

Analyst says TerraX may be the next major player to emerge onto the gold scene

Last month we reported on the activities of junior explorer TerraX Minerals Inc. (TSXV: TXR) ("TerraX"), a company undertaking exploration works on Canada's highest-grade gold region. The results are now in, and the company has managed to assay impressive gold values while considerably increasing the potential size of their resource. The zone known as Sam Otto has grown from 350m up to 750m with a likely 300m of depth, and crucially, individual cores returned grades as high as 5.07 g/t Au (1.80m), leading me to believe that we are about to see the next major player emerge onto the gold scene.

Joseph Campbell, CEO of TerraX, stated:

"The consistency of wide gold intersections at Sam Otto along the north-south strike of 750 metres and to a depth of 300 metres confirms the existence of a bulk tonnage target with considerable upside potential. Open in all directions, Sam Otto also hosts the Dave's Pond structure of classic high grade lode gold targets 300 metres to the west and high grade zones at Mispickel, 1 km to the northeast. We believe Sam Otto has potential to host a large, high grade deposit similar to the past producing Con mine to the south. This area is a priority target for generating future mineral resources."

These results bolster the existing confidence in the resource, as well as further highlighting the eye-watering potential value of the area known as Dave's pond. The completed assays confirm the excellent continuity of the Dave's Pond Structure over 400 metres of strike and 150 metres of depth, with the mineralized zone remaining open in both directions. Whatever

Dave was keeping in his pond has seemingly left behind over 5 grams of gold per ton of material in some places, and this area resultantly has the potential to make Yellowknife into one killer resource.

The project started out as a small block of claims that, over the last four years, has developed into a particularly eye-catching deal. While the exploration phase has a long way to go, I'm expecting impressive and impactful results from the team at TerraX.

My hope stems from the fact that the area is an extension of the geologies of two former producing mines that were incredibly successful; over their lifetimes, the Con Mine managed to extract 6.1M oz @ 16.1g/t Au, and the Giant Mine pumped out 8.1M oz @ 16.0g/t Au. For perspective, 16 grams of gold per ton is among the highest grades currently known, beaten by only a handful of mines.

With historical data like this, it's not difficult to see why Campbell chose Yellowknife as his next project. Previously, he's overseen massive gold-based successes including the Meliadine gold project in Northern Canada, which ultimately sold for \$697 million in cash and shares in 2010. Great management with excellent geology are the primary factors that investors look for before handing over money, and they are most definitely present here.

The TerraX project surrounds the city of Yellowknife, a gold zone that has produced more than 15 million ounces of gold and is accessible by road. All properties are close to vital infrastructure, including transportation, service providers, hydro-electric power and ample skilled trades people are located nearby in Yellowknife, meaning that production will be a fairly low-cost and straightforward endeavour. Compare this with a country in which infrastructure is unreliable, corruption is rife and conflict is frequent, and we begin to see the benefits of good government.

The instabilities rife in today's political climate are motivating investors once again to engage with gold hoarding. Even though markets seem relatively secure and are achieving decent growth, there's something in the air that's sufficient to keep gold prices climbing over the long-term. During times such as these, it's absolutely advisable to invest in operations that are located in stable jurisdictions with modern infrastructure and meaningful legal support. Canada being potentially the most polite and stable place on the planet leads me to believe that projects situated here will be able to make progress with ease, and with strong results coming in, I smell a major success story at Yellowknife.

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.