

With a gold resource update coming and drills at the ready, eyes are on Signature Resources

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A word of caution – I wrote this article before Jerome Powell's (U.S. Federal Reserve Chairman) latest commentary. Lately, every time he opens his mouth the market loves to interpret him to the extreme as either dovish or hawkish, moving the markets accordingly. So keep that in mind if what I'm saying is so yesterday. The reason for this disclaimer is that market action over the last couple of days indicates that gold has tested and held the US \$1,700(ish) support level. Yesterday saw most precious metal equities rally pretty hard, which is encouraging given a lot of them are trading at or near multi-year lows. Is this a sign of a new uptrend in the precious metals sector? One can hope. But without a copy of Mr. Powell's speech I will have to wait and see along with everyone else what happens next. Now I can write whatever I want because I have a built-in excuse – blame it on Powell – which I'm sure a lot of analysts, traders and fund managers have used excessively over the last year.

Fed policy aside, it does appear that the materials sector is very oversold and long overdue for a little love. Or perhaps just a relief rally, something, anything, to give shareholders a bit of hope. Add a catalyst in a market that may be on the verge of recovery and perhaps we could even find gold investors in a good mood for a change.

One company that is working on a catalyst is [Signature Resources Ltd.](#) (TSXV: SGU | OTCQB: SGGTF), a Canadian-based advanced stage

exploration company focused on expanding the 100% owned [Lingman Lake Gold Project](#), located within the prolific Red Lake district in Northwestern Ontario, Canada. The Lingman Lake gold property consists of 1,434 staked claims, four freehold fully patented claims and 14 mineral rights patented claims totaling approximately 27,113 hectares. The property includes what has historically been referred to as the Lingman Lake Gold Mine, an underground substructure consisting of a 126.5-metre shaft, and 3-levels at 46-metres, 84-metres and 122-metres depths.

Lingman Lake has a 234,000 ounce historical high-grade gold resource estimate that is contained within the first 180 meters of surface and open in all directions. But the looming catalyst for Signature Resources is a NI 43-101 initial resource estimate which is anticipated shortly. In an [update provided on June 29th](#) the company stated they were finalizing the compilation of the drill and assay database and doing 3D geologic modelling and analysis. A further [update on August 30th](#) included the positive news that the company had identified a low-cost opportunity to capture additional data to increase the quantity and quality of the geologic knowledge of the deposit. This in turn led to new gold zones being identified. This is particularly encouraging when you look at it in the context of some of the highlights from the exploration drilling undertaken in late 2021:

- 6.64 g/t Au over 3.0 meters in LM21-26; including 18.5 g/t Au over 1.0 meters
- 6.97 g/t Au over 2.0 meters in LM 21-25
- 7.07 g/t Au over 4.0 meters in LM21-27; including 11.9 g/t Au over 1.0 meters
- 3.54 g/t Au over 2.0 meters in LM21-28A
- 8.24 g/t Au over 2.0 meters from 90 to 92 meters downhole; including 10.10 g/t Au over 1.0 m from 90 to 91 meters downhole in drill hole LM21-30 in the Central Zone

- 7.14 g/t Au over 2.0 m from 99 to 101 meters downhole; including 10.50 g/t Au over 1.0 m from 99 to 100 meters downhole in drill hole LM21-30 in the Central Zone

Something quite intriguing about Signature Resources is the fact that they have two 100%-owned drill rigs and about 10,000 meters of drilling consumables to support their next-stage drill campaigns. This is quite the head start given that upon the completion of the initial resource estimate the company expects it will have a strong technical plan for advancing a successive round of exploration that concurrently to expand the resource envelope and address gaps within the current drill database; thus supporting timely updates to the resource model. Now we sit and wait, along with the company, for the completion of that resource estimate.

However, despite having the drill rigs, consumables and just under C\$1 million in cash, Signature still requires additional financing to pay for capital expenditures, exploration and administrative costs required to advance exploration on its Lingman Lake Gold Project. As long as the gold sector can continue to bounce off these lows, it should make it a lot easier for this C\$5.5 million market cap company to get out and raise the capital it needs to advance this project.

C'mon Mr. Powell, don't ruin this for us.