Gold Newsletter
Vol. XLIX October 2020

Keep It Simple

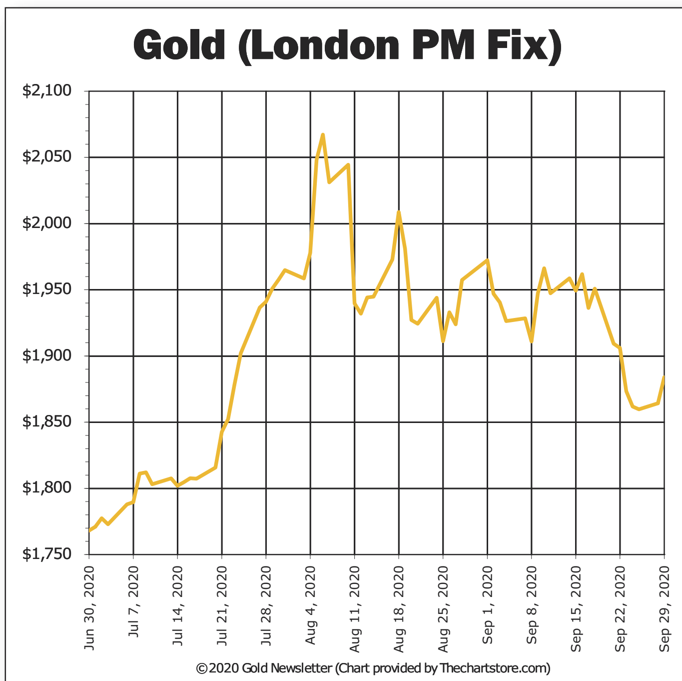
In a time of constant confusion and surprises — otherwise known as 2020 — it's important to focus on the basics.

This is especially important with gold, where the fundamentals are so obvious and compelling.

By Brien Lundin

A subscriber recently wrote to take me to task for my short-term gold-price forecasts. He didn't use the famous acronym "K.I.S.S." (Keep It Simple, Stupid), but he might as well have.

He wrote after I'd pointed out the pennant-formation that had formed in gold, as its ever-narrowing trading range was indicating an imminent break out in the pattern, either to the upside or downside. My vote was for the upside, since this was the direction of the prevailing trend.



Of course, we all know now that it actually broke downward. And our dear reader's point, other than to gleefully note that I was wrong, was to advise me to instead focus on the very compelling, long-term fundamentals that virtually guarantee much higher gold prices.

He was right, of course. And the fact that I'm almost constantly advising our readers to do the same is prima facie evidence of how easy it is to give advice…and how hard it is to actually take it.

But when you're in the business of producing almost daily views on the markets, it's truly impossible to resist providing short-term commentary and predictions, at least now and then. And thus, you're going to look foolish on occasion.

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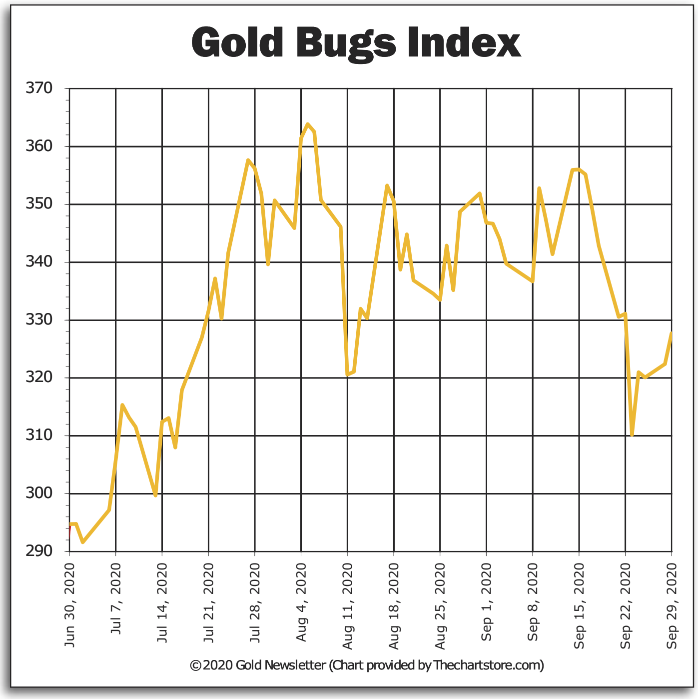
So it was with my prediction that gold was about to rally out of its consolidation pattern. Granted, similar predictions, such as the one we made last December in a simi-



lar situation, proved to be extraordinarily rewarding — a fact that obviously served to embolden me in the face of a nearly identical trading pattern for gold.

Humility restored, I'll now try to gather some lessons from the experience.

First, let's consider why gold broke down…and hopefully gather some idea of what this means for the future.

The Low-Down On The Break-Down

To recap, it was on September 14 that I issued our *Alert* noting how gold's trading range had narrowed to the point that a break-through of the trendlines was imminent, in one direction or the other. Once again, I predicted that the break-out would be to the upside.

That worked for about a day and a half before, as you can see from our three-month gold price chart, gold weakened on the 17th, recovered a bit on Friday the 18th…and then plummeted on Monday the 21st. As you can see from our similar chart of the Gold Bugs Index, the mining stocks largely duplicated gold's fall.

The metal continued dropping the next couple sessions before trading sideways. As of this writing, it's enjoyed a couple of nicely positive days.

So what was behind the sudden sell-off in gold?

At the time, I blamed the precipitating factor on the passing of Supreme Court Justice Ruth Bader Ginsburg and the market's worries over the political tumult that would result. That was undoubtedly a factor.

I don't believe that political risk in regard to the U.S. presidential election is currently moving the markets, as it should be factored in already. Granted, the debates are going to start highlighting both the profound differences between the candidates as well as how we'll be similarly screwed under either of them, but unless some shocker emerges I think it's likely to be a non-event.

One important development that did not help gold was a steep rise in Covid-19 infections in the U.K. and elsewhere on the continent, which threatened to bring about new lockdowns across the pond. This not only killed the ongoing rally in the euro but reversed it, in turn sending the widely-watched Dollar Index higher.

A strong dollar is a stiff headwind for gold, or at least is perceived to be so by traders, so that was another blow to the metals.

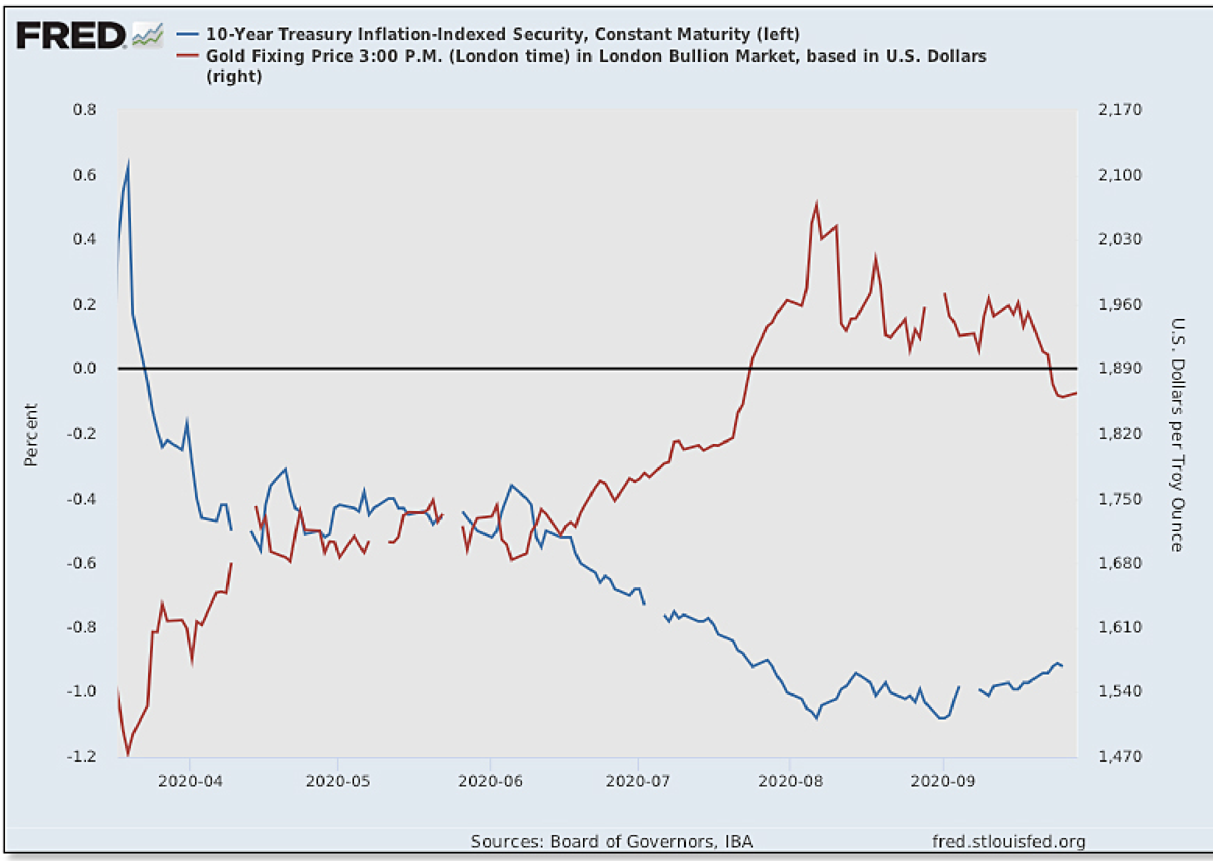
But Nothing Compares To This…

All this said, perhaps the most important factor, or at least the one with the closest correlation to the gold price, is the level of real yields. This is, of course, your favorite interest-rate measure minus your favorite gauge of inflation.

One of the most widely watched measures of real yields is the 10-Year Treasury Inflation-Indexed (Protected) Security, or TIPS. While this measure of real yields is very popular, I have some reservations about how it interpolates inflation expectations, but we'll use it because it is the standard.

As you can see from the accompanying chart taken from the St. Louis Fed's site, we can see this close correlation as we plot the gold price against real yields. We can see that real yields plummeted as the Fed and fiscal pandemic policy responses were being implemented, and the gold price simultaneously soared.

When real yields leveled off, the gold-price rally also took a breather — and not in reaction, but simultaneously as far as anyone could ever distinguish. Even the short-term, daily moves in real yields prompted an instantaneous and opposite reaction in gold.



In late June, real yields began to drop once again, sending the gold price on a second $300 rally. Then they both settled down into a range….

…Before real rates started a moderate, barely noticeable trend higher in late September. Yet, with the gold price having completed another big rally, with virtually everyone on the bullish side of the boat and all this set against a very uncertain world in terms of the economy, the pandemic and political outlook, this was all that was needed to send gold toppling.

The lesson here is that it isn't so much the *level* of real rates as their *direction.* The gold price will rise if/when there is any degree of a trend lower in real rates. The steeper and/or longer the decline, the greater the move higher in gold. And vice-versa.

This is important for us to realize going forward, because much of the bullish argument for gold rests on the fact that we'll be in a near-constant environment of negative real rates for years to come. The reason: the monstrously large (and growing) levels of sovereign and corporate debt, and the accompanying service costs. Positive real rates would therefore destroy federal budgets and send corporations into bankruptcy.

As I've stressed over and over, because negative real rates will maintain essentially forever, or as long as the current monetary regime remains in effect, the metals and other tangible assets will have a powerful tailwind.

But again, that doesn't mean the prices of gold and silver will rise in a seamless, uninterrupted uptrend. We will see corrections along the way, whenever bullish euphoria peaks and whenever real rates temporarily trend higher and send the weak hands selling.

In truth, this was my biggest concern for gold in the weeks running up to the metal's recent sell-off. It wasn't that the argument for higher gold prices wasn't compelling and convincing…it was that it was *too* compelling and had convinced everyone!

As a contrarian, the hairs were raised on the back of my neck, although I failed to act upon these premonitions since the case for gold was so obvious.

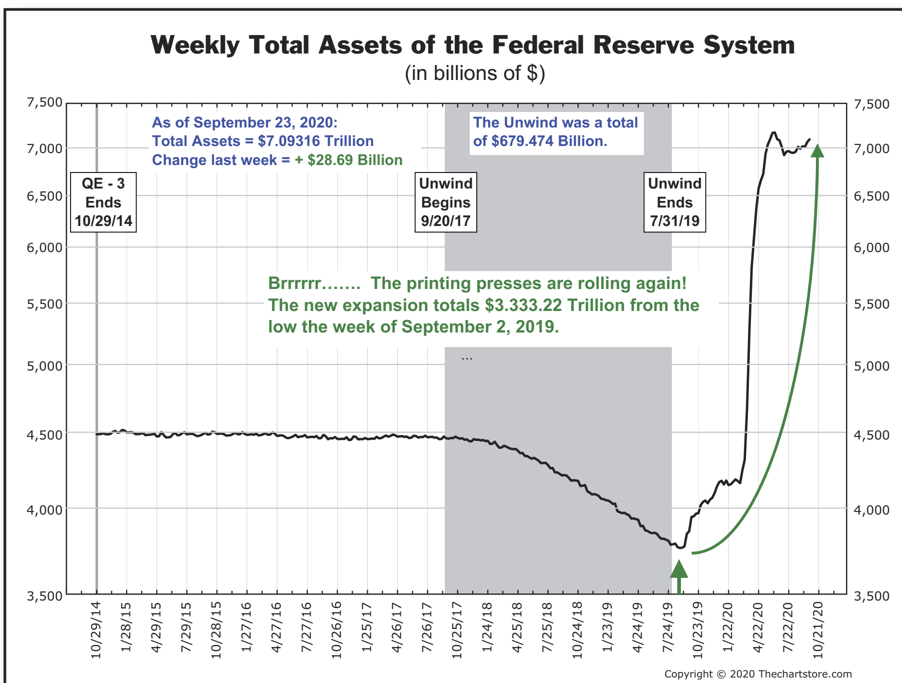
But even an obvious and irrefutable bull market needs to climb a wall of worry, needs some level of skepticism to keep it from becoming overheated.

