



Know when to hold-em!
Know when to fold-em!
Know where to set stops!
Know when to run!
Never count your portfolio
Until the sells are done..

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Gold bottom in

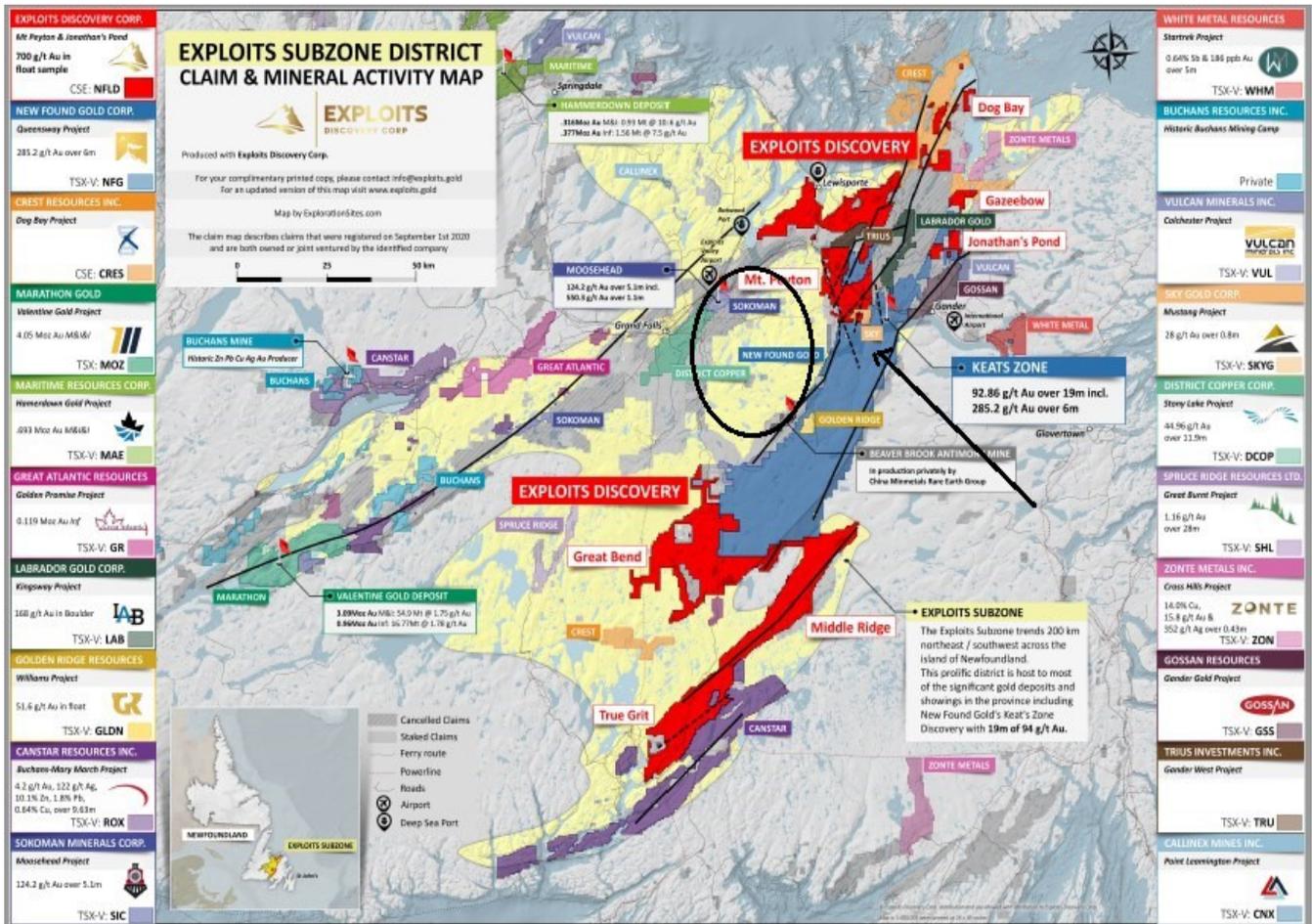
I am confident the bottom is in for this gold correction. The year end weakness I predicted pretty much came down, smack in the middle of my target between \$1750 and \$1800. The previous support at \$1860 is now resistance and we closed above that on Monday.



