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South America is well known for mineral discoveries and deposits. The U.S. Geological Survey produced an extensive document on Canada, Latin and South America in 2005. Given the slow pace of new mineral discoveries it is still very relevant today and nothing much has changed. You can review here for much detail <http://pubs.usgs.gov/of/2005/1294/b/OFR2005-1294B.pdf>

A few highlights include:

The top three geographic areas for mineral exploration, based on exploration budgets then are, Latin America, Canada, and Africa. Latin America maintained the top position in expenditures for exploration activities in 2003 with Brazil, Peru, Chile, Mexico, and Argentina in the lead. This is probably the same today. In South America we know that Peru, Chile, Brazil and Argentina have seen numerous mines and discoveries. Barrick has mines in Peru, Chile, Argentina, Newmont has two in Peru and one in Suriname. Kinross has two projects in Chile and one in Brazil.



In simple terms the main reasons for mineral deposit in North, South and Central America is the formation of the Mountain ranges. In North America the West Coast Ranges are known as the Cordillera (Rockies), Central America the Sierra Madre and South America the Andes.

Looking at the US Geological Survey Report we can also learn where most activity has occurred in South America.

The reports list Argentina with about 40 mines/deposits, Bolivia 23, Brazil 64, Peru 25, Chile 46 and on the low end Guyana just 3 and Colombia with just 9

I did not include Venezuela, it does not have many because of the political situation under Hugo Chavez until 2013. The country has been avoided and will continue this way for quite some time. Ecuador with 5 mines/deposit is a relatively small country compared to others and is not as miner friendly with the press on the Fruta del Norte (FDN) project that Kinross walked away from.

What sticks out like a sore thumb is the little activity or results from Colombia and this is because the political situation there has only improved since the early 2000's. Civil unrest prevented Colombia from experiencing the exploration and investment boom of the 1980s and 1990s enjoyed in other Latin American countries. A significant improvement in security conditions was signaled with the 2002 election of President Alvaro Uribe, and the implementation of the Democratic Security Policy under his administration.

Colombia was previously the largest gold producer in Latin America with over 80 million ounces of historic gold production. The South American Cordillera (Andes) that hosts numerous large mines runs from Chile in the south, through Peru and into Colombia.

Colombia has seen huge success in this last exploration cycle. You will recall my recent oil pick, Gran Tierra Energy has seen huge success in Oil. With the precious metals and relative stocks beaten down to lows, now is an excellent time that we can get into the large opportunities in Colombia with a lot less risk and very cheap.

I think an excellent way to do this is with

Continental Gold TSX: CNL OTCQX: CGOOF Recent Price C\$1.90
52 week trading range \$1.61 to \$5.43

Shares Outstanding 127.2 million
Fully Diluted 137.8 million

Insiders own about 16% and Major Institution shareholders include Van Eck Global, Fidelity, Wellington Management and Tocqueville

CNL is a well-funded advanced-stage exploration and development company focused on becoming a leading gold producer in Colombia. The Company's 100% owned flagship Buriticá project is a large and high-grade gold deposit located 75 km northwest from Medellín.

Buritica is well advanced with M&I resource of 2.8 million ounces at 10.4 g/t plus silver.

The project has huge expansive potential with another 4.2 M ounces in the Inferred category and the system remains open in all directions.

Recent drill results are off the charts, such as 10.85 metres at 56.4 g/t

Project has strong Infrastructure and CNL is well financed with cash of US\$67 million

Management

Ari Sussman, CEO, has over 15 years of experience in both the natural resources and investment markets sectors. During his career, Mr. Sussman has built a strong network of business contacts throughout Latin America, and in the past decade has raised over \$500 million for various ventures. Mr. Sussman also serves as the Chairman of Cordoba Minerals Corp. and sits on the board of directors of Dalradian Resources Inc.

Paul Begin, CFO has over 15 years of senior level financial experience. Mr. Begin was formerly the Chief Financial Officer and Corporate Secretary of Hanfeng Evergreen Inc. Additionally, he served as the Chief Financial Officer and Vice President of Trilliant Incorporated (formerly OZZ Corporation).

