resource sector since 1983. After a decade working as a research director in Vancouver he left the brokerage industry in 1994 to launch *Kaiser Research Online* and create the “rational speculation model” as a tool to evaluate the speculative value of exploration projects. *Kaiser Research Online* is a subscription service that publishes his analysis, provides searchable information on over 1500 Canadian listed mining and exploration companies, and tracks trends within the junior sector and their relationship to macro trends.

GREG MCCOACH

THE MINING SPECULATOR

Greg McCoach is an ardent student of history and entrepreneur who has successfully started and run multiple businesses over the past 37 years. During the last 18 of those years, he has written his widely-followed newsletter, *The Mining Speculator* in search of exponential gains within the junior mining sector.

He is also founder and CEO of *AmeriGold.com*, a bullion dealer in its 19th year. He has appeared on national news channels and is a popular speaker at both private and public conferences.

Mr. McCoach’s philosophy is one of limited government, free markets, unrestricted freedom of speech and thought, and a celebration and defense of individual liberty

KEYNOTE SPEAKERS



JORDAN ROY-BYRNE

EDITOR & PUBLISHER,
THE DAILY GOLD PREMIUM

Jordan Roy-Byrne, CMT, MFTA is a Chartered Market Technician and Master of Financial Technical Analysis who is a member of the Market Technicians Association. He is the editor and publisher of *TheDailyGold Premium*, a publication which emphasizes market timing and stock selection for precious metals investors. He is also the author of the 2015 book, *The Coming Renewal of Gold's Secular Bull Market* which is available for free at TheDailyGold.com/Book.

Jordan's work has been featured in CNBC, Barrons, Financial Times Alphaville, Kitco and Yahoo Finance. He has been quoted in Barron's. Jordan has been a speaker at the following conferences: PDAC, Cambridge House and the Metals Investor Forum and his website *TheDailyGold.com* was recently named one of the top 50 Investment Blogs by DailyReckoning.



VENDETTA
MINING CORP

TSX-V: **VTT**



QUEENSLAND,
AUSTRALIA

Advanced Lead-Zinc Resource Development

Proximal Infrastructure

Pegmont Project is close to mine haul roads, rail, and a natural gas pipeline.

Potential Mill Opportunities

Two under-capacity mills are within 25km.

Current NI 43-101 Resource

5.8 Mt Indicated (6.5% Pb / 2.6% Zn / 11 g/t Ag) and
8.3 Mt Inferred (5.1% Pb / 2.8% Zn / 8 g/t Ag).

Preliminary Economic Assessment

PEA due in October 2018 to demonstrate
standalone mine viability.

vendettaminingcorp.com

Michael Williams, CEO,
will be presenting on
Friday, September 28,
at 12:00pm.

Please visit our booth
to learn about our
company updates.





Unlocking Hidden Gems

The recent purchase of Northern Empire Resources (TSXV:NM) by Coeur Mining (NYSE: CDE) got me thinking about hidden or stranded assets.

Big mining companies are full of good geologists. Time and again, these geos recognize potential in a project but are unable to do much with it because corporate focus is elsewhere. The best they can do is convince management to hold on to the project...which is how many good projects end gathering dust tucked inside a major company's portfolio.

GWEN PRESTON

Resource Maven

It takes a special set of skills to rediscover and unlock these assets: an eager and nimble management and technical team with the right connections and expertise, operating at the right moment, with the ability to quickly demonstrate the asset's existing value and unlock more while marketing the story successfully...plus, usually, a touch of luck.

All those factors were in play with Northern Empire. In case you didn't follow the flurry of news around the Northern Empire deal, Coeur Mining acquired the company and its Sterling Gold asset in Nevada for US\$90 million only 18 months after Northern Empire liberated the stranded asset from Imperial Metals (TSX: III) for US\$10 million, five-million shares and a two percent net-smelter-return.

"The Northern Empire deal was bittersweet," said Mike Allen, president of Northern Empire, after the sale. "We assembled a great team and still had more exploration work we wanted to do. But when you get a chance to generate such a big win for shareholders in a tough market, why wait?"

The deal generated a hefty return on the initial investment considering Northern Empire spent only US\$15 million of its own money on exploration and de-risking the project.

Shareholders certainly gained. When the deal with Imperial was announced Northern Empire was trading in the \$0.50 range and when the Coeur Mining acquisition was announced shares hit \$1.57, for a 200% return in 18 months.

The point here is that there can be incredible value investing in companies that have the technical and entrepreneurial skills to successfully unlock hidden assets.

Since Mike just accomplished exactly that, I chatted with him about what it takes to unlock hidden assets. He pointed to a couple key requirements. First, ask if management has any experience in the jurisdiction.

In Northern Empire's case Mike had 30 years of experience in Nevada and knew his way around the mineral exploration scene. That means he understood the potential hidden behind Sterling's historic results and had a good idea how to go about finding more geologic opportunity.

Next question: can the company successfully tell their story? How well do they articulate what is going on and how large is the audience they are reaching? A well-told story told by a team able to reach a large audience is essential, because the company will need to raise money. This was the case with Northern Empire, which raised \$35 million over a six-month period.

In other words, it takes a very knowledgeable and well-connected team with persistence and a bit of luck to unlock these hidden gems.

I agree with those points, but would add that not just anyone can extract these projects. Imperial held on to Sterling for years because they knew the project had potential. Mike and his team were able to get it because they knew it was there (jurisdictional experience), they had enough sector connections to get into the negotiating room with Imperial (experience and networks), and then Imperial got sideswiped by the tailings dam failure at their Mount Polley operation in BC and had to raise as much cash as possible (luck).

In other words, it takes a very knowledgeable and well-connected team with persistence and a bit of luck to unlock these hidden gems.

The mining market gets knocked for how often projects get recycled. Go through a few metals cycles and you will see

some of the same projects crops up time and again. Each time, they are good enough to raise some money and interest...but not good enough to make real progress.

I agree that spit-polishing iffy projects is a problem in the mining sector, but what I'm talking about here – unlocking hidden assets – is something different. These are good projects, good enough that a major has been holding onto them or advancing them slowly for years. In doing so, they have kept the asset hidden from view. If the right team and time come together and unlock these assets, the opportunity can be very real.

There are a few such projects in the Maven Letter portfolio right now. Bluestone Resources unlocked the Cerro Blanco project hidden in the Goldcorp portfolio, Integra Resources extracted the Florida/Delamar project from Kinross, and Fireweed Zinc unlocked Macmillan Pass project from Hudbay.

Bluestone Resources is a good example. Now run by Darren Klink, Bluestone got started when John Robins realized that Goldcorp was exiting Guatemala and selling Cerro Blanco. John is a seasoned geologist with a some big wins under his belt including Kaminak Gold, which Goldcorp purchased for \$520 million in 2016.

John's past with Goldcorp helped get a junior in the bidding war for the asset, which had other suitors. John is also a savvy entrepreneur and dealmaker, which is how the smallest company in the running won the battle for Cerro Blanco.

Cerro Blanco has 1.2 million ounces of gold and 4.5 million ounces of silver in the indicated category and another 243,000 ounces of gold inferred. The ounces are hosted in very high-grade veins inside a hillside that already hosts 3 km of underground workings, built by Goldcorp, who also fully permitted the project for mining.

Bluestone recently updated the PEA. According to the study, which uses a gold price of US\$1250 per ounce, a Cerro Blanco mine could be built for \$170 million, carries a net present value (5% discount) of US\$317 million, and would generate an impressive 44% after tax internal rate of return. The mine should be able to produce gold at US\$372 per ounce.

These costs put Bluestone's Cerro Blanco in the industry's lowest quartile —in fact, it is probably in the lowest 10% of all new projects. Current resources support a 9-year mine life, during which 4 million tonnes of rock averaging 8.14 g/t gold and 28 g/t silver produce 105,000 oz. gold annually. Metallurgy is good, with recoveries of 91% for gold and 88% for silver.

In John's case unlocking this asset required some unique skills. He has participated in several market cycles and saw the market turning again, creating an opportunity. He has experience exploring and developing assets all over the world, which gave him the confidence to assess the geology and jurisdictional risks at Cerro Blanco and ultimately decide the



“It takes a discerning eye to tell the difference between a recycled not-quite-good-enough project being dusted off for another trip round the market and a great asset that’s been unlocked by the right team after being hidden for years, but ultimately the difference is vast.

opportunity was very real. And he had the right connections to get a purchase agreement on the asset plus the network and clout to raise money to fund the purchase.

Fireweed Zinc (TSXV: FWZ) is another example of a company with the right connections to find and purchase hidden assets.

The Fireweed story all started with Richard Hajdukiewicz, a metallurgist who rose through the mining ranks to become the head metals trader at Goldman Sachs before taking on similar positions at Deutsche Bank and HSBC. Hajdukiewicz knows the presidents of all the world’s major mining companies and smelters, because that just happens with a career like his.

Two years ago he foresaw a zinc shortage and started looking for good, available zinc assets. He found one gathering dust in HudBay’s portfolio and, because of who he knew, was able to negotiate for it. HudBay had owned part or all of Mac Pass for decades and was reluctant to let the project go but the miner was actively turning to copper at the time and knew the asset would continue to get ignored, so a deal was done.

It was great for Fireweed, which got the property for C\$1 million in cash, C\$1 million in work, and shares representing 15% of FWZ..

A look at Fireweed’s share price since it acquired Mac Pass shows how successful they have been at explaining the inherent potential and then demonstrating new value. Fireweed added results from a small drill program of their own to results from an old HudBay program that had been forgotten and managed to grow the resource by 66% while improving the grade. Then they wrapped a PEA around the deposit – for the first time – that showed the project could host an economic mine right now, which means any resource growth or improvement from here all directly adds value. And now they’re drilling to grow and improve the resource, using money from a well-timed financing that kept the share structure tight and the shareholder registry committed.

Again: connections, timing, expertise, and capital markets expertise were all in play.

Another company that unshackled a couple of stranded assets is Integra Resources (TSXV:ITR) which purchased the Florida-DeLamar projects in southern Idaho from Kinross in 2017 for C\$7.5 million and 5.5 million shares.

The DeLamar Silver and Gold project sat stagnant in the Kinross portfolio after producing 1.6 million ounces of gold and 100 million ounces of silver from two phases of life (historic underground operations and modern open pit mining) and then being shuttered in the early 2000s because of low metals prices. Integra Resources also purchased the adjacent Florida Mountain project as part of the deal, which similarly operated as an underground mine a hundred years ago and later as an open pit in conjunction with the operation at DeLamar.

Neither of the properties have seen any modern exploration work for almost 20 years and the work then was focused exclusively on near-surface, low-grade rock, which left the deeper high-grade potential completely untouched. Integra Resources is demonstrating that the existing 3.6-million ounces of lower grade, open pitable gold hold a lot of unrecognized value and growth potential while also testing that deeper high-grade opportunity.

It's a common refrain in the mineral sector to follow the people, as a person or team that has success with one project often repeats the win down the road. Stranded assets are part of that, I think. Newbie teams don't have the connections, the ability to raise money, the negotiating skills, the jurisdictional capacity, the geologic expertise, or the marketing knowledge to know these assets exist, let alone to acquire them and then advance them successfully.

Experienced teams see these opportunities, time them with market cycles, and have the capacity to get the job done. And when they do – the returns can be amazing.

It takes a discerning eye to tell the difference between a recycled not-quite-good-enough project being dusted off for another trip round the market and a great asset that's been unlocked by the right team after being hidden for years, but ultimately the difference is vast.

If you're looking at a company with a new-old project and are wondering which group it falls into, feel free to send it my way and I'll give my opinion. But the place to start is with the people: they need to be cream of the crop. ■



To read more please go to www.resourcemaven.ca



GWEN PRESTON
The Maven Letter

Bluestone Resources

“Bluestone is rapidly advancing the Cerro Blanco gold project through feasibility and towards production – and this project is uniquely positioned to start producing gold and making money in very short order. The asset came from Goldcorp, which poured hundreds of millions into the project before the decline of its other Guatemalan mine made it decide to exit the country. The project has 1.2 million oz. gold and 4.5 million oz. silver in the indicated category, hosted in very high-grade veins inside a hillside that already hosts 3 km of production-scale underground workings, built by Goldcorp, who also fully permitted the project for mining. Bluestone recently updated the PEA, which determined that Cerro Blanco mine could be put into production for just \$170 million. The mine should be able to produce gold at US\$372 per ounce, which makes for an impressive 44% after tax internal rate of return. This project is permitted and half built, and will soon have a detailed feasibility study done. After that this standout management team will find construction capital – and Cerro Blanco could well be producing gold, and making money, in short order.”

