

Struthers Report V23 # 8.1 Gold, Summer rally GYA, NXS, VRB, BGM, NHK, NRG June, 14/17



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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..

The Gold chart is of interest for several reasons and I believe we are setting up for a summer rally, especially in the Gold stocks and the 'Sell in May and go away' will be proven wrong again.

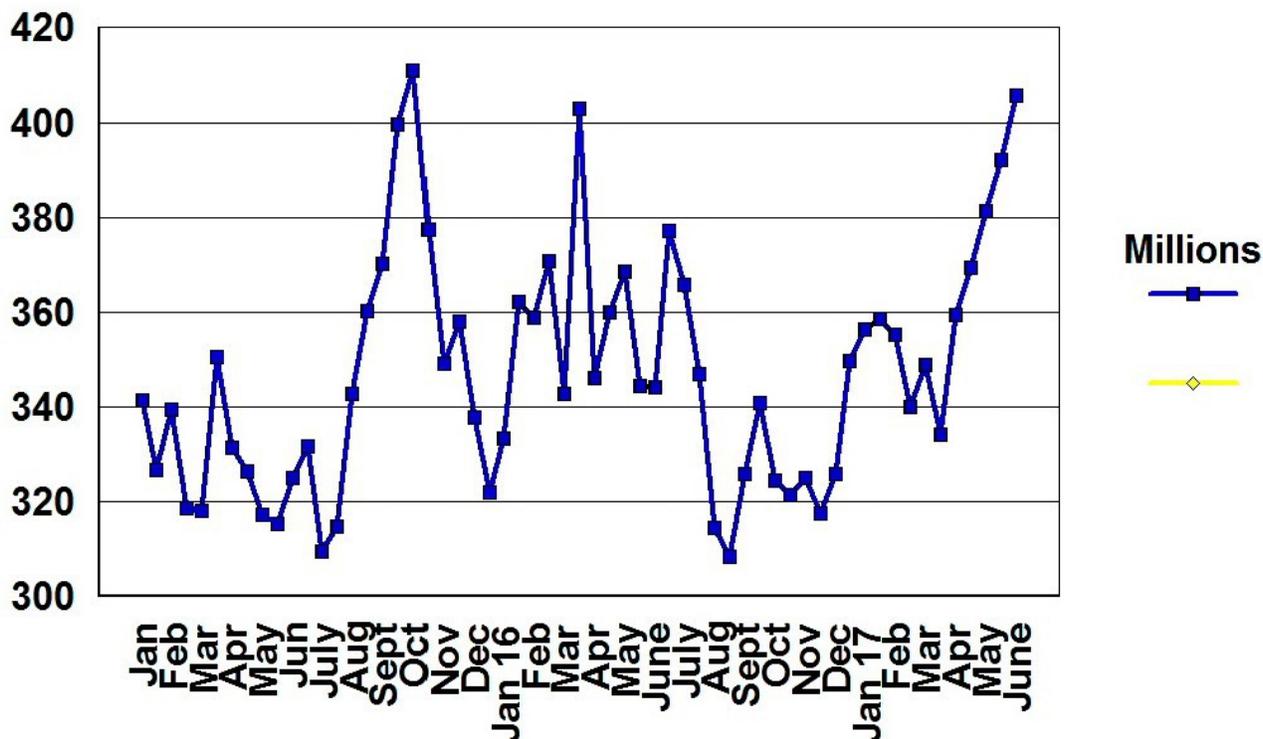


We have a pattern and trend of higher lows because of strong underlying buying pressure in the physical market. I often listen to [Andrew Macquire at Kingworld news](#) because he is an expert trader and out of London so has a good pulse on the physical market as well as the paper one. June is probably the 2nd busiest trading month next to December and what I found of real interest in this latest interview was when Gold was taken down to \$1220 in mid May, piles of options with exercise at \$1260 did not care, they hung on and at month end exercise time - Gold was back to \$1260.

To me they said - 'we do not care if Gold is lower', they were willing to exercise and take delivery and pay \$1260. There is strong support around \$1250 and another reason Gold could not stay below this very long. We are seeing typical weakness ahead of a Fed meeting with a ¼ point rate increase already baked in for Wednesday. Gold will probably rally after the rate hike and \$1250 area hold.

I also note above the Managed money long position and Commercial short position is not yet at extremes where we see a significant corrections. I am expecting the next move back to \$1300 and we break through. This will cause a massive rally in the Gold stocks because they are way over sold. I just updated the Playstocks Gold stock short barometer. The big trade in Gold stocks has been to go short. Short levels have increased for 5 reporting periods in a row. The last time we seen that was just before the massive rally that started in January 2016.