In essence, on this last, furious run higher, what gold really needed was more doubters. After this setback, it may have gotten what it needed.

Technically Speaking…

For this month's selection from Ron Griess' weekly Chart Blog on TheChartStore.com, I wanted to begin with his chart of Fed total assets.

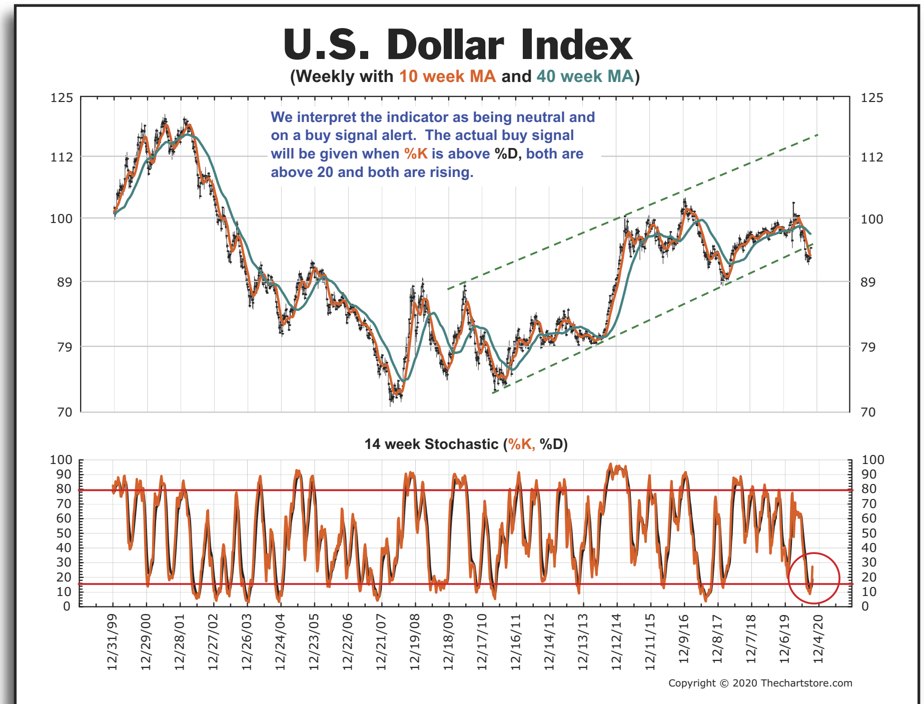
This chart will be familiar to you, as I've used it in these pages as well as in many of my presentations since the pandemic emerged. But what I want to point out now is the fact that the downtrend in Fed assets, which we warned was due primarily to the closing out of swap lines and therefore temporary, has indeed proven to be fleeting.



This reinforces our theme of ever-rising debt creation, debt monetization and currency creation, which will be the primary fuel driving the gold bull market forward.

In other words, this is the big picture that we need to focus on, as opposed to the short-term fluctuations.

But again, even though I tell you to ig-



nore the short term, we still feel obligated to cover it. So let's take a look at some other charts from Ron.

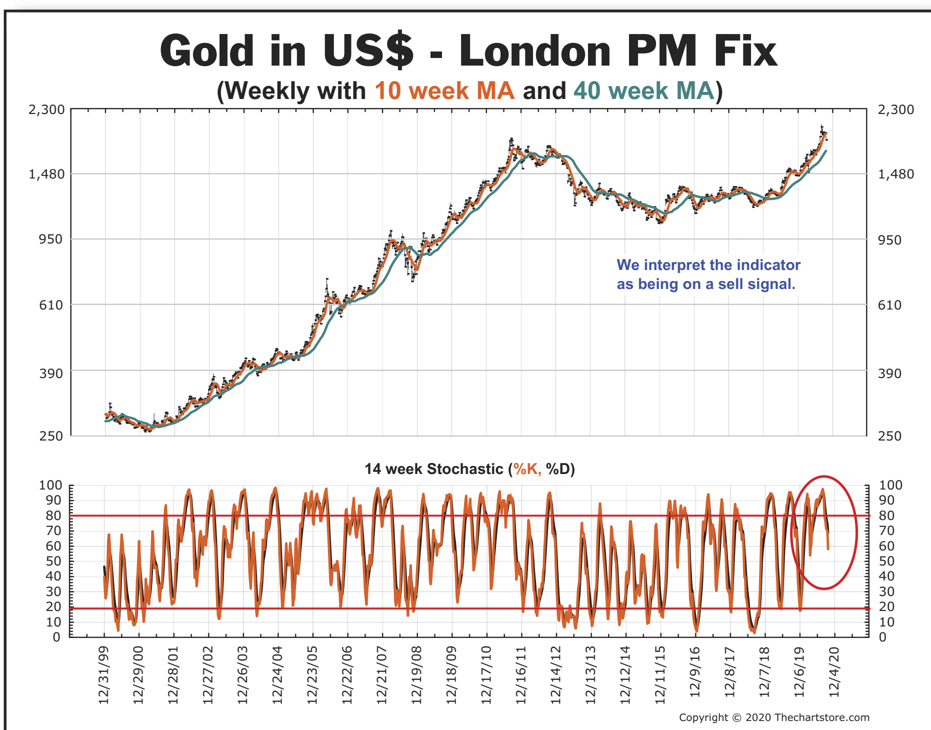
First off, the chart of the Dollar Index and its 14-week stochastic reveals the brief dollar uptrend that I talked about earlier. But consider that, although the stochastic has clearly turned upward, we still haven't gotten a clear "buy" signal in Ron's interpretation.

Bottom line: The big dollar rally that everyone has been talking about doesn't seem too impressive, at least not yet.

Next we see that gold's 14-week stochastic has in fact delivered a solid sell signal. Of course, we got a similar sell signal in March…and we know how that turned out.

The key here, as I always stress, is if the stochastic can reverse before dipping into the lower half of the range, and get back above the 80 level. We'll see over the next few days.

Finally, our chart of gold with its Bollinger Bands is presented here not so much for an interpretation of the bands (which may be beginning to pinch), but rather to show that this stomach-churning correction really doesn't amount to much in the grand view of this bull market.

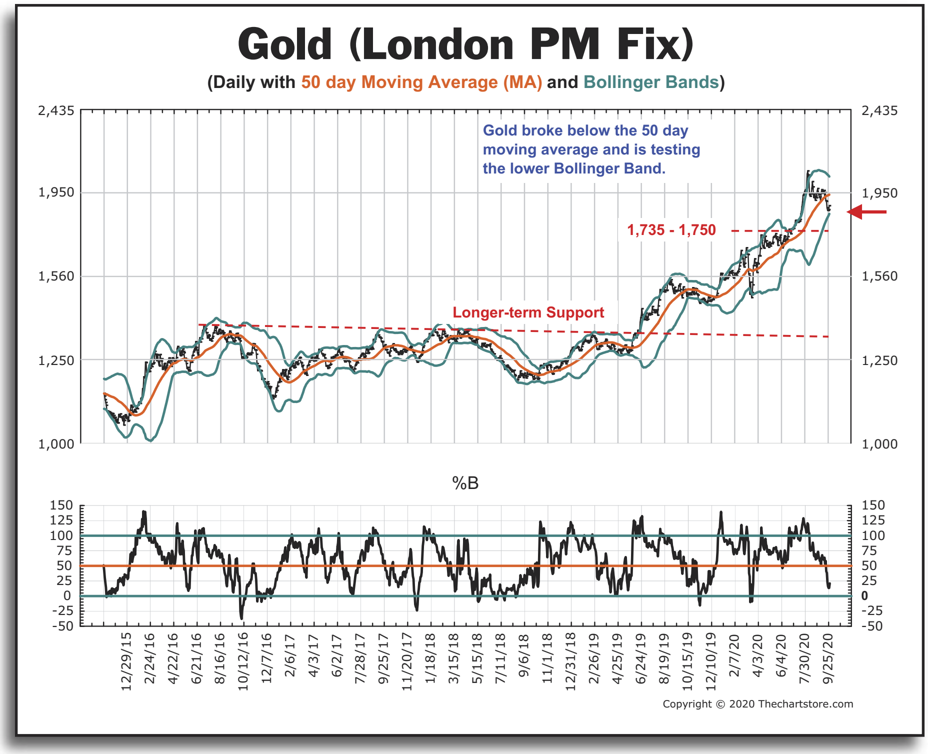


Consider the look of this chart a few years down the road, when we're confident that it will have progress much higher, and when this most recent downturn will have faded to a barely recognizable blip.

That is the big picture. And we'll keep focusing on it.

The Opportunity

So, if our thesis is



correct and we're in the beginning stages of a multi-year bull market in gold and silver (and eventually other metals), then we need to do our level best to remain positioned in the best exploration, development and mining companies.

In that regard, the near term could be a bit choppy, as the tsunami of company financings that began building in April are now hitting the market with an equally impressive deluge of newly-freed paper.

This, combined with the setback in the metals themselves, is creating some very attractive buying opportunities.

The following review of our junior mining portfolio is a lengthy one for a number of reasons. First, because many companies are now making important news. Second, because there are a number of buying opportunities as a result of the corrections in gold and silver. And finally, because we are featuring at least brief updates on all of our recommended companies that are participating in this year's virtual New Orleans Investment Conference.

Which brings me to the most rewarding near-term opportunity — the chance for you to participate in the world's greatest *virtual* event.

I've built the agenda for this conference from the ground up, with an emphasis of bringing together the best minds in metals and mining. Believe me, I read *everything* in this market. And after decades in the business, I can tell who knows what they're talking about.

They're all going to be here, in New Orleans 2020, giving their best advice and top recommendations.

In this market environment, and in the bull run over the years ahead, the insights you get from this event could yield returns many hundreds of times the low cost to attend. Not only that, but we're going to continue delivering high-value investing intelligence to you for months to come.

I've got more news on New Orleans 2020 in my Potpourri section at the end of this issue, so I'll leave you with this: CLICK HERE to learn why you can't afford to miss this year's event.

Now, let's see what's going on in the junior market and with our favorite companies….

Mining Share Update

Allegiant Gold

AUAU.V; AUXXF.OTC
604-634-0970
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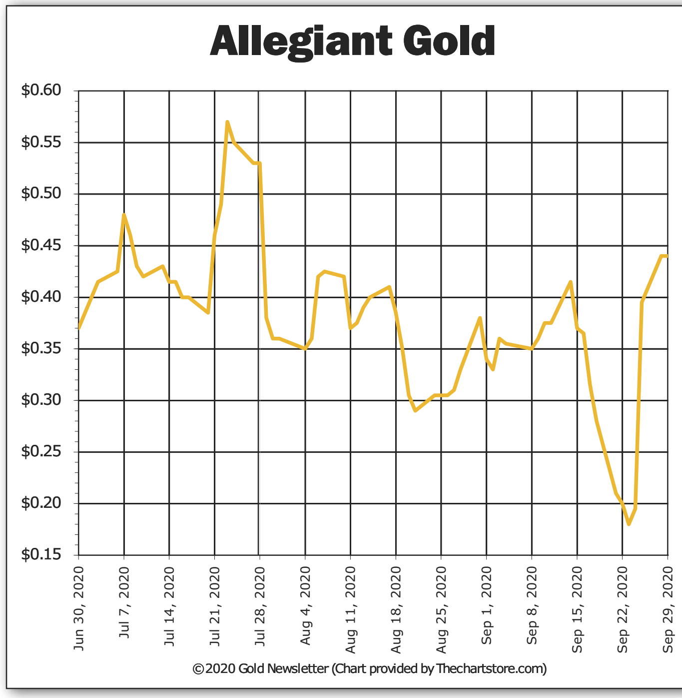


Allegiant Gold has begun a 15,000-meter, 80-hole drill program on Eastside, its flagship, million-ounce gold-equivalent project in Nevada.

The first target will be the historical resource within the Boss Pit, part of the Castle Zone on Eastside's southern end. The work will follow up on chip samples from the pit wall that indicate Allegiant can both prove up and grow the historical resource here.

Highlights from that chip sampling effort included 110 feet of 0.98 g/t culled from the south/southwest pit wall at Boss and 80 feet of 1.93 g/t from the south side of the pit. Other zones of interest include 10 feet of 1.71 g/t and 50 feet of 1.65 g/t from the east/southeast side of the pit, and 40 feet of 0.52 g/t and 50 feet of 0.76 g/t on the north/northwest side.

Surface mapping and sampling from the Boss area has also identified a north-trending structure from the east pit margin. The zone appears to run for at least 300 meters to the north and 200 meters to the south.

A past operator mined 30,000 ounces of gold from the Boss Pit in the 1980s; however, the Castle Zone's historical resource (~273,000 ounces) is not inclusive of any mineralization from Boss.

This area's portion of the drill program will consist of 5,450 meters of drilling, with the hope that this work will allow Allegiant to add ounces from Boss to an NI 43-101 compliant resource at Castle.

It's great to hear that news will start to flow from this project, as good results should both serve as catalysts in their own right and as a reminder that Eastside is anchored by a significant resource.

Allegiant spiked briefly in early September before giving back most of those gains in subsequent weeks, its share price a victim of the broader selloff in the gold market.

