

TerraX- An Unstoppable Force in the Gold Sector

I've lauded the virtues of gold in previous posts in the light of political instability globally. Therefore, I see the development of high quality gold deposits only as a positive for the future. TerraX Minerals Inc. (TSXV: TXR) ("TerraX") falls into the category of a gold junior miner that is exploring high quality gold deposits. And the results from its exploration of a rather massive area are immensely appetising.

In the middle of last year, the company received capital funding from a private placement to continue its exploration activities on the Yellowknife City Gold project. The company subsequently uncovered an impressive set of results at the Mispickel target on its Yellowknife City Gold Project, which have simply bolstered my confidence in this already exciting story.

The company is securely supported by an impressive team of experienced professionals. Joseph Campbell, Chairman and CEO, appears to have an instinct for solid gold discoveries, which include the Meliadine gold project in Nunavut in Northern Canada, which eventually sold for \$697 million in cash and shares in 2010 to Agnico Eagle Mines (TSXV: AEM). Campbell is joined by Alan Sexton as VP Exploration, with more than 30 years' experience, including that of site manager at Meliadine, from discovery through to pre-feasibility.

The added fact that management owns 11% of the company is a comfort for investors that they will act in the best interest of the company.

The deposit itself is located in Canada's Northwest Territories. It spans 129 square km with 23 km strike length over eight drill targets. What really makes me enthusiastic

about TerraX is that these districts spread across the property has the potential to be one major, interconnected, mineralised system.

What is more, the deposit is located in an area in Canada renowned for some of the highest grade gold mines in the country's history. Two companies operated here until the early 2000s: Con Mine, producing 6.1 million oz at 16.1 g/t gold; and Giant Mine at 8.1 million oz at 16.0 g/t gold. It is worthwhile to note that these two companies did not go out of business because the gold dried up. Indeed, Campbell has said on numerous occasions that his company is not drilling deep underground. The results they are getting are close to the surface, which in theory should make for cost effective mining. It also means there is longevity here, a fact that would give any investor a warm fussy feeling.

Although TerraX's property is underexplored, it would be relatively easy to set up mining in the area since it is surrounded by excellent infrastructure with year-round access. Additionally, the Blue Fish Hydro Dam can provide the property with low-cost power.

We're waiting for more assaying results from TerraX, but this far we haven't been disappointed. We see this as a solid investment that is set to pay off in the long term, and perhaps even sooner rather than later. With the gold price on the up, we think TerraX can become an unstoppable force in the gold sector.