



THE MINING SPECULATOR

Greg McCoach

This is Greg McCoach with a Mining Speculator **Hotline** for Wednesday, November 7, 2018.

Inside this Hotline:

New Recommendation



New Carolin Gold Corp.

Focus: **Exploration** in British Columbia

Symbol: TSX-V: **LAD**, OTCBB: **LADFF**

Shares Outstanding: Roughly 29 million

Fully Diluted: 40 million

Current Share Price C\$0.20 cents, OTCBB: US\$0.14 cents

52 Week High/Low: C\$0.77 – 0.15 cents, US\$0.58 – 0.11 cents

Company Website: newcarolingold.com

New Carolin Gold Corp. is a Canadian junior-stage exploration and mine development company engaged in the evaluation and development of several gold properties collectively known as the “Ladner Gold Project”. These properties are located in Southwestern British Columbia, Canada.



Exit right off the main highway to go to the mine. 15 minute drive on a nice gravel road.

To advance the project, **New Carolin Gold Corp.** has assembled a management and advisory team with expertise in exploration, development and operations.

The Ladner Gold Property comprises mineral claims over an area of approximately 28 by 5 km covering the northern part of the Coquihalla Gold Belt. The middle of the property is accessed by the Coquihalla Highway (Hwy #5). The property, which is approximately 150 km east of Vancouver, BC, follows the geological **Hozameen fault** structure for approximately 28 km.

The Coquihalla Gold Belt is situated in the northern Cascade Mountains of British Columbia. Early exploration was limited by the rugged topography and dense vegetation characteristic of the entire region. Elevations range from 300 meters to 2,000 meters.

I recently did a site visit to the **Carolin Gold Mine** and what has my attention is two-fold:

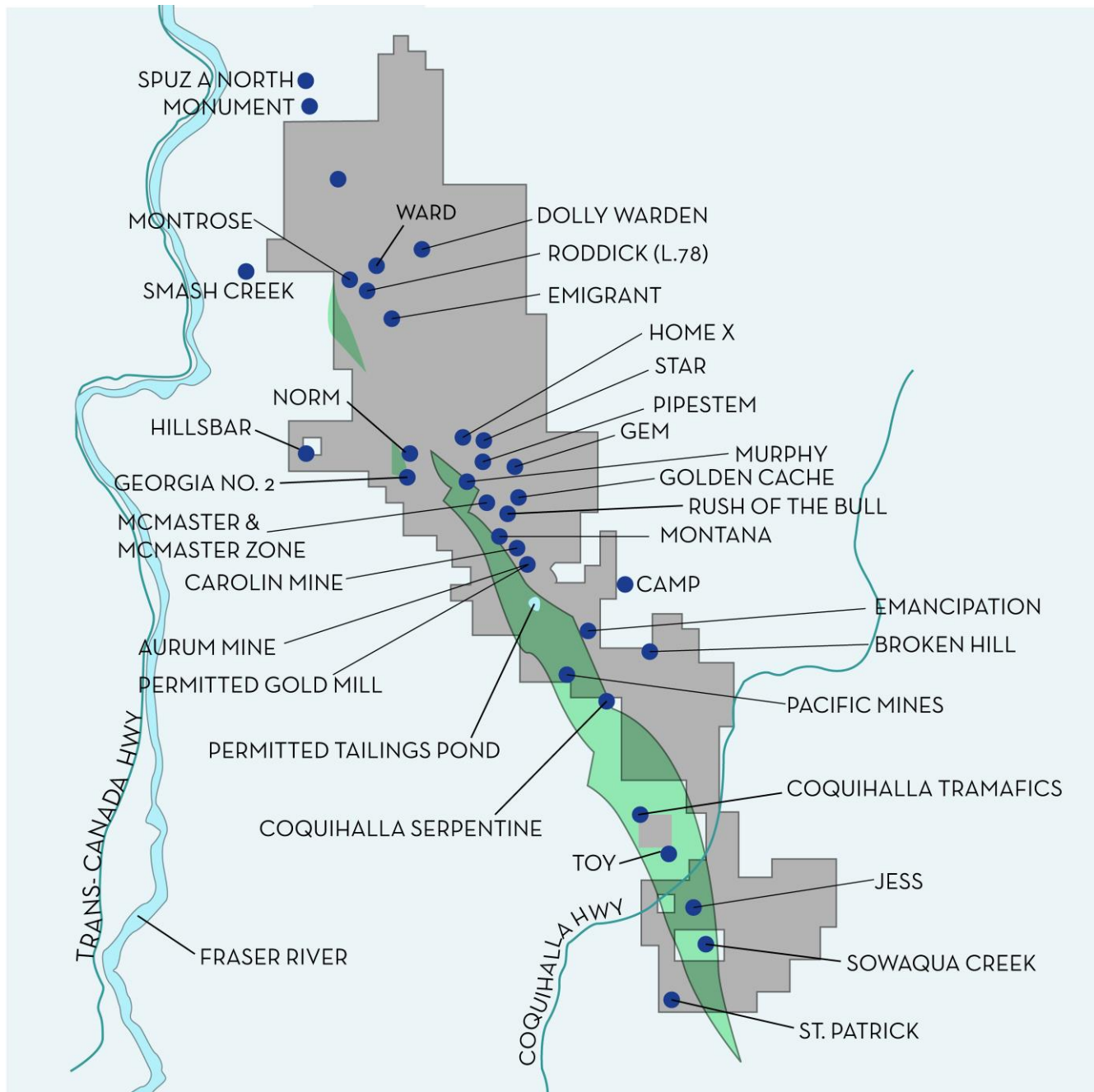
First, the company has an **NI 43-101** resource calculation of **278,000 ounces of gold** on the flagship project, which was last mined in the 80's. The **Carolin Gold Mine** has kilometers of underground tunnels which access key areas for further exploration potential.