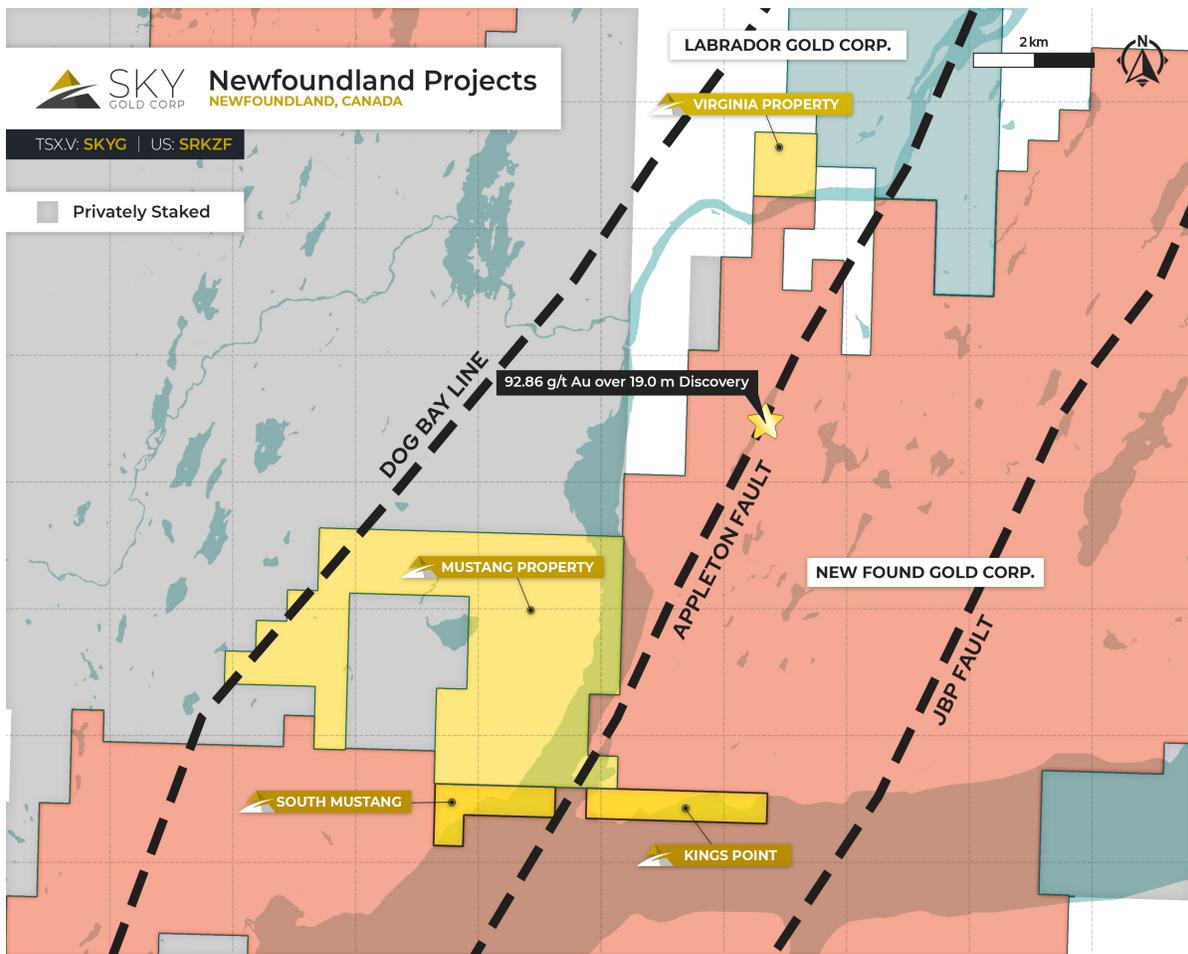
I am not predicting the new rally has started yet. I need to see a higher close above \$1860 soon. In the near term Tuesday's close is important. If we fall back below \$1860 some more weakness is likely and perhaps a retest of the \$1770 area. If we close higher, there is a good chance we don't fall back much below, if at all the \$1860 level. The \$1950 area would be next resistance on the way up.