Donald (Don) Gray, COO, B Sc, Eng, MBA Eng. (effective February 23, 2015) has over 30 years of project development, including significant experience in underground and narrow-vein precious metals mining with a strong focus on Latin America. Most recently, Mr. Gray was VP, Operations for Tahoe Resources, where he was pivotal in constructing, commissioning and operating the flagship Escobal mine in Guatemala. Before joining Tahoe, he was VP, Mining for Orvana Minerals. Prior to that, Mr. Gray was Senior VP, South American for Coeur d'Alene, responsible for operations in Argentina, Bolivia, and Chile. He has held key positions with Hecla, Newmont, Exxon, and Climax Molybdenum.

Mauricio Castañeda, VP, Exploration; Q.P. has more than 15 years of mineral exploration and production-stage experience. Prior to Continental Gold, he held senior positions as a geologist in a number of exploration and mining companies in Colombia, including Anglo American Colombia Exploration, ColGold Inc. Colombia, Consorcio de Inversionistas S.A. and Mineros Nacionales S.A.

Andres Osorio, VP and General Manager, a mining engineer, has over 23 years of experience in underground and open-pit precious and base metal mines in Peru, Bolivia and Mexico. Prior to joining Continental, Mr. Osorio was General Manager of Endeavour Silver Corp.'s underground Guanacevi Mine in Mexico. He has previously worked as Central Operations Manager at Glencore Xstrata Plc's Sinchi Wayra Unit in Bolivia, and Operations Manager at Volcan Compania Minera SAA's Yauli Unit in Peru, where he was responsible for one open pit and three underground mines.

Leon Teicher, Chairman was President and CEO, until December 31, 2011, of Cerrejón Coal Ltd., Colombia's largest private coal producer and exporter and one of the largest integrated mining companies in the world with mine-railway-port and marketing operations. Previous experience includes VP, Marketing and Sales, and later member of the board of Carbocol S.A. (a state-owned Colombian coal company), and general manager of various regional and country operations for Unisys Corporation. Mr. Teicher taught at the Business Administration School of Universidad de los Andes in Bogotá, where he is currently a member of the University's Board of Governors.

Dr. Kenneth Thomas, P.Eng, director was Senior VP, Projects at Kinross Gold Corporation. Prior to Kinross, Dr. Thomas was Global Managing Director and a director at Hatch, a multinational engineering company that provides process design, business strategies, technologies, and project and construction management to the metals, infrastructure and energy market sectors. From 2003 to 2005, he was Chief Operating Officer at Crystallex International and, earlier in his career, spent 14 years at Barrick Gold Corporation, including as Senior Vice-President, Technical Services.

Paul Murphy director has over 40+ years of financial experience. He gained significant industry experience as a Partner in PricewaterhouseCoopers LLP (1981-2010). He has worked with an extensive number of foreign companies seeking listings in Toronto to raise financing for foreign operations. Mr. Murphy joined Guyana Goldfields Inc. as its Executive VP of Finance and CFO, and also serves as Chief Financial Officer of GPM Metals Inc. He is also the Chairman of Alamos Gold, Inc. and sits on the board of directors of Century Iron Mines Corporation.

