Struthers Report V27 #8.1 TSX-V Market, Elections&sheep, RECO, SALT, TAAT, SIXW, AZT, GLM, AMX, GGD 9/9



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Quite often we have the summer doldrums and an August low. It seems to happen about 7 years out of 10 and this was another one. On the chart of the TSX Venture exchange you can see the up and down decline since March. We have a bounce off the August low and it is encouraging to see a bit of an up tick in volume the last two days. We need to see a higher high, a break above 935/940 area which is also home to the 200 day moving average. Next we would want a break above 980 area. Today looks like weak markets overall.



Last year we had a sideways market in the summer and into the fall before a big spike higher. We just might see a repeat, but the difference this year is the Federal election. If the Trudeau liberals are unable to form a government this election **and I am certain they are going to lose seats**, we could see a significant rally in the Canadian stock markets.

We have had an anti business pro China government for the past 6 years. In past issues, I have outlined favourable China deals, \$billions have been sent to China for this or that. You would think around election time, the Trudeau government would at least pause. Oh no, this guy is so smug he will just rub it in your face.

The Canadian ship building industry is furious when in late August, Marine Atlantic Inc. (a crown corporation) awarded a \$100-million, five-year ferry charter contract in late July to Sweden's Stena North Sea Ltd., which subcontracted construction of the 200-metre vessel to China Merchants Industry's Jinling shipyard for delivery in 2024. The heavily subsidized CMI has also scooped other Canadian business. CMI's Jinling Shipyard recently won a \$20-million contract to supply the Northwest Territories with four double-hulled barges. Most of the bill was paid by the Cdn federal government.

It is much easier to predict an election outcome in the US, even if you guess. You just put 2 dice in a cup and roll to see which is higher. In Canada we have two main parties, the Liberals and Conservatives but we have 3 other parties that could take a significant number of seats, the NDP, the Quebec Block and this year the Peoples Party. You need to put 5 dice in the cup and roll.

I expect the Liberals will lose a lot of seats and we may get a Conservative minority government with another smaller party instead of the Liberal and NDP coalition. I think this could give a big boost to the economy and stock markets. Since Trudeau took power our stock markets have gone no where except for a move higher in 2021, but this was mostly caused by money printing, not favourable economic policy. Also US investors, 70% to 80% of volume on Canadian stocks comes from the US. The TSX-V market is the worse performing stock market in the world as can easily be picked out on the chart below. We did have the first decent rally in over 10 years off the 2020 lows.



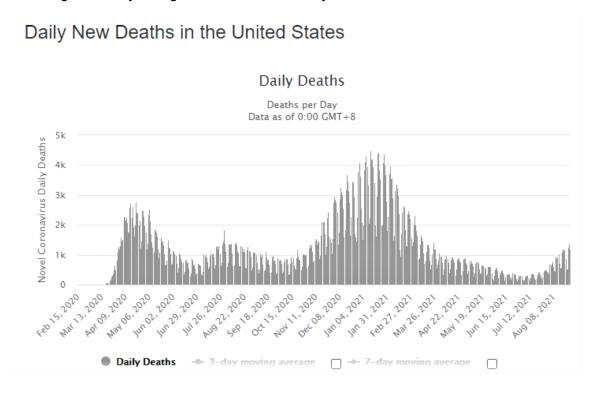
You maybe saw some news reports where Trudeau is faced with lots of protesters no matter where he goes on the campaign trail. One stop in Ontario, he could not even get out of his bus, another gravel was thrown at him. Hecklers and chants are all you hear. This has happened all across the country and never before in the history of this country has such anger been vented at a Prime Minister.

The main stream media and many blame it on anti vaxxers. **This is clearly anti Trudeau protests.** Yes some protest against mandatory vaccines, but also his communist ties, all of his scandals like SNC Lavalin and WE just to name two. Bills to censor the internet and remember the botched vaccine roll out earlier in the year. Tens of thousand of Canadians are still paying the price for that. They found out they could not get on a cruise ship because they are not fully vaccinated, they have two shots of different vaccines and cannot get a 3rd to match up. I personally know two people stung with that one and won't be cruising.

