



[rstruthers@gmail.com](mailto:rstruthers@gmail.com)

519-374-9332

Yearly subscription US\$249

Know when to hold-em!  
Know when to fold-em!  
Know where to set stops!  
Know when to run!  
Never count your portfolio  
Until the sells are done..

I know many of you own Zonte and it has become a favorite in the \$\$lounge.

I wanted to learn more about the history of the McConnells Jest project and the neighboring Dublin Gulch project. Then I thought, might as well add some history about CEO Terry Christopher (TC).

I first met TC in the 1990s on a property site visit. While everyone was on the tour taking in the management rhetoric, TC was also doing his own investigating and taking his open samples.

He brought them home and had them assayed because I remember asking him about the results. We kept in touch after that and I bought stock in the next two companies he was involved with as Chief Geoscientist, Linear Gold and Nayarit Gold. Both companies made discoveries in Mexico and were bought out. In fact Linear did extremely well hitting a high near \$10 in 2005.

TC is very diligent and careful and seems to know how to sniff out a winning property. He examined about 150 projects during the downturn and only decided to move on Gramalote in Colombia and McConnells Jest in the Yukon. Believe me, he left no rock un turned before acquiring these projects.

And let's not forget Wings in NFLD. TC brought this drill ready just after the market peaked in 2011, but nobody was anxious to fund drilling because there was never a big Gold discovery in NFLD. It has turned out that TC was right and they were wrong. Since then Marathon is on to a multi-million ounce discovery on this same Gold belt and there has been a staking rush grabbing all the ground up to Zonte's Wing project and \$10s of millions raised for exploration. TC thinks Wings will be another discovery and I would not doubt him.

### Now off to the Yukon

I knew the neighboring property Keno Hill well, because Keno Silver was a favorite silver stock I would play in the 1980s when I was still a novice investor. The mine has produced over 200 million ounces before closing in 1989 because of low metal prices.

I visited Keno Hill in 2003 and said at the time that this area would once again see a mining boom. I figured at the time the Gold market had bottomed and would turn back up and eventually interest would return to the area. I took pictures of the whole area, including Dublin Gulch and McConnells Jest, not knowing what they would later become.

I have to check my old computer because a lot of pictures from that time are there. I found most info at the [Yukon Geological Survey](#) and [Blue Mountain Minerals](#) Inc. (BMM), the vendor/discoverer of McConnells Jest. BMM first staked the property in 2010.

BMM said it best: **How could a property sandwiched between a large Gold deposit and a large silver deposit be barren? Why was it never explored?**

It really does not matter now because the potential and all the Gold occurrences were discovered in 2010 to 2013, however it is interesting to learn how Mother Nature can play tricks.