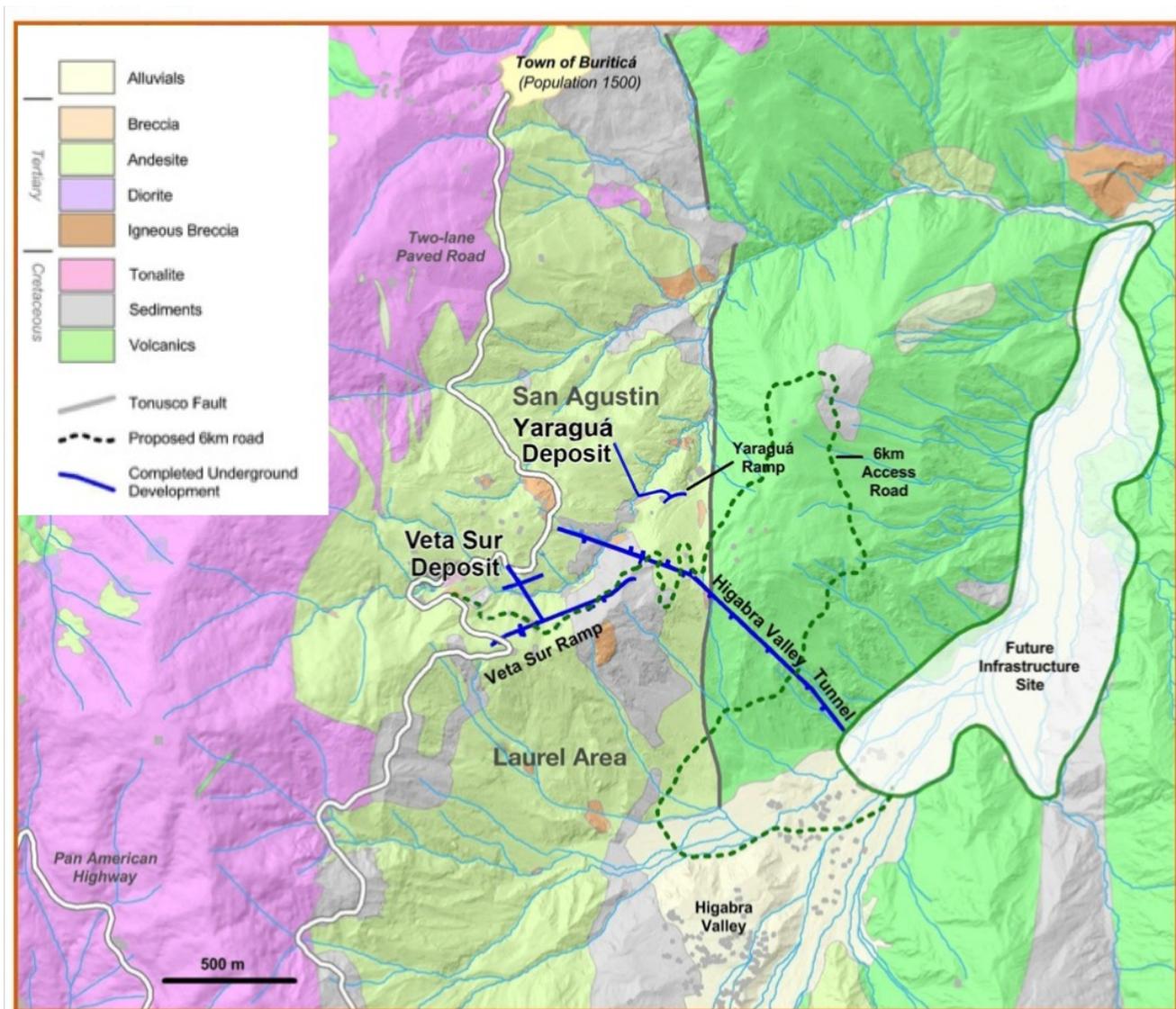
CNL has an in depth management team and I only provided some highlights above

Projects

The Buriticá project, 100% owned, 16,982 hectares

it is located in the middle Cauca belt and is approximately a two-hour drive on the paved Pan-American Highway from Medellín, Colombia's second largest city. A two-lane paved road traverses the property at the top of the mountainside leading to the town of Buriticá, which has a population of approximately 2,400 people. The Buriticá area has abundant water, and high-voltage grid power runs along the road.

CNL received approval to construct a six-kilometre access road from the existing two-lane paved road at the top of the mountainside to the Higabra Valley which, subject to additional positive economic studies, will be the future infrastructure site of milling operations.