At this point there is little sense to argue about \$20 or \$30 either way. It is time to start buying more gold stocks and mining juniors. Next page is one to get started with.

The junior mining rush into Newfoundland continues to heat up and is attracting high profile technical people and financiers. New Found Gold (TSXV:NFG) now sports a valuation well over 1/2 \$billion. Shawn Ryan of Yukon fame is still in NFDL working for Labrador Gold (TSXV:LAB) with a market cap of \$50 million. Below is the best area map I know of from Exploits Discovery (CSE:NFLD) with a market cap of \$45 million. There are some important observations about this area. The black circle highlights a structure which you see in light yellow and it controls mineralization in that immediate area. Most favourable spots are on the perimeter and not too far away. The major zones trend NE up towards Dog Bay and Zonte's Wing project and then to the SW around both sides of the structure highlighted by the circle. On the top (north) towards the Valentine advanced discovery and on the South side towards True Grit.



The black arrow highlights Sky Gold's Mustang property and although it looks small on this regional map, it comprises of 1,550 hectares. **This property and Labrador Gold's are the two best properties that are close to New Found Gold's high grade discovery in their Keat zone and are on the right structures.** The next graphic is a close up that shows Sky Gold's two properties close to New Found Gold's discovery.



The claims shown in white are designated "Excluded Land", and cannot currently be staked.

Sky Gold TSXV:SKYG

Recent Price - \$0.16

Shares Outstanding 59 million approx.

Sprott 10.5 million

2nd largest shareholder, Victor Cantore, CEO of Amex Exploration

Mike England, CEO, 4 million

Highlights:

- Low valuation at \$9 million
- Strong shareholder base
- Strong management team
- \$2 million funding for current drill program
- Strategic property location to New Found Gold's discovery
- High grade surface samples
- Drilling just begun at Mustang and Virginia property

Sky Gold has a lot going for it, but one of the main reasons I like this stock is the low valuation. It has a valuation about 1/5 of it's peers in the area play.

Management

Mike England, CEO & DIRECTOR has been involved in the public markets since 1983, beginning his career working at the Vancouver Stock Exchange as a floor trader. Since 1995, Mr. England has been directly involved with public companies in various roles, including investor relations, directorships and senior officer positions. To date, Mr. England has been directly responsible for raising in excess of \$60-million for mineral exploration and acquisitions.

Don McKinnon Jr. DIRECTOR, Son of Don McKinnon Sr., of Hemlo fame, Mr. McKinnon has been actively exploring mining properties in Ontario and internationally. This includes having been involved in managing all aspects of exploration from property acquisition and grass roots exploration, to seeing projects through to the development stage. Mr. McKinnon was a subscriber to this newsletter for many years, but some time ago.

Catherine Fitzgerald, M.Sc, P.Geo DIRECTOR. is a Professional Geologist with over 15 years of experience in mineral exploration and resource development in both the public and private sector. She was directly involved in mineral deposit definition and resource development for diamond deposits such as the Renard Mine, Quebec's first diamond mine, and the Chidliak Project, which was acquired by De Beers Canada through a friendly takeover of Peregrine Diamonds Ltd in 2018.

J.C. St-Amour, M.Sc., CFA DIRECTOR has over 20 years of mining industry experience in corporate finance and mergers & acquisitions. During his career, J.C. has held various investment banking and senior management roles, including Director, Investment Banking and member of the Executive Committee with Fraser Mackenzie Limited; Vice President, Investment Banking at Blackmont Capital Inc.; Senior Vice President, Corporate Development and Chief Financial Officer at Defiance Mining Corporation and Vice President, Corporate Development at Rio Narcea Gold Mines Ltd. Some of you will remember Rio Narcea where we made several 100% gains.

[Sky Gold has four very strong technical advisors.](#) Exploration will be led by Bob Weicker.