Gwen Preston, September 17, 2018

EMX Royalty Corp.

“EMX is a longtime favourite of mine but the reasons for that only continue to grow. The latest: EMX’s biggest strategic investment is about to put \$90 million in the company’s bank account. Alongside its project generation and royalty work, EMX watches for opportunities to invest in undervalued assets or companies. In 2007 they saw one such opportunity in IG Copper, a small private company with a 51% stake in the Malmyzh copper-gold project in Far East Russia. IG gets kudos for seizing the chance to buy into the project but the small company needed help exploring it and proving its value. EMX had exactly those skills so they bought into IG. Fast forward seven years: EMX now owns 42% of IG Copper and just helped the company negotiate a large deal to sell Malmyzh to The Russian Copper Company IG gets 51% of the sale price, which means EMX is about to get a \$90-million payday! The money will let the company continue to pursue its geologic project generation ideas around the world while also enabling it to act on other, bigger ideas. The definitive deal hasn’t yet closed but should do soon. It’s very exciting days for EMX – I am incredibly interested to see what this entrepreneurial and highly skilled technical team will do with its well-earned windfall!”

Gwen Preston, September 17, 2018

Fireweed Zinc

“Fireweed made huge progress with its McMillan Pass project in its first year working the project. As soon as the company listed in mid-2017 they got to work and small but focused drill campaign, plus some historic results, grew the resource to be the largest high-grade zinc resource controlled by a junior. Importantly, Fireweed then immediately wrapped a mine plan around the deposit and strong numbers in the resulting PEA show the asset could already be built into a profitable mine.

Now FWZ is back drilling but they have two clear goals: high grade mineralization that could add in early in the mine plan and new discoveries. They know that adding more tonnes of the same grade as their current resource won’t help because adding years at the end of the mine life just doesn’t add value. Instead they want high grade ore for the early years - and their first set

of drill results this season included one of the best base metal intercepts the sector has seen in years, so the effort is working. We haven't seen regional results yet but this is a very prospective and under explored land package, and showing that there's more to find will attract interest from potential suitors who I am sure are already watching."

Gwen Preston, The Maven Letter: August 29, 2018

Great Bear Resources

"Great Bear is the current standout gold explorer of the junior sector. The company literally has everything I look for in an exploration play. It has a highly prospective project with multiple opportunities for discovery and growth, opportunities that are now regularly producing super high-grade gold hits along an impressive strike. It is working in a highly desirable part of Ontario where access is easy and costs are low. It has a very strong technical team that is also good at talking the story. It has a tight share structure, backing from Red Lake veteran Rob McEwen, and access to cash. And it could literally be on the next incredible gold discovery in a famous gold district."

Gwen Preston, September 17, 2018

Integra Resources Corp.

"After selling its last gold project to Eldorado the team at Integra wasted no time finding its next venture. And they stuck with what they know, which is finding new value in old assets. The new old asset is the DeLamar mine in Idaho, which already hosts a large open pitiable resource. ITR is arguably undervalued based on those ounces alone but the ITR team sees new value at depth, where historic mining strongly suggests the grades get much higher. With cash in the bank, a very strong shareholder registry, and a clear plan to identify new value at this old mine, ITR has a big year ahead."

Gwen Preston, September 17, 2018

Morien Resources

"Morien is a low-risk, dividend-paying bet on seaborne metallurgical coal, which has been an outperformer in the commodity space of late. If you believe that the world will continue to need high quality coal to produce steel, then this is a strong stock to own. Morien owns a 2% to 4% production royalty on the Donkin coal mine in Nova Scotia, which owner Kameron Collieries brought into production last year. Output is now ramping up to the planned 2.75 million tonnes

per annum. That alone will put between \$4 and \$8 million in Morien's bank account each year, depending on coal prices, and there is a very good chance Kameron will grow Donkin beyond that level, which means more money for Morien. And here's the key thing: Morien is solely focused on shareholder returns. They proved that by announcing their first dividend in December and they are committed to returning the majority of its royalty cash to shareholders via dividends going forward. The expected returns here are so worth the low MOX share price and the company is actively buying back shares to reduce the outstanding count, which means even higher dividends going forward."

Gwen Preston, September 17, 2018

Nevada Exploration

"After working for a dozen years to develop proprietary technology and prove that it works, Nevada Exploration is ready to find the next big Nevada gold deposit. Explorers have outlined 400 million oz. gold in northern Nevada in the last 60 years, but all of that gold has come from range fronts, areas where hills of bedrock rise up through the gravels that cover the rest of the state. The same bedrock exists underneath those gravels, which means there is incredible potential down there to find more gold...except that it is very hard to see through gravel. Enter NGE, which has pioneered a method of testing the groundwater in those gravels to vector in on bedrock-hosted gold beneath. It takes a long time to turn an idea like that into a successful technique but NGE is right at that transition – and if it works, the success will be huge."

Gwen Preston, September 17, 2018

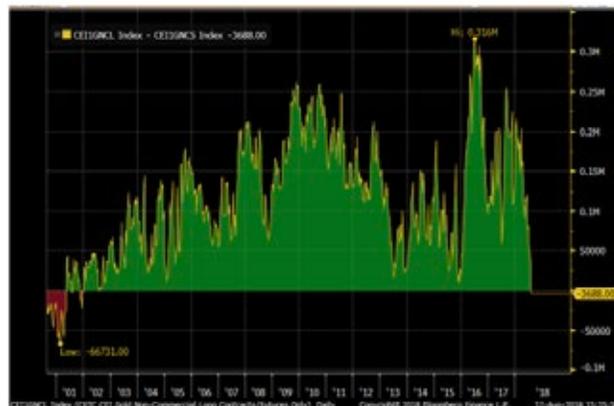
Prize Mining Corp.

"Prize Mining is focused on the Manto Negro project in Mexico. Manto Negro is really interesting, hosting flat-lying beds of oxidized copper mineralization that can be tracked for miles along a hill range. The potential is for a large, high grade, near surface, oxide copper resource, which are characteristics that would make the project highly desirable among copper miners. Prize has to prove two things - that the mantos of copper mineralization have scale and that the metallurgy works. Scattered historic work suggests as much but Prize, with \$10 million now in the bank, has just started drills turning to show Manto Negro checks those boxes."

Gwen Preston, September 17, 2018

GOLD SPECULATORS
GO NET SHORT –
FIRST TIME SINCE 2001!

Did Gold Turn the Corner on 8/24?



JAY TAYLOR

*J Taylor's Gold Energy
& Tech Stocks Newsletter*

As the chart above illustrates, at about the time I was talking to **Michael Oliver** www.OliverMSA.com last week on my radio show, gold August futures were trading at about \$1,200. At that time, Michael's structural momentum work told him that if gold rose about 1% the lows would most likely be recorded. Come the end of this week, as the illustration above shows, that's about what we got today. On that same contract, gold closed the week at \$1,212.30, or 1.025% since around 3:15 PM NY time last Tuesday.

Is Dollar Hegemony Nearing Its End?

I think it is amazing how America takes for granted that foreign countries will always accept the dollar, which is an intrinsically worthless unit of account created out of thin air. It is especially amazing that we think countries that America is seeking to strip their sovereignty from would always blindly buy U.S. Treasuries that are used to fund a military that threatens countries we declare as enemies, such as China, Russia, Iran, and very possibly in the near term, Turkey, among others. And even our European partners are now getting more than a little upset with the U.S., hurting it economically, trying to force it not to trade with Iran after the Obama agreement paved the way for them to do so.

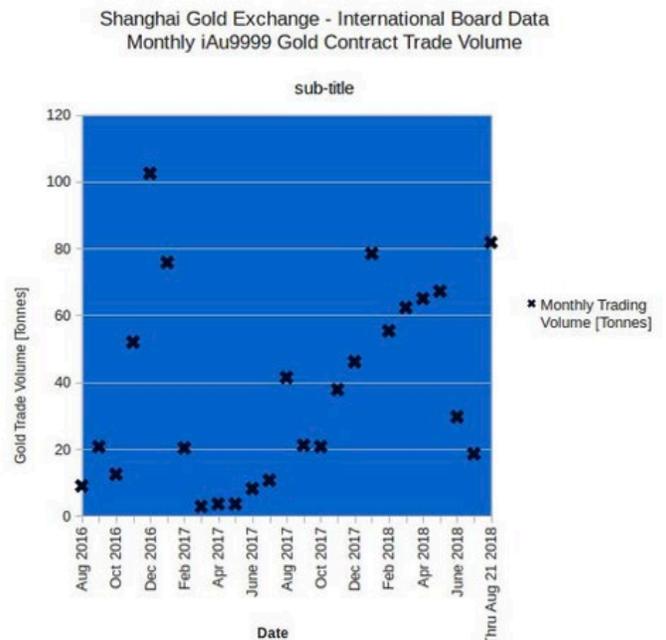


This morning I received an email from my friend Jeff Dahl in Vancouver with a link to a story suggesting that Russia and China are ready to play hard ball, economically speaking, with the American Deep State. In an article in the *International Affairs Magazine* Deputy Foreign Minister Sergei Ryabkov is quoted as saying, “Russia will definitely respond to Washington’s latest sanctions and, in particular, it is accelerating efforts to abandon the American currency in trade transactions. The time has come when we need to go from words to actions, and get rid of the dollar as a means of mutual settlements, and look for other alternatives.”

Actually, several years ago during the Obama Administration when the U.S. started with sanctions and threatened to boot Russia out of the SWIFT system so it couldn’t move money around the globe in trade, we drove Russia into the arms of China, even if those two countries are by nature adversaries. One way to get around dollar trade was to convert to a petrodollar system such that countries like Russia and Iran could sell oil to China, not for dollars but directly for gold via the International Board of the Shanghai Gold Exchange. The exchange has a 100% physical .9999 gold contract. My friend David Jensen advised me that contrary to what Alasdair has claimed on my radio show, gold can be exported directly in exchange for oil in China through this 100% gold contract, which is located in an International Free Trade Zone. So while it is true that China does not allow exports of gold from Chi-

na, the exception to that is by way of this International Free Trade Zone contract.

David pointed out to me that The Shanghai Gold Exchange International Board lets CNY holders convert Yuan into gold bars and export the bars from China. The stipulation is that gold must be sourced internationally, not from China. David notes that this is a market with a very low number of transactions, but the tonnage is increasing as we approach the first contract maturity in September. Separately, David thought that it may not be a coincidence that one day after the U.S./China trade and/or monetary economic talks failed, Trump promised to buy the sovereign debt of Italy, which country just happens to be the second-largest holder of gold in Europe.



Just a coincidence? Who knows? But China has let it be known it also wants to get out from under the dollar. Its energy needs match well with a resource rich Russia and an oil rich Iran. Secretary of State warned neo cons that if the Iranian agreement were rolled back, U.S. dollar reserve currency status would be in jeopardy. Now we see growing discontent from Europe as well. Regarding independent news stories regarding the petro Yuan, David Jensen tweeted a number of links, including this one from CNBC: <https://tinyurl.com/y9t-xx6v4>. Needless to say, if China starts to pay for all its oil with gold, it could send the price of gold off on a tear! If Iran sells 1M bbl/day to China and receives gold bar settlement, that gold demand = 20% of global gold mine supply. But the point to keep in mind is that this isn’t fake paper gold like what is traded on the LBMA and Comex but actual physical gold. It could be dynamite! ■

To read more please go to www.miningstocks.com



Amarillo Gold Corporation

“Amarillo Gold Corporation’s flagship property is the advanced stage Mara Rosa Project in Brazil. A prefeasibility study was completed by a prior management team in 2017 that revealed an open-pit operation producing 140,000 ounces per year during years 1-4 and 112,000 ounces per year over the next eight years. The operating cost per ounce was \$545 and the AISC was \$630. Capital costs were estimated to be \$148 million. Under a \$1,200 gold price assumption, the project would provide a NPV5% of \$178 million, a post tax IRR of 35% with a 2.2 year payback. CEO Mike Mutchler who had previous worked with Whittle Consulting has been in the process of optimizing the economics of this project. The company recently retired a gold loan obligation by raising \$10.8 million from Royal Gold through the sale of a 1.75%NSR. With the project out of sight and mind of the market and a very low market cap, the share price upside appears considerable.”