The company remains significantly undervalued in relation to what it has in hand. A million-ounce resource in Nevada, to be sure, seems likely to be valued much more highly as this bull market continues.

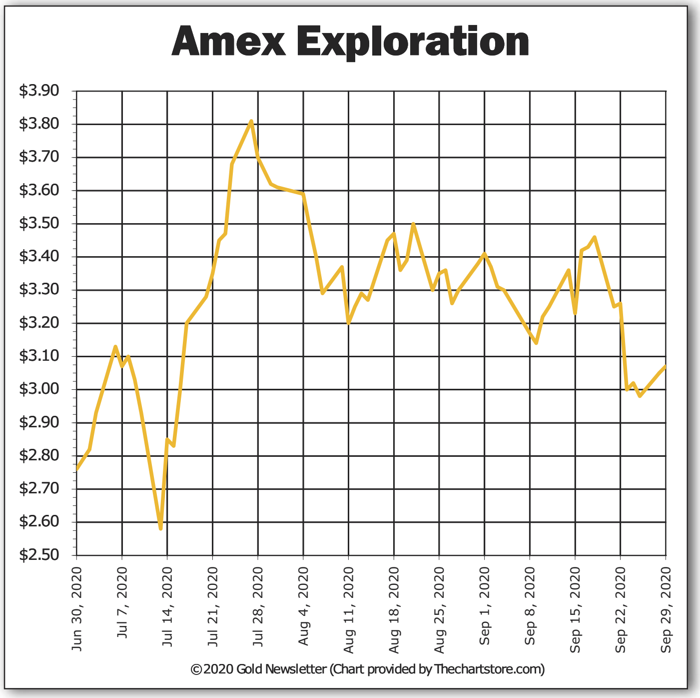
Allegiant remains a buy in advance of the first assays from this program.

Allegiant Gold Ltd.

Recent Share Price:..................................C$0.43
Shares Outstanding: ....74.0 million
Market Cap: ....C$31.8 million
Shares Outstanding
Fully Diluted: ....85.0 million
Market Cap
Fully Diluted: ....C$36.6 million

Amex Exploration

AMX.V; AMXEF.OTC
514-866-8209
amexexploration.com



Having closed on its most recent, C$11.7 million private placement in mid-September, Amex Exploration promptly increased, yet again, its mammoth drill program at Perron.

The program has been upgraded from 200,000 meters to 300,000 meters. Management has added four more diamond rigs to the project as part of the expansion, bringing the property-wide total to 10 rigs.

Six of those rigs will continue to follow up on the high-grade Amex is encountering on the Eastern Gold Zone (EGZ), with four rigs specifically focused on outlining a resource on the High Grade Zone (HGZ).

The other two rigs will focus on the Denise zone, where drilling has recently expanded the size of the potential resource there.

Hole 181 cut 115.6 meters of 1.39 g/t gold at a vertical depth of 260 meters; Hole 188 hit 189.4 meters of 1.07 g/t gold at 300 meters depth; Hole 54EXT cut 50.0 meters of 2.12 g/t gold at 130 meters depth, and Hole 56EXT intersected 100.0 meters of 1.01 g/t at 120 meters depth.

Amex has now traced the mineralization at Denise for 325 meters along strike, up to 100 meters in width and down to 550 meters vertical depth. It remains open in all directions.

Between this lower-grade (but potentially large) resource at Denise and the high-grade stuff the company continues to tag into at HGZ, the EGZ is setting up a to host a significant resource.

Hence, the doubling (and now tripling) of the original 100,000 meters of drilling management had planned for the project. With the Denise zone providing a potential starter pit to pay for access to the high-grade mineralization on HGZ, this area is setting up nicely as a significant gold resource.

The company has fallen back from the highs it posted in late July and, given the current volatility in the gold market, that's understandable.

That said, Perron shows the potential of becoming if not the next Dixie, the discovery that has made Great Bear Resources such a lucrative pick on our list, then perhaps the next best thing.

We'll keep Amex a hold for now, but if the current weakness persists, I will strongly consider moving it back to a buy.

Amex Exploration Inc.

Recent Share Price: ....C$3.03
Shares Outstanding: ....82.8 million
Market Cap: ....C$250.9 million
Shares Outstanding
Fully Diluted:...................................96.3 million
Market Cap
Fully Diluted:.............................C$291.8 million

Blackrock Gold

BRC.V; BKRRF.OTC
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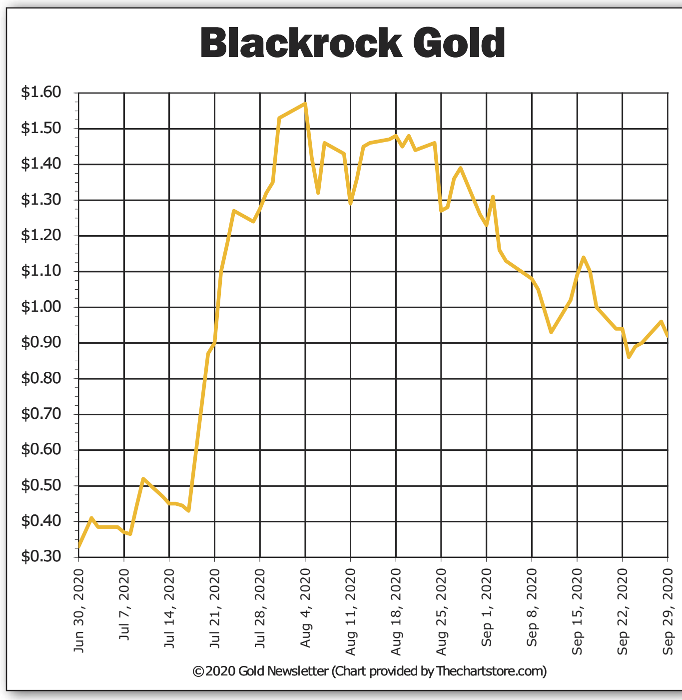
blackrockgold.ca



Blackrock Gold released its next batch of assays from its flagship Tonopah West project in Nevada, and they included another bonanza-grade intercept.

Hole 6, drilled on the Paymaster vein, cut 4.6 meters of 1,577 g/t silver-equivalent, including 3.0 meters of 2,215 g/t silver-equivalent. It also hit another vein that returned 1.5 meters of 1,670 g/t silver-equivalent.

Other assays of note include 1.5 meters of 345 g/t silver-equivalent from Hole 5, which was drilled on the Denver vein, and 1.5 meters of 387 g/t silver-equivalent from Hole 7, drilled on the Bermuda vein. These three veins, along with the new vein encountered by Hole 6, comprise Tonopah West's DPB target.

Hole 8, which was the first hole drilled on the New Discovery target, cut 1.5 meters of 562 g/t silver-equivalent.

Holes 2 and 3, two of the original holes drilled on the Victor target, missed the main target by deviating to the east. Hole 3 actually deviated far enough east that it hit the Merger vein (1.5 meters of 329 g/t silver-equivalent). BRC is following up on this area with five core holes that will attempt to delineate 300 meters of strike at Victor.

The 20,000-meter program at West Tonopah continues apace, with 10,000 meters completed and two rigs turning on the project. The market didn't react much to these latest assays, a reflection of this sideways-to-down trading period for the precious metals.

In related news, the success Blackrock is enjoying with drilling at West Tonopah has convinced management to spin out the Silver Cloud property into a separate company. The plan is for current investors to receive one spinco share for every three shares of BRC held, though that could change as this transaction evolves.

It's great to see the company potentially daylighting some value from Silver Cloud, as the project has a lot of potential in its own right.

We're still sitting on a four-bag gain on BRC, based on my initial recommendation around this time last year. That said, I have high hopes for these core holes the company is drilling to expand the mineralized area at Victor.

On the belief that those results will soon revive the market's interest in this story, Blackrock Gold remains a buy.

Blackrock Gold Corp.

Recent Share Price:..................................C$0.90
Shares Outstanding:........................106.1 million
Market Cap: ....C$95.5 million
Shares Outstanding
Fully Diluted:.................................138.5 million
Market Cap
Fully Diluted: ....C$124.7 million

Electric Royalties

ELEC.V
604-639-9200
electricroyalties.com

As you'll see in our brief update on **Piedmont Lithium** below, reporting on how that company more than tripled in price in one day after announcing an off-take deal with Tesla, an association with that high-profile electric car maker can send a company's market value skyrocketing in a flash.

So what does this have to do with Electric Royalties? Well, it seems that this company has an interesting and little-known angle on the Tesla trade, thanks to its 2% gross royalty on **Manganese X's** (MN.TO; C$0.43) Battery Hill project in New Brunswick.

Manganese X is in the process of doing a PEA on the project and, given what's known about the resource, that study could easily show a 40-year mine life.

As it happens, Tesla's announcements during its recent "battery day" indicate that it is in the process of developing a "miracle" battery that would be long-lived and potentially need a secure supply of manganese to support its production.

"As it happens, Tesla's announcements during its recent "battery day" indicate that it is in the process of developing a "miracle" battery that would be long-lived and potentially need a secure supply of manganese to support its production."

That's especially true because China — which as we all know has had an increasingly adversarial relationship with the U.S. — is the dominant producer of manganese. There's not much question that Tesla would prefer to have a non-Chinese supplier of manganese to supply its gigafactory in Nevada.

Here's where things get interesting. Manganese X has a man named Roger Dahn on its board. Roger is the brother of Jeff Dahn, who leads Tesla's Advanced Battery Research program in Canada.

Given Jeff Dahn's position as a key player in Tesla's battery development process and his relationship to Roger Dahn, it's easy to speculate that Electric Royalties' manganese production royalty on Battery Hill has the potential to be a critical asset in the company's portfolio.

The resource at Battery Hill is capable of producing a 99.95% pure manganese sulfate. In a market where North American sources of manganese are extremely rare, Manganese X's large resource and its intriguing connection to Tesla make this story one to keep a close eye on.

So far, this angle is underappreciated by the market. But if Tesla ends up tapping Battery Hill for its manganese supplies, it'll be "Katy, Bar the Door" for Electric Royalties based on this royalty alone. Importantly, this is merely an additional factor to consider in the investment argument for the company, and was not one of the factors that prompted me to recommend it (and invest in it myself).

Because of the powerful factors driving the energy metals in general and ELEC's position as the initial royalty play in the space, the company continues to be a strong buy.

Electric Royalties Ltd.

Recent Share Price: ....C$0.23
Shares Outstanding:..........................48.3 million
Market Cap:..................................C$11.1 million
Shares Outstanding
Fully Diluted:...................................53.4 million
Market Cap
Fully Diluted: ....C$12.3 million

Excellon Resources

EXN.NYSE-A; EXN.TO
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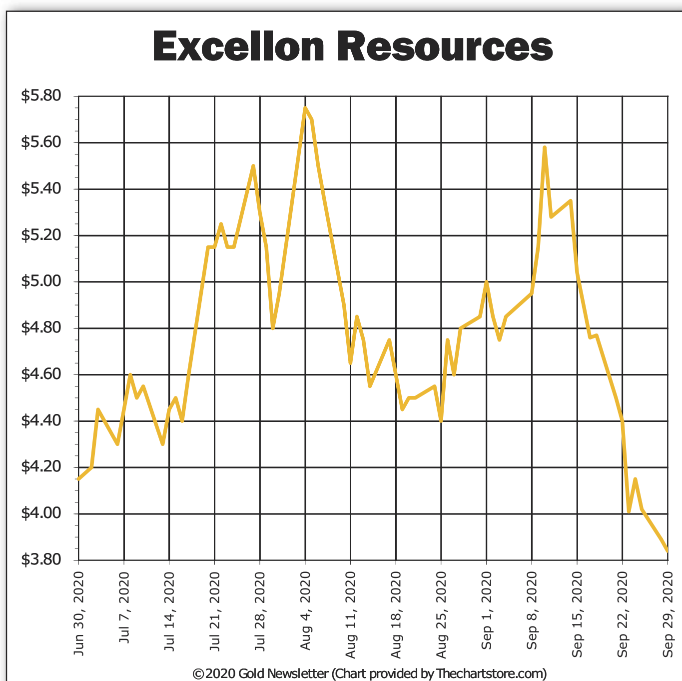
Excellon Resources has made a series of critical moves in the past several weeks, including a share consolidation, a new listing on the NYSE-Amex and a resource estimate for its Evolución project in Mexico.

The share consolidation took place on Sept. 10 and consisted of a rollback to one EXN share of every five shares held.

The consolidation was done in preparation for the Amex listing, which promises to increase trading volume on



Excellon as the precious metals sector makes its next upward charge. When that happens, Excellon's high-grade, high-cost mine at Platosa should deliver significant leverage on rising silver prices.

That's even more true now that an updated resource estimate has confirmed the scale of Evolución, which lies next to the company's Miguel Auza mill. That resource consists of nearly 100 million total silver-equivalent ounces (35.1 million ounces indicated and 64.8 million ounces inferred).

The new estimate includes the Lechuzas zone that Excellon discovered at Evolución adjacent to the historic Calvario Vein. The company plans to expand this resource still further with more drilling.

Having a 100-million-ounce silver-equivalent resource only adds to the optionality play that this company offers. Plus, it has two other compelling projects in Kilgore (Idaho) and Silver City (Germany) that provide significant upside.

Excellon has taken a haircut since it completed its share consolidation. That's to be expected with that kind of move.

Still, the additional trading volume we'll see from the Amex listing, combined with EXN's status as a strong lever on rising silver and gold prices, makes this company a key hold on our list.

Excellon Resources Inc.