Robert Weicker, Chief Geologist - Bob's 5 year stint at Hemlo included the role of Chief Geologist at the Williams Mine (at the time, the largest gold mine in Canada) for Lac Minerals Ltd., and was with the project from late exploration, through development and construction, to production at 6000 tonnes per day. Bob also has extensive exploration experience in the Hemlo, Thunder Bay area, and Abitibi greenstone belts, for gold and VMS (Volcanogenic massive sulphide) deposits. In the USA, Bob was with Equinox Resources Ltd. (taken over by Hecla Mining Company) and involved with the exploration, permitting and underground development of the Rosebud gold deposit in Pershing County Nevada, which was successfully mined by Hecla and Newmont.

Projects

Mustang 1,550 hectares

It is contiguous to New Found Gold's Queensway Gold Project and approximately 5 km from their discovery hole. The property is only 2.5 kilometers south of the village of Glenwood, that is on the Trans-Canada Highway and 25 kilometres west of an international airport in Gander.

Gold was discovered at the Outflow prospect in 1987 by Noranda Exploration. They completed geologic mapping, trenching and shallow (average 84 metres) diamond drilling (12 holes totalling 1,007.6 m). Barrick Gold which undertook reconnaissance exploration in 2002 which resulted in the discovery of several new gold showings, including the Road Breccia, Barite, Jasperoid, and Gervase's Lane showings.

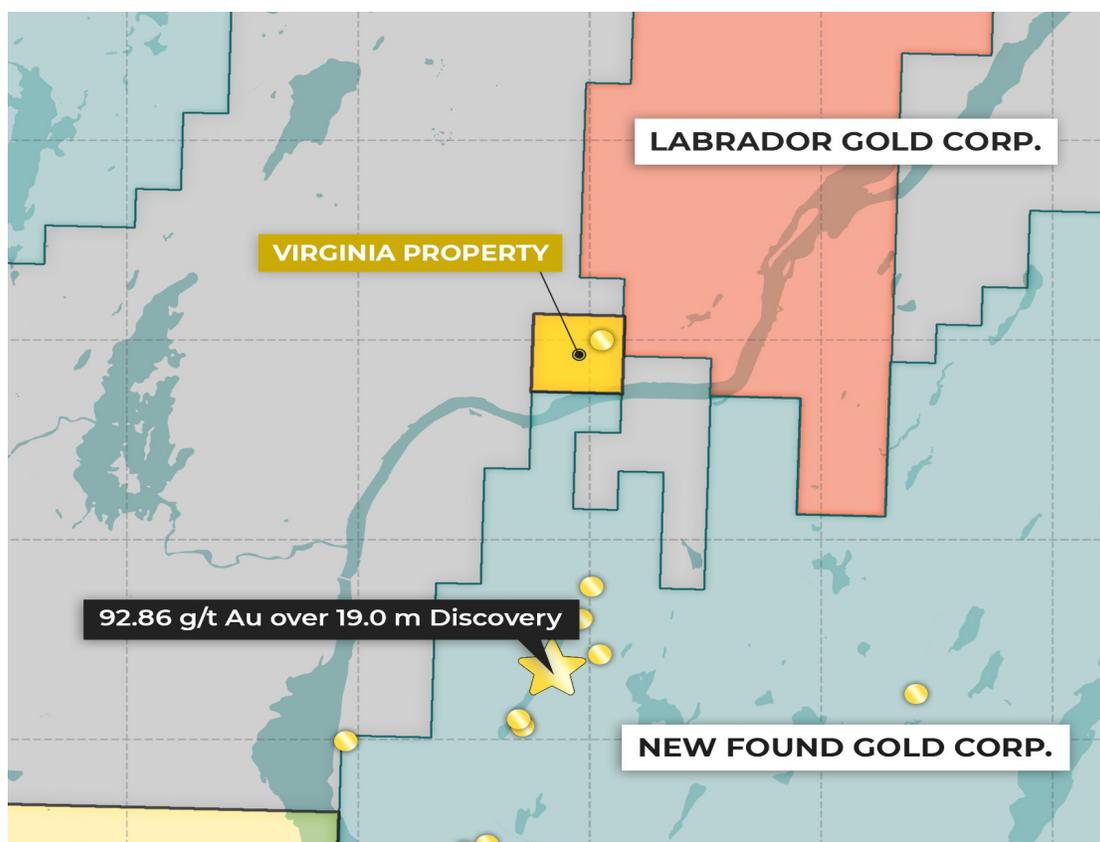
Skygold started a minimum 3,000 meter drill program in mid November. The initial two holes are directed at

