

Struthers Report V23 # 9.2 Gold, Goldcorp G, Kinross K, Yamana YRI, GYA, VRB, NRG, ASQ, RJX.A. July, 6, 2017



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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..

GOLD

I see more positives in the Gold market, although the price has weakened and gold stocks have corrected some. What is the most amazing thing I see is that there has been 3 interventions, short bashes or manipulations what ever you chose to call them in less than 2 weeks and it has only been able to move the Gold price down about \$30.

When you see heavy selling in thin markets like Sunday evening/wee hours Monday or on holidays you know sellers/shorts are not trying to sell for best profit but to move the price down. That may however give them more profit in the over all short position. We have seen a short bash **Sunday June 25th**, **Sunday July 2nd** and **Wednesday July 5th wee hours** with the July 4th holiday.

The short bash July 5th from 3am to 6.30am was a complete failure because Gold totally recovered. The bash drove Gold down from \$1225 to under \$1217 but it totally recovered and even went higher to \$1226 by the end of the Comex session that day.



Lets have a look at the longer term daily chart and where the commitment of traders are. The three arrows highlight the interventions and notice the high volume on the 3rd one and it did not work. The 2nd intervention did violate the bottom line of the rising uptrend line I was watching. The support zone under \$1220 is very strong and I am quite certain this will hold, especially considering the failure of that 3rd intervention shown by the small green candle.

With the gap higher **so far today** this is a pretty decent although not perfect doji morning star reversal pattern, if it holds by the end of day, which would be a close of \$1222 or higher.



The COT report shows managed money has been liquidating and are long just 72,655 contracts now. This data is a week or more behind and we will not see until next Friday how much was washed out after the July 4th holiday, but I would bet we will be down to around 50,000, a low enough level like March and May that we seen rallies from.

Finally note the purple line with the volume numbers, that is open interest. A decline in both price and open interest indicates liquidation by discouraged traders with long positions and we seen that most of June. It appears since late June open interest has stabilized around 300k a lower level and this signals liquidation is over and prices are then in a position to rally again.

All these things added together are screaming a bottom. However I am watching a couple things to play out, the close today for the doji morning star formation to be confirmed. With 3 interventions so close I am wondering if a 4th will be attempted this Sunday. I would think that would be too risky for the shorts because the managed money position is getting low so not much left to wash out and if a 4th

attempt failed like the last one it would be a strong signal how weak a hand the shorts hold. I don't think it will matter much if we see some lower prices below \$1220, the Gold stocks already have that priced in. I think it is the perfect time to buy and I am suggesting some Call Options and if not - you can buy the underlying stock. I like the chart and price of options for Goldcorp TSX:G, it has tested it's low of December 2016 around \$16. **I like the January 2018 \$17 Call last traded at \$1.47**



I like the chart on Kinross TSX:K, it looks stronger and has been in an up trend, with a test of the bottom of that up trend line is a good entry point. I like the **January 2018 \$5 Call last traded at \$0.74**



I also like Yamana TSX:YRI as it simply looks way over sold to me and cheap. The high volume could indicate a wash out and that was caused by the stock being deleted from a number of Canadian stock indexes. I like the **January 2018 \$3 Call last traded at \$0.47**.



There has been news on some of our juniors and recent pick Guyana Goldstrike has sold off some with the wash out in Gold.

Guyana Goldstrike
Entry Price \$0.31

TSXV:GYA

Recent Price \$0.23
Opinion – buy

There is no good reason the stock is this cheap, I think just some panic selling because of the drop and negative sentiment in the Gold market. The 20 cent placement paper becomes free trading on July 17th, but I don't believe there has been any pre selling, nothing on the short reports.

I doubt many would sell and those that do would probably at least look for 25 to 30 cents.

The stock has been trading thin, so all in all currently there is some liquidity to buy in the low to mid 20 cents area, a good opportunity at hand.

<http://www.guyanagoldstrike.com>

RJK Exploration
Entry Price \$0.19

TSXV:RJX.A

Recent Price \$0.13
Opinion – buy

RJX.A has been effected some by the weak market but has seen some pretty good news. They announced drill results June 19th of the deeper drilling and I believe this was a bit disappointing because the drill hole to test the high grade zone had to be abandoned.

RJK17-05 was drilled at an azimuth of 180 degrees to test a historical deep intersection of 17.56 g/t gold over 8.08 metres in hole 85-06, but due to the nature of the ultramafic volcanics, the hole had to be abandoned at 269 metres.

More important though will be results from a deep hole of up to 1,000 metres on a different target.

The RJK deep hole 1 drill location was supplied by Earth Science Services Corp. (ESSCO), using a drill target modelling interpretation system, Stargate II (SGII), which employs an enhanced deep-penetrating ultrasonic AMT (audio-magnetotellurics) geophysical survey.

It was started June 5th so results not too far off.

The sale of their Blackwater claims to NewGold is now complete for \$1 million cash. This puts the company in a solid position. If they hit on the deep hole they have money for follow up drilling and if it is a bust they have funds to acquire other projects.

Newrange Gold **TSXV:NRG**
Entry Price \$0.08

Recent Price \$0.65
Opinion - hold

Yesterday NRG released more drill results and they were very good and within expectations. The stock did not move much and I think that is because drilling has stopped until they do some downhole surveys and structural analyses of its drill holes utilizing the OBI downhole televiewer.

This downhole imagery provides detailed, oriented structural data from reverse circulation holes that is equal to or better than that from oriented core. This additional data will improve the interpretation of the structurally controlled gold mineralization at Pamlico and will help to better define the geological model.