Gold Stocks Short Barometer



The short level is up at record levels. **After the peak in Oct/Nov 2016, Gold stocks were up about 125% on the HUI four months later.**

We seen another short spike to record levels in March/April 2016 and after the May correction a rally of about 90%.

Once again we have seen a sell in May to lows on the HUI and I believe the summer rally is already in progress.

Once something becomes too popular it does not work anymore. Instead of 'sell in May and go away,' it should be changed to 'buy in May and stay.'

Gold stocks are way over sold and I believe this summer rally could easily extend into fall and end of year and be another big move off the May low. Also next page on the HUI chart, we have a wedge formation that we will soon break out of and I would bet it is to the upside.

All these shorts at record levels got it wrong just as the last 2 times. They are still trading the market they remember form 2011 to 2016.



Guyana Goldstrike TSXV:GYA Recent Price \$0.305 Opinion - Strong buy

Maybe a good thing for those that bought the stock yesterday, some surprising good news this morning.

GYA announced that artisanal miners have mined and recovered 910 ounces of gold on their Marudi Gold property. GYA processes this with their recovery plant that is up and running and retains a 10% royalty on that production.

For GYA, their share was 90.9 oz/Au that they sold to the Guyana Gold Board for a price of 1266.45/oz for a net sale of \$106,490.00 USD after smelting costs and a 5% Royalty, which was paid to the Government of Guyana. The gold was assayed at 97% purity.

This is important for several reasons:

- Obviously Gold can be mined and recovered on the property.
- It demonstrates the recovery plant works very well.
- This means we can expect good recoveries of Gold in the Saprolite.
- Gold was produced in an environmentally friendly manner, way better than past practices.
- Artisanal miners got a much better recovery rate.
- Instead of spending 5 days mining and 2 days recovering, Artisanal miners can mine 7 days/week
- GYA has a revenue source

GYA's overall game plan is to just recover Gold for Artisanal miners, but fast track to production the Gold in Saprolite and develop and expand the hard rock resource.

However this model to recover Gold for Artisanal miners can be very lucrative. Another public company is doing this in Peru, called Dynacor Gold, TSXV:DNG. The stock is around \$2, they produced 17,125 ounces Gold in Q1 2017 and earned a \$937,00 profit. I don't know if GYA will advance this far, but it can work very well in these South American countries that have Gold lying every where near surface. Government's support this as they want local miners to stop their bad environmental practices. Most are using mercury to recover the Gold.

<http://www.guyanagoldstrike.com>

Nexus Gold TSXV:NXS
Entry Price \$0.08

Recent Price \$0.21
Opinion – hold, buy on dips

Yesterday NXS commenced drilling at their Bouboulou gold concession. The 2,000 metre phase 1 diamond drill program at Bouboulou will target previously identified mineralized zones at the property, namely Bouboulou 2, Pelatanga and Rawema. In addition, the company will test the Koala zone, where recent samples ran as high as 66 g/t gold, and the newly identified Rawema West zone.

New zone identified -- Rawema West

As reported in a June 6, 2017, news release, company geologists have now determined the presence of a new mineralized zone at Bouboulou through the observance of increased artisanal activity, and the result of rock sampling taken from the newly observed area.

The new zone, named Rawema West, occurs approximately 1,000 metres west of the main workings at the previously identified Rawema site. The artisanal workings extend approximately 150 metres in length and appear by observation to extend to depths of greater than 20 metres.

Of the seven samples collected there, four returned values greater than one gram per tonne gold, including BBL-004, which returned 9.49 grams per tonne.



The stock has come back and filled the gap at \$0.18 to \$0.25 which is quite common. There seems to be new support around 18/19 cents. The next move will be determined by drill results and dips below 20 cents a good buy level on drill speculation.

Vandiumcorp
Entry Price \$0.06

TSXV:VRB

Recent Price \$0.14

Opinion – hold, buy on weakness

Sample production of vanadiferous titanomagnetite (VTM) concentrate for integration into phase II of Vanadiumcorp Resource Inc.'s Vanadiumcorp-Electrochem technology has commenced.

Vanadiumcorp is partnered with Electrochem for development of patent-pending and patented technologies to develop high performance vanadium electrolyte for energy storage and solving conventional supply chain constraints by enabling a wider spectrum of raw materials and several diversified products. The entire process is 100 per cent green with zero emissions and low energy consumption. The first stage of the technology converts VTM concentrate into copperas crystal. High-purity iron is then recovered by electrowinning while vanadium remains in solution and titanium dioxide is left as marketable residue. The process is expected to be applicable to various types of feedstock, such as:

- VTM from 100% -owned Lac Dore vanadium project -- PE assessment pending;
- VTM from 100-per-cent-owned Iron-T vanadium project re-evaluation pending;
- Calcine from existing primary vanadium producers;
- VTM slag from existing steel, iron and vanadium producers;
- Fly ash waste from oil producers;
- Mining and industrial waste from other multicommodity producers.