I know CEOs of a lot of companies and a lot of small business owners and they have one thing in common. Getting anything done is much harder and time consuming, too much bureaucracy and Covid-19 made it worse. They are all sick and tired taking the brunt of the hit on Covid-19 lock downs. The vaccine mandate is like the straw that broke the camels back. They don't want more controls and bureaucracy and this is why over 100,000 signed up in a Facebook group, Ontario Business owners against vaccine mandates in a matter of a few days.

Further more, there is no such thing as an Anti vaxxer. This is a narrative dreamed up by the main stream and government propaganda to place blame and to further coheres many whom are sheep into taking injections. They told you to wear masks, social distance, lock down and recently take experimental injections. **None of this has worked,** so they need something to blame – oh it's the anti vaxxers!!

Here is a random chart, I could pick form numerous ones. Many countries are in a 3rd wave. Government actions don't change these cycles, government actions only react to them. The virus does what it wants.



For the most part, people who have **NOT taken** the vaccine are healthy, well educated and independent thinkers. They also tend to be younger who have lower risk to Covid. Remember the <u>new paper</u> by researchers from <u>Carnegie Mellon University</u> and the <u>University of Pittsburgh</u>. Over 55% of vaccine hesitant people in the US had Bachelors, Masters, PhDs or Professional equivalent degrees. They **are NOT antivaxxers**, they simply believe the unknown and known risks of the experimental injections out weigh that of Covid-19. It is not rocket science or some conspiracy theory, simple common sense or freedom of choice. **That is all these people really want, their given right to freedom of choice what gets injected into their body.**

Meanwhile there is just too many sheep that take in all the propaganda from their good shepherds, the governments, profiteers and big Pharma. Stop listening to what someone says in the main stream narrative and look at the real underlying data. The government's and Public Health's own numbers.

There is a lot going on with lawsuits against the mandates, many by police, fire departments, doctors and nurses. These are people on the front line and they know the narrative and government propaganda is nothing like the narrated world. I will do a separate update, and stick to some of our stocks here.

The charts of the TSXV above are very important and will be a big influence, especially on junior miners. Therefore, my first updates are unique juniors that won't be affected so much if there is general market weakness

ReconAfrica TSXV:RECO OTC:RECAF Recent Price - \$6.30 Entry Price \$0.56 Opinion - buy

<u>Great video interview here from this week</u> with Scott Evans. It goes a lot into future plans with the 2D seismic and a good overview of all the current data and what it means.

Atlas Salt TSXV:SALT Recent Price - \$0.88 Entry Price - \$0.80 Opinion – strong buy

I used an average of my alert on Red Moon at \$0.67 and current price to come up with \$0.80 entry price. I just put my report out and the pull back from the recent \$1.40 level earns the strong buy. There is <u>also an article at Bullmarketrun that goes into the ventures of Mark Demetree to buy up the salt industry.</u>

TAAT Global CSE:TAAT Recent Price \$4.60 Entry Price - \$4.25 Opinion - buy

Late August Green Global Earth (GGE), the exclusive TAAT distributor for the United Kingdom and Ireland, which recently placed a \$1,075,000 purchase order in addition to its previous \$149,000 order, as announced in TAAT Global Alternatives Inc.'s Aug. 20, 2021, press release, has issued an additional purchase order for 360,000 euros (approximately \$536,000) for a full shipping container of TAAT to be distributed in Australia. Last year, the company pro-actively applied for trademarks in Australia, as well as dozens of international jurisdictions, as described in a press release dated Dec. 31, 2020.

On September 3rd TAAT started to operate out of its new facilities in the Las Vegas, Nev., area, providing significant additional operational space and production resources in combination with its original facility on West Post Road. Additionally, samples of TAAT with an advanced formulation of Beyond Tobacco using reconstituted material were recently sent to tobacco wholesalers in the United States, the U.K., Ireland, Germany, Poland, France and Switzerland. The general consensus among the tobacco wholesalers who received these samples was overwhelmingly positive with regard to the similarity of the product's user experience compared to that of a tobacco cigarette.