Jay Taylor: Editor, J Taylor’s Gold, Energy & Tech Stocks September 11, 2018



JAY TAYLOR
Gold & Energy Stocks

Coral Gold Resources

“Coral Gold Resources has converted itself into a royalty company. It is currently selling at cash value despite the fact that its flagship royalty property, the Robertson gold target, already has a bulk minable resource of over 1 million near-surface-ounces of gold and that Barrick Gold is starting a drill program ultimately aimed at extending the gold mineralization of its richest mines, the Pipeline and Cortez Mines, located directly to the south along strike of the major gold-bearing Cortez Trend. The existence of high-grade gold at depth was proven by a 2,000-ft. hole that intersected 5 ft. grading 1 ounce per ton. A tightly-held share structure ensures an explosive upside with good news from Barrick’s drill program.”

Jay Taylor: Editor, J Taylor’s Gold, Energy & Tech Stocks September 11, 2018



Newrange Gold Corporation

“The flagship property for this company is its high-grade Pamlico Gold Project located toward the northern end of Nevada’s Walker Lane Trend. The project covers the historic Pamlico Mines on Pamlico Ridge, together with the Central, Sunset, Good Hope, Gold Bar, and various unnamed mines and prospects. Discovered about 1884, reports indicate that by 1886 the district was shipping ore to custom mills. However, only recently have these various projects been brought under one roof, thus enabling Newrange with an opportunity for district scale exploration. With drilling just getting underway in 2017, investors have already been treated to some attractive intercepts, like 6.1 meters of 97.94 g/t Au; 4.6 meters of 43.8 g/t Au; 53.4 m of 2.36 g/t Au; and 4.6 meters grading 16.87 g/t Au. With high-grade near surface gold exploration targets of district scale and all the advantages of solid infrastructure in a mining-friendly jurisdiction, the upside potential appears promising for early investors.”

*Jay Taylor: Editor, J Taylor’s Gold, Energy & Tech Stocks
September 11, 2018*

“With high-grade near surface gold exploration targets of district scale and all the advantages of solid infrastructure in a mining-friendly jurisdiction, the upside potential appears promising for early investors.”

NEWRANGE GOLD CORPORATION



Skeena Resources

“Skeena Resources is in the process of exploring two historic 100%-owned, high-grade precious metals projects in B.C.’s Golden Triangle, namely the Snip Mine and the Eskay Creek Gold Mine. Major infrastructure improvement since the mines shut down combined with a significant amount of high-grade mineralization left behind bodes well for strong economics and major upside share price potential. Drill results from Snip have been promising while drilling is just now getting started at Eskay Creek. The company also holds a 100% interest in the GJ Copper gold porphyry project on which a PEA has been completed. This story is starting to appear on the radar screens of some professional investors, but this mostly unnoticed story appears to have major upside potential.”

*Jay Taylor: Editor, J Taylor’s Gold, Energy & Tech Stocks
September 11, 2018*



AUTUMN COLOURS

ERIC COFFIN

HRA Journal

We're almost at the end of a summer few resource traders will get nostalgic about. It was a lousy one, even by the low standards of the summer doldrums. Most didn't expect much from the summer months. The more important question is whether we're setting up for the common autumn rally.

So far, metals prices aren't really cooperating, though it at least looks like things are bottoming. The better news recently has come from the equity side of the resource sector.

Several small explorers have announced "discoveries" in the past 2-3 weeks that have captured traders' imaginations. It's far too early to say most of them are "real" and most started out with very low share prices. Nonetheless, I've been quite impressed with the amount of volume several names are trading, even if I don't think as highly of their news as others clearly do.

A lot of the high trading volume is day traders to be sure, but it's still encouraging to see even them arrive. The important point is there has been enough trading to allow

for profit taking, which allows traders to redeploy in other sector stocks. There wasn't much of that until quite recently.

In several cases, those stories also attracted financings (particularly the one HRA is following at the SD Alert level), even though the overall level of secondary offerings in the junior resource sector has been low. Hopefully, some of these discoveries will continue to perform and get joined by other new discoveries.

Fast gains from discoveries is what generates the "FOMO" (fear of missing out) in this sector, after all. But those discoveries need to hold some price for traders to be able to take profits and other traders to feel envious. We don't want to see traders just doing round trips on one-hole wonders. In the past, it's been a handful of good, lasting, discoveries that kicked off sustained rallies in the junior resource space.

The increased activity is even noticeable now in the beleaguered TSXV Index. As this is written, the Index is up about 9% in two weeks, having posted a string of 10 positive days in a row.

The index still looks pretty awful and it's not an Index I think is that useful, but it's still a positive indication. It's been a long time since I've seen the Venture index rise 10 days in a row and the increasing trading volume is encouraging. Traders appear to be positioning for an autumn rally.

One other thing that may help our chances is money supply. There have been several takeovers announced in the past couple of months. The largest, Arizona Mining, just closed. That was an all-cash deal. In theory at least, a portion of that money will flow back into the resource space, though most would be targeted at more developed projects.

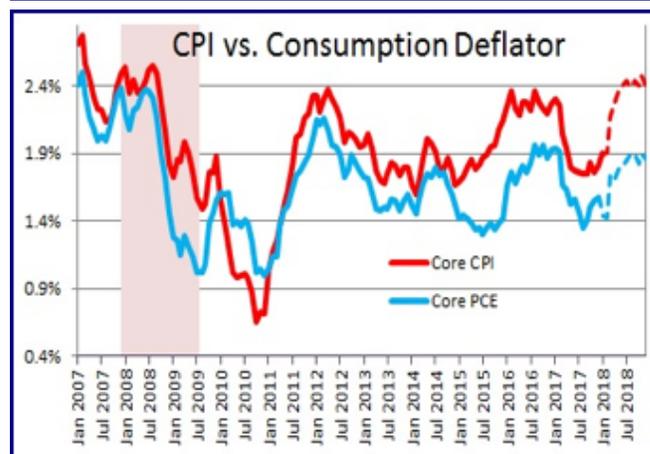
Promoters have been bemoaning the fact that gold and resource funds had no cash and weren't writing cheques for about 18 months. In some cases, the funds just weren't writing cheques to them, but I agree it's been a problem.



I've never viewed institutional money as a panacea but it's the quickest place to raise large and lots of funds had told me they had no new cash for placements. The mini rush of takeovers

Fast gains from discoveries is what generates the "FOMO" (fear of missing out) in this sector, after all. But those discoveries need to hold some price for traders to be able to take profits and other traders to feel envious. We don't want to see traders just doing round trips on one-hole wonders.

during the summer will add to available funds. If that money re-enters the system when the resource sector seems to be doing well, it's more likely to be left in the resource funds for them to re-invest. This isn't as obvious a catalyst for a good autumn, but it's a real one.



That brings us back to macro factors that might help a good rally develop or be sustained once it does. The chart of the US Dollar above helps explain why gold prices got so ugly then subsequently bounced (some).

We got another assist from President Trump who again complained about the high value of the USD. That helped start a bit of mean revision that accelerated after US Fed chair Powell gave his keynote address at this year's Jackson Hole central bankers conference.

Powell's speech wasn't hardcore dovish, but he did admit that inflation hasn't been accelerating and looked like it might not anytime soon. If you find that admission surprising, take a look at the chart below and remember that the Fed prefers the "Personal Consumption Expenditures Deflator" as an inflation measure. Core PCE has just gotten back to 2% - the Fed's target—and has been sitting there for a few months.



I suspect the chart above, which you have seen versions of on spending. Year over year, the change in real hourly earnings in the US are now negative. That's not an expansion killer, at least not right away, but its bound to start putting a crimp in spending.

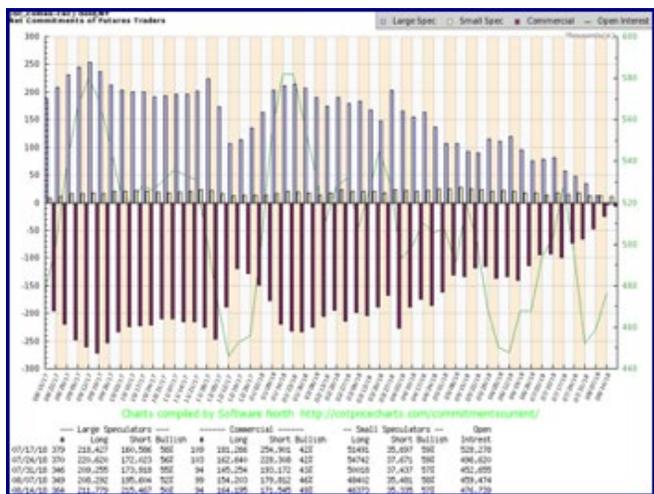
It may help if Powell is right and inflation doesn't increase any more. That may give wages a chance to catch up. As always, a careful reading of the US non-farm payroll report due in a week is worthwhile. Wall St will be watching the headline jobs number. I'll be watching the month over month change in hourly wages.

66 Wall St sees the high confidence readings as assuring strong consumer spending going forward. Perhaps. The correlation between confidence surveys and spending is a lot more tenuous than most people think.

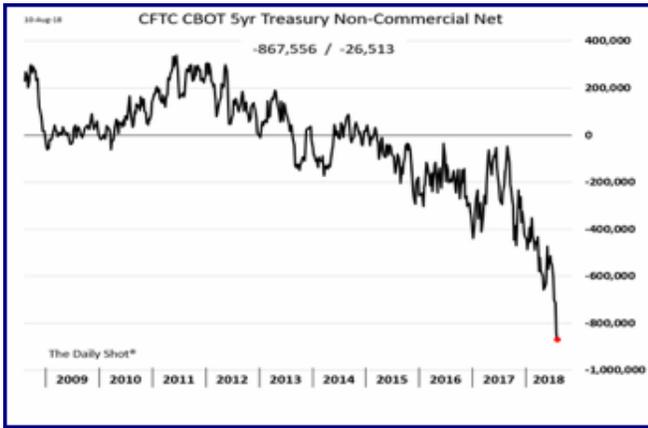
Traders took Powell's comments as meaning he would slow rate increases going forward. I think it means the current rate hike cycle will end at a lower peak rate, but I don't think it will change the trajectory short term. I still expect the Fed to hike again in September and December.

The current bounce in gold prices has stalled out due to extreme "risk on" sentiment. The S&P and NASDAQ indexes are hitting new highs and risk measures like VIX are dropping like a rock. The latest drop in gold came from the release of consumer confidence numbers that are at an 18-year high. That's nice, but the fact it's a driver tells me only that, right now at least, New York markets just want a reason to go up. You can come up with "reasons" but the rally is as much, or more, about momentum than anything else.

Wall St sees the high confidence readings as assuring strong consumer spending going forward. Perhaps. The correlation between confidence surveys and spending is a lot more tenuous than most people think.



We got a gold price bounce, but the market positioning is still extremely bearish, which is what we want. The chart above shows weekly commitment of traders positioning in the gold market. You can see that "Commercials" - the purple bars below the center line- are now just barely short as of last week's report. A few short contacts may have been added when gold bounced last week but this is still a very favorable set up.



The last chart in this article, above, shows the speculative short position in the US Treasury market. The level of negative positioning is unprecedented. As noted above, I expect the Fed to raise rates again in September. Even so, there is a room for a violent short covering rally in Treasuries at some point. That would drive down market yields which would be a drag on the US Dollar.

The USD is still range bound, but its also failed to break out yet again. We've been seeing some mean revision in the Emerging Markets. That is very welcome as we were getting close to the point were the contagion could have gotten out of hand.

We've also seen Beijing trying to put a floor under the Yuan. All these things in concert could lead to a bit more weakness in the USD. That's all we'd need for another leg up in gold. Base metals need trade tensions to ease, which hasn't happened yet.