The project is well advanced with 2.8 million ounces measured and indicated at a very high grade of 10.4 g/t. With silver credits it is about 3 million ounces. There is also 4.2 million ounces in the inferred category at 7.8 g/t

This was at end of December 2013 and since then - in 2014, 65,000-metre drill program was completed that will support an updated mineral resource estimate in mid-2015. This will no doubt add a lot more ounces to the M&I category – but more important is the enormous potential to increase ounces that could make this a top world class deposit.

The current mineral resource estimate for Buriticá project covers two major vein systems; Yaraguá and Veta Sur. This estimate is based on 202,902 metres of drilling and 3,735 metres of underground sampling as at December 31, 2013 and excludes a number of veins in these systems for which there was limited drilling thus far

Potential remains for future mineral resource estimate increases in the Yaraguá and Veta Sur vein systems, particularly at depth. In 2011, the Company mobilized a deep-drilling rig capable of drilling in excess of one kilometre to test the theory that the veins in the Yaraguá and Veta Sur systems continued at high grades and at much greater depths than previously tested.

On November 23, 2011, the Company released the assay results for the first two deep diamond drill-holes (BUSY210 and BUSY221) in the Veta Sur system, demonstrating high-grade gold-silver mineralization over vertical extents of up to 1,180 metres and to more than 600 metres below the maiden mineral resource model.

Significant deep intercepts encountered in BUSY210, BUSY221 and BUSY258 included:

- 10.2 metres @ 83.8 g/t gold & 285 g/t silver, including 4.25M @ 187.1 g/t gold & 627 g/t silver;
- 12.0 metres @ 11.8 g/t gold & 16 g/t silver, including 0.4M @ 100.3 g/t gold and 216 silver
- 3.0 metres @ 21.5 g/t gold and 3 g/t silver;
- 4.1 metres @ 25.1 g/t gold, 40 g/t silver and 1.2% zinc,

On June 4, 2012, CNL announced the assay for the first deep diamond drill-hole in the Yaraguá vein system (BUSY258) which exhibited more than 1,300 metres of vertical extent with a deep high-grade intercept of 4.5 metres @ 20.3 g/t gold and 102 g/t silver, including 1.65 metres @ 49.2 g/t gold and 262 g/t silver approximately 650 metres below the deepest point in the maiden mineral resource estimate.