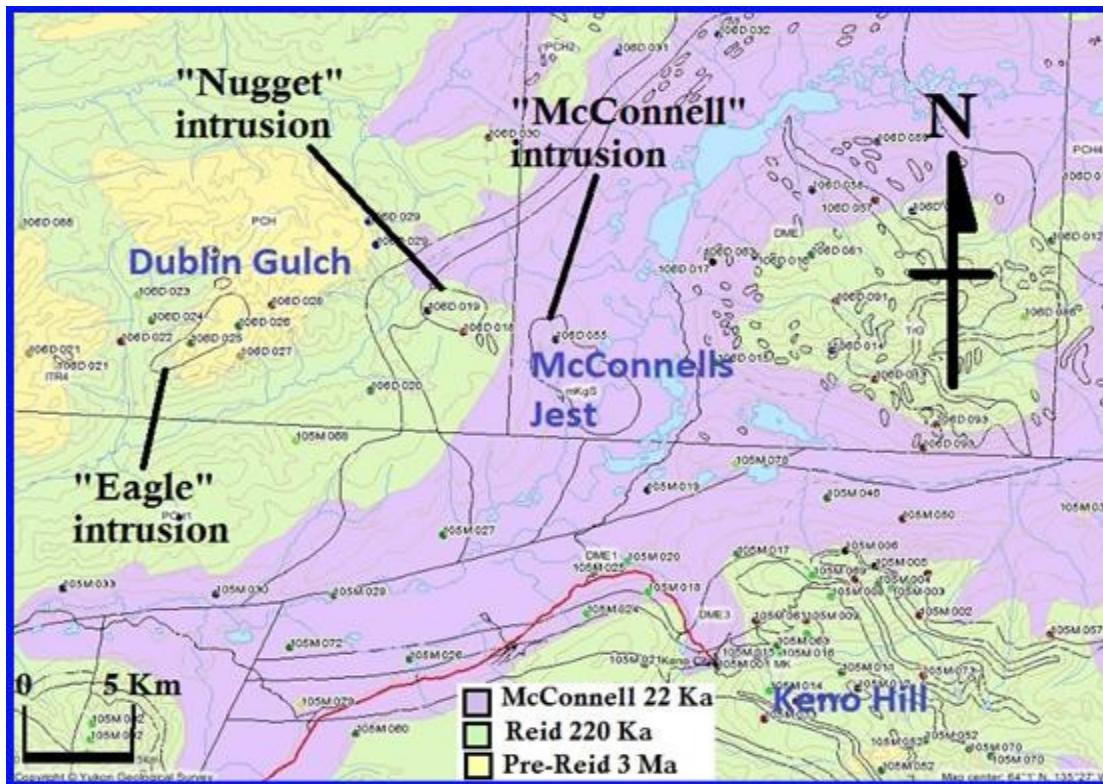
The only exploration of record prior to 2010 when Bill Carson, President/CEO of BMM staked the property was from the 1970s when Keno Hill had the claims and took a few soil samples. They came up with very little and that was probably because they sampled Glacier till, which is soil/Sediment moved by the Glacier from one location to another. Certainly it was different Glacier till than they were familiar with.

Many thought the low impression of the area meant the retreating Glaciers scraped the top away, but careful study of Glacier maps reveals the exact opposite.

In the Yukon District there were three main Glacier events in history, starting with oldest:

- The 1<sup>st</sup> glacier retreat, named Pre Reid was about 3 million years ago. It was this event that actually changed the direction of the Yukon river.
- The 2<sup>nd</sup> was Reid about 220 thousand years ago
- The last, called McConnell or most recent was just 22 thousand years ago.

Looking at the Glacier map you will see that McConnells Jest was protected by ice until 22,000 years ago when the McConnell glacier retreated while Dublin Gulch and Keno Hill saw erosion from the first two Glacier retreats, that scraped the tops of those structures. They were also subject to millions and hundreds of thousands more years of erosion that probably altered and changed the surface area compared to that of McConnells Jest. The property was probably named from the McConnell glacier?



**The Glacier actually protected McConnells Jest and Zonte is fortunate the Pluton is intact.** It probably fooled Keno Hill Geologists because they unknowingly sampled glacier till at McConnells Jest, naturally assuming it had the same geological features of their adjacent property they were mining.

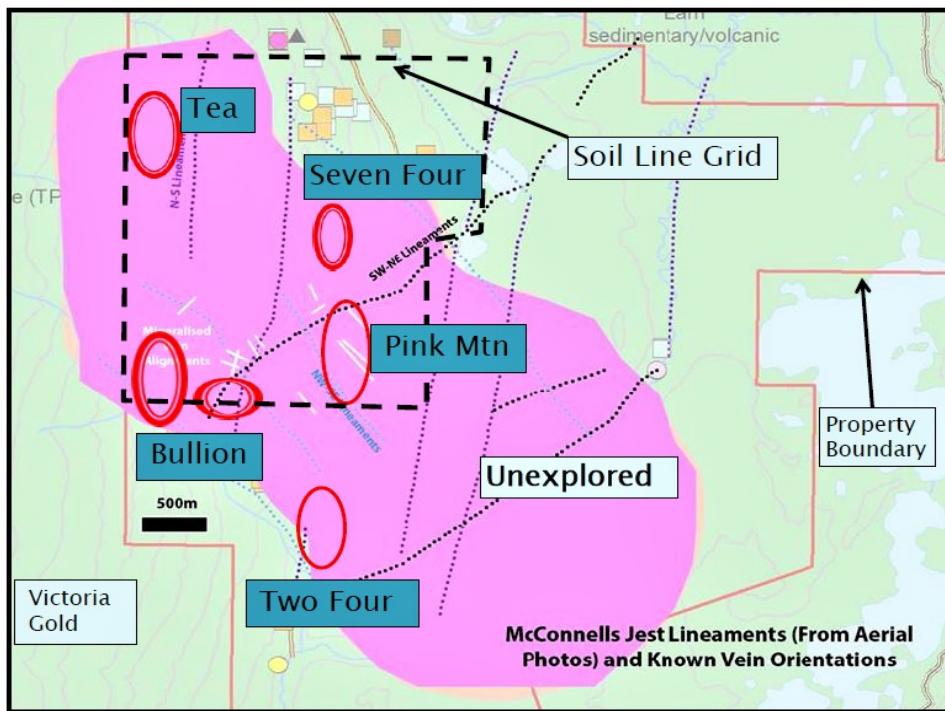
Another factor, was these Intrusive systems were not known to host large Gold deposits until the 1990s.