Metals aren't yet a tail wind, but they may cease to be a head-wind. If they can do that, and we get a bit more good news on the exploration front, we should have the sort of autumn market that will help us all forget a lousy summer in the junior space. ■



To read more please go to www.hraadvisory.com

Aston Bay Holdings Ltd.

“Aston Bay Holdings is working on two large-scale, multi target projects, one on Somerset Island, one in the state of Virginia. Both projects present extensive stratiform targets that have high grade historic results but which have never received systematic exploration as the stratiform systems recent work has shown them to be. Drill results are expected soon from Somerset Island from the first tests of the new model. Targets in Virginia will be discussed once the acquisition of Jack’s Fork Exploration, the project vendor, are complete. Aston Bay’s programs are being guided by a strong technical team, including David Broughton and Don Taylor, both award winning geologists with recent world class discoveries to their credit.”

Eric Coffin, September 17, 2018



ERIC COFFIN
HRA Journal



Drilling at Storm Copper in the Polaris Mining District, Somerset Island, Nunavut



Constantine Metal Resources

“Constantine Metals owns the high-grade Palmer VMS resource, a road accessible near-tidewater project in SE Alaska. New zones are being drilled and CEM plans a couple of resource updates in the next few months. Recent testing indicates high purity barite within the mineralized zones could be an important co-product. Most of the zones are still wide open and Constantine will be producing the first ever PEA for the project in coming months. CEM also controls several high grade gold projects which I expect will be spun out, providing additional leverage for shareholders. CEM will have a lot of news going forward including plans to go underground at Palmer which should remove the seasonality that has hampered Constantine’s valuation.”

Eric Coffin, September 17, 2018



Pan Global Resources

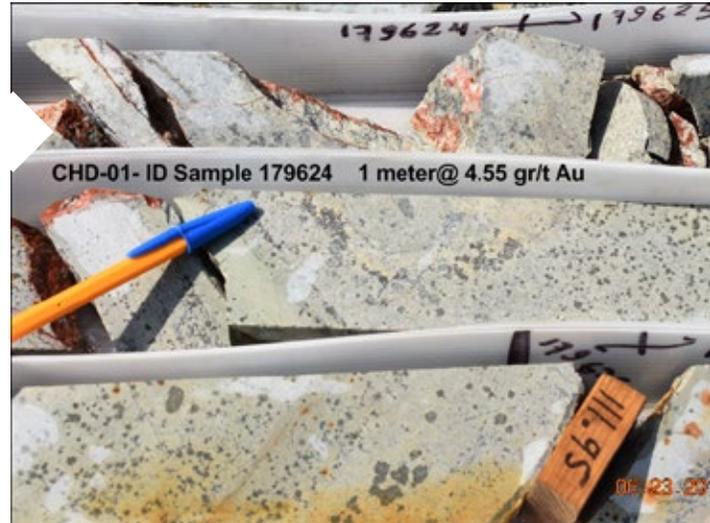
“Pan Global Resources has just begun a 16-25 hole maiden drill program on its Aguilas project in Spain. The program will test both large IOCG and lead-silver-zinc targets located on separate, perpendicular trends. The IOCG target is new, developed by PGZ management, and extensive. The “lead trend” includes several past producing mines and geochemical/geophysical targets. PGZ also controls a project in the heart of the Iberian Pyrite VMS Belt that protects two large and strong gravity anomalies, one with limited past drilling that produced VMS intercepts. Large targets with direct evidence of mineralization that are either completely new and/or untested by past drilling make Pan Global a classic high impact drill play, with multiple chances for success.”

Eric Coffin, September 17, 2018

San Marco Resources

“San Marco is focused on projects in Sonora, Mexico. It recently discovered a stratiform, volcanic-hosted system mineralized with copper and silver on its Chunibas project, a deposit type previously unknown in Mexico. San Marco has optioned the project to Antofagasta which has mined this style of deposit in several locations in Chile. The first drill program ever to test this large system begins next month. SMN also owns the nearby 1068 project which protects a large copper porphyry target. I expect that project will also be drilled, either by San Marco or a partner, in the next few months. A large number of earlier stage project are also being advanced, making San Marco an excellent early stage discovery play.”

Eric Coffin, September 17, 2018



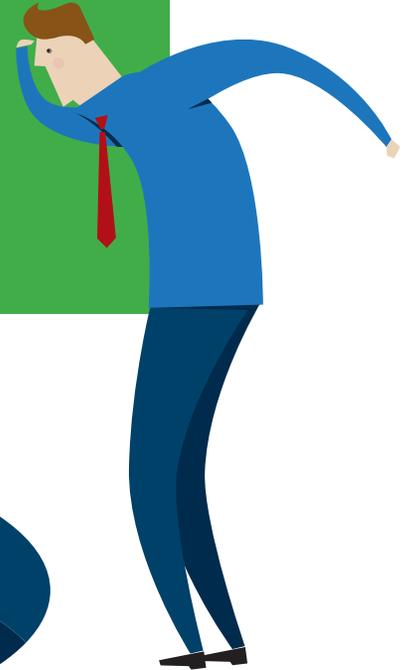
Vendetta Mining

“Vendetta controls the Pegmont lead-zinc resource, strategically located in the heart of the world’s most important lead-zinc belt in Queensland Australia. Pegmont is a high-grade, largely open pit, resource with excellent infrastructure. VTT recently completed an updated resource estimate indicating close to 10 million tonnes of open pit resource with additional near surface underground zones. Vendetta is working on the maiden PEA for Pegmont which should be delivered in October. The grade, geometry, location relative to nearby mines and existing mining licence place Pegmont near the top of the list as a base metal takeover target.”

Eric Coffin, September 17, 2018

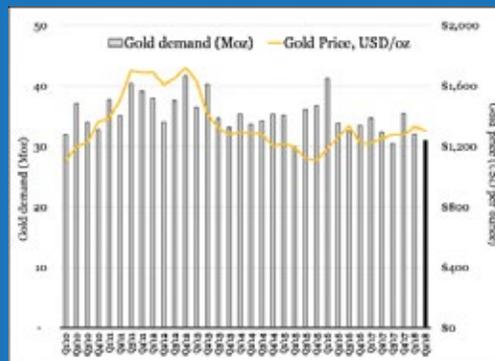
Gold demand weakest since 2009
and specs are short the metal -

HAVE WE HIT BOTTOM?



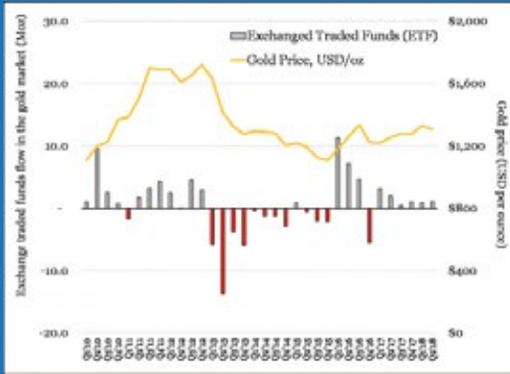
JOE MAZUMDAR
Exploration Insights

According to the World Gold Council, demand for gold fell by 6% year-on-year in the second quarter of 2018 to one of the lowest levels since the second quarter of 2015. Over the first half of 2018, demand was the weakest on record since 2009.



(Quarterly gold demand [millions of ounces] in relation to the average gold price, Source: World Gold Council and Exploration Insights)

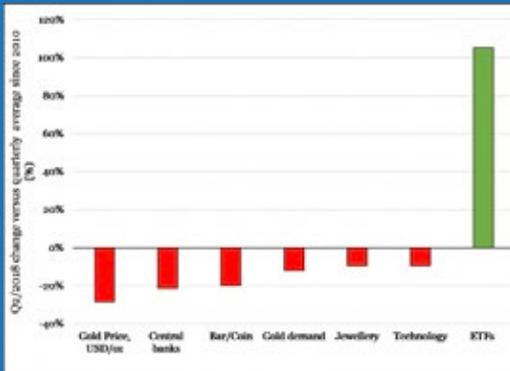
This decline was due in part to a 7% drop in Central Bank purchases in the second quarter; however, the primary factor was weak inflows from exchange traded funds, which fell over 45% versus the second quarter of 2017.



(Gold price and exchange traded funds' [ETF] quarterly inflows and outflows since 2010, Source: World Gold Council and Exploration Insights)

The majority of ETF inflows originated in Europe in response to escalating political uncertainty (Italian elections) and a weakening currency, whereas North American funds saw the majority of outflows as investors preferred the equity markets to gold due to lower corporate taxes, escalating interest rates, and a stronger US dollar.

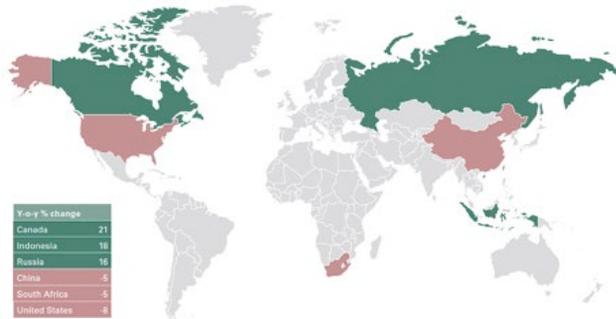
Gold demand appears to be a one-trick pony year-to-date. Despite its current weakness, the demand for ETFs over the first half of the year is the only component of gold demand that has remained above its quarterly average taken over the past 7-8 years.



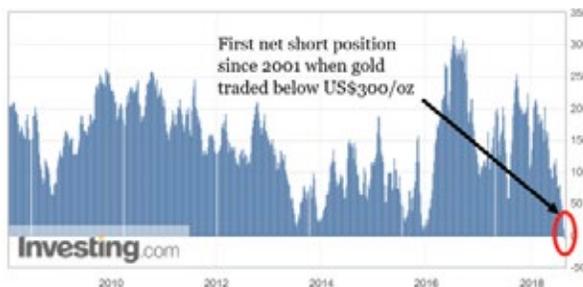
(Percent difference between Q2/2018 results and quarterly averages since 2010 for the various components of gold demand and the gold price, Source: World Gold Council and Exploration Insights)

Exacerbating the positive market balance, gold supply in the second quarter was the highest on record, driven by a 4% increase year-over-year in mine production mainly from Canada, Indonesia, and Russia—which was more than enough to offset declines in the US, China, and South Africa. Iran and Turkey added gold to the total supply by providing more gold scraps during the quarter.

Q2 output growth in some countries outweighs decline in others



(Q2/2018 gold production changes illustrating growth in Canada, Indonesia, and Russia versus losses in the USA, South Africa, and China, Source: World Gold Council and Exploration Insights)



(Speculative positions in gold from the weekly Commitments of Traders [COT], Source: Investing.com and Commodity Futures Trading Commission [CFTC])

Summary

The downward trend in the gold market over the first half of 2018 reflects the negative impact of a strong US dollar, the lure of the US equity markets, a rising trend of interest rates, muted inflation, and geopolitical risk, among other reasons. The gold price remains a barometer of the overall market weather, and it's evident that, at least for now, US investors prefer to put their money into equities due to the strength of the economy.

ETF-led demand for gold, albeit declining of late, is the critical component that remains above its historical averages and still positive, as does central bank activity. Resolution of the trade disputes between the US government and the rest of the world would help the overall sentiment for commodities.

The gold market may be poised for a rebound as speculators in gold were short the metal a few weeks ago for the first time since 2001 when gold was trading below US\$300 per ounce. It is not easy to pick the absolute bottom of any trend, but we may be close. ■

For more information, please visit www.explorationinsights.com/articles/



Advantage Lithium

“The lithium brine explorer Advantage Lithium (AAL.V) recently released a PEA of its Cauchari JV with Orocobre (ORE.ASX, ORL.T) in northwest Argentina that suggests that it is trading at a small fraction of its valuation. The share price has underperformed in 2018 due in part to concerns about potential near term market oversupply after Sociedad Quimica y Minera SA (SQM.NYSE) announced a deal with CORFO, a Chilean government entity, that enables it to ramp up production at its Salar de Atacama brine operation.