Recent Share Price: ....US$2.78
Shares Outstanding: ....32.1 million
Market Cap:...............................US$89.2 million
Shares Outstanding
Fully Diluted:...................................39.9 million
Market Cap
Fully Diluted: ....US$111.0 million

Great Bear Resources

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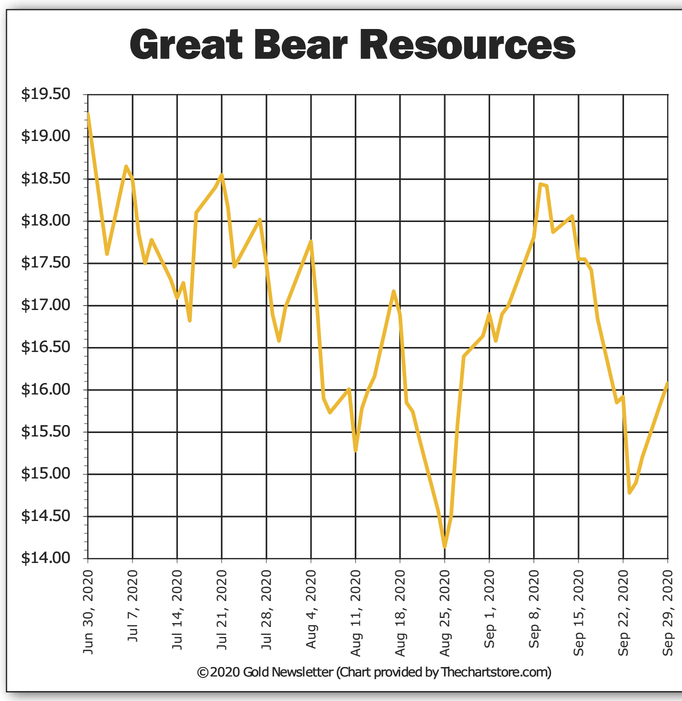
Great Bear released yet another batch of high-grade assays from drilling on Dixie's LP Fault.

Highlights from the latest batch include Hole 156 on section 20050 (8.1 g/t over 37.7 meters, including 146.5 g/t over 1.0 meter within a wider, high-grade interval of 32.3 g/t over 8.2 meters) and Hole 164 on section 20100 (5.2 g/t over 78.8 meters, including 68.4 g/t over 3.3 meters and 60.3 g/t over 2.2 meters, plus 11.1 g/t over 3.9 meters).



Even taking out the high-grade intervals, the residual grades from these holes are still significant, as is GBR's growing understanding of the controls on the high-grade at LP.

That understanding supports a theory that the high strain and higher vein density corridors with LP are the key structures hosting high-grade gold there.

This knowledge of the mineralization at LP has the potential to help GBR vector in on the high-grade within this system. Doing so would allow it to drill more efficiently and deliver a refined model to potential take-out suitors that would make the project that much more valuable.

We're well past the point where even bonanza-grade assays will move the needle significantly for Great Bear. In that sense, the company is a victim of its own success.

This steady stream of high-grade assays (and solid residual grades) did initially help draw generalist investors back into the stock in the early weeks of September — GBR added more than C$4.00 from the C$14 levels it hit in late August.

Unfortunately, it gave back most of those gains in the aftermath of the recent downturn in gold prices. GBR's still a hold at current prices.

Great Bear Resources Ltd.

Recent Share Price:................................C$15.87
Shares Outstanding:..........................52.9 million
Market Cap: ....C$839.5 million
Shares Outstanding
Fully Diluted: ....57.0 million
Market Cap
Fully Diluted: ....C$904.6 million

Libero Copper & Gold

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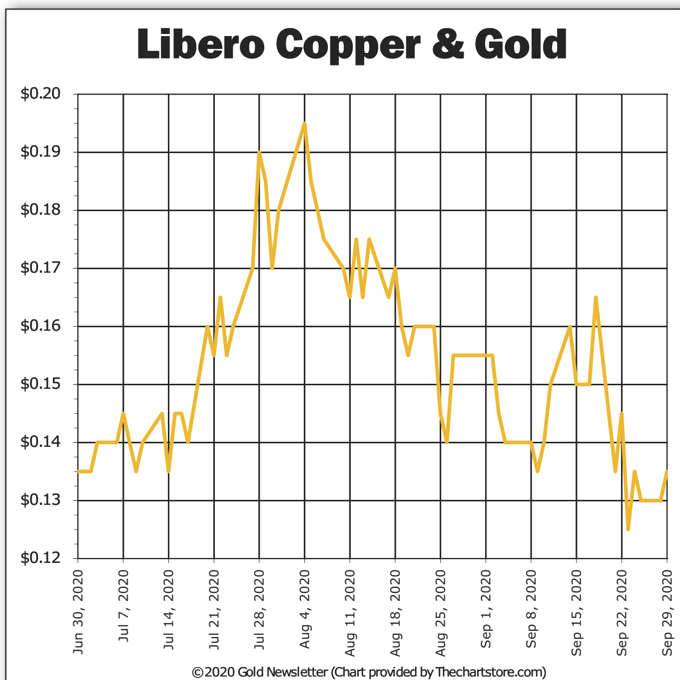
liberocopper.com

Libero Copper & Gold remains one of our more intriguing of our drill hole speculations. Its Big Red project in British Columbia's Golden Triangle has a ton of upside, as evidenced by a recent batch of sampling assays the company released to the market.



Those surface samples on Ridge returned gold grades that included 104.0 g/t, 35.7 g/t, 33.4 g/t and 15.2 g/t. The ME-18 target yielded grades up to 19.1 g/t gold. The initial evidence of high-grade mineralization is readily apparent at Big Red.

Ridge, in particular, is one of the better drill targets I've seen in some time, one defined by a ZTEM conductivity high that's coincident with a kilometer-long area of high-grade chip samples and anomalous float. Grab samples from the Clive's Area on the west side of Ridge have returned 14 samples greater than 1 g/t gold out of 68 samples collected.

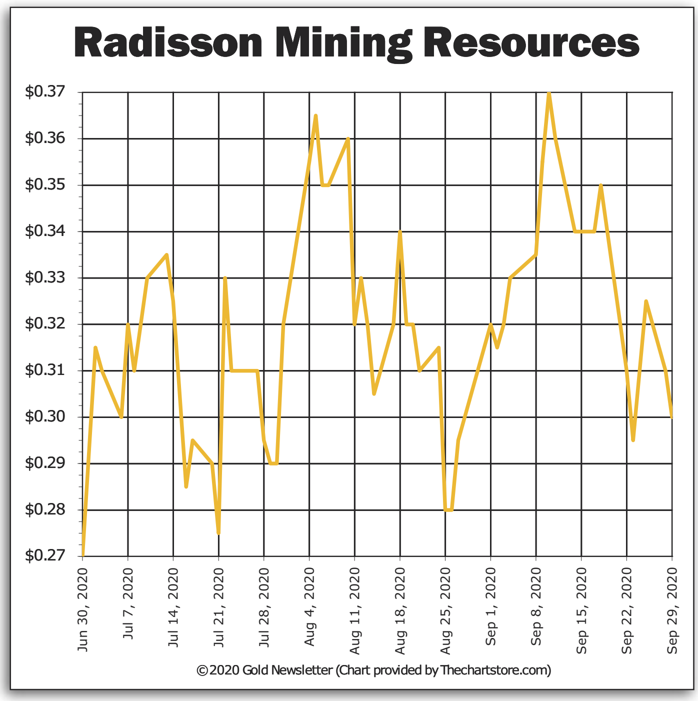
Big Red overall is an inviting property, with 26,000 hectares of ground just 100 kilometers west of the Golden Triangle's massive Red Chris deposit. In addition to the areas just described, the project also appears to contain a number of high-potential gold-copper porphyry targets.

Given these big whiffs of high-grade, I think Libero's assays from Ridge could wow the market. My hope is that we get assays back from the sector's very backed up labs just as gold is breaking out of its current funk.

With LBC still trading at bargain basement levels, this is a drill-hole speculation that could pay off big. Libero's very much a buy at current levels.

Libero Copper & Gold Corp.

Recent Share Price:..................................C$0.14
Shares Outstanding:........................135.3 million
Market Cap: ....C$18.9 million
Shares Outstanding
Fully Diluted:.................................216.7 million
Market Cap
Fully Diluted: ....C$30.3 million



Radisson Mining Resources

RDS.V; RMRDF.OTC
819-763-9969
radissonmining.com

Radisson has released more assays from its aggressive, 60,000-meter drill program on its O'Brien project in Quebec.

The highlight assays came from an area 900 meters east of the old O'Brien mine and provide further evidence that the mineralization on this project extends laterally and at depth from that historic operation.

Hole 149 hit an impressive 45.9 g/t over 2.1 meters at 500 meters vertical depth. Hole 146 cut 2.2 meters of 17.9 g/t at 105 meters vertical depth and 2.0 meters of 21.3 g/t at 260 meters vertical depth. Hole 144 returned 2.0 meters of 5.8 g/t at 135 meters depth.

Management sees the potential for more resource growth here on yet another mineralized trend, noting of these results that they "appear to highlight a third high-grade mineralized trend in a relatively untested area approximately 900 meters to the east of the old mine. Drilling so far has traced mineralization down to 500 meters vertical depth, with the zone remaining open at depth and laterally."

More importantly, thanks its recent acquisition of the New Alger property, RDS now controls 5.9 kilometers of strike along the Cadillac Break, with the O'Brien mine pretty much right at the midpoint of that trend.

Given the success that the company has already enjoyed stepping out from the O'Brien mine, this structure could allow it to extend the mineralization up to three kilometers east and three kilometers west of the mine.

With more than enough cash to expand its program to 75,000 meters and test these possibilities, Radisson is setting up as one of the better exploration stories of this bull market.

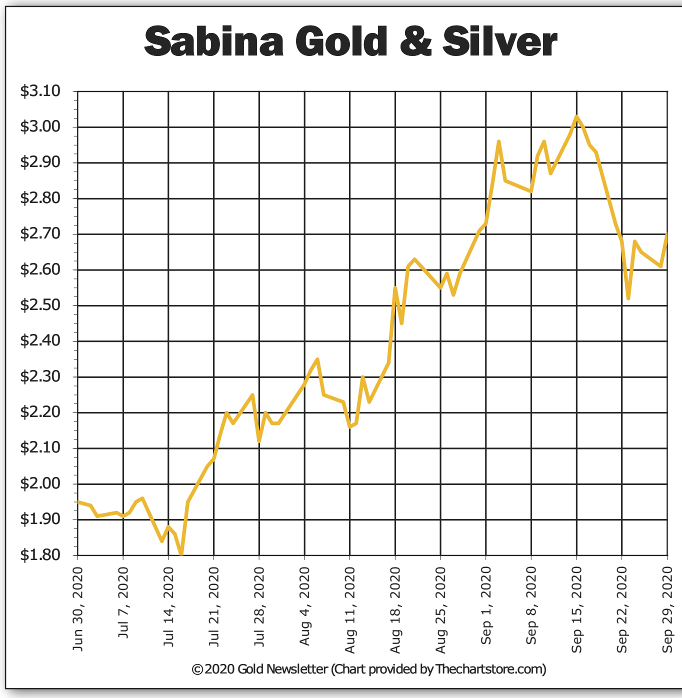
And yet, it continues to trade at bargain levels. That's highly likely to change, however, as the drills deliver more high-grade to a gold market that should make its next ascent this fall.

Radisson Mining Resources Inc.

Recent Share Price:..................................C$0.30
Shares Outstanding:........................199.9 million
Market Cap: ....C$60.0 million
Shares Outstanding
Fully Diluted:.................................223.3 million
Market Cap
Fully Diluted: ....C$67.0 million

Sabina Gold & Silver

SBB.TO; SGSVF.OTC
604-998-4175
sabinagoldsilver.com



Sabina Gold & Silver is set up for success in the current market.

It has a significant, feasibility-level gold resource, a phased approach to development and an ongoing drilling program that continues to reveal that its Back River project's Umwelt target has the potential to yield more high-grade resources at depth.

That underground drilling program on Umwelt, which is a key zone within Back River project, has yielded some eye-popping assays of late.

Between an August 20 release and a September 3 release, the company has had a series of "hits," including Hole 575C (19.9 g/t over 32.2 meters) and Hole 574 (5.9 g/t over 20.0 meters) from the September 3 batch and Holes 571 (15.2 g/t over 19.4 meters), 572 (12.6 g/t over 7.7 meters) and 573 (13.7 g/t over 12.0 meters) from the August 20 batch.

The drilling ties in to the company's belief that it can establish the continuity of mineralization within the 815 meters of plunge at Umwelt's underground area, which extends north from the Vault zone toward the open pit area at Umwelt.

Without doubt, these are excellent results, both in terms of widths and grade. Indeed, they represent more than twice the grade of the established underground resource at Umwelt. These promising assays have convinced Sabina to ply the area with another three to five drill holes.

