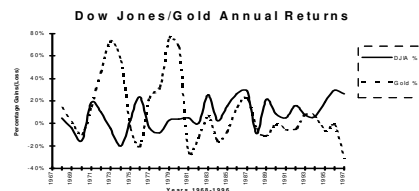




# Gold

## Energy & Tech Stocks



Weekly Hotline Message

(Now in our 35th Year)

January 29, 2016

Update

### TerraX Minerals Inc.



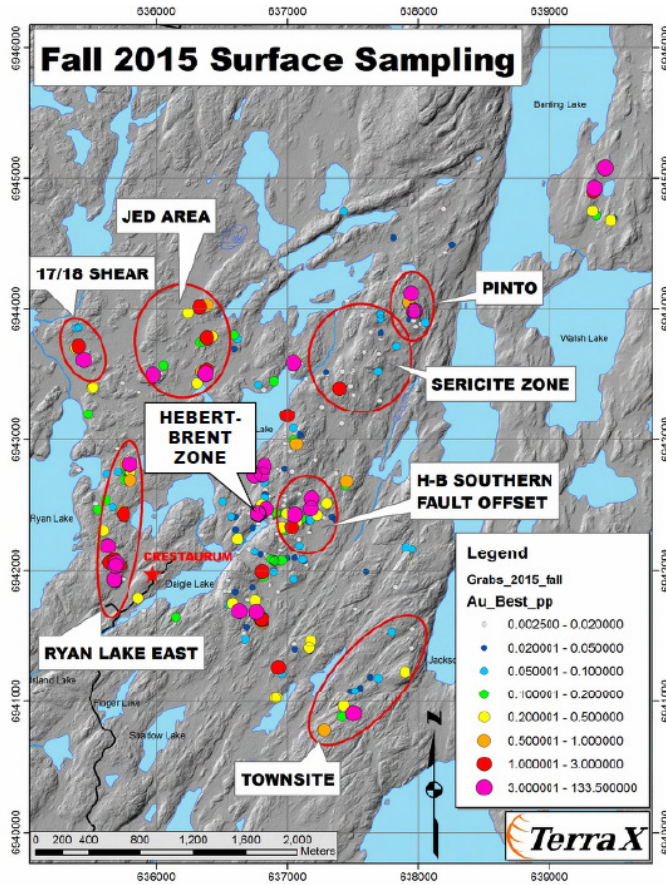
**Business:** Exploration and development of gold and base metals prospects near Yellowknife, NWT.

Traded Toronto:	TXR
US Pink Sheets:	TRXXF
Shares Outstanding:	67,482,726
Recommended 8/22/14:	US\$0.434
Price 1/29/16:	US\$0.19
Market Cap:	US\$13 Million
Management Ownership:	14.8%
Osisko Gold Royalties:	16.9%
Working Capital 10/31/15:	C\$4.1million
Progress Rating:	A4
Phone Number:	855-508-0824
Website:	<a href="http://www.terraxminerals.com">http://www.terraxminerals.com</a>

There are several reasons to get excited about TerraX (TXR) beyond the reasons of my initial recommendation of this company in August 2014. First, the company's Yellowknife City Gold Project is endowed with some of the most exciting exploration prospects you will find anywhere. Secondly, Virginia Gold's investment in this company bolstered my confidence. The fact that Osisko has not only replaced Virginia Gold after those two companies merged, but has also boosted its holdings to 16.9% and is represented on the TXR board, is still more reassuring. Last but by no means least, was the November 18th announcement of replacement style mineralization known as the **Herbert-Brent Zone** and subsequently, on January 5, 2016 the announcement of **three more replacement style discoveries**. Certainly this story was exciting enough when I originally added it to my list. But with this discovery, it brings with it the prospect for outlining near surface bulk mineable mineralization of considerable size. So in this case the target could be north of 5 million ounces in addition to swarms of high grade underground veins that have been the traditional source of the high grade Yellowknife deposits.