Golden Predator optioned the property from 2011 to 2013 and did sampling and mapping. Fortunate for Zonte again because of the Gold market collapse after 2012, Golden Predator had to curtail spending and dropped the project. That is history and we now know with exploration work done by BMM and Golden Predator that McConnells Jest is a very robust project..

- McConnells Jest intrusive pluton appears intact while Dublin Gulch is eroded.
- McConnells Pluto is about 50% to 100% larger than Dublin Gulch
- Gold veining on surface is much more dense at McConnells Jest compared to a typical Intrusive model like Dublin Gulch.
- Exploration at McConnells Jest is very limited yet many targets were found by BMM/Golden Predator.
- There is likely more targets to be found with more exploration, Zonte's discovery of Hill zone the recent example. (Hill is between Bullion and Two Four, not shown below)

## Defined Targets to Date at MJ

**ZONTE**



Targets were identified by following up on multi-element soil anomalies.

Only half of the intrusion has been soil sampled.

All anomalies, except the Two Four, are within the soil grid area.

More targets could be found with additional systematic exploration

I would surmise that if what was known now about McConnells Jest 20 years ago, it would have been exploited before Dublin Gulch.

That is now Zonte's advantage and will be our enjoyment to see it unfold. This is a huge property, pluton and system that will take many years of exploration to reveal all the potential. If this turns out to half the size of

Dublin Gulch, the same size or double the size it will take a lot of exploration.

That does not mean the stock cannot double, triple or more on first exploration results as we have seen a lot of this with many other juniors on our list lately like NRG, NXS, GGI, JAX or GTT another Yukon junior but not on our list.

How this project unfolds is anybody's guess or speculation because there is so many variables.

One good advantage Zonte has - is they have a model or similar project discovery next door to learn from and some of the Geos involved with Zonte have experience at Dublin Gulch. The summary geologist report on McConnells Jest was overseen by Andy Randell, former Dublin Gulch Geologist.

### **The next big question? What will the drill results be? What is expected? What will they mean?**

I looked back at the early discovery days at Dublin Gulch, even before they really knew what they had there to get some ideas. I have my own expectations, but first lets go back in time.

#### **Dublin Gulch History**

The first 4 drill holes were in 1986 to test 4 of 14 veins outlined by Queenstake Resources. Best results were obtained from the Catto Vein: one hole returned 44.6 g/t gold over 0.4 m; while a second, 91 m to the west, assayed 60.3 g/t gold, also over 0.4 m. A hole on the No. 23 Vein intersected 74.7 g/t gold over 0.5 m.

#### **So some good grades but only over narrow intersects.**

In 1988, additional drilling on the Catto Vein returned up to 11.2 g/t gold across a true thickness of 2.7 m, while work elsewhere on the property located a few veins on the floor of Dublin Gulch.