And because these latest results occur just below the proposed open pit at Umwelt, they have the potential to improve the economics of the mine in its earlier years of operation. A 2015 feasibility study for Back River envisioned a 6,000-tpd operation that would generate a $480.3 million, after-tax NPV, discounted at 5%, with an IRR of 24.2%

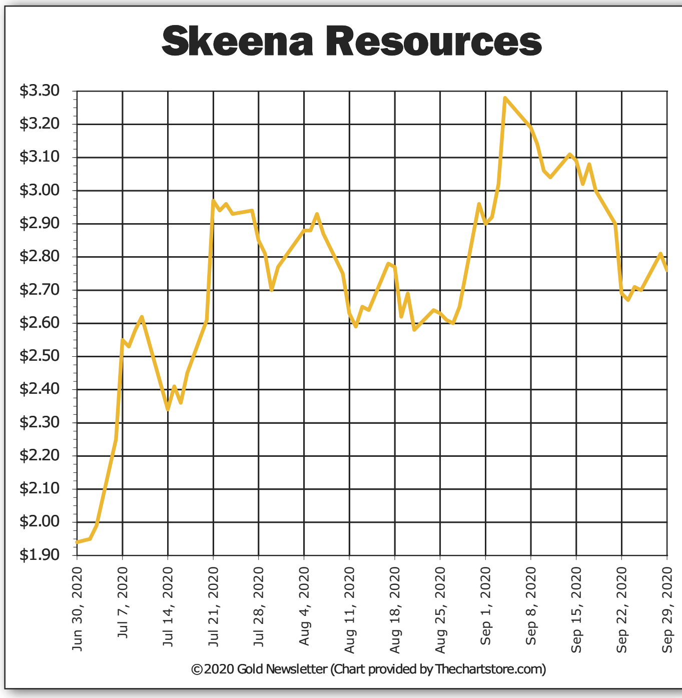
This project's combination of exploration upside and a feasibility-level development story make Sabina one of the faster horses in our stable right now. That said, the recent market turbulence has created a buying opportunity here for Sabina.

Sabina Gold & Silver Corp.

Recent Share Price: ....C$2.64
Shares Outstanding: ....325.0 million
Market Cap: ....C$858 million
Shares Outstanding
Fully Diluted: ....340.0 million
Market Cap
Fully Diluted: ....C$897.6 million

Skeena Resources

SKE.TO; SKREF.OTC
604-684-8725
skeenaresources.com



Drilling has continued to produce eye-popping assays for Skeena Resources at Eskay Creek.

A recent release from drilling on Eskay Creek's 21A, 21B and 21C zones included Hole 292 (39.7 meters of 5.05 g/t gold and 449 g/t silver in 21A) and Holes 307 and 321, which respectively hit 12.3 meters of 5.5 g/t gold and 9 g/t silver and 16.5 meters of 3.4 g/t gold and 14 g/t silver in 21C.

Granted these were infill holes, so they were mainly confirmatory, but the widths and grades involved remind investors just how consistently rich this orebody is.

Providing some potential blue sky at depth were recent holes released from the Eskay Deeps and Water Tower zones. Eskay Deeps lies 600 meters below surface and returned 17.0 meters of 5.7 g/t gold and 12 g/t silver and 3.2 meters 15.4 g/t gold and 11 g/t silver in Hole 257.

The Water Tower zone lies 260 meters above Eskay Deeps. Hole 289 drilled on that target yielded 12.7 g/t gold and 22 g/t silver over 14.5 meters and 5.8 g/t gold and 14 g/t silver over 11.0 meters.

Skeena's share price didn't react much to either news release, but taken together these latest assays indicate that the prefeasibility study the company is working on will be robust and that Eskay Creek has the potential to grow at depth.

We're still sitting on almost a four-bagger gain from our initial entry price on Skeena, so if you haven't repatriated your risk capital, you'll probably want to do so.

But be sure to keep a position in SKE — a high-grade resource like this should continue to provide leverage on rising gold prices as this bull market marches on.

Skeena's still a hold, even after its recent, gold-market-related weakness. If that weakness persists, however, it could make for a buying opportunity. Stay tuned.

Skeena Resources Ltd.
Recent Share Price:.................................C$2.76
Shares Outstanding:........................171.7 million
Market Cap: ....C$473.9 million
Shares Outstanding
Fully Diluted:.................................188.2 million
Market Cap
Fully Diluted: ....C$519.4 million

ValOre Metals

VO.V; KVLQF.OTC
604-646-4527
valoremetals.com

Palladium prices have held their own of late, even in the midst of the downdraft that has hit the entire precious metals suite.

I attribute that relative strength to an ongoing and growing supply deficit for palladium. That deficit, combined with increased demand for the catalytic convertors that provide the metal's primary use, make it a smart-money trade for the long-term.

It's an environment that makes ValOre Metals a key component of our portfolio. The Discovery-Group-led company offers exposure to strength in the palldium market via its established resource at Pedra Branca.

And that resource has definite potential to grow, as indicated by the most recent batch of assays released from its Phase 1 drilling program on the Brazilian project. The latest results were from the final three of the five holes drilled on the Trapia 1 area.

Hole 13, a 140-meter step-out to the south of the resource area at Trapia 1, provided the highlight intercept (9.49 g/t 2PGE+Gold over 2.45 meters within 61.85 meters of 0.76 g/t 2 PGE+Gold). This hole is significant because it is outside of the resource area and within a one-kilometer-long magnetic inversion target that is largely untested.

Coming as the interval did at 217.5 meters downhole, these results from Hole 13 suggest that Hole 11, drilled to the northwest, may have missed the mineralization there by not going deep enough.

ValOre plans to follow up on that possibility later in Phase 1, when it will round back to Trapia 1. At that point, it will test that magnetic anomaly further to the south and re-enter Hole 11 to see if that "dry" hole would hit at depths similar to where the drill hit mineralization in Hole 13.

"Palladium prices have held their own of late, even in the midst of the downdraft that has hit the entire precious metals suite."

To date, Phase 1 has tested six targets with 21 holes, and Trapia 1 continues to look like a compelling expansion target. In a sign company

Chairman and CEO Jim Paterson believes in this project, he recently advanced the company another C$500,000 as part of a C$1.2 million revolving credit facility he established with ValOre in April.

All in all, things are off to a promising start with this program, as ValOre looks to build on Pedra Branca's million-ounce 2PGE+Gold resource with more drilling.

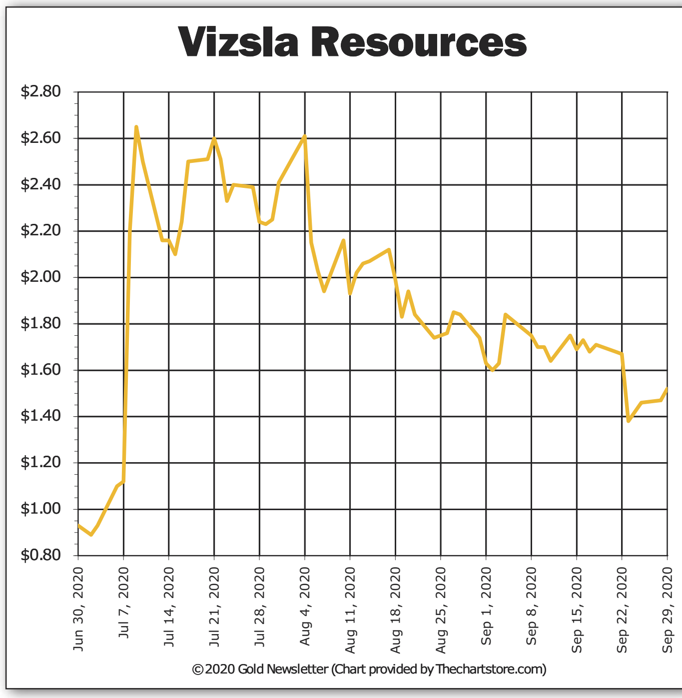
Paterson's continued support of the project demonstrates that management is "all in" here. ValOre Metals is still a buy.

ValOre Metals Corp.

Recent Share Price: ....C$0.30
Shares Outstanding:..........................91.0 million
Market Cap: ....C$27.3 million
Shares Outstanding
Fully Diluted:.................................105.9 million
Market Cap
Fully Diluted: ....C$56.5 million

Vizsla Resources

VZLA.V; VIZSF.OTC
604-364-2215
vizslaresources.com



Vizsla peppered the market with a couple of batches of assays in late August/early September from its ambitious drilling program on Panuco.

The first announcement was from the first hole drilled on the Papayo target, which lies north along the Napoleon Vein Corridor from the bonanza-grade Napoleon target. Like that latter target, Papayo is defined by a jog from the northerly trending vein corridor.

The results from Hole 18, while good, did not light up the market the way the initial holes from Napoleon did. That said, the hole still managed to cut 1,019 g/t silver-equivalent (689.5 g/t silver, 3.76 g/t gold, 0.25% lead and 0.63% zinc over 2.5 meters) at 141.5 meters depth.

Visual inspection indicates that Holes 19 and 21, also drilled on Papayo, hit the same area of veining at 80-110 meters below surface. Assuming these holes return similar grades and widths, they will have extended the mineralization at Papayo by 90 meters. These weren't "wow" results, and the market reacted with a shrug.

It also didn't respond much to the batch of assays released from the Tajitos vein, which lies along the Cinco Senores Vein Corridor. This target lies 900 meters southeast of the initial discovery at Napoleon.

Holes 1 and 2 on this target, respectively, cut 1,808 g/t silver-equivalent over 4.5 meters and

1,192 g/t silver-equivalent over 1.15 meters. Both intersections cut into a residual vein left over from historic workings.

VZLA also provided results from five of the seven holes it has drilled to date on Mojocuan, a target within Panuco's Cordon del Oro area. Three holes hit mineralization, albeit of low to middling grade. One hole returned no significant mineralization, and another was lost before it hit its target.

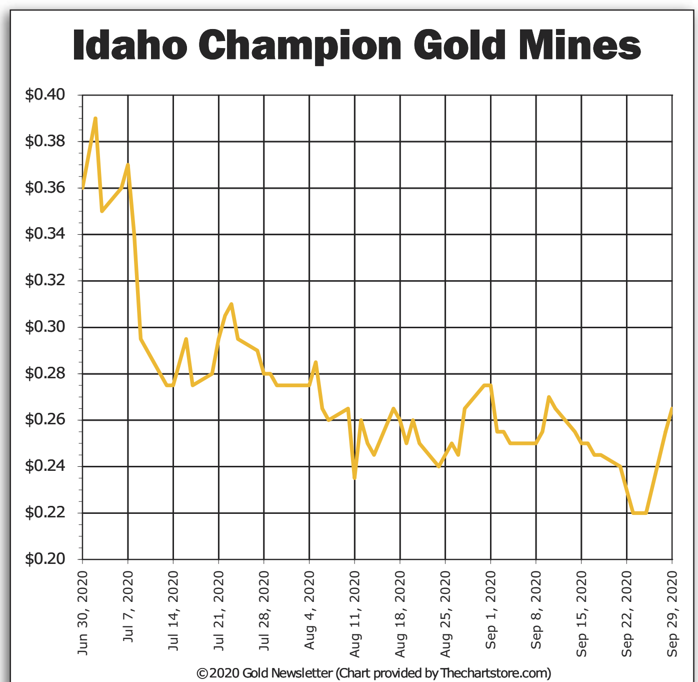
Such is the varying nature of exploration. It's important to remember that not all targets on this district-scale project are going to generate the bonanza grades that the Napoleon target returned. But this is such a large project and there are so many targets, that more good news is almost bound to be on the way.

In the meantime, the market has been engaged in some profit-taking after the big spike we saw from the initial Napoleon results. If you're up big with VZLA and haven't already, you'd be wise to at least recoup your initial investment.

But make sure to be positioned for the long-term with this stock. VZLA is exactly the kind of story that's going to keep delivering leverage as this precious metals bull market evolves.

Vizsla Resources Corp.

Recent Share Price: ....C$1.54
Shares Outstanding:..........................90.0 million
Market Cap: ....C$138.6 million
Shares Outstanding
Fully Diluted:.................................107.6 million
Market Cap
Fully Diluted:............................C$165.7 million



New Recommendations

Idaho Champion Gold Mines

ITKO.CN; GLDRF.OTC
416-567-9087
idahochamp.com

In a market that's looking ahead to see which exploration and development projects have a real shot at becoming cash-producing mines, Idaho stands out as a mining jurisdiction.

Ranked by the Fraser Institute as the eighth best mining jurisdiction in the world, Idaho boasts fertile ground for gold and silver projects, has all the needed infrastructure, and has a state government friendly to mining interests.

We've already benefited from companies like Revival Gold and Excellon Resources, who have key projects in Idaho. Now, I've decided to add Idaho Champion Gold to that list as a new recommendation.

"Idaho Champion has not one, but two projects in the state with significant expansion potential."

Idaho Champion has not one, but two projects in the state with significant expansion potential.

First up is Baner, a project located in the Elk City area that sits near the site of the Crooked River Gold Rush. That event produced 1.5 million ounces of alluvial gold between 1880 and 1910.

The company owns Baner 100%, with no underlying NSRs. A 2018 drill program demonstrated that the project has highly oxidized gold mineralization that begins at surface.

Highlights from the 2018 drilling on the discovery zone include 1.39 g/t over 18.0 meters, 8.66 g/t over 6.3 meters, 1.32 g/t over 12.8 meters and 5.76 g/t over 12.7 meters. As you can see from some of those assays, Baner offers potential high-grade to go with a possible near-surface, open-pittable resource.

The project remains open in all directions, with 2.7 kilometers of strike to the north of the 500-meter discovery zone and one kilometer of strike to the south of it. Idaho Champion has embarked on a 3,000-meter drill program at Baner to test this expansion potential. If the last drill results are repeatable, the project holds the potential to be another big Idaho discovery.

Perhaps even more important to Idaho Champion's allure is its Champagne project, located in Butte County in the southeast part of the state.

The claim area at Champagne produced an historical resource of 2.8 million tons of 1.2 g/t gold-equivalent. That resource was developed with more than 100 RC holes and 1,500 trench samples.

Some of the historic drill intersections in the Champagne pit are intriguing. For instance, the pit only went down about 35 meters, and a number of the historic holes only went to 15.2 meters, or right about 50 feet, yet ended in some very nice grades of gold and silver.