In addition, the latest Argentina crisis has led the government to impose a short term export tax of 7-10% (depending on the commodity) that is also putting pressure on the stock, although the projected production date is beyond the expiry of the export tax.

We think that a consolidation of the salar comprising both the Cauchari and Lithium Americas’ (LAC.T, LAC.NYSE) projects makes sense given that one single operation would be easier to develop and permit, and would also incur a lower cost to build.

Lithium Americas has recently changed its JV partner from SQM, which has understandably switched its focus to the ramp-up of its Chilean brine operation, to Shenzhen-listed Jiangxi Ganfeng Lithium Co Ltd (002460.SSX), which has a market capitalization of over US\$5 billion and is one of the world’s leading lithium manufacturers.

Advantage Lithium is well funded (~C\$18.5 million in its treasury) to deliver a feasibility study in the second quarter of 2019 and has engaged Goldman Sachs & Co. LLC (GS.NYSE) to evaluate potential strategic partnerships and financing alternatives to fund its 75% stake in the development of the Cauchari JV.

We continue to hold our position because it represents an inexpensive exposure to a low cost lithium brine operation in a district that begs for consolidation.”

Joe Mazumdar, September 11, 2018



JOE MAZUMDAR
Exploration Insights



Azucar Minerals

“The closing of a transaction to spin out Almadex Minerals (DEX.V) occupied most of Azucar Mineral’s efforts in the first half of the year, and it only announced a restart of the drill program on its El Cobre copper-gold project in Mexico in June after the exploration team had been working with little fanfare targeting areas through mapping, surface geochemistry (soil and rock), core re-logging, and drill pad construction.

The company is well funded with ~C\$17 million in cash at the end of June 2018 after closing a major private placement with Newcrest Mining (NCM.ASX), a large Australian-based gold and copper producer that is keen on growing its presence in the Americas.

The share price has underperformed its benchmark by 5-10% due to a lack of project-related newsflow in the first half of the year and the recent negative copper sentiment. We note that despite the headwinds confronting base metals including copper—due in part to an ongoing trade dispute between two of the largest global economies, one of which (China) underpins demand growth in several commodities—Chinese companies continue to acquire global mining assets and the industry as a whole has also been in an acquisitive mood, especially for copper assets. Therefore, we think that owning companies with exposure to copper assets is a positive despite the current ambivalence exercised by the market.

We look forward to drilling results from the El Cobre project over the next 12 months or so to give us an idea of the land packages’ potential.”

Joe Mazumdar, September 11, 2018



Mundoro Capital

“Part of our exposure to the Tethyan Metallogenic Belt of Eastern Europe is via Mundoro Capital’s land package and joint ventures. Mundoro Capital (MUN.V) is a prospect generator that has been exploring in this highly prospective metalliferous district since 2011. It is currently in the third year of an earn-in by JOGMEC (Japan Oil, Gas and Metals National Corporation) and has recently signed a JV with Freeport McMoRan (FCX.NYSE), which also has a JV with Nevsun Resources (NSU.T) on the Lower Zone of the Timok copper-gold project.

Zijin Mining (2899.HK, 601899.SH, ZIJMY.OTC), a major Chinese-based precious and base metal producer with a global focus, has committed to invest-

ing ~US\$2.8 billion in the historic Bor copper-gold district of Serbia via a successful bid for a stake in the RTB Bor complex and the friendly acquisition of Nevsun Resources (NSU.T). The ground linked to Mundoro’s joint venture with JOGMEC (Japan Oil, Gas and Metals National Corporation) surrounds the Bor mine and overlaps a portion of the northern half of the Timok deposit.

In our experience, Chinese companies tend to avoid bidding wars; therefore, the fact Zijin Mining won a competitive process for a mining and smelting complex and, in the same week, also outbid Lundin Mining (LUN.T) in an all cash transaction, speaks volumes about its desire for copper assets.

Zijin Mining’s entry into the Timok district turns it from an area dominated by a pair of cash-strapped entities to one with deep pockets. Its obligation to more than triple the production capacity from RTB Bor while advancing the Čukaru Peki Upper Zone will keep it busy, and no doubt stirs the interest of other copper producers in the metallogenic belt, which is a positive for a prospect generator in the district searching for potential joint venture partners.

Mundoro Capital trades at a low enterprise value, so we think that there is significant upside if it manages to generate a viable porphyry copper-gold or epithermal gold target within its land package or joint ventures.”

Joe Mazumdar, September 11, 2018

“...there is significant upside if it manages to generate a viable porphyry copper-gold or epithermal gold target...”

MUNDORO CAPITAL

Could the US mid-term elections be a turning point for the resource sector regardless of outcome?

JOHN KAISER

Kaiser Research Online

Fears in late 2017 that the junior resource sector was facing a predicament similar to 1999 when the dot-com bubble eclipsed it have proven well founded. The daily traded value of TSXV listed resource juniors that used to range 60%-70% of total traded value has shrunk below 30% and rarely creeps above \$20 million while during September the non-resource TSXV listing traded value has been above \$100 million and as high as \$242 million.

In January when both the blockchain and cannabis sectors were roaring the traded value reached \$498 million. The approach of the official Canadian legalization of recreational marijuana in mid-October has revived the cannabis bubble where corporate capital is flowing into the leaders which in turn are acquiring smaller ventures. The liquidity is cascading down the cannabis chain, further pulling risk capital away from the resource juniors. This is similar to the period 2003-2011 when more than 200 resource juniors were absorbed by larger institutionally held companies through merger and acquisitions deals worth more than \$100 billion. The recycling of this capital fueled the resource juniors but in 2014 the spigot turned off amid an institutional backlash against producers on account of poor cash flow performance. This pattern will eventually repeat itself in the cannabis sector but the Canadian cannabis bubble could last a lot longer if the story becomes one of Canadian companies serving as a launchpad in the United States where some states such as California and Colorado have legalized recreational use though it remains illegal at the federal level. The junior resource sector is braced for the example of 1999 when dot-com stories sucked up risk capital and when the dot-com bubble blew up in 2000 risk capital did not return to the resource juniors until 2003 when the China super cycle erupted.



The junior resource sector has not been devoid of significant M&A activity. For example, South32 paid \$2.1 billion cash to acquire Arizona Mining Inc whose zinc-lead-silver Hermosa-Taylor discovery emerged in 2016. Hecla's acquisition of Klondex Mines for \$550 million in part cash part stock was another liquidity event for a junior that has been around since the seventies. The privatization of Dalradian which valued the junior's Curraghinalt gold deposit in Northern Ireland at \$500 million is another recent injection of capital. Other examples are the \$100 million paper bid by Coeur Mining for Northern Empire and the \$107 million De Beers buyout of Peregrine Diamonds. The latest takeover is the \$1.9 billion cash bid by Zijin for Nevsun. So far there is scant evidence that these capital inflows are being recycled in the junior resource sector. In fact, some institutions are reducing their exposure to the resource sector in general, and recently the market suffered the added indignity of Saudi Arabia ordering the sale of Canadian companies after Canadian politicians expressed concern about the dictatorship's treatment of women.

The drought in risk capital for resource juniors is partly due to a broad-based retreat in metal prices that

got underway in June when it became clear that Trump's threatened trade war was not a bluff. Resource producers have declined as much as 30% even as general equity markets achieve record highs. At the start of 2017 there was a wave of optimism that newly elected President Trump would deliver on his promise to make America great again by rebuilding its neglected infrastructure. Instead he has focused on other promises of which the most important for the resource sector is his

trade war against not just China but the entire world. Trump's use of protectionism to pull manufacturing back to the United States threatens to undermine the post-Cold War order of rules-based globalized trade. One possible outcome is the isolation of the United States as the rest of the world learns to work around what is still the world's biggest

The drought in risk capital for resource juniors is partly due to a broad-based retreat in metal prices that got underway in June when it became clear that Trump's threatened trade war was not a bluff.

economy. But what the retreat in metal prices seems to be signaling is a global economic downturn that is already stressing emerging market countries such as Turkey and Argentina.

The strength in the US economy reflects a trend already in place before 2017, a trend that has been accelerated by the reduction of corporate tax from 35% to 21%. The repatriation of accumulated overseas profits in turn has propped up the general stock market through increased dividends and share buybacks. By 2019 US consumers will start to see the cost of tariffs reflected in higher prices for goods and when the cost is not passed on to consumers shareholders will start to see lower profits. It will be argued that a surge in inflation is a one-time adjustment that does not require a crushing rise in interest rates. But in a context of low unemployment and a curtailment of immigration workers may soon regain the wage pricing power they lost during the past 3 decades. US interest rates are still on a rising trend toward historical levels but if they must be raised more aggressively to "contain" labor cost inflation, it could very well end the equity bull market and perhaps unleash a new financial crisis. Gold is not being bought in anticipation of a financial crisis because in such an event everybody sells gold in the rush for liquidity.

US interest rates are still on a rising trend toward historical levels but if they must be raised more aggressively to "contain" labor cost inflation, it could very well end the equity bull market and perhaps unleash a new financial crisis.

The American economy has sufficient momentum that at the start of 2018 economists were confident that the global economy would continue to grow. But China has been trying to deal with its own debt-fueled expansion strategy while cleaning up the worst of its industrial polluters. The potential arrival of a full-blown trade war threatens to reduce Chinese demand for raw materials further. The American demand of China is not about reducing America's trade deficit with China. It is about China's use of state directed capitalism within an authoritarian system against which the rest of the world's corporations cannot compete. Trump is asking nothing less than that the Chinese Communist Party give up control of China and allow its economy to become a free-for-all open to foreign capital. Trump is also insisting that China abandon its 2025 ambition of becoming a self-sustaining technology super-power, a goal

it has been scrambling towards on the back of the rest of the world's innovations either through forced technology transfer or outright theft. But China is undergoing a technology inflection where it is becoming an engine of innovation. Asking the Chinese state to stand down now is like asking the Soviets to stand down during the fifties. Unless there is a change in American policy objectives a full-blown trade war with China is unavoidable. That is why there is a scramble afoot to import goods now before the tariffs kick in, a scramble that has boosted global shipping rates and distorted the apparent strength of the global economy. The decline in the stock prices of resource producers has been far greater than the retreat in metal prices; the resource sector is a canary in the coal mine signaling trouble for the global economy. That pall, of course, also engulfs the resource juniors who are now in the seventh year of a bear market that began in 2011.

The resource juniors have also not escaped the perceptual linkage to the price of gold which is now below the inflation-adjusted equivalent of \$400 gold in 1980. An American who bought gold at \$400 in 1980 and sold today at \$1,200 would end up with \$840 after-tax due to the federal 38% capital gain tax on "collectibles" plus state taxes. By holding gold as an inflation hedge the gold owner would have suffered a 36% loss in purchasing power. Trump's proposal to allow inflation adjustment for the cost base of investments is not a good idea for equities because it reduces tax loss benefits, but if applied to non-income generating assets such as gold, it would give validity to the idea of gold as an inflation hedge.

The trouble with gold is that since the seventies it has been used as an ideological icon to symbolize opposition towards "liberal" economic and social policies. But the arrival of a populist administration determined to crank up the American debt by an amount greater than accomplished by any predecessor and violate free-market concepts through trade protectionism seems to have silenced the gold bugs. They have instead turned their attention to crypto-currencies such as Bitcoin and Ethereum, which unlike gold, could function as money which is an information system that keeps track of credits and debits over space and time while facilitating price discovery for goods and services. But Bitcoin and the hundreds of crypto-currency clones are not operating as money. They are entirely parasitic on the USD dollar based money system and as such are little more than a digital asset class similar to OTC Bulletin stocks where you can check in anytime but may never leave. The Trump administration's thugish behavior on the global stage is accelerating the need for an international currency but that is not going to happen as long as the United States remains top dog.

While gold's role as an inflation hedge in US dollar terms has limited investor appeal, its role as an insurance policy against geopolitical chaos is undisputed. The above ground gold stock represents stored energy, because ultimately it is energy that extracts gold from rock and concentrates it in a transportable, fungible gold bar. Gold's intrinsic value is the cost to produce



a new ounce of gold. But its market value resides in gold's role as a hedge against uncertainty about property rights and the stability of their supporting infrastructure. Given the emergence of populist regimes around the world backed by a base of anxious and resentful citizens, and the potential for violent upheaval even within the United States, you would think gold would command a higher price than it does. But as long as the general mood is that if the world does descend into a full-blown trade war the United States will be "the last man standing", the US dollar will be the preferred safe haven.