Not only is management elated with the discovery, but it is my understanding that it has also caught the attention of Osisko, which company has encouraged TXR to devote more exploration dollars for additional drilling into these replacement zones. The three discoveries announced subsequent to the initial discussion of the Herbert-Brent Zone are the **Herbert-Brent Southern Fault Offset**, the **Sericite Zone** and the **Townsite Formation**. It is important to note that the Sericite Zone is five times larger than the Herbert-

Brent zone. Taken together, these zones at or very near surface could host very significant amounts of gold and given the nearness to surface the cost of drilling them out should be relatively modest.



On January 5, 2016, TerraX published the following regarding final results from its summer surface exploration program on its Yellowknife City Gold Project, located immediately north of Yellowknife.

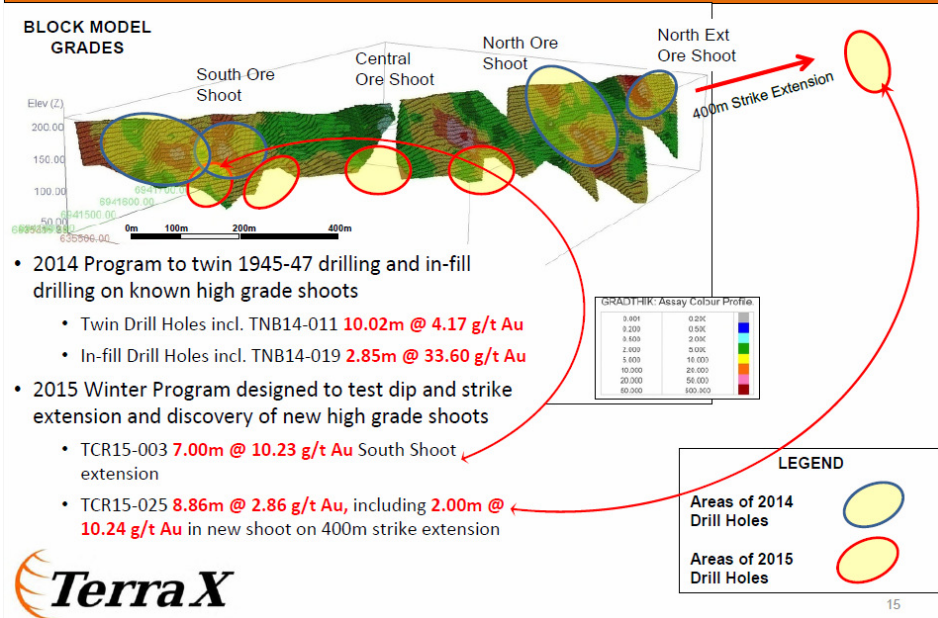
“Terrax Minerals Inc. has received and interpreted final results from the summer surface exploration program on its Yellowknife City gold project (YCG), immediately north of Yellowknife in the Northwest Territories. Highlights from this program, which focused on the Core gold area, include:

- Visible gold in a newly discovered vein approximately 200 metres southeast of the Pinto structure (Pinto South). Assays from grab sampling include 108.00 grams per tonne gold, 65.7 g/t Au and 35.2 g/t Au;
- Numerous quartz veins in the JED area west of the Barney shear returned assays of 133.5 g/t Au, 30.4 g/t Au and 20.6 g/t Au;
- Mineralization in the felsic portion of the Ryan Lake pluton returned polymetallic

assays of up to 12.35 g/t Au, 45 g/t silver, 3.23 per cent lead, 1.31 per cent zinc and 0.53 per cent molybdenum in separate samples. Assays up to 6.32 per cent Mo had been obtained in this area

previously (see news release dated Aug. 19, 2014);

