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Resource Stocks Appear to have Hit a Low and Made a Turn

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Three weeks ago I wrote a piece saying that [the resource stocks were near an important tradable low](#). I appear to have called it correctly with gold hitting a low a week or so later. In the last few days resource stocks have started to show signs of life when companies reported good results.

Snowline Gold (SGD-C) went from \$.84 a month ago to \$1.86 last week. Western Alaska Mining (WAM-V) rocketed higher from \$1.70 to \$4.45 in less than a week while Nulegacy climbed from \$.04 to \$.065, up 40% on the day.

I think this is a pretty important low because the decline was so steep and sentiment literally tanked just as it did in January of 2016 before a 219% advance in seven months and March of 2020 just before a 179% climb in six months.

While I am covering a few stocks that I own and follow, I think that across the board you could throw money at junior stocks and make a lot of bullseyes.

The first company I am going to cover is Pacific Ridge Exploration (PEX-V) with a number of good copper projects in BC. Their most important project for the moment is the [Kliyul copper/gold project](#) located in the [Quesnel Trough](#) in North Central BC.

Earlier this month the company announced the start of a major 6,000 meter drill program at Kliyul with two drills on site to follow up on outstanding results from last year including 316.7 meters of 0.75% CuEq or 1.17 g/t AuEq. They also drilled 437 meters of 0.61% CuEq or 0.96 g/t AuEq. Those were the best holes ever poked into the project.

PEX can pick up 75% of the project by making cash payments of \$160,000, the issue of 3.5 million shares and spending \$7 million on exploration by end December 2025. Management believes they will have spent the \$7 million by the conclusion of this year's program.

Copper hit an all time high in early March of this year right at \$5 a pound before dropping by 35% to \$3.15 two weeks ago before recovering. Pacific Ridge has pretty much tracked the price of copper with a price of \$.51 in

February dropping to below \$.30 in the last month. At today's price the company has a market cap of about \$27 million.

If you believe in green energy and Electric Vehicles, they use a lot of copper and the price seems to be advancing in the last two weeks.

I have written about the next company a number of times in the past. The company is GFG Resources (GFG-V) that went from \$.07 in the crash of March 2020 to \$.305 six months later. After the crash in January of 2016 the stock went as high as \$1.80.

GFG plans a 4,000 - 6,000 meter drill program starting in September at the [Montclerg gold project](#) just east of the [Timmins Gold camp](#). They have five holes yet to be released from their 2022 drill program.

A week ago the company [announced the best hole so far](#) from the Montclerg project showing 1.60 g/t gold over 70.4 meters from near surface. Another gold zone was discovered in the same hole returning 4.97 g/t gold over 4.8 meters.

GFG owns the [Rattlesnake Hills Gold Project](#) in Wyoming. In April of 2021 GFG entered into an earn-in agreement with Group 11 Technology where Group 11 can earn up to a 70% interest in Rattlesnake. The project has had extensive exploration over the past fifteen years with results as good as 1.86 g/t gold over 236.22 meters and 102.11 meters of 1.72 g/t gold. There should be news soon from Group 11 on their progress.

The shares of GFG have been as high at \$.22 in March before plunging with the rest of the resource market to \$.10 a week ago. The stock appears pretty cheap to me and there will be more news out shortly. You will make the most percentage return by buying stocks under \$.15 since they tend to move the most.

My next company to cover is in Brazil. It is named Cabral Gold (CBR-V) and if you could learn how to fall off a bike you could probably make money in this stock. I wrote an excellent piece about it in February that covers most of the important information but news lately of another project owned by a different company may be more significant than Cabral's news. [Do read my February piece first.](#)

Cabral's project is named the [Cuiú Cuiú gold project](#) and was the largest producer of gold in the Tapajos gold rush from 1978 to 1995 when over 30 million ounces of gold were produced in the area. The company reports just short of 1 million ounces of gold at a cutoff of 0.35 g/t.

There is a nearby project called the TZ project because only three people in Brazil can actually pronounce the full name correctly. TZ owned by G Mining has a resource just over twice the size of CBR. G Mining has a \$335 million market cap where they are getting about \$145 per ounce in a resource. To the contrary, CBR is getting a mere \$40 an ounce and they are right next to each other.

G Mining is starting construction of a mill now and expects to be producing in the 2nd half of 2024 and be in full production in 2025. Ten days ago they announced a USD \$481 million financing package for putting TZ into production.

If G Mining is worth \$145 an ounce of gold, then logically a company right next door with an economic quantity of gold is worth more than \$40 an ounce. If you think you would have a problem learning how to fall off a bike, you can always take lessons from Brandon.

The last stock I'm going to cover today is named Tocvan (TOC-C) and is located in Sonora Mexico. I wrote about the company and gave investors the basics of what they needed to know back in February. Interestingly enough I also mentioned the use of sentiment to determine turning points. It worked then and it is still working now.

I want potential investors to [go read the piece](#) because I covered the essence of the company. Tocvan has an ongoing Phase III drill program at their Pilar gold and silver project with outstanding results. Their best hole to date was 116.9 meters of 1.2 g/t Au and also 108.9 meters at 0.8 g/t Au. They have drilled seven additional holes totaling 1,382 meters with all the samples still at the assay lab, results pending soon.

At their El Picacho gold/silver project located only 18 km from the 3 million ounce San Francisco gold mine they have been taking chip samples over a 450 meter trend in advance of a planned trenching and drill program starting in Q2 of 2022. The chip samples have shown values of 7.2 g/t Au with 35 g/t Ag, also 4.5 g/t Au with 197 g/t Ag and 3.3 g/t Au and 67 g/t Ag.

The company raised money while they could and is fully funded for the next two years with \$5.1 million in the bank. They have [produced an excellent presentation which all potential investors should view](#).

These are just some of the companies I like. There are hundreds more that are on the sales counter due to investors dumping shares in a panic. While I still believe the overall market is due a monster crash in October or so, I think the resource stocks are a good buy for now. When I see signs of danger in the resource market, I'll say so.

Pacific Ridge Exploration Ltd

PEX-V \$.34 (Jul 28, 2022)

PEXZF-OTCBB 80.7 million shares

Pacific Ridge [website](#)

GFG Resources Inc

GFG-V \$.11 (Jul 28, 2022)

GFGSF OTCBB 158.1 million shares

GFG Resources [website](#)

Cabral Gold Inc

CBR-V \$.245 (Jul 28, 2022)

CBGZF OTCBB 151.7 million shares
Cabral Gold [website](#)

Tocvan Ventures Corp

TOC-C \$.68 (Jul 28, 2022)
TCVNF OTCQB 36.2 million shares
Tocvan Ventures [website](#)

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