

With gold on a bull trend analyst stays long on TerraX

Earlier this year, I called bull on TerraX Minerals Inc. (TSXV: TXR) ("TerraX") as they began to release early results of their extensive field exploration program. The company took over a thousand samples back to the lab, and the mouthwatering results just keep coming in; a new gold bearing region known as Screamer Island has been discovered, assaying up to 27.9 g/t Au. These results more than quadruple the strike length of the company's Sam Otto target to over 5km, and add serious credence to the commonsense idea that the best place to build a mine is next to an old one.

The Yellowknife City Gold project lies on the main mineralized break in the Yellowknife gold district, including the southern and northern extensions of the shear system that hosted the high-grade Con and Giant gold mines. 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.

I have remarked previously on how impressive grades such as these are, and the fact that TerraX's colossal property is practically touching the old Giant mine must have been a motivating factor in the acquisition; a decision that looks set to pay big. The Northbelt gold property, acquired for \$211,000 at auction after the bankruptcy of Century Mining Corp., covers 121 leases over 13 kilometres of strike of the Yellowknife Gold Belt, all within 15 kilometres north of the city.

It is unusual for a junior such as TerraX to buy up an entire gold belt, but with continuous acquisitions the company has done exactly that; most likely inspired by the total of 251 million ounces of Gold that have been mined from six high grade Archean Gold Districts in Canada, and given that the

Yellowknife Gold District is the most northerly and least explored of these six districts, it could prove to be a historically significant mine.

The company's property now sits comfortably in the top half-dozen gold belts in Canada, comparable to the geology of the Abitibi gold belt (Timmins / Kirkland), and the many residents of nearby Yellowknife stand to benefit greatly from renewed interest in the area. The unfortunate environmental legacy left by the previous operators of the Giant mine has not weakened their enthusiasm for the massive number of jobs TerraX could bring to the region.

Joe Campbell, the company's president and chief executive officer, has commented previously on how well they are blending in locally, allowing residents to run their boats over the company's lakes, drive their off-roaders on drill trails and, in the winter, even cross-country ski on the property. A relationship such as this with the local residents is imperative if a company is to launch a project in an area with environmental impact concerns.

Campbell has also correctly reassured people that no modern mining companies treat ore the way Giant mine treated it when that mine was developed in the 40s, and so a repeat of that particular disaster is far from likely. Additionally, previous exploration samples show mineralization in the Northbelt property has a significantly lower arsenic content than the ore which was mined at Giant, and so dealing with harmful tailings will be just another formality.

For me, TerraX's commitment to environmental responsibility was seen when they put out a local fire by dumping water from their helicopter. When the company called in a nearby forest fire that was threatening a local landowner and his cabin, they were informed that firefighters are only available in the Northwest Territories during fire season, and promptly responded to the crisis themselves; clearly the actions of a

company concerned for the wellbeing of the surrounding area.

As for the market, it may have retreated somewhat this past month, but key support is still far away and this is still an overall bull trend until it's broken. In fact, looking at weekly chart, the price is currently heading towards the bottom of a bullish channel, meaning that another growth-based trading period is only days away. I anticipate that this overall bull market will persist for as long as tensions continue to exist between major powers, especially since two billion muslims have been able to trade in gold since the beginning of this year, cranking open a faucet of new demand that should positively influence trading for a number of years.

TerraX is in possession of a frankly enormous property that has everything going for it; geology is en pointe, management is more than capable, the locals actually want a new mine, and the market is only heading up. This level of alignment of positive factors is rarely seen, and I'm confidently maintaining my long position on this bold company.