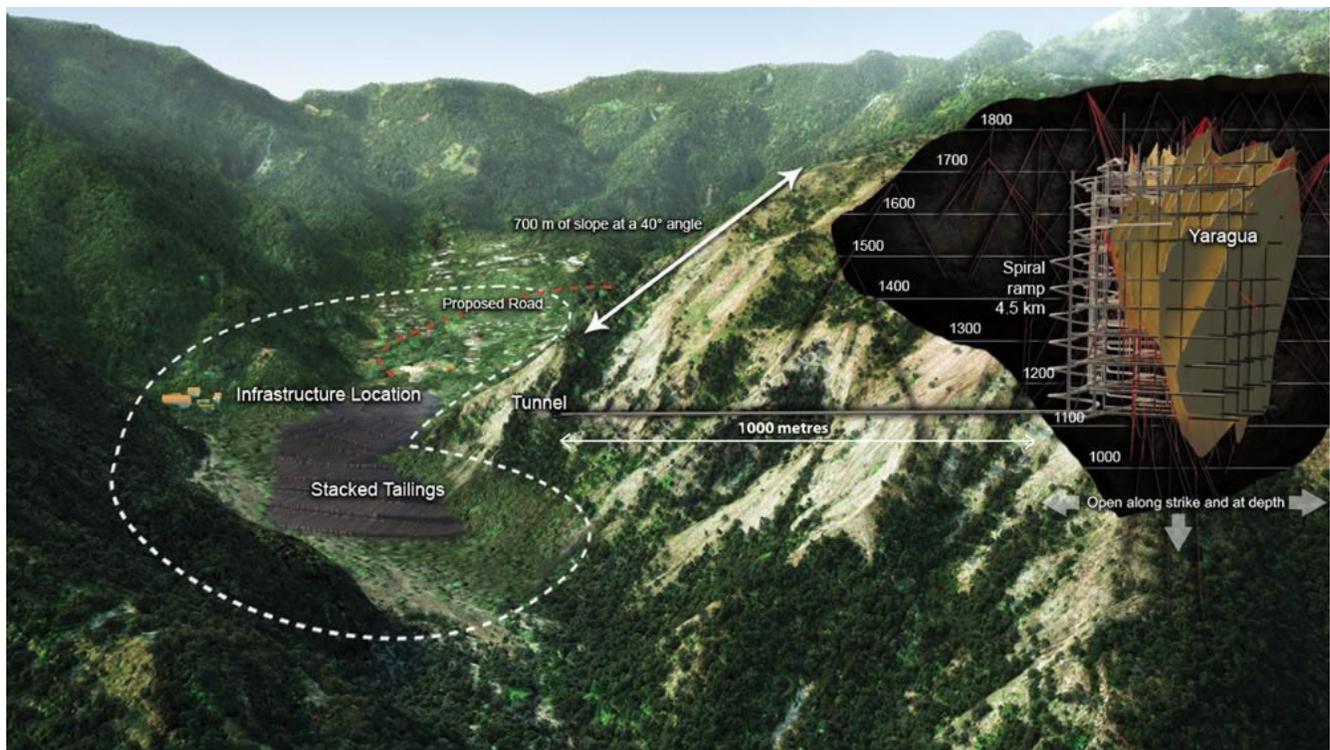
More drill results were released on January 29th for 15 diamond drill holes through the Veta Sur vein system Drilling was successful in infilling central sections of the Veta Sur vein system through 300 metres of vertical and 300 metres of lateral extents.

The Veta Sur system was also extended to the north, southwest and to depth and remains open in these directions. Two of the drill holes, which were designed to infill Veta Sur, continued through the system to the northwest, encountering new veins. Additionally, these two holes then continued past the Veta Sur system and encountered the Yaragua vein system approximately 300 metres from the most westerly modelled vein family.

Some highlights of these drill results:

- 10.85 metres at 56.4 g/t gold and 163 g/t silver, including 2.55 metres at 108.1 g/t gold and 320 g/t silver
- 9.75 metres at 26.4 g/t gold and 91 g/t silver, including 1.68 metres at 105.0 g/t gold and 366 g/t silver
- 12.0 metres at 27.3 g/t gold and 46 g/t silver, including 1.35 metres at 142.8 g/t gold and 195 g/t silver
- 0.6 metre at 116 g/t gold and 109 g/t silver
- 14.2 metres at 12.2 g/t gold and 17 g/t silver, including 2.15 metres at 65.6 g/t gold and 78 g/t silver
- 0.5 metre at 107.5 g/t gold and 91 g/t silver
- 12.7 metres at 14.8 g/t gold and 87 g/t silver, including two metres at 74.9 g/t gold and 468 g/t silver
- 1.18 metres at 97.4 g/t gold and six g/t silver

Two thousand fourteen infill and extension drilling at Veta Sur continuously intersected superior results compared to the current mineral resource estimate," commented Ari Sussman, chief executive officer of Continental. "We look forward to the next mineral resource estimate for the Buritica project, anticipated in late Q2 2015, and expect to see growth in both the measured and indicated ounces."



There is a lot going for this deposit in addition to its large size, high grade, low costs and excellent infrastructure.