The mine is in excellent condition and could easily be put back into production as all permits are already in place. In other words, there would be no waiting on this situation, which is often the case with these older mines.

Based on this information, the company plans to drill several holes into these key underground target areas very soon. From what I could see, I am very excited that additional ounces could be discovered.

We won't know anything until we drill these areas, which the original mine owners had planned on doing back in the 80's but never got to due to the closure of the mine as gold prices dropped. In addition, recent modern exploration thinking confirms these underground targets as a high priority as well.

The second factor that has my attention is the highly prospective nature of the **Hozameen** fault which is dotted with historic high grade gold mines. (See map below).



You can see why this area has had the attention of gold exploration companies over a long period of time. The trend is dotted with mines, including the **Carolin Gold Mine** and tailings pond which I visited.

Also on this map, you can see that **New Carolin Gold Corp.** controls the majority of the trend (land package in gray color).

Recently, **New Carolin Gold** has accomplished its goal of consolidating the bulk of this trend, which is district scale and offers huge potential for further discoveries. Based on

recent exploration, the company now has three targets along this geological fault that need to be drilled. Multiple methodologies all point to these targets for potential high grade gold discovery.

In addition, the entire **Hozameen** fault has road access by Highway with water, and nearby power. I personally drove from Vancouver to the **Carolyn Gold Mine** in two hours.

If successful on either building more ounces at the mine, or discovering new ounces along the **Hozameen** fault, the project would get immediate attention from investors and potential suitors. The **Hozameen** fault is the geological structure (crack in the earth) which allowed the precious metals bearing fluids to come to the surface along this long corridor.

What I like about this project, is that with relatively small amounts of money, the company can quickly get answers to some very pressing questions about the possibility of further discovery within the existing mine.

Again, here is another situation where we benefit from **OPM** (Other People's Money) having been spent in the past, opening the door for us to capitalize as gold prices are likely going much higher in my view.

The goal would be to see if we could get our existing 43-101 resource calculation up from 278,000 ounces of gold to a higher number that could attract more market attention. Based on touring the underground mine, I feel the odds are very good the company can have success in this endeavor.