I have already suggested part profits and fortunately the day after I did the stock went into the 70s, we should hold remaining positions for now. Things should get moving again after the geological modelling is complete and another drill program starts.

Recent Results

- Hole P17-17 intersected 0.8 metre assaying 244.3 g/t gold from 10.6 metres to 11.4 meters. This is the company's second-highest-grade drill intercept to date and is included within a broader interval of 4.6 metres averaging 43.8 g/t gold from 8.4 metres to 13.0 metres. Hole P17-17 also intersected a second high-grade zone assaying 35.4 g/t gold over 0.8 metre from 22.8 metres to 23.6 metres.
- Hole P17-12 intersected 4.6 metres averaging 14.5 grams per tonne gold within a broader interval of 13.7 metres averaging 6.0 grams per tonne gold. This intercept is at an approximate vertical depth of 40 metres from the surface (58 metres down hole) and extends the known limits of high-grade gold mineralization more than 35 metres to the west of previous drilling.

- Hole P17-18 intersected 2.3 metres averaging 58.5 grams per tonne gold from 56.4 metres to 58.7 metres, within 9.9 metres averaging 15.27 grams per tonne gold from 54.1 metres to 64 metres.
- Holes P17-13, P17-14 and P17-15 all contain significant intercepts of disseminated, lower-grade mineralization, confirming and expanding the extent of halo gold mineralization more than 30 metres south of the decline.



Vanadiumcorp Resource
Entry price \$0.06

TSXV:VRB

Recent Price \$0.12
Opinion – buy on weakness

Vanadiumcorp has entered into a mineral property option agreement dated June 27, 2017, with Alix Resources Corp. for Alix to joint venture up to a 60-per-cent interest in the Iron-T vanadium project, which spans 3,500 hectares and encompasses a National Instrument 43-101 vanadium resource adjacent to the mining centre of Matagami, Que.

As consideration for grant of the option and pursuant to the terms of the option agreement, Alix will pay Vanadiumcorp an aggregate stock consideration of five million common shares and incur an aggregate of \$2-million of staged expenditures to earn a 60-per-cent interest in the property.

AIX must spend \$400,000 by June 30 2019, \$1 million by June 30th 2020 and total of \$2 million by June 30 2021.

VRB's main asset is in their recovery process/technology so this deal will allow VRB to focus there while AIX advances the property.

On that front on June 29th VRB announced they completed the first reactor installation, designed with a nameplate capacity of 300 kilograms per month and is in operation. It is consistently recovering high-purity electrolytic iron directly from VTM concentrated from drill core from the company's Lac Dore vanadium project using conventional milling and magnetic separation.

This process method allowed the electrowinning of pure electrolytic iron using Electrochem's patented technology. This represents the first time pure electrolytic iron metal was processed from Lac Dore vanadiferous titanomagnetite "VTM" using hydroelectricity. This demonstrates the potential of implementing this integrated CO2-free iron-making process.

Consumption levels of sulphuric acid, water and energy were low indicating good efficiency to recover iron, vanadium, titanium and silica products. Once fully operational, the large reactor will allow efficient assessment of the technology robustness and to further optimize its design prior to building additional reactors and equipment as phase II continues toward a targeted nameplate capacity of one tonne per month of VTM.

Consistent yields and recoveries (plus-95 per cent) remain consistent in phase II confirming the industrial potential of the new and greener technology that can now be applied to other vanadiferous feedstocks, hematite, vanadium slags from steelmaking, iron ores and non-monetized calcine from primary vanadium producers that all contain elevated concentrations.

As they ramp up production levels higher, confirming the economics of the recovery process they will eventually be able to sell, license or deal for royalties on it's use. They could also start increasing their own production and start selling the vanadium for batteries and selling the iron concentrates.



The stock looks like it came back and filled the gap when it went from 9 cents to 15, so it may be poised to move up again. If there is any further weakness back to 10 cents would be a good buy opportunity.

Astorious **TSXV:ASQ**
Entry Price \$0.34

Recent Price \$0.08
Opinion – buy, average down

It has been a while since I updated this one and things have been moving slower than I expected in Ecuador. This and a poor market the stock has been drifting down on low volume with little support. Maybe a strategy to negotiate property deals or market fear they will fall through?

On a positive note, back in March ASQ successfully completed negotiations with Lateegra Ecuador SA and Condor Mines SA in regard to the Condor mining projects it has optioned in Ecuador and also with Amlatminas and Francisco Soria, from which Astorius has optioned the Osos 1 project, and has been able to delay the payments and will present a new time payment schedule in the following weeks when the principals of Astorius will meet these companies and individuals in Ecuador.

These negotiations relieve Astorius from the payment obligations on both projects and allow it to move forward with these important projects by maintaining the options granted on them.

In the meanwhile they drilled their Nevada Rainbow Canyon project receiving encouraging results from an initial six-hole reverse circulation program at the northeastern end of the property. It is the first known drilling ever to have taken place on the property. Highlights of the drilling results are:

- Borehole RCR-03 intersected 1.52 metres grading 19.65 grams per tonne (g/t) gold from 100.58 metres to 102.11 metres, within an intersection of 9.14 metres at 3.69 g/t gold.
- Borehole RCR-03 is on the margin of a magnetic low, previously interpreted to be an alteration zone, now a significant target for further drilling.
- This is the first known drilling on the property, which has tested only 400 metres of 3,000 metres of strike over which surface mineralization has been observed.

This is a good start but I think the market is mostly concerned on Ecuador. However, it looks to me that the stock has already priced the worse in. If you own a position would not be a bad idea to average down here. It is basically where it started from when they had nothing at all.



<http://www.astoriusresources.com/>

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