The breakthrough came in 1991 with the transfer of the property to H-6000 Holdings/Amax Gold and a change in exploration model from high grade gold bearing quartz-arsenopyrite veins hosted within both the intrusion and surrounding sediments, especially proximal to the northern contact to sheeted, low-sulphide quartz veins within the intrusion, containing gold and bismuth mineralization. This new exploration type is commonly referred to as "Fort Knox" style mineralization, named after the [Fort Knox gold mine](#) located near Fairbanks, Alaska. Diamond drilling carried out in 1991 outlined the potential of the Dublin Gulch Stock to contain an intrusive hosted bulk mineable deposit. Four mineralized zones were identified: the Eagle, Olive, Shamrock and Steiner Zones. Further diamond and reverse circulation drilling in 1992 was focused on the Eagle zone which was determined to host the greatest amount of potential mineable ore.

#### **The Eagle zone hosts the majority of what is known as Victoria Gold's deposit today.**

Although individual veins grade from 10 to 30 g/t gold, a typical 1.5 m sample interval which includes both the vein and granodiorite host rock ranges from 0.8 to 2.0 g/t gold in the ore zone. Silver values are generally lower than gold values.

Amax Gold dropped its option in late 1992. The following year First Dynasty Mines (a successor company of H-6000) drilled 12 reverse circulation drill holes and one diamond drill hole (2,909.6 m) within the main Eagle Zone to further define the ore zone's grade and extent. Seven of the 12 reverse circulation drill holes returned better than average ore grades and widths, while the remaining 5 were instrumental in defining the boundary of the deposit.

The diamond drill hole returned anomalous assays **from the top 145 m, grading 0.24 g/t gold** with only three 1.5 m samples grading better than 1 g/t (1.02, 1.29 and 1.59 g/t gold)

In 1996 mineable reserves (proven & probable) in the Eagle Zone were 50.4 mT grading 0.93 g/t gold.

## **The current Eagle deposit grade is at 0.67 g/t part of a total indicated resource of 6.3M ozs.**

### **What I am looking for in Zonte drill results?**

Zonte's phase one [drill program announced July 19<sup>th</sup>](#) is about 1,500 meters targeting the Hill and Two Four zones. It is just the beginning considering the scope of this project and other targets, but you have to start somewhere, and it is a lot more than the Dublin Gulch first round.

I am looking for three possible types of intersects. We might see all three, but hopefully at least one

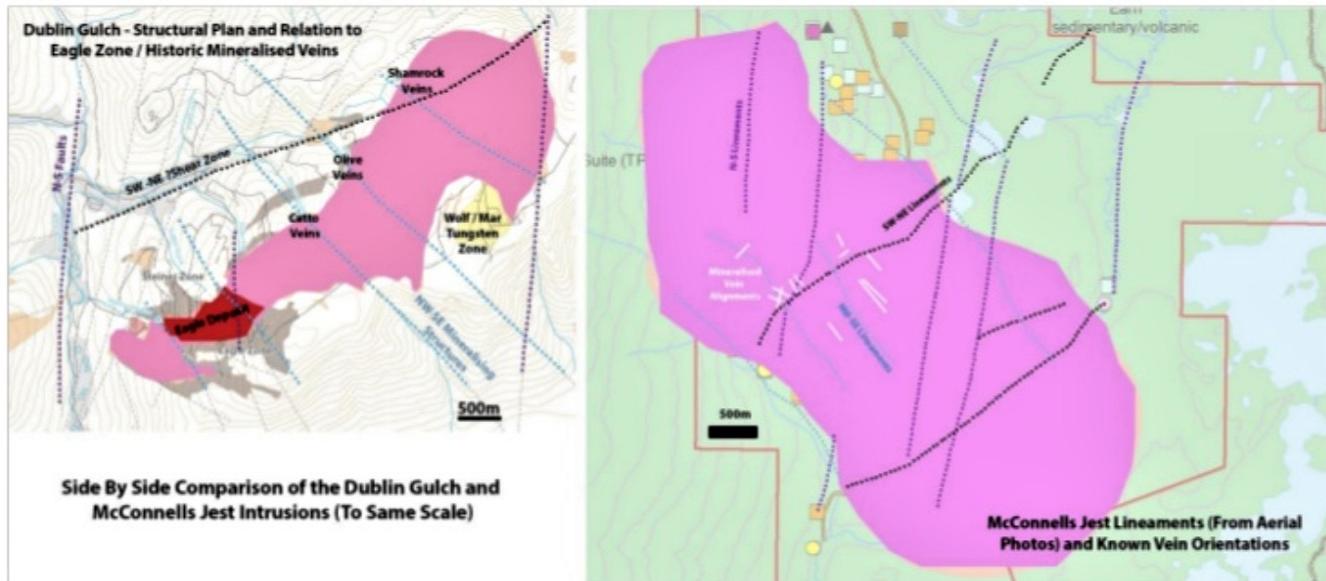
1. The narrow vein intersects, basically veins observed on surface found deeper in drill core
2. Longer average intersects and would be excellent if pushing 1 g/t Gold
3. It would also be very good for a lower grade long intersect of around 100 meters, especially if it is better than the first one at Dublin Gulch of only 0.24 g/t.