Below are pictures I took while underground where you can see the walls of the mine are spray painted in yellow "W" for Waste Rock or "O" for Ore Rock. In several cases I saw stopes with high grade ore that is piled at the bottom waiting to be extracted.



This rock would be considered waste.



What you can notice in the ore rock “O” is that it has a slight greenish/brown hue to it making it easy for those familiar with the mineralization to spot it within the mine or new areas of discovery.



Here I am coming out of the underground mine at a level that is above where the processing facility was built. (You can see the old processing facility in back of me to my left. The belt you see me wearing is typical of the belts required to go into an underground mine that hold a canister of emergency equipment.

If mining were ever to commence again at the **Carolyn Mine**, the company would have several options to consider. The easiest and less costly would be to do a joint venture deal with a company to come in and transport the ounces out of the mine to a local mill. Trucking costs would be factor in this equation, but there is a mill within reasonable distance.

Another possible consideration would be to sell the mine and its existing ounces to another entity for a nice cash payment, which we could then put into a big exploration budget on our district scale land package. Talking with someone from a major mining

entity about this situation, it was clear this person was interested in drilling key targets along the **Hozameen** fault for big new discoveries of high grade ore.

Or, the costliest option for the company would be to refurbish the mill and do the mining itself. This option doesn't seem to fit our current scenario, but higher gold prices could quickly change our options in a favorably way.

For now however, the immediate company objective is get our share price higher by making further discoveries from drilling within the existing mine, or drilling key targets on the **Hozameen** fault.



Here is a picture (above) of CEO Ken Holmes (on the right) and the Mine Manager on the left.



Above - One of several entrances into the mine at various levels.



Picture of the tailings dam that was built back in the 80's. To permit and build such a dam and tailings pond, (next picture below), today would easily cost in excess of C\$2 million.



Another consideration for the company is the gold ounces that exist in the tailings pond (Roughly 30,000 ounces). The water in the pond could be drained and those tailings could be processed. I see this more as just a way for the company to make some monies we could put into the treasury.

What makes this project so compelling to me is that we have a great way to increase the value of the company with just a small budget drill program on our key underground target areas. In my view, if drilling hits the mineralization we think is there, these high priority targets could potentially raise our resource calculation very quickly, bringing major investor interest to the story.

Summary

When it comes to infrastructure and good jurisdiction, this project and land package is hard to beat. It's got it all in my view!

Consider the following items:

- 150 km east of Vancouver, BC

- 18 km from Hope, BC and major rail line
- Infrastructure already in place
- 6 km from existing power lines
- Existing road access from the Coquihalla Highway
- Elevation of 800 meters
- Politically mining-friendly jurisdiction
- Positive response from local community

Then when we consider the existing mine is ready to be put back into production from a permitting standpoint, it certainly gives the company plenty of options as things progress.

Overall, I like **LAD's** strategy of starting on low cost underground exploration as our best odds at early success for a higher share price. With such good share structure, any such success should put us on the investor map.

My belief is that we are going to see a better market for both mining shares and precious metals prices in 2019 and beyond based on what I have been writing about in the newsletter these past months. These factors could quickly propel the company forward in a way that would bring not just investor interest, but other company interest as well.

Markets cycle up and down, but a land package and existing mine with so much infrastructure in a good market would be hard to ignore by other companies looking to replenish reserves. The reason it could happen is because of the low cost and quick time frame to make it all happen.

In my view, this is very simple and straightforward so let's get the drills going and see what we can find to increase our chances for success.

New Carolin Gold is a **BUY** at current prices all the way up to C\$0.35 cents.

I will be presenting the company for the first time at the **Metal Investor Forum** in Vancouver this weekend. **Many smart investors will be learning about this story for the first time at the conference. I expect interest in the shares will be significant as the company commences drilling in the very near-term.**

One last picture below of the existing conveyor for the old mine which transported ore from underground to the processing facility.

Let the drilling begin!



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