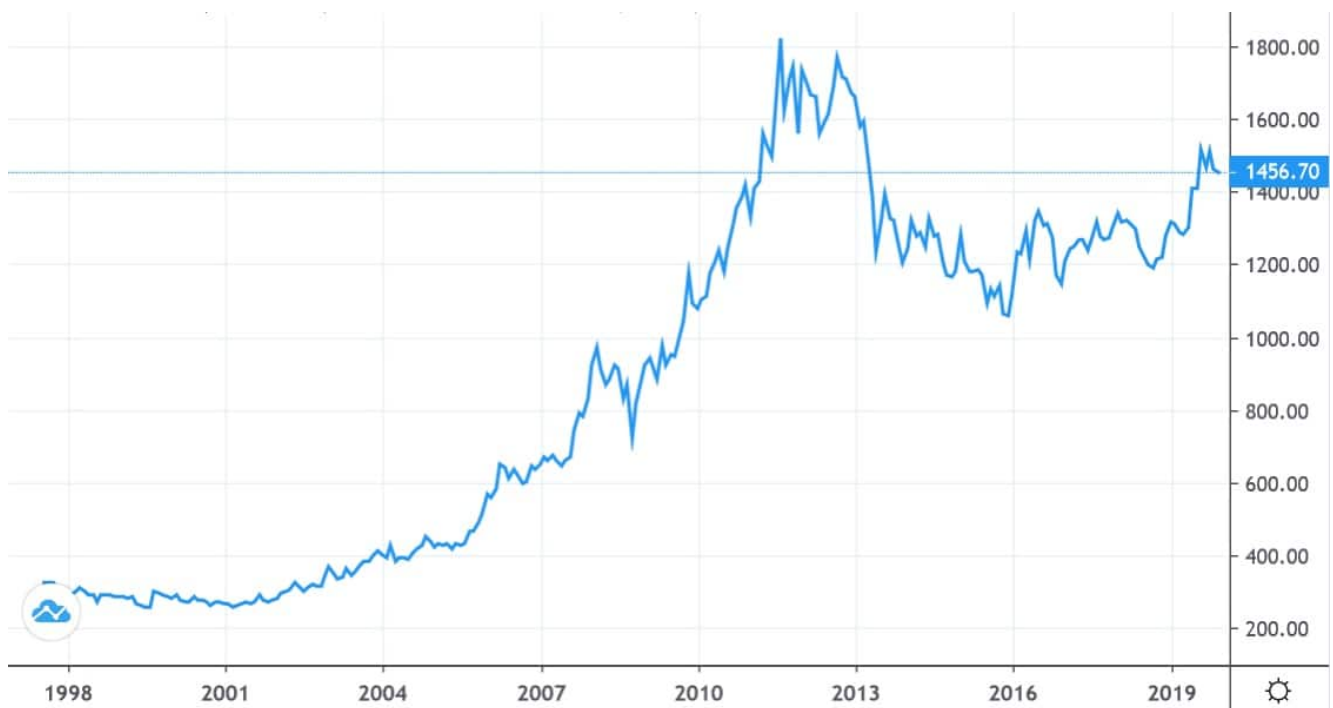


Eight gold plays that may surprise you in 2020 – Part 1

In this two-part series, Part 1 will cover 4 promising small-cap gold miners, and Part 2 will cover 4 promising micro-cap gold juniors.

The gold price is still well below the previous peak and the world is saddled with enormous debts and growing geopolitical conflicts, including the never-ending US-China trade war. Should the gold price remain strong or even strengthen further then all these stocks have the potential to do very well.

Gold price 21 year history



Alkane Resources Ltd. – Market cap A\$306 million

Alkane Resources Ltd. (ASX: ALK | OTCQX: ANLKY) is a gold production company with multi-commodity exploration and development projects predominantly in the Central West region of NSW, Australia. The Tomingley Project is expected to produce about 30,000 to 35,000 ounces of gold for FY20 at an AISC of A\$1,250 to A\$1,400 per ounce, in line with the recent

move to underground mining. Alkane is also ramping up nearby regional gold activity. This year Alkane identified an exploration gold corridor between Tomingley and Peak Hill in New South Wales. The three prospects of San Antonio, Roswell and El Paso received encouraging results suggesting a real potential for mine development in the area. A 60,000-metre resource definition drilling program on the San Antonio and Roswell prospects is in progress. Alkane is also continuing gold exploration more broadly at the Northern Molong Porphyry Prospect, 35 km east of Dubbo. Significant porphyry style gold-copper has been discovered at the Boda project.