This means that VRB could end up doing JV deals or licensing agreements. Perhaps Blackrock next door will buy them out just for the process technology?

The stock seen a nice jump so some consolidation would be in order. Any weakness down towards 10 cents would be a good buy opportunity.

Barkerville Gold **TSXV:BGM**
Entry Price \$0.33

Recent Price \$1.10

Opinion - hold

We are sitting with about 250% gains but I am in no hurry to take profits. They continue to drill good results and expanding the resource.

Last week, BGM released additional drilling results from the continuing 130,000-metre phase II Island Mountain exploration drilling program at the company's flagship Cariboo gold project. The company is currently exploring and delineating the Valley zone with four drill rigs. Detailed drilling results are presented in the table.

Drilling highlights

- CM-17-015: 25.21 grams per tonne gold over 2.00 metres;
- CM-17-015: 33.40 g/t Au over 1.50 metres;
- CM-17-018: 12.58 g/t Au over 5.50 metres;
- CM-17-023: 10.94 g/t Au over 7.85 metres;
- CM-17-023: 12.43 g/t Au over 7.20 metres;
- CM-17-023: 5.22 g/t Au over 19.55 metres;
- CM-17-024: 7.20 g/t Au over 9.05 metres.

These are excellent high grade veins. I seen that Canaccord Genuity analyst Kevin MacKenzie began coverage of Barkerville Gold Mines (\$1.10) with a "speculative buy" rating.

"He sees parallels between the Cariboo Gold project in B.C., and Osisko's Windfall project in Quebec in terms of testing a revised geological model and overall project development." Mr. MacKenzie set a share price target of \$1.75. Analysts on average target the shares at \$1.55.



The stock had support at \$0.90 and we now have a higher support level just below \$1.10. A close at \$1.35 would probably signal the next leg higher.

Nighthawk **TSXV:NHK** **Recent Price \$0.98**
Entry Price \$0.92 **Opinion – buy**

I put an alert to buy NHK, even for a trade if you preferred. The stock did hit \$1.15 and is now trading on the TSX, up from the Venture. There is lots of time left in this years exploration season and the stock has come back to support so a good buy again. More drill news will probably move the stock back up and if we get the Gold stock rally I expect this one will be a big benefactor

Last week Nighthawk released initial drill results from eight holes (2,658 metres) on its Colomac gold project located within its Indin Lake gold property, Northwest Territories, Canada. Drilling focused on two zones along the Colomac sill, zone 1.5 and zone 2.0 (see table). All holes have returned broad intercepts of mineralization highlighted by zone 1.5 intersections where C17-04B cut 50.30 metres of 2.58 g/t gold, including 23.70 metres of 4.78 g/t Au and including 10.20 metres of 10.14 g/t Au. Drilling continues to support the zone's consistency and continuity of mineralization, and true widths up to 50 metres, that characterize its high-grade nature. Zone 1.5 maintains a steep to subvertical plunge to the north and has now been traced to a vertical depth of 300 metres and remains open

Drilling reinforced the consistency and continuity of mineralization within the zone, and the zone has been traced to a depth of 300 metres and remains open.

•Hole C17-04B intersected 50.30 metres of 2.58 g/t Au (45.30 m true width), including 23.70 metres of 4.78 g/t Au, including 17.00 metres of 6.20 g/t Au and including 10.20 metres of 10.14 g/t Au.

•Hole C17-03 intersected 24.90 metres (17.76 m true width) of 2.18 g/t Au, including 7.50 metres of 5.23 g/t Au gold.

•Hole C17-02B intersected 33.45 metres (30.60 m true width) of 2.40 g/t Au gold, including 7.15 metres of 4.57 g/t Au, and 3.05 metres of 25.18 g/t Au.

On the chart you can see the nice uptrend of this stock. We are at the bottom of the uptrend channel and near support around \$0.95. Currently, another good entry price



**Newrange
Entry Price \$0.08**

TSXV:NRG

Recent Price \$0.34

Opinion – hold, buy on weakness

We are sitting on huge gains here, but if you missed buying this stock earlier, it is worth a punt again here at 34 cents and lower. Drilling started about a month ago so we are getting very close to results. I expect we will see some good numbers and since the stock has drifted down on low volume, there is not as much speculation in the price. There is good support between 30 and 35 cents.



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