### Crestaurum Zone – 2014/15 Drill Programs



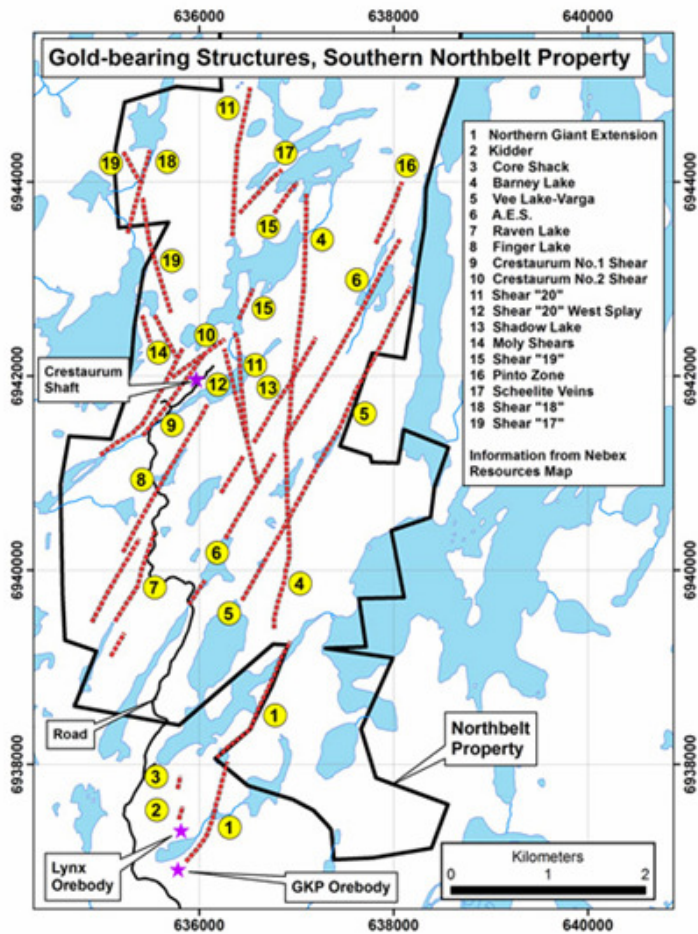
- 2014 Program to twin 1945-47 drilling and in-fill drilling on known high grade shoots
  - Twin Drill Holes incl. TNB14-011 **10.02m @ 4.17 g/t Au**
  - In-fill Drill Holes incl. TNB14-019 **2.85m @ 33.60 g/t Au**
- 2015 Winter Program designed to test dip and strike extension and discovery of new high grade shoots
  - TCR15-003 **7.00m @ 10.23 g/t Au** South Shoot extension
  - TCR15-025 **8.86m @ 2.86 g/t Au**, including **2.00m @ 10.24 g/t Au** in new shoot on 400m strike extension

- Sampling at the shear 17/18 intersection that revealed polymetallic veining similar to the Ryan Lake East area reported above. Assay values include up to 4.94 g/t Au, 51.9 g/t Ag, 1.24 per cent copper and greater than 1.0 per cent Mo (over detection limit assays pending) in separate samples. This sampling expands to the north



and east the area of polymetallic mineralization associated with the Ryan Lake pluton;

- Three new areas were identified as having alteration, structure and stratigraphy that are similar to the Hebert-Brent area (11.0 m at 7.55 g/t Au in channel samples and 10.26 m at 3.69 g/t Au in drill hole TNB15-024) (see news release dated Nov. 18, 2015). With the success of the Hebert-Brent discovery, these areas are priority targets for continued exploration.”



In addition to the replacement discoveries I have focused on, the company has some very impressive results from the more traditional vein targets, the most advanced of which is Crestaurum Zone, a cross section of which is displayed on the left, note that in 2015, winter drill results extended this high grade gold vein by another 400 meters to 1.6 km.

But the Crestaurum is just one of many vein targets to eventually get explored. The discovery of near surface replacement zones has caused management to shift its priorities toward those near surface zones because the potential to outline significant gold mineralization relatively quickly appears high.

Overall, TXR’s claim area extends over some 23 km of strike and 116 square kilometers. But thus far, gold mineralization (vein as well as replacement) mineralization is concentrated in a relatively small area as per the map on your left. This area measures about 6 kilometers north and south and 2 to 3 kilometers east and west.

With the lakes and lower areas now freezing over, surface drilling is ongoing this winter so I’m expecting some fairly regular news flow. With a

project that has become even more compelling than before, the discovery of replacement mineralization combined with the technical, managerial and financial support now of Osisko, this is one stock you are going to want to keep your eyes on because when the market finally turns upward for gold—and I have a feeling we are getting very close—this company’s shares could be among some of the first junior gold stocks to enjoy a moon shot trajectory. Stay tuned!

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