

HRA - Special Delivery

#246 - 1 September 2005

Katrina's swipe at the US energy sector is turning into something more soul baring as New Orleans struggles simply to move its people from harm's way. Both energy and soul baring concerns will be further dealt with in the Journal now being completed. For now suffice it to say, this storm will continue to blow through the economy for many months. Unlike most other disasters of living memory, Katrina's immediate impact is likely to be hard on the US\$, so our stance on metals is little changed. Some further upside in general, with emphasis on gold in particular.

Skygold Ventures (SKV-V, closing off 4 cents at \$0.80 on 145,700 shares) released results of 3½ more holes from its Spanish Mountain gold project in British Columbia; the ½ hole is important in so far as the bottom half for which results are pending will be the deepest test of the system to date. All of the holes are testing to depth the area that is shaping up as a decent scale bulk tonnage target, and all have delivered results in keeping with this premise. The best result from this batch was in **Hole 254 that returned 49 metres of 1.6 g/t gold within a longer intercept of 91 m of 1.15 g/t**. The longest intercept, in Hole 251, is a total of 226.5 m of 0.74 g/t gold that included stronger results in an upper horizon of 36.8 m at 1.3 g/t and in a lower horizon of 52.5 m of 1.1 g/t gold. The pattern of Upper and Lower horizons with an intervening section of weaker though still mineralized material is seen in each of these holes, with a long section of Lower horizon mineralized material from the bottom of Hole 254 still pending from the lab. Results from the last 11 drill intercepts testing the Upper Horizon have now delivered an average 81.4 m of 1.3 g/t gold. The most important aspect of the results today is that they confirm the much deeper potential than had been previously tested, so that a resource can be built quickly as longer step-outs are started to test the lateral extent of the system. The existing database of shallow drill holes can then be used to outline near surface "starter pit" material and the combination, if current average grades persist to depth, of grade and tonnage be used to build a substantial gold resource.

The stock has turned over 5 million shares at an average 77 cents since its most recent intermediate bottom in early August, and 15 million shares in total since interest in the project began picking up three months ago. Partner (at 30%) **Wildrose (WRS-V; closing off 2 cents at \$0.48 on 15,000 shares)** has begun to see some volume, but not yet the strong liquidity SKV has generated. While further deep results are needed to confirm overall scale, we think the confirmation of that the deeper mineralization persists in today's results will be enough to strengthen the SKV's market and are **moving SKV from accumulate to speculative buy outlook**. <http://www.skygold.ca/index.php>

Regards for now – David Coffin and Eric Coffin

HRA - *Special Delivery* is an independent publication produced by Vanguard Consulting Ltd. and distributed by Stockwork Consulting Ltd, which is committed to providing timely and factual analysis of junior mining and other venture capital companies. Companies are chosen on the basis of a speculative potential for significant upside gains resulting from asset-base expansion. These are generally high-risk securities, and opinions contained herein are time and market sensitive. No statement or expression of opinion, or any other matter herein, directly or indirectly, is an offer, solicitation or recommendation to buy or sell any securities mentioned. While we believe all sources of information to be factual and reliable we in no way represent or guarantee the accuracy thereof, nor of the statements made herein. We do not receive or request compensation in any form in order to feature companies in this publication. We may, or may not, own securities and/or options to acquire securities of the companies mentioned herein. From time to time Vanguard Consulting Ltd. may have acted in a consulting or contracting capacity for companies reviewed in this publication; the superscript ^{vc} indicates a company for which Vanguard has acted in a paid capacity in during the previous 6 months. This document is protected by the copyright laws of Canada and the U.S. and may not be reproduced in any form for other than for personal use without the prior written consent of the publisher. This document may be quoted, in context, provided proper credit is given.

Published by Stockwork Consulting Ltd. Box 85909, Phoenix AZ, 85071

hardrock@h-r-a.com <http://www.hardrockanalyst.com> **SUBSCRIPTIONS 1-800-528-0559**