

# TerraX hits more high-grade gold as world supply crunch nears

Gold discovery numbers have been declining to a worrying concern, and high-grade ones even more so, which provides some context for the latest news from TerraX Minerals Inc (TSXV: TXR | FRANKFURT: TX0 | OTC PINK: TRXXF) on progress at the Yellowknife City gold project.

Drilling at the primary target, Mispickel, continues to yield high-grade assays. Among the most recent hits are

- 8 metres at 60.60 grams a tonne (g/t) gold, including a 2.25 metre section of that hole at a very high 212.48 g/t.
- 10.68 metres at 2.34 grams/tonne, and
- 12.95 metres at 1.53 grams/tonne.

TerraX President Joe Campbell said the extent of the gold mineralization at Mispickel indicated the presence of a large mineralizing system within which exist significant high-grade gold zones. “Our summer drill program will follow up on this success by further testing along the strike and dip extensions of the Mispickel structure , which was discovered only this winter and has had limited drill testing,” he added.

This news arrives at a time when a number of gold mining company chiefs are warning of a growing crunch for gold. With companies raising gold production from 2005 to catch the gold price wave, reserves around the world have been run down, and now all the U.S. majors have fewer than 20 years of reserves remaining.

At the same time discoveries have been falling. Virginia-based consultancy SNL Metals Mining says discoveries reached their

zenith in 1995; that year, 140 million ounces of mineable gold were found. In 2013, the discoveries totalled less than 10 million ounces.



In July 2014 SNL pointed out that, in the preceding 24 years, mining companies had discovered 1.66 billion ounces of gold. But while this was an impressive figure, that discovery total fell short of the 1.84 billion ounces actually mined over the same period. SNL estimated that the amount of recoverable

gold discovered since 1999 could eventually replace just 50% of the gold produced over that same time frame.

In addition, the exchange-traded gold funds have begun adding to their stockpiles of late and the world's central banks have in the past four years been buying around 20% of the annual mined production of the world.

Which makes this a very positive market for companies developing new mines.

TerraX said all five reported holes at Mispickel intersected significant zones of mineralization.

The Yellowknife City project consists of 118 square kilometres of land immediately north and south Yellowknife, the capital of the Northwest Territories in Canada. Through a series of acquisitions, TerraX now controls one of the six major high-

grade gold camps in Canada. Being all-season road accessible and within 15km of Yellowknife, the project is close to vital infrastructure, including transportation, service providers, hydro-electric power and skilled trades people.

And that leads back to the outlook for gold supply and the plight of the majors. Last month, Canada's *The Financial Post* interviewed Joe Campbell, and reported:

*Of course, in light of the very recent \$520 million Goldcorp buyout of Yukon gold explorer Kaminak Gold Corporation, it made sense to ask Campbell where he sees TerraX going. "Well, most successful gold exploration companies are bought out." was as far as Campbell was willing to speculate.*

Earlier the *National Post* had profiled TerraX under the headline "The forgotten high-grade Canadian gold camp", an area that had been overlooked since the closure of two large mines in the early 2000s. But the geology was something that was noted by TerraX: "The site sits on an Archean rock formation that's over 2.7 billion years old. These older rocks host a particular type of gold deposit that is in the 10 gram to 15 gram per tonne range," the *Post* explained.