One vein system, the Yaragua Vein, Encompasses approximately 60% of the current combined M&I mineral resources and 76% of the combined Inferred mineral resources

These are near 90 degree angle veins that is ideal for mining and will be accessible by ramp over a significant vertical dimension from the base of the mountain

Since the deposit is elevated on the mountain and to be processed in the valley -> Gravity assisted mining can be utilized for ~700 metres vertical; including almost 100% of current M&I mineral resources

Preliminary Economic Assessment (PEA) was very robust

" After-tax IRR of 31.5% and after-tax NPV at a 5% discount of \$1.08 billion

" Average annual production of 314,000 oz Au and cash costs of \$389/oz Years 1-5

- Excellent infrastructure and conventional metallurgy
- Gravity-assisted: mine will be built at the base of a mountain slope
- Over 260,000 metres of drilling and underground sampling completed

LOM Capex of \$737 million (\$390.3 million initial and \$346.7 million sustaining)

- 5 master vein families will make up 76% of production in the first three year; the focus on mining the San Antonio, Murciélagos and Centena vein families in the Yaraguá mineral resource and the 62 and 90 vein families in the Veta Sur mineral resource will result in a straight-forward development in the early years of the mine
- Longitudinal Bench and Fill (long-hole stoping) has been selected as the mining method as both vein systems are near 90o vertical and the host rock is competent
- Overall average mining dilution of 58% was calculated under the assumption that all material located outside the hard boundaries of modeled veins is assigned a value of 0 g/t gold and silver

Just a brief mention of two other projects as they are early stage exploration.

Berlin gold project, 100%, 37,770-hectare

It is located in the Antioquia Department, 90 kilometres north of Medellín. Access is through the town of Yarumal on paved road and through Briceno or San Andreas to the project area on the unsealed original mine access road. The area is sparsely populated with steep terrain and much of the concession area is only accessible by mule or on foot.

DOMINICAL, 100%, 25,349 hectares

Dominical is located 50 kilometres southwest of Popayan in Cauca Department in southwestern Colombia. Porphyry-style gold mineralization has been found in the central part of the property in small bodies of potassically-altered diorite. Additionally, there are two areas of epithermal

Financial

Last financial s show US\$76 million cash and no long term debt and as mentioned currently CNL is in great shape with US\$67M cash remaining.

They raised this in December 2012 when they closed a bought deal offering (the "Offering") of 9,039,000 common shares at a price of \$9.55 per Common Share for aggregate gross proceeds of \$86,322,450, including 1,179,000 Common Shares issued pursuant to the full exercise by the underwriters of the over-allotment option.

Summary

In December 2012 when Gold was over \$1600 the market was willing to value this project at \$9.55 per share. Since then it has been advanced much further and results since then can only be described as spectacular yet the stock is under \$2.00

Yes Gold has corrected about \$400 or 25% but the stock has dropped 80%. This is just crazy but it truly highlights the bargain staring us straight in the face today

CNL has done a lot of drilling since the last 43-101 report, but if we consider their almost 3M ounces M&I then and only consider less than 25% of their inferred resources so adding 1 million ounces we can conservatively put this project at 4 million ounces.

At C\$1.95 CNL has a market cap of $(127 \times 1.95) = \text{C}\248 million

At US\$1.55 the market cap is US\$197 million

Subtract the \$67 million cash and the ounces in the ground are being valued at a measly US\$130 million or US\$32.5 per ounce.

This is a ridiculous low valuation when you consider the project is high grade at 10 g/t, has excellent infrastructure and very low cash costs of just \$389 per ounce. It has an ideal setup for mining (gravity feed) and simple metallurgy.

What is more this project easily has potential to be over 10 million ounces and would be very attractive to a major to buy out.



I like the chart, it certainly has come down a long way, the high \$10 in 2012 is off the left of the chart. It looks like we have a double bottom in around \$1.70 that should be strong support. First resistance would be around \$2.80. A solid break above that would be a higher high to start a new uptrend.

There is lots of news in the pipeline to move the stock, drill news, updated 43-101 and a Feasibility. There is considerable analysts coverage as well.

Project wise I really see no risk, so only thing else to consider is country and local/political risk.

CNL has excellent relations with the locals as they have made a precedent setting agreement with small scale miners in the area that directly benefits 583 families.

http://www.continentalgold.com/files/doc_news/2014/05%20-%20May/NR%20CNL%20Formalization-2012May14_Final.pdf

As far as Colombia goes it is probably is among the best jurisdictions in South/Central America. The civil unrest is long past and is long as you are not irritating the Revolutionary Armed Forces of Colombia (FARC) there is no problem.