Adding up the evidence, it appears that the previous operators apparently grid-drilled the deposit at very shallow depths, and likely left a lot of mineralization yet to be mined or even delineated when they stopped production with gold prices then under $250/ounce. The extent, if any, of remaining resource is yet to be proven by the ongoing and planned drilling, but the potential for a significant expansion within and without the historic pit appears exceptional.

Idaho Champion cranked up exploration on this target in August and plans to conduct up to 5,000 meters of RC drilling.

I've watched Idaho Champion for a few years now, noting that the company always had a decent project in Baner, but was restricted financially from really advancing it. Subsequently, Idaho has gotten very hot and the company acquired the past-producing Champagne project. Most recently Idaho Champion raised C$8.1 million in an over-subscribed financing — enough to drill its two flagship projects.

Between the core program at Baner and the RC program at Champagne, the company won't lack for news flow in the months ahead.

In short, I think this has the potential to be another Idaho success story. The fact that the share price has come back significantly from the May highs makes it even more appealing. It's rare to find a story that this market has overlooked.

If you're looking for an exploration-stage story in a red-hot mining jurisdiction, buying Idaho Champion Gold at or near current levels makes good sense.

Idaho Champion Gold Mines Ltd.

Recent Share Price: ....C$0.30
Shares Outstanding:..........................92.4 million
Market Cap: ....C$27.7 million
Shares Outstanding
Fully Diluted:.................................138.5 million
Market Cap
Fully Diluted: ....C$41.6 million

Sonoro Gold

SGO.V; SMOFF.OTC
604-632-1764
sonorogold.com

I've come across a bargain-priced gold-silver explorer/developer that ticks all the boxes for strong leverage in the current market.

Its name is Sonoro Gold, and it has two projects in Sonora State, Mexico, the flagship of which is the Cerro Caliche gold project.

Located three hours north of Hermosillo, Cerro Caliche boasts a 200,000-ounce, gold-equivalent resource (inferred) that is near-surface and potentially open-pittable.

Indeed, Sonoro is already in the process of developing that resource via a Heap Leach Pilot Operation. If successful, that operation could begin generating short-term cash flow while the company assesses the project's expansion potential.

And that potential is significant, consisting of both lower-risk drilling to expand the near-surface oxide portion of the resource and high-risk drilling to test for high-grade at depth.

As it stands, the bulk mineable target could consist of as much as 100 million tons of 0.5 g/t gold. And then there's the potential for richer stuff at depth, as prior work on Cerro Caliche has indicated it may host a section of high-grade mineralization similar to that found at Premier Gold's nearby Mercedes Mine.

Thanks to a recently completed (and oversubscribed) private placement, Sonoro has added C$8 million to its coffers; that's more than enough money to fund an aggressive drill program to expand the oxide resource at Cerro Caliche and test it for high-grade at depth.

"Thanks to a recently completed (and oversubscribed) private placement, Sonoro has added C$8 million to its coffers; that's more than enough money to fund an aggressive drill program to expand the oxide resource at Cerro Caliche and test it for high-grade at depth."

In fact, the company is embarking on a major, 50,000-meter drill program on the project that will consist of between 10,000 and 20,000 meters of deeper core drilling and between 30,000 and 40,000 meters of RC drilling.

With the pilot plant advancing

alongside this work and its San Marcial project providing some additional exploration blue sky, Sonoro Gold is in a great spot to deliver market-moving results in the next six months.

It's a strong buy at current levels.

Sonoro Gold Corp.

Recent Share Price: ....C$0.27
Shares Outstanding: ....82.0 million
Market Cap: ....C$22.1 million
Shares Outstanding
Fully Diluted: ....131.7 million
Market Cap
Fully Diluted: ....C$35.6 million

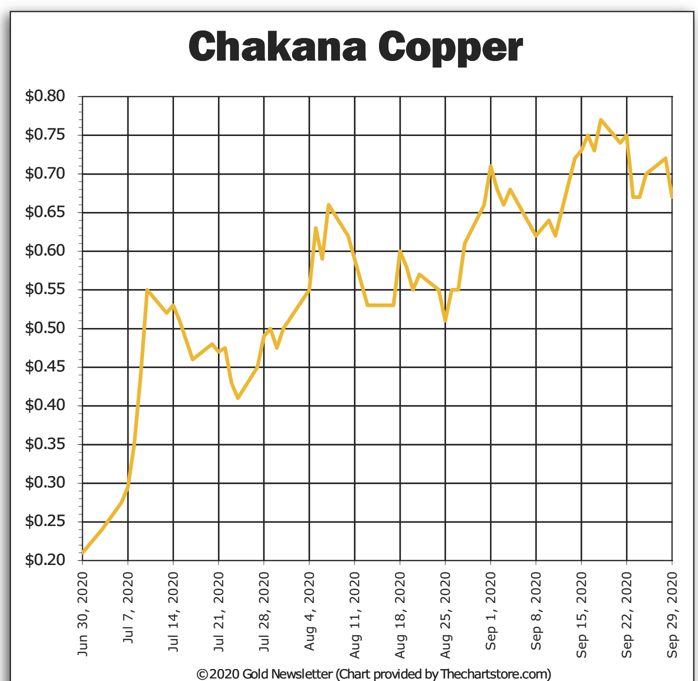
Brief Notes

• **Aftermath Silver** (AAG.V; AAGFF.OTC; C$0.78) released a resource estimate for its Cachinal silver-gold project in Chile. The estimate shows the project has an indicated resource of 16.3 million ounces of silver and 21,700 ounces of gold and an inferred resource of 2.5 million ounces of silver and 2,600 ounces of gold.

The estimate is a reminder that Aftermath controls no less than three advanced-stage projects in Chile and Peru. I still don't think the company is getting anywhere near full credit for the value of those projects. It's still a buy.

With a five-year license for its Alvalade project in Portugal's Iberian Pyrite Belt in hand, **Avrupa Minerals** (AVU.V; AVPMF.OTC; C$0.03) and partner MATSA are set to start generating news from the project.

As an inexpensive, Europe-focused prospect generator, Avrupa uses joint venture partnerships like the one with MATSA to maximize the value of its assets. If you want a low-cost speculation on a very promising exploration program at Alvalade, you'll want to own a piece of AVU.

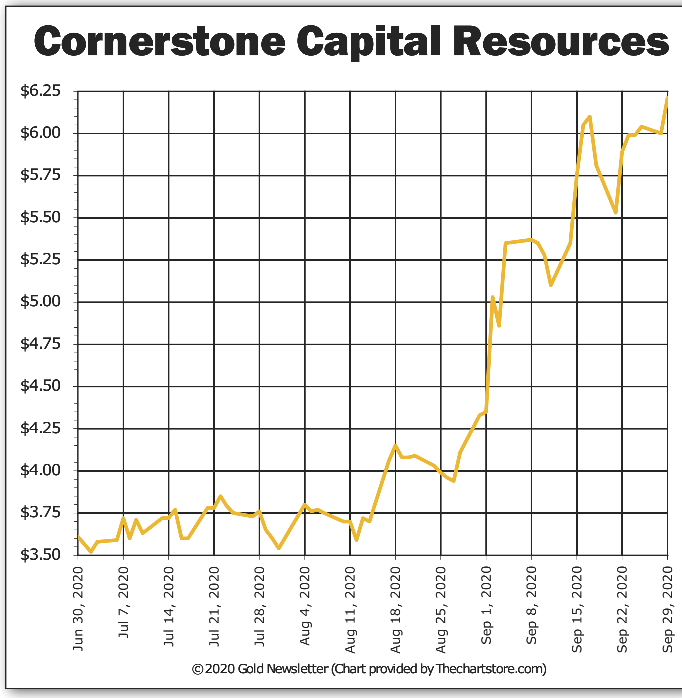


• **Chakana Copper** (PERU.V; CHKKF.OTC; C$0.66) announced some good assays from drilling on the Paloma target at its Soledad copper-gold project in Peru.

The best intersection of the three holes released came from Hole 135 at Paloma East (172.7 meters of 0.31 g/t gold, 0.34% copper and 13.1 g/t silver, including 15.2 meters of 0.31 g/t gold, 38.8 g/t silver and 2.1% copper).

This first batch of holes is the opening salvo in a 15,000-meter, Phase III program that's ongoing at Soledad. The goal remains to prove up enough breccia pipes on the project to generate an economically mineable resource.

With more assays on the way, Chakana will have plenty of opportunity to prove its worth to the market. It remains a buy.



• **Cornerstone Capital Resources** (CGP.V; CTNXF.OTC; C$6.34) has justified its addition to our list last month, thanks to a 50% price rise in just the past few weeks.

The price move shows the market is aligning with our thinking that Cornerstone's piece of the massive Cascabel project in Ecuador is much more valuable than a low-ball takeout offer from JV partner SolGold would suggest.

As we move closer to the point in October when major BHP can have a say in how this story plays out, I expect CGP to move higher still. Thus, it continues to be a buy, even at these elevated levels.

• **Discovery Harbour Resources** (DHR.V; DCHRF.OTC; C$0.10) should have permits soon for drilling on its Caldera project in Nevada. Those permits are for 10 drill sites within five mineralized areas on the project. The goal for these targets remains to tag into significant gold mineralization at depth, below the historical surface drilling that has been conducted on the project.

We'll keep Discovery Harbour a hold for now, but once the permits come across, it will be time to start positioning yourself for this high-potential drill program.

• **Eclipse Gold Mining** (EGLD.V; EGLPF.OTC; C$0.81) has begun its 18-hole, 6,750-meter drill program at Hercules, the Phase II effort on the Nevada project, and recently added a second RC rig to accelerate the program. Success with this program has the potential to coincide with the next uptick in gold prices. Given my expectations for continued success, Eclipse is a buy at current levels.

• **EMX Royalty** (EMX.NYSE-A; EMX.V; US$2.65) keeps the deal flow steady on its large portfolio of royalty projects. Its latest transaction saw the company vend its Queensland gold project in Australia to a private Australian company.

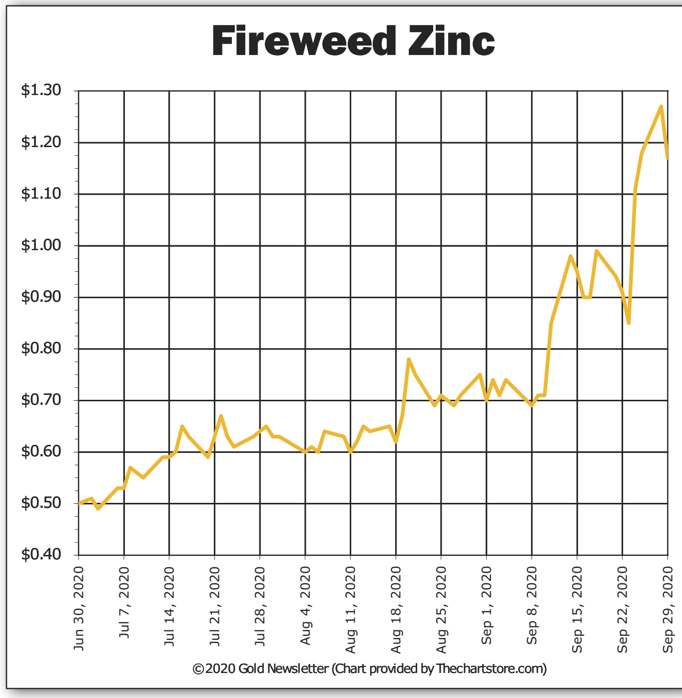
As is typical of its deals, this one includes cash and advance royalty payments, along with work commitments and a retained NSR (2.5%).

EMX's portfolio is so large that any one deal like this isn't going to move the needle on the company's share price. But as a royalty company with a huge cash hoard that it has yet to fully deploy, EMX remains a key hold within our portfolio.

• Drilling on the Boundary zone at Mac Pac is already bearing fruit for **Fireweed Zinc** (FWZ.V; FWEDF.OTC; C$.2).

Last week, the company announced that the core drilling the company is doing on the Boundary zone gravity anomaly had hit wide zones of mineralization 360 meters west of prior drilling at the prospect. Considering the holes are in excess of 300 meters deep, we can extrapolate that these zones are indeed quite "wide."

Add to the promising visual evidence on these outlying holes the wide zones of mineralization Fireweed has been seeing in infill work on the target, and you have a drilling program primed to deliver important news the market in the weeks ahead.



Remember, the Boundary zone's high-grade nature means it could have a significant impact on the economics of developing Mac Pass's world-class, undeveloped zinc resource. Moreover, given the sheer size of the anomaly, it has the potential to multiply the 50-million-tonne resource the company had already outlined at the Tom and Jason zones.

In a sign the market is thinking that way as well, FWZ spiked on this latest news. Even after this surge, however, it's important to note that we're still in the early days of this growth story, and the scope for a considerable multi-bagger remains. Fireweed is a buy.

- **Genesis Metals** (GIS.V; GGISF.OTC; C$2.56) has kicked off its Phase II, 8,000-meter drill program Chevrier in Quebec.

The Abitibi-located project will begin with a minimum of 5,500 meters to further define the high-grade shoot encountered on the Chevrier Main deposit, step out on high-grade intercepts elsewhere on the target, test the potential for the mineralization at Chevrier Main to extend at depth, and assess an area that's up-ice from a till anomaly on the project.