The Company is also well known for its rare earths project known as the Dubbo Project which has a potential mine life of 70+ years.

Investors can read more about Alkane Resources' gold projects [here](#).

Every year finding new gold discoveries is getting harder and harder

Harte Gold Corp. – Market cap C\$128 million

Harte Gold Corp. (TSX: HRT) commenced gold production in early 2019 at their wholly owned Sugar Zone underground mine in White River Ontario, Canada. The current Resource estimate is 1,108,000 contained gold ounces @8.12g/t Indicated and 558,000 contained gold ounces @5.88g/t Inferred. There is also excellent exploration upside with a 30 km strike potential with only 5km so far explored, over a massive 79,335 hectares land package.

2019 has been a challenging year for Harte with several production ramp issues resulting in high All-In-Sustaining-Costs (AISC) for now. Full-year 2019 guidance has been adjusted to 24,000 – 26,000 ounces at an AISC of US\$2,000 to US\$2,200 per ounce. Naturally, the market was spooked by this and the stock fell heavily as a result.

To urgently rectify the problems a new CEO (Sam Coetzer) and Chief Operating Officer (Martin Raffield) have recently been appointed. Both have a long and excellent mining track record. Looking ahead the new management team combined with a push towards the higher grade gold should result in AISC falling towards the previously forecast AISC of US\$845/oz from the April 2019 Feasibility Study. As production and grade improve further economies of scale will kick in, leading to what should be a very profitable operation once ramped to the planned 61,000 Au ounces pa over an initial 14 year mine life.

Investors can read more about Harte Gold [here](#).

Eastmain Resources Inc. – Market cap C\$27 million

Eastmain Resources Inc. (TSX: ER | OTCQX: EANRF) is a Canadian gold exploration and development company focused on the James Bay area, Quebec, Canada. Eastmain has several gold projects; however, their flagship is the advanced Eau Claire Project with an open pit and underground M&I Resource estimate of 853,000 oz Au, grading 6.18 g/t.

Eastmain's district-scale land package covers a total of 109,000 hectares within the James Bay gold camp. The Company is actively focused on two of its three key properties: The new Percival discovery and the Eau Claire Project in Clearwater, and the Eleonore South Joint Venture. In total, Eastmain has a pipeline of 11 exploration projects ranging from early exploration to pre-development.

Eastmain Resources has the potential to be a gold producer from 2022/23, once start-up CapEx funding is secured.

Investors can read more about Eastmain Resources [here](#).

Euro Sun Mining Inc. – Market cap C\$21 million

Euro Sun Mining Inc. (TSX: ESM) is advancing its 100%-owned Rovina Valley Project, located in west-central Romania. It is

the second-largest undeveloped gold deposit in Europe. Euro Sun has an M&I resource of 7.05 million gold ounces and 1.39 billion copper pounds at their Rovina Valley Project. In addition, Euro Sun has recently discovered four new gold-copper porphyry targets, with a cluster of three porphyry targets just 1.5 km apart from each other, only 6 km east from their existing Project.

The February 2019 PEA was based on just 29% of the Rovina Valley resource, and on 108,000 oz pa of gold production at an All-In Sustaining-Costs (AISC) estimate of US\$752/oz. The Pre-Tax NPV_{5%} was \$218.1 million, with an IRR of 15.4% at \$1,325/oz gold and \$3.10/lb copper, over a 12-year mine life. This should be substantially improved in the BFS in mid 2020 if the mine life can be significantly extended.

The grade is not high but with large near surface gold-copper porphyry deposits, expect excellent upside potential from this under the radar gold junior. Euro Sun is a potential gold producer (subject to project financing) by 2022/23.

Investors can read more about Euro Sun Mining Inc. [here](#).

Finding gold was never easy, but finding it today is even harder. Global gold reserves and grades are declining, with many suggesting we have now reached peak gold production. This can only result in one thing – Gold will become scarcer and more valuable.

Next, in Part two I will look at some higher risk/higher reward gold micro-cap juniors.