I believe this company has way more potential than any cannabis company because they basically have little competition.

Draganfly CSE:DRPO Nasdaq:DRPO Recent Price - \$4.84 Entry Price - \$3.00 Opinion – buy on weakness

As I mentioned previously, Draganfly did a 5 to 1 roll back to list on Nasdaq. That took effect the end of July and the stock promptly nose dived. Usually stocks go up with a new major listing, but these days not much is usual. This weakness close to our original buy price is a good buy on weakness that may come with a broad market correction.

Today the Board of Directors appointed Julie Myers Wood, former Assistant Secretary of Homeland Security and Presidential Appointee as a Director of the Company effective immediately. Serving as an advisory member of the Board for more than a year, Ms. Wood has more than 25 years of experience in both the public and private sectors. Her regulatory and enforcement background has helped Draganfly scale its secure government and public safety offerings.

Julie Myers Wood was presidentially appointed and confirmed by the United States Senate to serve as Assistant Secretary of Homeland Security for Immigration and Customs Enforcement (ICE). Previously, Ms. Wood served as Assistant Secretary for Export Enforcement at the Department of Commerce, the Chief of Staff to the Criminal Division at the United States Department of Justice and as a Special Assistant to the President.

Ms. Wood is currently the CEO for Guidepost Solutions LLC, a global investigations and compliance consulting firm where she leads a team of investigators, experienced security and technology consultants, and compliance and monitoring experts across a multitude of industries including government and public service agencies.

"Julie's experience across industries is unparalleled. We are beyond thrilled to have her as a director of the company," said Cameron Chell, CEO of Draganfly. "She has consistently proven that she is dedicated to further developing our drone innovations for public safety, industrial and government solutions. I also want to deeply thank Justin for his service to the board and I look forward to continue working closely with him as we grow Draganfly."

"It is an honor to be a part of a company that is always at the forefront of innovation. Draganfly continues to build its market presence through industry firsts related to detection, defending and delivering solutions to enterprise and government," said Ms. Wood.

Drone Delivery Canada TSXV:FLT OTC:TAKOF Recent Price - \$1.15 Entry Price - \$0.43 Opinion – buy on weakness towards \$1.00

The company has been slow to generate revenues. I am optimistic with these recent announcements that revenue generation can gain some momentum. Again I am suggesting to buy on weakness with a possible broad market correction.

End of July, FLT became the first publicly traded drone delivery company to be granted a domestic cargo licence under the Canada Transportation Act (CTA) and Air Transport Regulations (Canada). This licence, normally issued to airlines that provide passenger or cargo services, is a critical step to the continued expansion and scaling of DDC operations.

Such CTA licence is mandatory for any air carrier intending to provide scheduled, commercial air services in Canada, whether carrying cargo or passengers. With the granting of the CTA licence, DDC continues its progress toward routine, sustainable and scalable cargo delivery operations intended to address logistical challenges and opportunities throughout Canada. Obtaining this licence allows for the company to continue developing new drone delivery use cases, as well as the potential expansion of continuing operations, such as those recently announced for Edmonton International Airport and Fraser Lake, B.C.

Drone Delivery signed a sales collaboration agreement, effective Aug. 16, 2021, with Nexeya Canada, a Hensoldt company, to jointly explore military applications for the company's drone solution. The agreement is for the parties to collaborate to identify, develop and bid on military projects utilizing the company's drone solution for delivery and/or sensor related applications in Canada. The initial term of the agreement is 24 months.

"At Hensoldt our value proposition is captured by our motto, 'detect and protect.' With the formalization of a working relationship with Drone Delivery Canada, we are eager to explore opportunities where we can deliver our industry-leading sensor solutions in a new and innovative manner," says Michael Della Fortuna, chief executive officer of Nexeya Canada. "We look forward to collaborating with Drone Delivery Canada and developing a stronger, combined offering for our commercial and military customers."