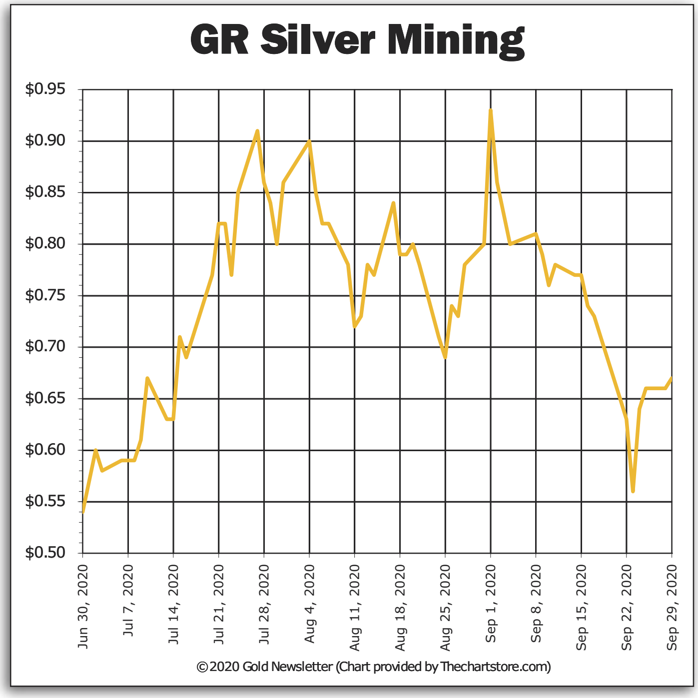
This work has the potential to deliver some quality assays into a gold market on the rebound from the recent downturn. On the thought that this is exactly what will happen, Genesis Metals is a buy at current levels.

- **GoldMining** (GOLD.TO; GLDLF.OTC; C$3.22) continues to build out an impressive team to run Gold Royalty Corp., the royalty company that Amir Adnani recently carved out of GoldMining's portfolio of gold projects.

Recent additions include John Griffith as GRC's Chief Development Officer, Ian Telfer as Chairman of GRC's Advisory Board, and Alastair Still as Director of Technical Services for GRC and GoldMining's EVP, Chief Development Officer.

All have platinum-plated resumes. Their collective decisions to join the team at GoldMining (and participate in the creation of the company's new royalty vehicle) are strong endorsements of the bright future seasoned gold hands see for this market and this company.

In spite of the eight-fold gain it has already turned in, GoldMining is still a great lever on ris-



ing gold prices. It's a buy at current levels.

• **GR Silver Mining** (GRSL.V; GRSLF.OTC; C$0.64) has released more solid assays from its work on Plomosas. The latest results came from underground channel sampling on the Plomosas Mine area.

Highlights included 5.4 meters of 1,313 g/t silver-equivalent, 15.7 meters of 416 g/t silver-equivalent and 7.8 meters of 631 g/t silver-equivalent. The assays demonstrate the potential for this area to host both precious and base metals in significant quantities.

With ongoing surface drilling and the continued release of historical assays from Plomosas, the project should continue to provide the market with a steady stream of compelling news.

GR Silver's share price has weakened along with the broader market in September. However, given my bright outlook for both silver and gold and for this company's impressive roster of assets, GRSL is a strong buy right at current levels.

• **Great Panther Mining** (GPL.NYSE-A; GPR.TO; US$0.87) has given back a bit to the market as a result of the turbulence in the precious metals sector. Still, this mid-tier gold and silver producer continues be a strong constituent of our portfolio.

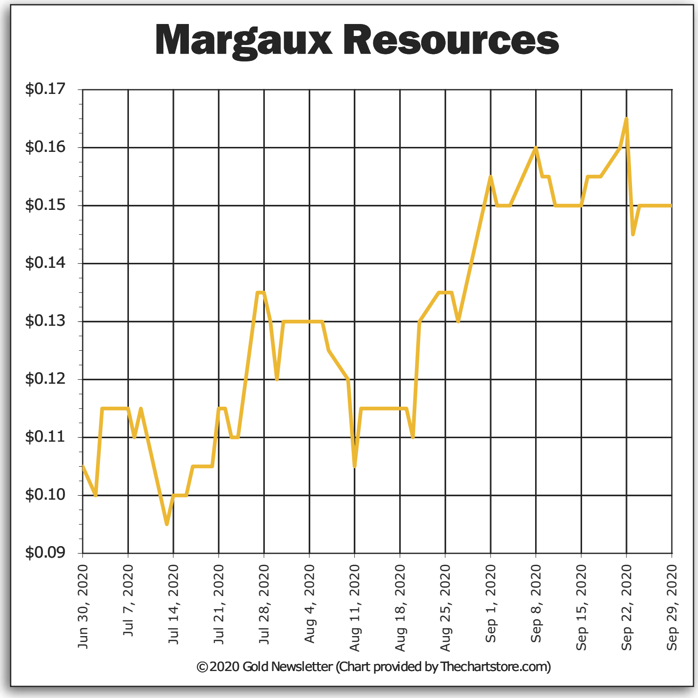
In a market where generalist investors are still finding their way to this tiny sector, steady production from GPL's three mines argues for keeping it a hold on our list.

• Using a base-case gold price of $1,400, **Lion One Metals** (LIO.V; LOMLF.OTC; C$1.70) has released an updated PEA on its Tuvatu project in Fiji. The project has a pre-tax NPV, discounted at 5%, of $155.8 million and a pre-tax IRR of 60.3%. Pre-tax all-in sustaining costs are a very low $586/ounce. The project would produce 331,269 ounces of gold (at an average grade of 8.6 g/t) over the life of the mine.

Clearly, this is still a relatively small, albeit high-grade project, but one that has the opportunity to grow vastly larger as Lion One continues its drilling program targeting higher-grade feeder structures, both below the known resource at Tuvatu and on the many targets within the surrounding Navilawa Caldera land package.

This company is another high-potential exploration story and a buy during this current spate of weakness.

• **Margaux Resources** is now **Cassiar Gold** (GLDC.V; MARFD.OTC; C$0.73), with the name change reflecting the company's laser-focus on its flagship Cassiar asset in British Columbia. That asset includes a million-ounce, open pittable gold resource and the ability to add high-grade gold via drilling on vein-hosted targets. Whether it's called Margaux Resources or Cassiar Gold, that potential makes the company very much a buy in the current market.



• **Mexican Gold Mining** (MEX.V; MEXGF.OTC; C$0.11) released first assays from its 10,000-meter drilling program on its Las Minas project. The initial work is focused on upgrading and expanding the mineralization on the El Dorado target.

Highlights from this first batch include Hole 29 (10 meters of 3.9 g/t gold-equivalent) and Hole 33 (19 meters of 2.2 g/t gold-equivalent). These holes were 90-meter and 135-meter step-outs, respectively, from the defined resource at El Dorado. Other assays of note include Hole 60 (30.4 meters of 4.0 g/t gold-equivalent), Hole 30 (16 meters of 3.0 g/t gold-equivalent), Hole 2 (5 meters of 7.7 g/t gold-equivalent, and Hole 57 (53.9 meters of 1.6 g/t gold-equivalent). These assays highlight the expansion potential that this program at Las Minas may deliver.

Between the project's existing resource — which consists of more than 850,000 ounces gold-equivalent in the indicated and inferred categories — and the growth potential from drilling, Mexican Gold continues to make for a compelling bet in this market. It's still a buy.

• **Midland Exploration** (MD.V; MIDLF.OTC; C$0.96) has begun a new drilling program on Golden Delilah, a recent discovery within its Samson project, which lies near Wallbridge's Fenelon and Tabasco deposits in Quebec.

The seven-hole, 2,000-meter program will seek to expand Golden Delilah along strike and to test structural targets defined by resistivity lows. The program is one of many potential newsmakers Midland has in its arsenal, thanks to the large portfolio of quality projects its has assembled in eastern Canada.

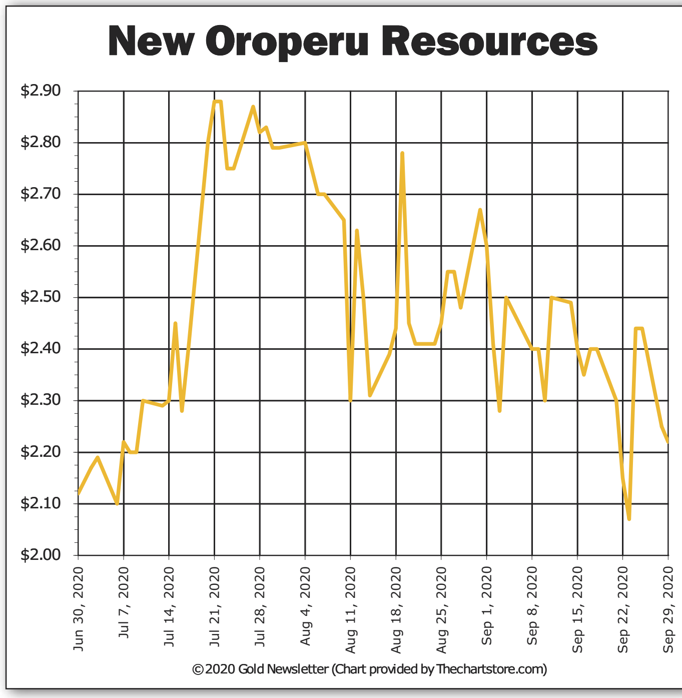
As an adept prospect generator, this company is well-suited for the current market and makes for a long-term play on discovery in this mining-friendly part of the world. MD remains a hold at current levels.

• **Millrock Resources** (MRO.V; MLRKF.OTC; C$0.13) released assays from two more holes this morning from drilling on its 64North project. Hole 3 and 4 both yielded narrow intervals of low-grade gold, with three of the four intervals coming at fairly significant depths.

We haven't gotten the blockbuster results we were hoping for (at least so far) from this project. That said, there are two holes at the lab awaiting assay and another hole is in progress. And there many more to come: Millrock's joint-venture partner, Resolution Minerals, is obligated to complete fully US$5 million in exploration spending in 2020.

64North's location adjacent to Northern Star's Pogo Mine and Goodpaster project argues for keeping Millrock a hold until we see the full results from this program.

And remember, even if drilling on this project doesn't bear fruit, MRO is still a prospect generator of the first order and so has plenty of other irons in the fire if this one doesn't pan out.



• **Neo Lithium** (NLC.V; NTTHF.OTC; C$0.73) has added to its balance sheet by securing a C$8.5 million investment from CATL, a Chinese battery manufacturer. CATL will take an 8% equity stake in Neo Lithium with the investment, which will be priced at C$0.84 per share.

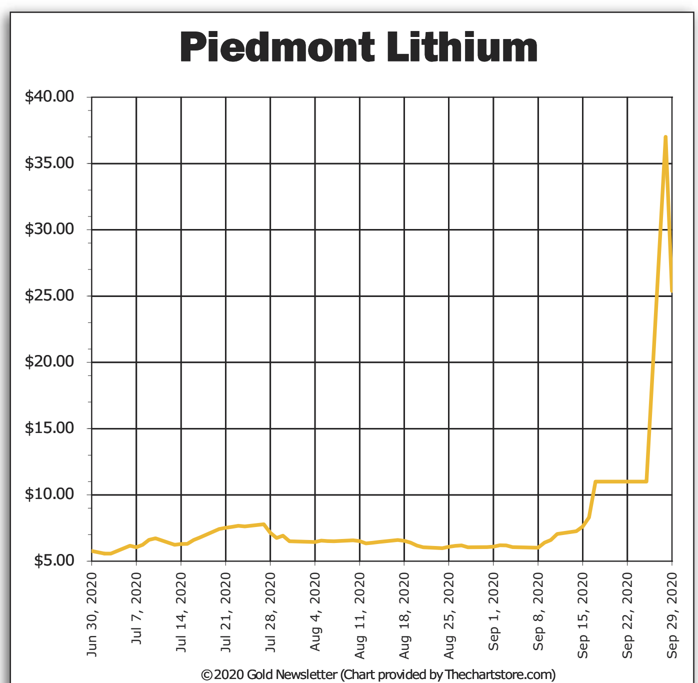
With the investment, NLC will have more than C$37 million in its treasury. That's money it can use to advance its Tres Quebradas lithium project in Argentina's corner of the Lithium Triangle.

The Tesla trade continues to make energy metals companies like Neo Lithium smart-money plays on electric vehicles' bright future. It's another hold.

• **New Oroperu Resources** (ORO.V; NOPUF.OTC; C$2.22) added a heavy hitter to its board this week with the announcement that Jonathan Rubenstein would join as a director.

Rubenstein is a 40-year veteran of the mining industry and has sat on numerous boards during his career. Companies for which he has facilitated mergers and acquisitions include Barrick, Kinross, Agnico Eagle, Orion Mine Finance and Eldorado Gold. He has also helped raised billions in financings.

With Barrick's deadline looming for its 70% earn-in on New Oroperu's Tres Cruces project, Rubenstein's addition to the board indicates things are about to get serious on the negotiation front. ORO remains a buy.



• **Piedmont Lithium** (PLL.ASX; PLL.Nasdaq; A$0.31/ADR: US$23.75) made big news this week with an agreement to sell spodumene concentrate from its North Carolina lithium deposit to Tesla.

The news, which was widely speculated upon after news was prematurely released in the Australian market, leading to a halt on trading, sent the share price tripling once it was finally released and trading resumed. In fact, the stock closed with a gain of 236% on the news, after reaching an intra-day high of $54.50.

The deal with Tesla involves a five-year, fixed-price purchase agreement that will cover one third of the 160,000 tonnes per year of spodumene concentrate Piedmont plans to produce from this deposit.

With 5,600 meters of drilling ongoing to further expand that resource, this agreement with the EV sector's dominant player makes Piedmont the poster child of lithium development plays — precisely what we expected when we first recommended the company in December 2018 at a fraction of today's levels.