We could be surprised to the upside because the intrusion is intact and vein density is high.

Of course I would like to see better numbers, but I would rather be surprised to the upside, to me this is sort of a minimum that would prove to me there is some sort of Gold system there and it warrants follow up drilling and exploration. More surface mapping, geophysical surveys and drilling are all good follow up exploration.

This last comparative picture is from the [Summary Geological Report](#).

When a map of McConnells Jest and Dublin Gulch are placed side by side (Fig. 10.7), there is a clear similarity in structural regime, although the McConnells Jest pluton has around double the surface area.



**Figure 10.7** Comparison of structural lineaments at Dublin Gulch (left) and McConnells Jest (right). Both plutons share the same three groups of structural alignments N-S (Purple), SE-NW (Light Blue) and SW-NE (Black). The images are drawn to the same scale and show that the exposed surface of the McConnell pluton is significantly larger than that at Dublin Gulch.

From 2012 to 2016 we went through the most vicious downturn in the precious metal market ever recorded in history, and we all did what we had to do to survive through it. Like most I had to sell out of a lot of stocks I owned, except for one stock called Zonte Metals, because I believed this was my best bet on a recovery **and besides the info above this is why:**

**Terry Christopher.** He has a winning track record and deserves it. You will not find a more diligent, frugal, honest and harder working CEO.

He never collected salary in downturn, but deferred payment as debt while most CEOs diluted shareholders by raising enough financing to pay themselves or converted their debt to shares at the bottom of the market.

For about the past two months he has been in the Yukon over seeing every detail and you can rest assured he will get the most possible out of the current program. Most companies would probably have to hire a few people to cover the same ground as TC. Besides TC the current crew would include drillers, a Geologist and the Founder/prospector and probably plenty of pesky bugs.

And one last thing is the stock chart. In the past two months it has traded about **5 million** shares just over the 30 cent mark. This stock is under **strong accumulation, note the high on balance volume**. The rising 200 day MA and rising bottom channel are **like compressing a coiled spring pushing upwards**. It could release anytime, **and probably soon judging by the chart formation. I would not wait long if you want to add or buy a position.**



(c) Copyright 2017, Struther's Resource Stock Report

All forecasts and recommendations are based on opinion. Markets change direction with consensus beliefs, which may change at any time and without notice. The author/publisher of this publication has taken every precaution to provide the most accurate information possible. The information & data were obtained from sources believed to be reliable, but because the information & data source are beyond the author's control, no representation or guarantee is made that it is complete or accurate. The reader accepts information on the condition that errors or omissions shall not be made the basis for any claim, demand or cause for action. Because of the ever-changing nature of information & statistics the author/publisher strongly encourages the reader to communicate directly with the company and/or with their personal investment adviser to obtain up to date information. Past results are not necessarily indicative of future results. Any statements non-factual in nature constitute only current opinions, which are subject to change. The author/publisher may or may not have a position in the securities and/or options relating thereto, & may make purchases and/or sales of these securities relating thereto from time to time in the open market or otherwise. Neither the information, nor opinions expressed, shall be construed as a solicitation to buy or sell any stock, futures or options contract *mentioned herein*.  
*The author/publisher of this letter is not a qualified financial adviser & is not acting as such in this publication.*