The mid-term US elections in November could prove to be a turning point for gold. There is a good chance the Democrats will take control of the House just as the Tea Party did in 2010 and operate as a brake on some Trump policies. In 2011 the Tea Party blockade of Congress reversed gold's ascent; Democrat control of the House cannot create new policies, only stop new ones, which sets it up as the scapegoat for everything that starts going wrong. The alternative scenario, where the Republicans manage to retain control of all branches of government, will put enormous pressure on Republicans to avert an electoral extinction event in 2020. Hurting the base harder than what is already in motion will not be helpful. The one area where America is on a trend towards "ungreatness" is in its aging infrastructure which has suffered fiscal neglect. Trump has not delivered on his promise to initiate

an infrastructure renewal boom, but with political concern about fiscal deficits absent when it is Republican policies that are to blame, launching an infrastructure renewal boom is the most effective antidote against a Republican extinction event in 2020. It is also the obvious new policy strategy if the Democrats gain control of the House, because the Democrats will have no choice but to support something for which they have always agitated. Furthermore, Republicans will start to push back on Trump policies that violate core conservative principles. The death of John McCain has created a counter-symbol about what American values are all about; there is in place an off-ramp for the base from its addiction to Trump. The resource sector canary in the coal mine will start to sing again in 2019 when it becomes apparent that an economic disaster is not happening. As for gold, in the eyes of the world America is becoming synonymous with Trump who is a Humpty Dumpty perched on a wall. Should he fall off it may be too late for all of America's men to restore America's leadership role. That should launch gold in a sustainable uptrend. The longer Trump remains in the driver's seat, the better the case for gold. Meanwhile investors eager for near term action in the resource juniors must focus on companies with potential to deliver new discoveries that work at prevailing metal prices, while those with greater patience should look at companies demonstrating the feasibility of deposits in safe jurisdictions. ■

For more please go to www.kaiserresearch.com



Scandium International Mining

“Scandium International Mining Corp owns 100% of the Nyngan scandium deposit in Australia for which it delivered a positive DFS in late 2016 and received a mining lease in mid-2017. The project has an NPV of \$220 million at 8% with a 33% IRR and a CapEx of USD \$87 million. Scandium is the lightweighting holy grail for the transportation sector because its addition to aluminum increases aluminum’s strength, makes it corrosion resistant and allows weld joints as strong as the rest of the material. But the scandium oxide market is only 10-15 tonnes per year worth \$20-\$30 million at the \$2,000/kg price SCY plans to sell it for. The problem is not demand but the non-scalable by-product nature of all supply. The Nyngan DFS proposes to produce 35-40 tpa of scandium oxide, but who will buy the extra output? That is the CapEx funding challenge. SCY has embraced a guerilla market development strategy whereby it has positioned itself as a master aluminum-scandium alloy producer cultivating offtake agreements with dozens of potential offtakers. Rather than secure one or two large deals SCY wants many small agreements, each of which can translate into substantially larger commitments once Nyngan has demonstrated it can supply as predicted by the DFS. This in turn sets the stage for future capacity expansion at Nyngan funded by internal cash flow.”

John Kaiser, September 17, 2018



JOHN KAISER

Kaiser Research Online

Serengeti Resources Inc

“Serengeti Resources Inc is on track to delivering a prefeasibility study for its Kwanika copper-gold project in central British Columbia by mid 2019. The project is a 65:35 joint venture with Posco Daewoo, the South Korean conglomerate which sees Kwanika as a future copper ore processing hub. Posco has funded the \$8.2 million cost of the PFS which hopes to improve on the PEA which delivered an after-tax NPV of CAD \$191 million at 7% and an IRR of 16.6% at base case prices of \$2.90/lb copper and \$1,290/oz gold. During 2018 Serengeti also advanced two 100% owned projects for drilling when the exploration season resumes in June next year. The first is the Atty project which adjoins the Kemess copper-gold mine now operated by Centerra. The target at Atty is the possible fault offset extension of the Kemess East deposit. The second project is Croy Bloom, another copper-gold prospect which had not seen any work during the past decade. Finally, Serengeti has completed summer field work on 8 “covered” prospects identified and staked after the release of a government airborne radiometric geophysical survey in early 2018. These prospects are covered in terms of overburden or heavy forestation that limited past exploration work. Serengeti offers both optionality on higher copper or gold prices and discovery potential.”

John Kaiser, September 17, 2018

Renaissance Gold

“Nevada is by far the biggest gold producing region in the United States and northern Nevada where the Carlin-type deposits are located also boasts the highest gold resource density among world class gold districts. But Nevada is also the most heavily explored gold region in the United States and the days of easy outcrop focused discoveries are long gone. A strong, Nevada based technical team and adequate funding are essential for success. Renaissance Gold Inc is led by the team that discovered Long Canyon which Newmont bought for \$2.3 billion and has developed into a 150,000 oz per year open pit gold mine. In 2017 RenGold brought Long Canyon alumnus Bob Felder into the fold through the acquisition of privately held Kinetic Gold Inc and appointed Felder as the new CEO. While RenGold’s focus had been largely on epithermal systems in the Walker Lane of western Nevada, Kinetic owned a number of prospects in northern Nevada with “under cover” Carlin-type potential. Although Nevada has been heavily explored, that description applies only to the ranges and the adjacent gravel covered pediments onto which structures and mineralization in the hills can be projected. The 20 million ounce Twin Creeks deposit operated by Newmont is such an example. The ideal Carlin-type target sits within Lower Plate “dirty” carbonates underneath tighter Upper Plate siltstones in close proximity to structures that allowed fluid flow. The Carlin-type deposits were formed 42-25 million years ago during the rollback of the Farallon subduction slab, long after thrusting pushed the siltstones over the carbonates. While Carlin type deposits can form in Upper Plate rocks, the richest ones like Pipeline, Carlin, Goldstrike, Cortez Hills, Twin Creeks and Goldrush are in Lower Plate rocks. So obstacle one consists of barren Upper Plate rocks obscuring the more prospective Lower Plate rocks beneath. A further complication is the rifting event about 15 million years ago which gave shape to Nevada’s basin and range topography. Half of the Upper-Lower Plate assemblage is buried under basin gravels. Yet a further complication are younger volcanics which accompanied the rifting and in some places added an additional layer of barren rocks. Modern Nevada 2.0 exploration strategy seeking Carlin-type elephant deposits must “see” through this cover. Efforts by RenGold to identify “under cover” targets have attracted ASX-listed S2 Resources Ltd as a farm-in partner. One of these projects is Ecu just north of the Pipeline deposit operated by Barrick. In October farm-in partner S2 will begin drilling a couple deep holes testing the Upper/Lower Plate contact which in the vicinity of Ecu can be as deep as 1,000 m. RenGold has several other northern Nevada prospects farmed out to bigger companies, but it is not limiting its generative work to Carlin-type settings. It continues to investigate the Walker Lane at the southern end of which RenGold had generated the Silicon project near the Bullfrog-Sterling mines. AngloGold will end up with 100% of Silicon after paying another USD \$2.7 million to RenGold by mid 2020, but RenGold does retain a

1% royalty. Silicon hosts the upper part of a low sulphidation epithermal system with no notable gold values at surface. But drilling during 2018 has led AngloGold to plan a 17,000 m follow up drill program. There are no Comstock Lodes left in the Walker Lane for prospectors to stumble upon (8 million oz gold 200 million oz silver), but when the prize consists of high grade underground mineable vein systems, high level systems hiding deeper riches are the new “under cover” game in the Walker Lane. RenGold adheres to the prospect-generator farm-out model, and is sufficiently funded to operate for another two years, longer if AngloGold makes a discovery at Silicon.”

John Kaiser, September 17, 2018

Wolfden Resources Inc

“Wolfden Resources Inc is a first mover in the state of Maine which has been off-limits to exploration since 2013 when the state decided to reform its mining code. The result in late 2017 was a streamlined permitting process which bans all open-pit mining. Maine has seen little exploration since the eighties when the high grade Pickett Mountain zinc-lead-copper-silver gold VMS deposit was brought to a PFS stage before being dropped. The mineral rights were owned by a lumber company which sold the entire land package in late 2017 to Wolfden for USD \$8.5 million partly funded by Altius Minerals through a royalty purchase and equity financing. The Pickett Mountain deposit sits within the Appalachian belt that hosts the rich Buchans deposit in Newfoundland and the Bathurst camp in New Brunswick. The West Lens has been traced as deep as 800 m while the East Lens has been tested to a depth just over 400 m and remains open. During the summer of 2018 Wolfden conducted a 10,000 m drill program that targeted the 400-800 m portion of the West Lens. Initial results are confirming historical grades and filling in the holes in the deposit. A second 10,000 m drill program will be undertaken during the fall of 2018 to test new geophysical targets near the known zones. The minimum goal is to demonstrate the viability of underground mining a 3-6 million tonne resource with a 15% zinc equivalent grade whose ore can be direct shipped to processing facilities such as the Empire Mine operated by Titan Mining in northern New York. The broader goal is to discover additional zones which support a standalone mine. The second round of exploratory drilling on new targets opens the potential for Pickett Mountain to become a discovery delineation play on top of being a feasibility demonstration play.”

John Kaiser, September 17, 2018

An excerpt from Jay Taylor's Gold, Energy & Tech Stocks, August 24, 2018

"This company is on the heels of one of the most consistently positive drill programs I can recall in all the years of writing this letter. And what makes it even more exciting is that the project is located in the prolific Red Lake District of Ontario.

This looks like a significant new high-grade gold discovery in the Hinge Zone at the Dixie Project, the location of which is shown in the southern end of the projected Dixie Structure.

The bottom line for me is that it looks like Great Bear could be the biggest discovery winner covered in this letter during 2018."

An excerpt from Greg McCoach's Mining Speculator Hotline, August 27, 2018

"Based on what I am hearing, any further confirmation that we have hit one of those high grade shoots could send our share price soaring to multi-dollar territory. This could be one of the most exciting discoveries we have seen in quite a long time.

When several key people saw this same reddish brown material in Great Bear's core, they knew it was going to run and were almost GIDDY thinking about what could now unfold!

Even after the \$10 million dollar financing, the company will only have 31 million shares outstanding. If further results confirm the company has hit one of the highly sought after high grade ore shoots in the Red Lake camp, our share price could be in for the kind of ride we haven't seen in quite a long time."

GREAT  **BEAR**

R E S O U R C E S

RECENT GREAT BEAR
COVERAGE FROM OUR
MIF SPEAKERS

Great Bear's Huge Success

An excerpt from Gwen Preston's Resource Maven Newsletter, August 29, 2018

"In December, when I met Chris, they were completing a small financing, just enough to do a small drill program. Drilling at Dixie Lake is very inexpensive – this is Tim Hortons exploration, and in the heart of Canadian gold country. I invested and offered it to Maven Premium subscribers..."

"The market took some note of Great Bear's first few rounds of drilling but it wasn't until the latest results that GBR shares soared. And for good reason. The hits – 26.9 g/t gold over 16 metres in one hole and 44.5 g/t gold over 7 metres from a second hole 15 metres deeper – came from the Hinge zone. GBR had pulled good gold from the Hinge previously, but not of this caliber.

This drill intercept is phenomenal. Red Lake can produce these kinds of hits, but not very often – and when they do happen, the discovery usually becomes something very significant. Think the High Grade zone at Goldcorp's Red Lake operation, where the average grade is more than 2 ounces per tonne (62 g/t)..."

"The results from Hinge are very exciting, but the bigger picture is even better. Hinge has the potential to be the best part...of a very good Red Lake gold system. The consistency of Dixie Limb (where over 90% of holes have returned at least 3 g/t gold over at least one metre, a success rate almost unheard of in Red Lake), the fact that an absolutely huge 1.6 km step out along the contact returned gold, the potential at the South Limb – these factors all contribute to making Dixie a very exciting project.