The price has settled back from those initial higher. But still, after a run like this, it would be irresponsible to recommend anything but taking a considerable portion of these windfall profits.

That said, the risk of development of Piedmont's project is essentially taken off the table with this deal, which alone would justify a considerable rerating. In short, while recommending profit-taking, we will continue covering this intriguing, U.S.-based lithium development story with a bright future ahead of it.

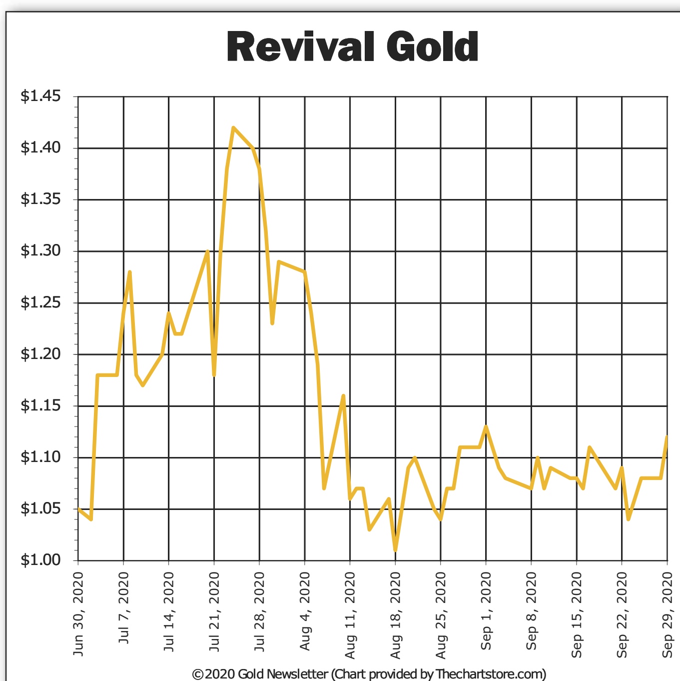
- **Precipitate Gold** (PRG.V; PREIF.OTC; C$0.29) is cranking up exploration work again on its Juan de Herrera project in the Dominican Republic.

The move reflects movement on the permitting from for nearby **GoldQuest Mining's** (GQC.V; C$0.32) holdings in the area. A new government in DR has given GoldQuest hope that it can recommence work there, and Precipitate appears to be piggy-backing on that good news.

Work on Juan de Herrera is a longer-term effort, and so Precipitate will continue to focus on advancing its Ponton project. Recent geophysical work there has identified a number of magnetic low anomalies that appear to jibe with surface sampling on the project.

Still, things move slowly in DR, especially in the midst of a pandemic. Both Ponton and Juan de Herrera are great projects though. They argue for keeping Precipitate Gold as a hold on our list.

- Its coffers filled with a recent C$15 million private placement, **Revival Gold** (RVG.V; RVLGF.OTC; C$1.12) is ramping up its drilling program at Beartrack-Arnett. The program had already been doubled from 5,000 meters to 10,000 meters, and now the company is adding a third drill rig to accelerate its efforts to expand the project's resources.



The PEA on the oxide portion of the project's three-million-ounce resource is still due out by the end of the year. With that piece of the puzzle in place, Revival can look to monetizing this smaller resource while it continues to both add to it and to grow the sulphide portion of the resource as well.

This combination of advanced-stage development project, a multi-million-ounce resource and a legitimate opportunity to grow resource make Revival Gold another strong buy on our list.

- **Riverside Resources** (RRI.V; RVSDF.OTC; C$0.30) released assays

“With royalties on a variety of projects either in production or nearing production, Sandstorm is ideally positioned to benefit from this secular gold bull market we find ourselves in.”

on sampling within Cerro Magallanes, a key target within its Cecilia project in Sonora, Mexico. Highlights from this effort include sample grades of 43.2 g/t gold, 5.6 g/t and 2.5 g/t.

Preparation continues for a person-portable drill program on the San Jose target and a drone-flown geophysical survey on the project as a whole.

Cecilia is under option to Carlyle Commodities Corp., a reminder that Riverside follows the prospect generator model of junior exploration. That model allows the company to spread its bets widely over a variety of projects, any one of which could yield a significant discovery.

Given the quality of this company’s assets and the number of projects it has optioned to JV partners, Riverside Resources continues to make for a compelling bet on a gold bull market and is a buy at current levels.

• As one of the precious metals sector’s marquee royalty and streaming companies, **Sandstorm Gold** (SAND.NYSE-A; SSL.TO; US$8.36) is a key, longtime constituent of the Gold Newsletter portfolio.

With royalties on a variety of projects either in production or nearing production, Sandstorm is ideally positioned to benefit from this secular gold bull market we find ourselves in.

Particularly compelling is the 30% interest that SAND owns in the world-class Hod Maden project in Turkey. That project has mineral reserves of 2.6 million ounces of 8.9 g/t gold and 129,000 tonnes of 1.4% copper, making it one of the richest development-stage projects out there.

As production from that project (and other assets) comes online in the years ahead, Sandstorm will become a cash-generating machine, one that should attract generalist investors to its story in droves.

It remains a strong hold on our list.

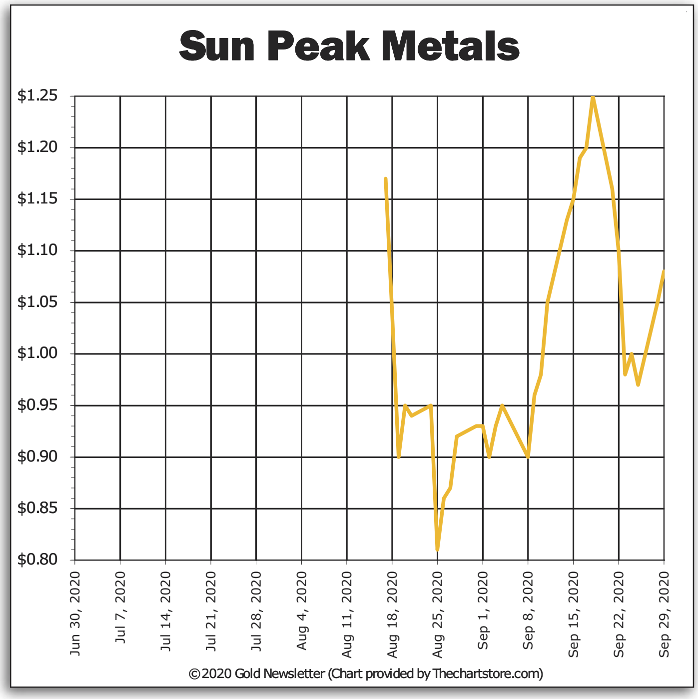
• **Silver Viper Minerals** (VIPR.V; VIPRF.OTC; C$0.50) reported results from 10 holes drilled on the El Rubi and Macho Libre targets at its La Virginia project in Mexico.

The best intersection came from Hole 245 drilled at El Rubi, which cut a thick, 110.5-meter interval of 38 g/t silver and 0.76 g/t gold beginning at just 75 meters. That long intersection included a higher-grade interval of 353 g/t silver and 8.0 g/t gold over 2.5 meters.

With its coffers having filled us as a result of warrant exercises, this precious metals explorer looks primed to deliver significant leverage when gold and silver prices bounce back. At current trading levels, I’m moving the company back to a buy.

• **SSR Mining** (SSRM.Nasdaq; SSRM.TO; US$18.50) has completed its merger of equals with Alacer Gold and provided the market with new, Covid-impacted production guidance for the full year.

SSR expects to produce between 680,000 and 760,000 gold-equivalent ounces for the full year at all-in sustaining costs between $965 and $1,040 an ounce. The company has taken a haircut along with the broader market in the latter weeks of September.



With the Alacer merger now complete, SSRM is one of the key mid-tier production stories on our list and, as such, is a strong hold in the face of what I see as temporary weakness in the precious metals markets.

• I introduced **Sun Peak Metals** (PEAK.V; C$1.08) to you in the July issue when it was still a privately-held company. My hope had been that the stock would provide us a compelling entry price when it started trading as a public company.

Even with the recent turbulence in the gold market, the strong hands that hold PEAK and the strong investor interest in its large-scale Ethiopian project have kept the stock from giving us that entry point. And for good reason: The scuttlebutt amongst some very smart and experienced investors is that this is going to be the next big hit, rivalling this group's previous Bisha discovery in Eritrea.

My current view is that the risk with Sun Peak is that it gets away from us and never approaches our buy-in levels. So my advice is to accumulate an initial tranche, at least, at the current levels. If we do get a pull-back, we'll jump in more aggressively.

• **Trilogy Metals** (TMQ.NYSE-A; TMQ.TO; US$0.82) released a positive feasibility study in August for its Arctic project in north-central Alaska.

The study's base-case economics — an after-tax NPV, discounted at 8%, of $1.1 billion and an after-tax NPV 27% — remind us just how valuable Trilogy's holdings in this part of the world are.

Between Arctic and the Bornite carbonate replacement deposit Trilogy controls in Alaska's Ambler district, the potential for a development road to get approved to access this district continues to make Trilogy Metals a great long-term hold in our portfolio.

Potpourri

MISCELLANEOUS NOTES AND OBSERVATIONS

BY BRIEN LUNDIN

JP Morgan admits to gold market manipulation

I'll bet you never expected to see those words in print, did you?

But it's true. As Bloomberg reports, "JPMorgan Chase & Co. admitted wrongdoing and agreed to pay more than $920 million to resolve U.S. authorities' claims of market manipulation involving two of the bank's trading desks, the largest sanction ever tied to the illegal practice known as spoofing."

Spoofing, of course, is the entry of large orders that a trader never intends to execute, specifically to dupe other traders into moving the market in a desired direction. The Commodity Futures Trading Commission, the Justice Department and the Securities and Exchange Commission charged 15 traders with JPM with spoofing the gold, silver and Treasuries markets over eight years.

They estimate the resultant damages to traders at over $300 million, and ordered JP Morgan to pay a $436.4 million fine, $311.7 million in restitution and over $172 million in disgorgement, with at least $300 million set aside as potential relief to victims of the manipulation.

So what does this admission mean to the whole gold-manipulation conspiracy theory as propagated by many friends of ours since the late 1990s?

Frankly, not much at all. While these spoofing exercises have been long suspected, and even I have railed against similar practices of the high-frequency traders, these types of operations have little impact on the prevailing price trends in the metals. They simply temporarily move the markets a few dollars or even cents, in one direction and then the other, but enough for the kinds of large and leveraged orders these institutions use to pay off handsomely.

And if you do it enough times, which they did, the returns can build to very significant levels.

But these are not the type of malicious, consistent actions intended to keep the metals prices corralled that our friends at, say, GATA, have been railing against for decades.

Rather, the spoofers are motivated purely by greed, moving the markets in any direction necessary to pick up a few dimes here and there. The very structure of these markets allow for such manipulation, by nimble traders at deep-pocketed institutions and high-frequency traders employing more-nimble algorithms.

Still, while the effect on the gold and silver markets may be minor, it's good to see the bastards get what they deserve.

More fun at New Orleans 2020

I've noted before that a virtual platform for the New Orleans Investment Conference brings some advantages along with the obvious disadvantages.

And our goal with this year's event has been to maximize the results from those advantages. That's why I've gotten commitments from many of our speakers to conduct follow-up calls and events with our attendees in the weeks and months following the event.

In truth, New Orleans 2020 will be the investment event that doesn't end, and keeps providing you with value all year long.

For instance, one of our featured events this year will be a special panel entitled "**Pandemics, Politics, Protests and Money Printing: What's Next?**" Featuring **Chris**

"The very structure of these markets allow for such manipulation, by nimble traders at deep-pocketed institutions and high-frequency traders employing more-nimble algorithms."

Martenson and **Adam Taggart** of Peak Prosperity, along with irascible chemistry professor and commentator **Dave Collum**, as well as the always hilarious and entertaining British libertarian **Dominic Frisby**.

I predict that this panel is going to be one of the more scintillating in our long history. And I'm so excited about it that I'm inviting the panelists back for a post-election reunion that *only* our conference registrants will ever see!

And there's more….

The MC of that panel will be **Russell Gray**, part of the famed Real Estate Guys duo along with **Robert Helms** (who will be one of our two conference MCs).

Only a small number of regular New Orleans Conference attendees are aware that the Real Estate Guys always host a party at our event. Very few people know about it because they have the party in their suite and therefore the number of invitees is always limited.

But if you make it to one of their parties, you know you're in an extraordinary place. The crowd is made up of smart, entrepreneurial and fun investors…along with very special guests gleened from our speaker roster.

So why all this background? Because Robert and Russ are having another of their blow-out parties at New Orleans 2020…only virtually…and *everyone* can attend.

This is another of the big advantages of our virtual format. You'll have this, and multiple other, opportunities to get to know our speakers.

Frankly, there's much too much to adequately detail here. We've already put all the exciting details in one place, and you can get discover it all by CLICKING HERE.

This is going to be a one-of-a-kind investment conference. Not only unique for the New Orleans Conference, but like no other virtual event you'll find this or any other year.

Don't miss this opportunity — click on the link to see all of the exciting speakers and featured events we have lined up for you.

Remember: Use your e-mail address and Password to log into the "Subscribers Only" section of the Gold Newsletter site (goldnewsletter.com).

This allows you access to the current and archived issues of Gold Newsletter, the Gold Newsletter portfolio and special offers and products. You'll also be able to view your account and profile, and make any necessary modifications.

Gold Newsletter In Our 50th Year