deeper depth than previously tested at the southern portion of Mustang zone. Two historic holes intersected low-grade gold mineralization **at very shallow vertical depths (10-metre vertical depth, 0.48 g/t gold over core interval of 13.8 metres, hole GO-98-05, and 25-metre vertical depth, 0.42 g/t Au over eight metres, GO-98-06)**. The style of mineralization in nearby rehabilitated trenches and these historic holes appears consistent with a low-sulphidation epithermal model, comprising hydrobrecciation and vuggy quartz veining and stockworks. Current drilling will explore for multiple, parallel zones and will test the vertical profile of the epithermal systems at depths of 75 metres to 90 metres vertically, and 120 metres to 130 metres vertically.

Subsequent drilling will investigate the three-kilometre strike length of the Mustang zones, followed by drilling on the Barite, Jasperoid and Road Breccia showings on the western portion of the Mustang property.

Virginia property, 100 hectares

The Virginia property is approximately 5.7 kilometers north-east of New Found Gold's drill hole ("NFGC-19-01") which intersected 92.86 g/t Au over 19.0 meters. The property is not large but the location is very good and has some historic high grade surface samples.



Virginia Holdings' Prospect is located approximately 0.6 km north of the Gander River. The prospect consists of quartz veining developed over a 35 meter wide zone within sheared gabbro and graphitic shale (main shear). A second shear zone is hosted in gabbro is developed 35 meters north of the main shear. Anomalous soil and till samples, followed by trenching led to the discovery in subcrop. Grab samples collected from the main shear reportedly assayed up to **9.0 g/t gold and up to 109.6 g/t Au** from the sheared gabbro (Manor Resources Inc., press release, 1992).

Prior to drilling, Skygold completed a program consisting of prospecting, geological mapping, rock outcrop and subcrop sampling, soil geochemistry and hand trenching. The program was used to identify the current drill targets.

Evening Star, Nevada, 660 acres

The property covers two historic, formerly producing mines, the Evening Star mine and the Gold Bug mine. The Evening Star Mine shows a similar geological context as La Panta Mine located about 1.6 km to the west and is known as a replacement or manto type deposit where free gold is contained in irregular masses of siliceous ferruginous locally jasperoidal gossan material forming replacement bodies in limestone. The Gold Bug Mine is a skarn type deposit where copper mineralization occurs along the contact between quartz monzonite and limestone. The property is readily accessible by well-maintained dirt roads, south for approximately 9 kilometers from U.S. Highway 95. It is not far away from Newrange's Pamlico project that many of you will be familiar with.

Despite the mining history that dates from the early 1900's, the property has seen little modern exploration. Past exploration works consisted in partial geological mapping, rock sampling and the drilling of one diamond drill hole, in which two intercepts were reported:

- From 48.5 meters (159 feet) returned 6.1 m (20 ft.) averaging **408 g/t Ag (11.9 oz/t Ag), 14.88 % Pb, 4.70 % Zn and 0.16 % Cu**
- A second intercept from 76.8 meters (252 feet) returned 18.6 meters (61.0 ft.) **averaging 277.8 g/t Ag (8.10 oz/t Ag), 9.73 % Pb, 5.36 % Zn and 0.27% Cu**

The historic drill hole was from the 1970s and Skygold has gone to the property with the geologist that drilled it to get an idea of the location. Skygold did drill in 2017 to 2018 with a series of shallow holes (five holes, 661.7 metres), directed at skarn and CRD (carbonate replacement deposit) mineralization over the historic Gold Bug mine area. Drill highlights included;

- ES17-02, 5.3 metres averaging **0.84 g/t Au, 105.3 g/t Ag, 5.09 per cent Cu and 0.86% zinc;**
- ES18-03, 3.0 metres averaging 0.46% Cu, and 2.6 metres averaging 0.33% Cu, and hole
- ES-18-04, 4.6 metres averaging 0.68 per cent Cu.