And that project is in very good hands. Great Bear has a tight share structure and a focus on keeping costs low. The team is that ideal mixture of experience, smarts, and youth, with guidance from a strong board that includes John Robins.

And now Rob McEwen will also be lending guidance. McEwen is the epitome of Red Lake gold exploration success (Goldcorp found the High Grade zone under his leadership) and he is investing \$4.8 million, personally, in GBR. His gold company, McEwen Mining, is putting another \$1.2 million into the raise. It's a strong endorsement of the potential that a Red Lake veteran sees at Dixie."



HRA Special Delivery #799

An excerpt from Eric Coffin's HRA Advisories, August 22, 2018

"Drill Hole DGZ-003 reported 16.35 metres grading 26.19 g/t gold including 5.05 metres grading 51.39 g/t gold. Drill Hole DHZ-004, drilled 15 metres below 003, reported 7 metres grading 44.47 g/t gold including 1 metres grading 224.03 g/t gold. There are core pictures on the Great Bear website that are suitably impressive, with plenty of visible gold. Large gold grain size and a tendency to nugget effect are common in Red Lake. It's good news that both holes display good residual grades outside of the highest-grade sections.

These types of structures will pinch and swell, and grades will be highly variable even over short distance; that's the nature of this deposit type. But these are VERY GOOD holes and I'm especially pleased with the thickness and mineable grade through each intercept. Yes, it's only two holes, but this is a classic high-grade Red Lake shoot, and these can build significant resources even with modest tonnage. This looks like the real deal. I'm not going to spend any time on the other results released today in this SD as I want to get this out but, again, it's positive that GBR keeps hitting even modest grades just about everywhere it drills at Dixie. This is a well mineralized and large structure. It will take a lot of drilling but there is definitely million plus ounce potential at this project and a million ounces of high grade in Red Lake is worth bank."

**GREG
MCCOACH**
Insider Alert

3 Strategies for Profits in Junior Mining Shares

Junior mining shares appear to be bottoming out over the course of the next three months. Now is the time to accumulate the best positions as 2019 in my view will be a time to capture major profits. Here are 3 Strategies I am talking about with my subscribers to take advantage of the coming opportunities to capitalize.

The last time I saw a situation like this was December of 2015, when the junior mining shares were in the pit of despair and nobody cared about mining. During this time, I wrote a report entitled, “The Right Stocks for the Rebound”.

In that report, I identified for investors the 10 best companies to buy at what turned out to be the ultimate bottom in the junior mining sector. Seven months later we were cashing in big profits of 3x, 5x, and 7x.

Since that time, the juniors have had an uphill battle other than a handful of companies who have had major exploration success. Those companies have performed well, and I have been fortunate to identify for investors four of these companies within my newsletters that have made big, new discoveries.

Those companies were Great Bear Resources in The Mining Speculator (TMS) which has risen 4x in recent months, Golden Ridge Resources in my Insider Alert (IA) at a 3x, Aben Resources (Insider Alert) also at a 3x just in the last two months.

In addition, I was fortunate to recommend a new lithium discovery in my U3O8 Report that went as high as 5x. And for the next several months, the drills are still turning for many of my recommended companies where we are still hoping for further new discoveries.

What is even better is this performance looks to be just the beginning of much greater profits in 2019 and beyond.

Right now however, the quality mining shares (other than the ones mentioned above) have been suffering, giving investors another contrarian opportunity to buy low and sell high as we wait for the market turn.



Primary Drivers for the Coming Changes

Around the world, things are suddenly getting very DICEY in the financial system.

It started in Venezuela, then spread to Argentina, Brazil, Indonesia and now Turkey. This emerging market meltdown is spreading into developed nations and I expect Greece, Italy, Spain and others will soon be infected.

What is happening is that gold is going up dramatically in terms of these failing fiat currencies. Eventually I think this is going to be a worldwide event, much like we saw in 2008. I expect our precious metals mining shares will benefit in a big way as these events transpire.

Unlike 2008 however when that meltdown began, our mining shares won't sell off, but will flourish. The reason this time is different is because the big funds don't have much in the way of mining shares like they did in 2008. Those funds back then had redemption notices from their clients needing to cash up and needed to quickly sell ample positions in the mining companies.

This time around, I think we are going to see a big move in gold and the juniors that have the gold in the ground or who have recently made big new discoveries. This sets up my 3 Strategies for what to own now.

Strategy #1

Much like I wrote about in December of 2015, there are quality development and production stories that are trading on the cheap once again. You want to look for companies that have high grade ounces in the ground in good jurisdictions that are priced well below where those companies should be at the moment.

One excellent example would be Alexco Resources (AXR) that is currently trading at 1/3 of where it was trading in 2016.

Strategy #2

The next place to look for opportunity to profit is with companies that have made big discoveries in the past two years who have sold off. I can think of five companies right now that are trading at a fraction of where those companies were in just the last year. One example is Golden Predator Resources (GPY) that was trading over C\$2.00 on a big new gold discovery in 2016 is now at C\$0.36 cents.

The only reason the stock is this low is because of the poor perception of the junior mining market at this time. When that perception turns, this and others like it will be the companies that turns quickly to the upside.

Strategy #3

Buy companies that are trading below cash value and offer real assets that are currently getting no love. Cash value meaning the amount of money the company has in its treasury divided by the number of shares outstanding. If the stock price is close to or below this cash value, then these are companies to consider right now before the turn. One example is Ethos Gold (ECC) which has over \$6 million in the bank, and is trading at C\$0.13 cents. Their latest gold acquisition in Mexico comes free as the company only has 47 million shares out.

Summary

Look for these types of companies as you build positions to take advantage of the coming turn in our market. Be selective in choosing the best teams, in the best jurisdictions, using the 3 Strategies as your guide.

Timing wise, it may be best to wait for year end tax selling to kick in. That should be the bottom in this latest down cycle for the mining shares.

To read more please go to <https://discovery-nexus.com/> and sign up



GREG MCCOACH
Mining Speculator

Aben Resources Ltd.

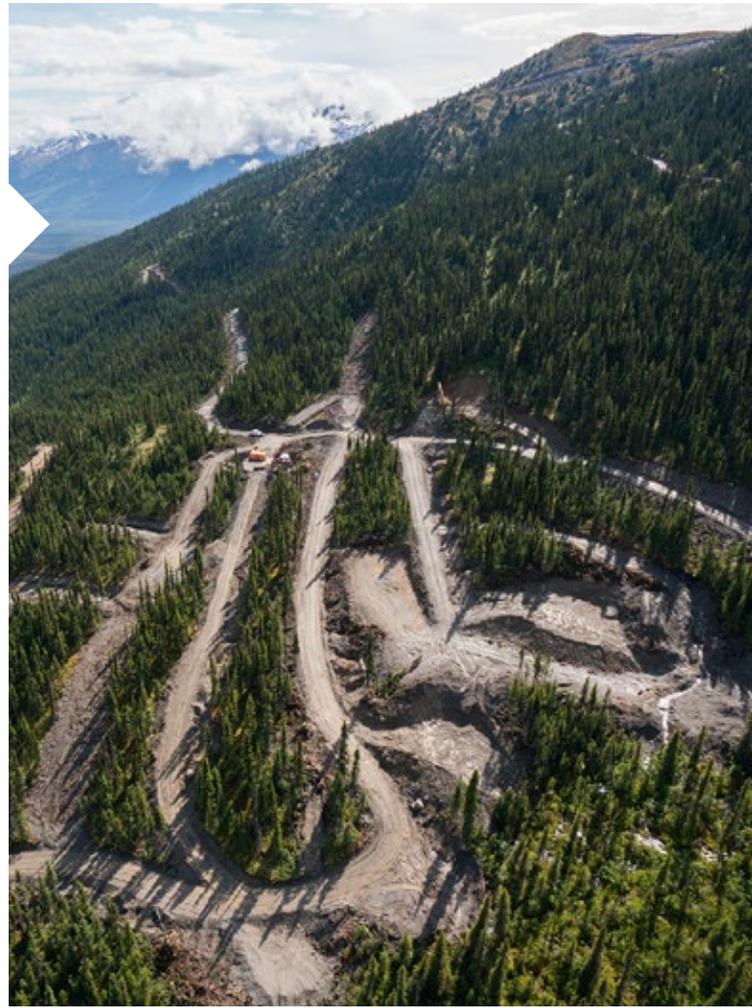
“Aben Resources strives is to increase shareholder value by developing exploration projects near world-class deposits that have the potential of becoming new discoveries. Thus far the company has proven it is good at doing just that with a major discovery underway at the flagship Forrest Kerr gold project located in the heart of the Golden Triangle. This region has hosted significant mineral deposits including: Pre-tium (Brucejack), Eskay Creek, Snip, Galore Creek, Copper Canyon, Schaft Creek, KSM, Granduc, Red Chris and more. The first drill hole of 2018 at Forrest Kerr discovered multiple high-grade zones including 62.4 g/t Gold over 6.0 meters within 38.7 g/t Gold over 10.0 meters starting at 114 meters downhole at the Boundary North Zone. The company is well funded to keep multiple drills turning at Forrest Kerr this fall and well into 2019 to keep the news flowing.”

Greg McCoach, September 18, 2018

Golden Predator Mining Corp.

“Golden Predator is a gold exploration company focused on advancing key projects with significant exploration upside, good infrastructure and community support. The company flagship is the 3 Aces Project which is an orogenic gold target consisting of 1,734 claims covering 357 km² (35,700 ha) in southeast Yukon. Orogenic gold deposits are among the world’s largest and richest, such as the California Mother Lode Belt and the Juneau Gold Belt. The Company has to date focused exploration on the 13.5 km² Central Core Area, a broad gold-in-soil anomaly, where numerous orogenic gold bearing quartz veins have been discovered. Exploration over the past two years has systematically advanced the project by establishing: (1) high gold grades can be reliably sampled; (2) gold mineralization is in predictable stratigraphic structural locations; and (3) gold grades have robust continuity within the recognized controlling features.”

Greg McCoach, September 18, 2018



White Gold Corp.

“The company recently announced two new high-grade gold discoveries in the Yukon in recent weeks. The first hit high-grade gold mineralization at shallow depths on multiple drill holes on the Ryan’s Showing target, located along trend with White Gold Corp.’s flagship Golden Saddle deposit two kilometers to the west. The second discovery announced just last week was a new high-grade gold showing on its JP Ross property which intersected 56.25 g/t Au from 3.05m depth, within a broader intercept of 17.34 g/t Au over 10.67m, which are amongst the highest grades ever encountered in the White Gold district. The company has a large underexplored land package directly adjacent to recently discovered gold deposits, including Coffee, which was acquired by Goldcorp in 2016 for C\$520 million. In addition, White Gold controls roughly 40% of the mining claims in the White Gold District and is well funded.”

Greg McCoach, September 18, 2018

Gold Stocks Remain in Downtrend

but Uranium Stocks on the Cusp of New Bull Market



JORDAN ROY-BYRNE

The Daily Gold

Gold stocks failed to breakout in the spring and then broke-down to multi-year lows by September. As autumn beckons, the precious metals sector at large is very oversold and could be starting a rebound. However, the fundamentals are not yet in place for a new bull market. They will be when the Fed moves to the end of this rate hike cycle. Although gold stocks and most commodity stocks are mired in downtrends, that isn't the case for uranium stocks which appear to be on the cusp of a new bull market.

According to Trade Tech, the spot price of uranium is \$26.70/lb which is a two and a half year high. The price has begun to rise after basing for several years.

In recent months, the announcement of production cuts from the world's largest uranium producers (Kazatomprom and Cameco) along with the Section 232 investigation into uranium imports has contributed to the recent price rise.

Below we plot a capitalization-weighted uranium stock basket which consists of 11 junior uranium companies.



The basket, which closed last week at 92 is trading above all of the major moving averages but needs to close above 98 to make a new 52-week high. A weekly close above 115 would mark a major breakout and put the index at a 4-year high.

At the top of the chart we plot the uranium index against GDXJ. It's uranium juniors against gold juniors and uranium is winning. The ratio closed last week at more than a two and a half year high.