This section On CNL's web site provides lots of facts and info on Colombia

<http://www.continentalgold.com/English/investors/why-colombia/default.aspx>

The country is heavily dependent on oil and mining so promotes investment in both. The Oil boom attests to this as production has increased by more than 400,000 barrels per day, an increase of more than 77 per cent in eight short years.

In the case of Colombia, there is no doubt that its transformation from a potential failed state in the 1990s to the relatively stable country it is today is central to its oil boom. In fact, as security improved, a virtuous cycle emerged: as more investment fueled economic growth and revenues to the government, government had additional revenues to better equip its armed forces. This further weakened the guerrillas, increasing the perception of improved security and thus encouraging more investments. President Santos has gone the route of peace talks with the FARC and although progress is slow it seems the right approach. Currently there are talks being held in Cuba and headlines lately are that recent Miss Universe, Paulina Vega will assist with negotiations. There seems to be a mood of optimism towards success.

This is also a good time to update two other juniors on our list in Colombia

***** UPDATES *****

Colombian Mines **TSXV:CML** **Recent Price \$0.10**
Entry Price \$0.47 **Opinion - hold**

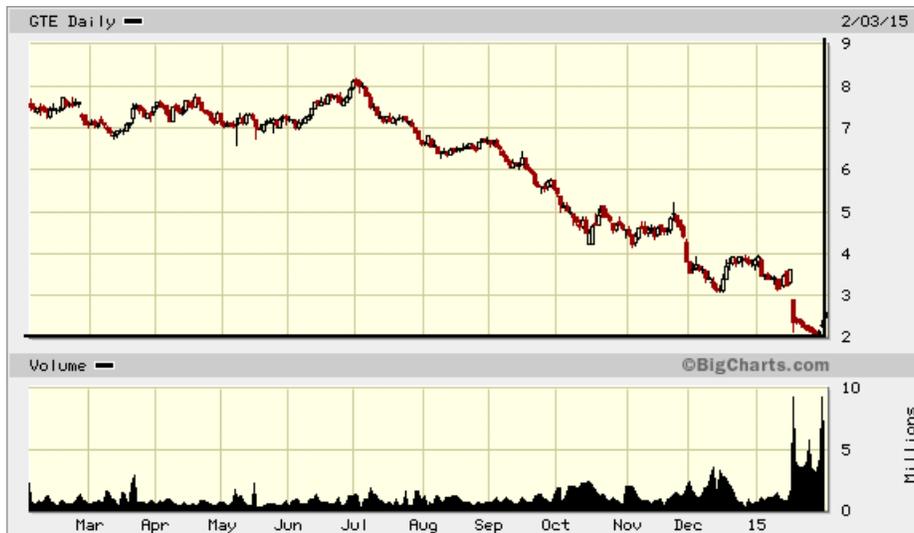
The stock seems to have put a bottom in between 7 and 10 cents but other than that not much going on. Last financials show just over \$200,000 cash and the company has basically put exploration work on hold until market conditions improve and they can raise some exploration funds. They have 42 million shares out so the share structure is not in bad shape <http://www.colombianminescorp.com/>

Zonte Metals **TSXV:ZON** **Recent Price \$0.05**
Entry Price \$0.15 **Opinion - buy**

Zonte is in much better shape, although they officially do not have a project yet, they have applications in on 3 of them in Colombia. So we have some good news flow coming. Their applications have been in for about 18 months and that has historically been a draw back in the country. It is a very slow process, but as other companies say, eventually a successful one.

Zonte has the advantage of picking up some low hanging fruit at the bottom of the market so the expectation is that one or two of these applications will be very significant projects, perhaps, advanced stage. ZON has only 25 million shares out and since the applications have been in so long, approval is expected anytime now and at 5 cents seems little downside left.

<http://www.zontemetals.com>



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