On September 14th this year they announced assay results that indicate a significant zone of gold silver and copper mineralization discovered through sampling of old workings known as the Golden Bomber and Golden Eagle prospects. The new mineralized target area is designated as the Golden Highlands (GH) zone. Gold values up to 25.9 g/t Au, silver values up to 318.0 g/t Ag and copper peaks of 6.14 per cent Cu were returned from surface samples over an area of approximately 300 by 200 metres. A total of 10 rock samples were taken from these new locations. **The company is completing IP and gravity surveys in attempt to find the location of the historic high grade mineralization.**

Financial

Last financial, September 30th show \$2.2 million cash and no long term debt. Skygold closed a financing on July 23rd. They issued 20 million units at a price of 10 cents per unit for aggregate gross proceeds of \$2-million. Each unit will comprise one common share and one-half of one transferable common share purchase warrant of the company. Each whole warrant will entitle the subscriber to purchase one warrant share for a 24-month period after the closing date at an exercise price of 15 cents per share. Eric Sprott bought 10.5 million units in this financing for an approximate 18.5% interest in Skygold.

Summary

Skygold has a strong shareholder base and very low valuation compared to its NFLD peers. Eric Sprott does not invest in many grass roots exploration plays, he mostly invests after a discovery. I am sure the low valuation and property location is what attracted him. The 10 cent financing has been free trading for a few weeks and there is not much selling. Sprott is a long term player but there might be some stock come out to give us some liquidity to buy. That said it has been trading around 400,000 to 500,000 shares per day over the last few weeks.

It is not hard to see from the above maps that Skygold has probably the best property locations relative to New Found Gold's (NFG) discovery, the spectacular hole **with 92.86 g/t gold over 19 meters**. With some follow up results, NFG has a market cap well over \$1/2 billion. Skygold is valued around 1.5% of this, but does not have near as large a project but plenty enough to hold a large discovery. Drilling has been underway for a few weeks, so the clock is ticking for the first drill results. I would expect sometime in January. **If** we get a good high grade hit, it would not surprise me to see this stock jump over 1,000% in a matter of a week. It has a very low valuation and no drill speculation built in – thus far.

Newfoundland is the near term focus with drilling underway, but their Nevada property is no slouch. If SKYG can find the old high grade location and make a similar type intersect, it would be a new discovery and propel the stock up multiples as well. Nevada is an excellent location for exploration. Perhaps they could drill it while awaiting NFLD assays? Just my speculation.

This chart compares Skygold YTD with all the other stocks on the immediate trend with New Found Gold. It is easy to see that even though Skygold is up about 100% on the year, all the others are up much more except Crest Resources that is similar to Skygold. I believe that is because Crest has been selling their NFLD properties to others in the area play with the idea of participating through share ownership of others.



I like the stock chart as well, some very interesting technical observations. The stock ran up in July after the NFLD acquisitions and Eric Sprott's investment. It has come down and consolidated nicely, filling the gap from the July up move. There is now a wedge pattern that the stock will break out of. With drilling underway, I would put 90% odds it will be to the upside.



Personally and/or accounts I control own shares of Skygold. Skygold is a paid advertiser at playstocks.net

***** Updates *****

You should have received this yesterday afternoon in a playstocks alert.

Intouch Insight
Entry Price - \$0.40

TSXV:INX
Opinion - sell

Recent Price - \$0.70

We have held INX for two years and there has not been much profit opportunity. Today the stock popped up and tested the \$0.80 resistance area. I have decided to take advantage of the stock rise and profit to sell.

I believe all the hype on Covid-19 stocks will end soon. I think in Q1 2021, the market will look past Covid, as the vaccine will cure it. The market will probably next focus on the economic recovery or lack thereof.

CloudMD **TSXV:DOC**
Entry Price - \$0.90

Recent Price \$2.20
Opinion - sell

We took part profits at \$3.20, so I will use the average of that and today's price as our final selling or close out price, \$2.70.

I plan on suggesting another handful of stocks to sell this month, probably a few tax/loss selling candidates

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