Turning to the gold stocks, we see a rebound could be underway. The gold stocks have been extremely oversold and last week started to rebound as they approached very strong support levels. Potential upside targets are GDX \$20-\$20.50 and GDXJ \$30-\$30.50.



The gold stocks are setup for a rally but one should not confuse a relief rally with a new bull market. The fundamentals are not in place for such. At least not yet. As for uranium, the fundamentals appear to be favorable and recent developments could put the sector in position for more upside this winter and in 2019. In short, the uranium sector is a better bet now while the gold stocks could become a better bet sometime in 2019.



To follow our guidance and learn our favorite juniors for the next six months, consider learning more about our premium service: thedailygold.com/premium



Aben Resources

TSX-V: ABN

abenresources.com

✉ info@abenresources.com

☎ (604) 687-3376

Aben Resources (OTCQB: ABNAF) is a publicly traded Canadian Gold Exploration Company advancing projects in British Columbia's Golden Triangle, Saskatchewan and the Yukon.



Advantage Lithium

TSX-V: AAL

advantagelithium.com

☎ (604) 343-3760

Advantage Lithium is a lithium explorer and developer with top tier management and an international portfolio of quality assets. The Company has a partnership with Orocobre - one of Argentina's leading lithium producers - to develop its Cauchari asset, which hosts an inferred resource and includes a large exploration target. Orocobre is the largest single shareholder of Advantage Lithium.



Amarillo Gold Corp.

TSX-V: AGC

amarillogold.com

☎ (416) 230-6454

Amarillo Gold Corp. (AGCBF: OTC) is a Canadian precious metals company, headquartered in Toronto, Ontario. The company is developing an economic, open pit gold resource of 1.25M oz grading 1.56 g/t at its Mara Rosa Project in the mining friendly jurisdiction of Goias State in Brazil. In May 2017 Amarillo completed an updated Pre-Feasibility Study. At \$1200 gold price the NPV was \$178MUSD and IRR was A/T IRR of 34.5%.



Aston Bay Holdings Ltd

TSX-V: BAY

astonbayholdings.com

✉ sofia.harquail@astonbayholdings.com

Aston Bay (TSX.V: BAY) is exploring for large, high-grade, sediment-hosted copper (Cu) and zinc (Zn) deposits in North America. Aston Bay is focused on two projects, the Aston Bay Property in Nunavut, Canada and the Blue Ridge Project in Virginia, United States, both located in mining-friendly jurisdictions. Aston Bay is 100% owner of the 1,024,345-acre (414,537-hectare) Aston Bay Property located on western Somerset Island, Nunavut, which neighbours Teck's profitable past-producing Polaris (Pb-Zn) Mine just 200km to the north. The Aston Bay Property hosts the Storm Copper Project and the Seal Zinc Deposit, with historical and recent drilling confirming the presence of sediment-hosted copper and zinc mineralization.



Azucar Minerals Ltd.

TSX-V: AMZ

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☎ (604) 689-7644

Azucar Minerals Ltd. was created in 2018 with the completion of the Plan of Arrangement of its predecessor company, Almadex Minerals Limited, and the related CAD\$19 million private placement by Newcrest Mining Limited into Azucar.



Bluestone Resources

TSX-V: BSR

bluestonerresources.ca

☎ (604) 646-4534

Bluestone Resources was created in 2017 with the purchase of the Cerro Blanco gold & Mita Geothermal projects. The Cerro Blanco gold project is a permitted, high-grade underground gold project located in southeastern Guatemala. The Mita Geothermal project is an advanced-stage, renewable energy project licensed to produce up to 50 megawatts of power.



Constantine Metal Resources Ltd.

TSX-V: CEM

constantinemetals.com

✉ info@constantinemetals.com

☎ (604) 629-2348

Constantine is a base and precious metal exploration company focused on premier North American mining environments, led by a top tier technical team with a discovery track record.



Coral Gold Resources

TSX-V: CLH

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☎ (604) 682-3701

Coral Gold Resources is a successful precious metals company operating in Nevada, where it recently sold its Robertson Project to Barrick Gold for a sliding-scale royalty. Coral is now exploring three highly-prospective projects nearby in one of the world's richest gold districts. The Company's overall objective is to generate long-term wealth for its shareholders.



EMX Royalty Corp.

TSX-V: EMX

emxroyalty.com

✉ msegovia@emxroyalty.com

☎ (604) 688-6390

EMX Royalty Corporation has a long-standing track record of success in exploration discovery, royalty generation, royalty acquisition, and strategic investments. Our diversified, three pronged business approach provides exposure to multiple upside opportunities, while minimizing the impact on EMX's treasury.



Fireweed Zinc

TSX-V: FWZ

fireweedzinc.com

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Fireweed Zinc is a Canadian mining exploration and development company focused on advancing the Macmillan Pass Project which is host to the large Tom and Jason zinc-lead-silver deposits. Located in the Yukon Territory, Canada, the property is accessible via gravel road and by air via the Macmillan Pass Airstrip located on the property.

Management's vision is to create value for our shareholders by building Fireweed Zinc into a leading base metal development and production company through advancement and development of the Macmillan Pass Project. The Company has an exceptional veteran management team with a strong track record of successful exploration, development, financing and operation.



Golden Predator

TSX-V: GPY

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✉ info@goldenpredator.com

☎ (604) 260-0289

Golden Predator Mining Corp. is a gold exploration company focused on advancing key projects with significant exploration upside, good infrastructure and community support. 3 Aces Project – Yukon, Canada. Orogenic gold system model with district potential, extensive land holdings with visible gold at surface.



Great Bear Resources

TSX-V: GBR

greatbearresources.ca

☎ (604) 646-8354

Great Bear Resources is a Canadian precious metals exploration company engaged in advancing projects of special merit in leading mining jurisdictions. Great Bear's focus is on projects that have unique combinations of geological merit, infrastructure advantages, and the capability to be rapidly advanced through resource definition and beyond.



Integra Resources

TSX-V: ITR

integrareources.com

✉ info@integrareources.com

☎ (604) 416-0576

Integra Resources Corp., formerly Mag Copper Limited, is a development-stage company engaged in the acquisition, exploration and development of minerals properties in the Americas. The primary focus of the Company is the advancement of its DeLamar and Florida Mountain Gold-Silver Deposit on the DeLamar Project in the heart of the historic Owyhee County mining district in southwestern Idaho. The management team comprises the former executive team from Integra Gold Corp.



Morien Resources Corp.

TSX-V: MOX

morienres.com

✉ info@morienres.com

☎ (902) 466-7255

A Canadian based, dividend-paying, mining development company that holds royalty interests in two (coal and aggregates) world class, tidewater accessed projects. The coal project recently commenced production and the aggregate project is expected to commence production in 2020. Morien's management team exercises ruthless discipline in managing both the top and bottom halves of the financial ledger. Shareholder returns are paramount over corporate size, number or scale of assets and industry recognition.



Mundoro Capital

TSX-V: MUN

mundoro.com

✉ info@mundoro.com

Mundoro is a Canadian based public company which is focused on generating value for its shareholders through utilizing the collective expertise of our directors, management and technical staff to invest in mineral projects that have the ability to generate future cash.



Nevada Exploration

TSX-V: NGE

nevadaexploration.com

✉ info@nevadaexploration.com

☎ (604) 601-2006

Nevada Exploration Inc. is a publicly-traded exploration company focused on gold exploration in Nevada. The Company is advancing a portfolio of new district-scale projects along Nevada's Cortez Trend. Nevada Exploration is led by an experienced management team that has been involved in several significant discoveries in Nevada, including the discovery of Lone Tree and Rabbit Creek (now part of the Twin Creeks Mine).



Newrange Gold Corp

TSX-V: NRG

newrangegold.com

✉ info@newrangegold.com

Newrange Gold Corp. (TSXV: NRG) was incorporated in 2006 as Colombian Mines Corporation, dedicated to exploring high quality mineral properties in Colombia. In July 2016, the Company diversified into the United States by acquiring the high-grade Pamlico gold project in Nevada, now expected to be the center of exploration efforts in the coming years. To reflect this geographical diversification, the Company changed its name to Newrange Gold Corp. in December 2016. With a seasoned, highly successful management team and quality projects, Newrange Gold is committed to build long term, sustainable value for shareholders and stakeholders.


Pan Global Resources Inc.

TSX-V: PGZ

panglobalresources.com

✉ investors@panglobalresources.com

☎ (604) 689-9930

Pan Global Resources Inc. (TSX.V: PGZ) is a Vancouver based junior resource company actively engaged in base and precious metal exploration in Spain.


Prize Mining Corporation

TSX-V: PRZ

prizemining.com

✉ walter@prizemining.com

☎ (604) 343-8661

Prize Mining Corporation (TSX-V: PRZ) is a well-capitalized exploration company based in Canada. We offer near term production and growing resources on our balance sheet through the development of the Manto Negro Oxide Copper Project in Mexico, as well as drilling of increased gold ounces in Canada.


Renaissance Gold Inc.

TSX-V: REN

rengold.com

☎ (775) 337-1545

Renaissance Gold Inc. ("RenGold") is a Nevada-based, gold/silver-focused exploration company that emerged as a "spin-out" from the 2010 acquisition of AuEx Ventures, Inc. by Frontier Gold, Inc. Renaissance now trades on the TSX Venture Exchange under the symbol "REN".


San Marco Resources Inc.

TSX-V: SMN

sanmarcocorp.com

✉ rwillis@sanmarcocorp.com

San Marco Resources Inc. is a Canadian mineral exploration company with a portfolio of promising projects in mining-friendly Mexico, including the Chunibas, 1068 and Espiritu SMR Projects in Sonora State.


Scandium International Mining Corp.

TSX-V: SCY

scandiummining.com

✉ info@scandiummining.com

☎ (775) 355-9500

Scandium International Mining Corp. (SCY) owns a 100% interest in the Nyngan Scandium Project, located in New South Wales, Australia, approximately 500 kilometers northwest of Sydney. The Company completed a definitive feasibility study for the project in May 2016 and is focused on advancing the Nyngan Scandium Project to construction, with the objective of being the first company to achieve production from a primary scandium mine.


**SERENGETI
RESOURCES INC.**
Serengeti Resources Inc

TSX-V: SIR

serengetiresources.com

✉ info@serengetiresources.com

☎ (604) 605-1300

Serengeti Resources Inc. (TSX-V: SIR) is a Canadian junior mineral exploration company focused on development of its Kwanika Copper-Gold project and exploration for Au-Cu porphyry deposits in the Quesnel Trough and Stikine Arch of British Columbia.


Skeena Resources

TSX-V: SKE

skeenaresources.com

☎ (604) 684-8725

Skeena Resources Limited is a junior Canadian mining exploration company focused on developing prospective precious and base metal properties in the Golden Triangle of northwest British Columbia, Canada. The Company's primary activities are the exploration and development of the past-producing SniPhone: mine and the recently optioned Eskay Creek mine, both acquired from Barrick. In addition, the Company has completed a Preliminary Economic Assessment on the GJ copper-gold porphyry project.


Vendetta Mining Corporation

TSX-V: VTT

vendettaminingcorp.com

✉ info@vendettaminingcorp.com

☎ (604) 484-7855 | Fax: (604) 484-7155

Vendetta Mining Corp. is a Canadian junior exploration company engaged in acquiring, exploring, and developing mineral properties with an emphasis on lead and zinc. It is currently focused on advanced stage exploration projects in Australia, the first of which is the recently optioned Pegmont Lead Zinc project.

NOVEMBER 9–10, 2018

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CEO Chris Taylor will be presenting on stage Friday, Sept. 28th at 10:20am

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FOR THE **NOVEMBER 2018**
METALS INVESTOR FORUM

November 9–10 2018

Rosewood Hotel Georgia
801 West Georgia Street
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NOVEMBER 2018 KEYNOTE SPEAKERS

Eric Coffin | *HRA Advisories*

Gwen Preston | *Resource Maven*

John Kaiser | *KaiserResearch.com*

Jay Taylor | *J Taylor's Gold, Energy & Tech Stocks*

Joe Mazumdar | *Economic Geologist, Exploration Insights*

Greg McCoach | *The Mining Speculator*

David Forest | *International Speculator*

Guest Speaker:

Keith Schaefer | *Oil & Gas Investments Bulletin*