On chart, looks like it will test the \$1.10 support level.



Sixth Wave CSE:SIXW Recent Price \$0.37 Entry Price - \$0.35 Opinion – buy on weakness

Yesterday SIXW confirmed results that demonstrate the extraction of gold at high capacity with lower reagent costs. These results were achieved during the successful completion of phase 1 of the Green Alternatives for Gold Leaching and Recovery initiative (the "Green Initative") undertaken with the Centre Technologique des Residus Industriels ("CTRI") and Australian company Mining and Process Solutions ("MPS"). The Company has worked closely with MPS and CTRI for the past 7 months.

IXOS has previously been proven effective in the extraction of gold from cyanide leach solutions and the completion of Phase 1 of the Green Initiative has demonstrated the ability of IXOS to extract gold from the pregnant leach solution generated by MPS's GlyCat technology. IXOS has proven superior to traditional activated carbon technology by demonstrating a higher selectivity for gold relative to other gangue materials, resulting in a higher gold capture than activated carbon.

A major Canadian mining company participating in the research project provided the requisite ore samples.

With the successful completion of Phase 1, Phase 2 testing will focus on meeting Canadian ecotoxicity guidelines. Upon successful completion of Phase 2, Phase 3 testing will involve the design of a process circuit that validates the performance of IXOS and GlyCat in a full-scale pilot plant at an operating gold mine in Canada. MPS has conducted environmental impact studies for the deployment of the GlyCat Process in Australia. The overall project goal is to develop an environmentally friendly flow sheet for the gold mining industry.

The stock has been inching higher. Resistance is around \$0.43 and a good buy around \$0.30

Typical for September, a lot of news from junior miners, but not even spectacular results are moving stocks. We will have to see some improvement in the general market so watch the TSXV index.

Aztec Minerals TSXV:AZT Entry Price - \$0.40

Recent Price - \$0.28 Opinion – buy

AZT released assay results for an additional four holes, TR21-11 to 14, from its now completed 2021 phase 2, 23-hole, 2,716-metre reverse circulation (RC) drill program on the Tombstone project, Arizona.

The four holes were drilled on two fence patterns to step out to the south from prior drill fences reported previously in the north-central part of the Contention open pit. Every one of the four holes intersected near-surface, oxidized gold-silver mineralization, and all four holes bottomed in mineralization.

Drill highlights

- Hole TR21-13 -- 1.8 grams per tonne (g/t) gold and 36.9 g/t silver (2.33 g/t gold equivalent (AuEq)) over 70.1 metres, including 6.08 m grading 2.93 g/t gold and 157 g/t silver (5.17 g/t gold equivalent AuEq) and 1.52 m with visible gold in quartz veining grading 55.71 g/t gold and 176.1 g/t silver (58.22 g/t gold equivalent AuEq). The hole bottomed in mineralization grading 0.37 g/t AuEq when ground caving forced early termination of the hole;
- Hole TR21-11 -- 1.2 g/t gold and 71.6 g/t silver (2.22 g/t AuEq) over 24.3 m, and 0.17 g/t Au and six g/t Ag (0.26 g/t AuEq) over 16.7 m;
- Hole TR21-12 -- 0.27 g/t gold and 20.9 g/t silver (0.56 g/t AuEq) over 7.6 m;
- Hole TR21-14 -- Several intervals of low-grade mineralization totalling 43 metres, including 0.32 g/t gold and 9.9 g/t silver (0.46 g/t AuEq) over 7.6 m, and 0.09 g/t Au and 11.6 g/t Ag (0.25 g/t AuEq) over 12.2 m, but this hole was drilled steeply to the west so does not appear to have tested the down-dip potential of holes 21-10 and 11.

A good hole of 1.8 g/t gold and 36.9 g/t silver (2.33 g/t gold equivalent (AuEq)) over 70.1 metres and the stock went down, but the stock is down to strong support and a buy here.



GLM released initial results from samples taken at its Copperview property, located in British Columbia and contiguous to the MPD property owned by Kodiak Copper Corp. Kodiak is also at the bottom of it's chart too, like most. GLM recently collected surface grab subcrop samples from the Deadman Lake target, on the West Copperview claims, that have returned high grade silver values of up to 9,920 g/t silver and 5,900 g/t Ag. These samples correspondingly returned 0.95 percent copper (% Cu), 2.45 percent lead (% Pb), and 1.28 percent zinc (% Zn) and 0.94%Cu, 4.33% Pb, and 1.82% Zn.

The above two grab samples represent subcrop material, were taken from old, partially collapsed bulldozer trenches that most likely represent the Mob-8 Minfile showing (Minfile 092HNE154, BC government designation). A total of 57 rock samples were taken over the Deadman Lake area of the West Copperview claims. In addition, 230 soil samples were taken over the same area, with assay results pending.

The Mob 8 showing is exposed in the vicinity of a gas pipeline, 520 metres north of the north end of Prosser Lake and 7.8 kilometres southwest of Missezula Lake. A west-striking shear zone, dipping 25 degrees south, cuts granite and quartz monzonite of the Late Triassic to Early Jurassic Allison Lake pluton. The zone is 2 metres wide and contains small quartz-carbonate lenses accompanied by pyrite, galena, argentite, azurite, malachite, chalcopyrite and tetrahedrite. A selected grab sample assayed trace gold, 25,852 grams per tonne silver (g/t Ag) and 8.06 per cent copper (% Cu)* (Assessment Report 5082, page 5).

The stock has built a decent base between 22 and 26 cents and a good buy here.



Amex Exploration Entry Price - \$1.05

TSXV:AMX

Recent Price \$2.50 Opinion - buy

This week AMX releases a spectacular drill intersect of **102.07 g/t gold over 6.10 meters** and the stock does nothing. Amex released results from 31 drill holes that are expanding the high-grade zone (HGZ) along strike and vertically.

GoGold released more great drill results yesterday and is one of our few juniors that has not gone down. They released the results of five new drill holes from the El Favor deposit in the Los Ricos North project. Drill hole LRGF-21-060 intersected 82.9 metres of 265 grams per tonne silver equivalent (AgEq), including 8.1 m of 1,127 g/t AgEq, which also included 1.4 m of 2,587 g/t AgEq.

"El Favor is providing us with exciting drilling results at both the eastern and western ends. Hole 60 is near the west end of the deposit and gave us an excellent high-grade intercept of over two kilos, enveloped in a very wide 83 m intercept of 265 g/t AgEq. At the other end, in El Favor East, hole 59 is a strong hole, which is 100 m to the east of hole 56, previously our most easterly hole in El Favor East," said Brad Langille, president and chief executive officer. "We continue to extend strike length at El Favor with excellent widths and grades, which we anticipate will contribute greatly to the upcoming resource."

The exploration team has been moving east of El Favor with drilling in 25 m stepouts in the eastern end of El Favor, beginning with discovery hole 48, and continuing to intersect wide strong mineralization. This area is known as the El Favor East zone, and, in addition to these drill holes, additional drill holes farther to the east are pending assays. The mapping program at El Favor East has extended the presence of mineralization 900 m to the east of hole 48 (El Favor East zone discovery hole).

Three of the four major veins (Salomon, Guitarrillas and Los Chivos) appear to converge into a 100 m wide zone at the western end of the El Favor deposit in the vicinity of the Hundido pit at an elevation of 1,300 m. The wallrock in between the veins is strongly silicified, altered and mineralized. The merging of these veins continues to provide significant widths of good grade, which could be potentially amenable to bulk mining.

The stock is in a nice uptrend and lets see if it can continue.



I expect we will have a slew of news releases next week and will have another update on some. I will also be watching gold and the TSX Venture index for clues of a new move higher.

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