

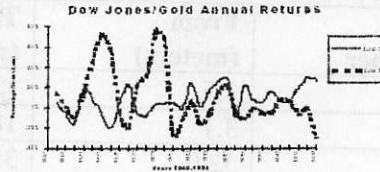
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Spanish mtn.
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J Taylor's

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Gold



& Technology Stocks

Volume 24 No. 8

(Now in our 23rd year)

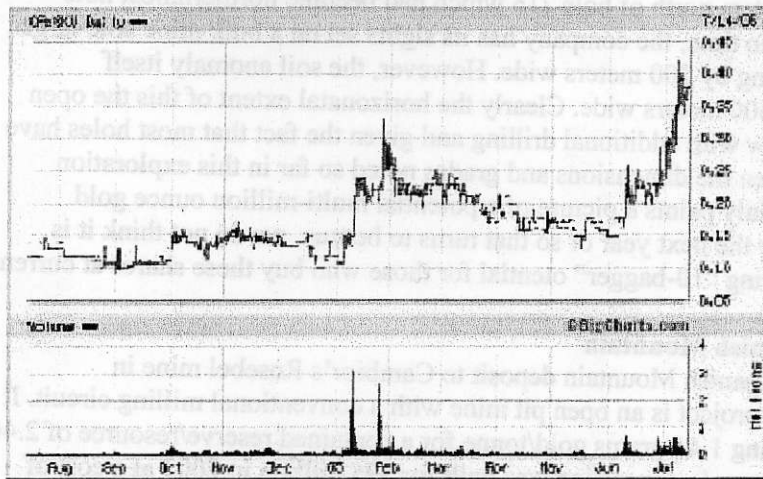
August 11, 2005

NEW BUY RECOMMENDATION July 16, 2005

Skygold Ventures Ltd.

Traded TSX- Venture - SKV

Initial Recommendation -7/16/05- US\$0.313



70% interest.

Price 8/10/05 -US\$0.47

Shares Outstanding: 20,154,418

Fully Diluted: 27,000,000

Progress Rating: "C" Gold discovery in process

Skygold Ventures Ltd. is a stock that I think could get hot fairly quickly because it appears the company's Spanish Mountain Property is likely on to a significant new gold discovery. The Spanish Mountain Property is located in the Cariboo region of British Columbia. Skygold is committed to funding exploration on this quickly developing open pit gold exploration deposit to earn a 70% interest.

After a reinterpretation of the property's geology, seven of seven surface drill holes have hit significant intersections of gold mineralization. While it is still early, the prospects for developing an open pit deposit with strong economics appears very good given a growing number of attractive gold values over relatively long intercepts. Also favoring this project is an apparently straight forward extraction process with good recoveries, a relatively good infrastructure and easy access to the property.

JAY TAYLOR – GOLD AND TECHNOLOGY STOCKS Cont.:

The last six drill holes reported by the company were the following:

Hole Number	From (meters)	To (meters)	Interval (meters)	Gold (g/tonne)
244	1.5	13.7	12.2	1.41
245	3.1	107.6	104.5	0.99
246	32.0	35.1	3.1	1.00
248	12.2	24.4	12.2	1.16
249	36.6	89.9	53.3	2.05
250	9.1	12.2	3.1	1.06

The last sample ended at 120.4 meters of a 1.45 gram/tonne grade. Within these mineralized intercepts were some considerably higher grade sections. The seven most recent holes taken following the geological reinterpretation of the deposit have all hit gold mineralization. The average of those holes was 1.52 grams/tonne over 67.7 meters, (0.048 oz/gold/ton over 222 feet). Moreover, most of these holes bottomed in mineralization and the deposit is open to the north, east and west. Hole 250 was a very significant hole because it indicates gold mineralization continues approximately 180 meters north of hole 216 which had been the northernmost hole previously drilled. At this point in time, the company has its sights set on a bulk mine able target measuring at least 500 meters long by 200 meters wide. However, the soil anomaly itself measures 1,000 meters long by 600 meters wide. Clearly the horizontal extent of this the open pit target can be expected to grow with additional drilling and given the fact that most holes have bottomed in mineralization. Given the dimensions and grades noted so far in this exploration project, Spanish Mountain certainly paints a picture of a potential multi-million ounce gold discovery in the making. If, over the next year or so that turns to be true, we do not think it is stretch to imagine this stock having “10-bagger” potential for those who buy these shares at current price levels.

The Economic Model for Spanish Mountain

Management is comparing the Spanish Mountain deposit to Cambior's Rosebel mine in Suriname, South America. That project is an open pit mine with a conventional milling circuit. It contains 53 million tonnes grading 1.44 grams gold/tonne for a contained reserve/resource of 2.46 million ounces. A 14,000 tonne per day operation was built for \$95 million in 2003 at a cost of \$95 million. In 2004 the project produced 273,700 ounces of gold at a cost of \$170 per ounce. This year, Cambior is projecting 320,000 ounces of gold production at a cost of \$193/ounce. To be sure, it is still too early to compare the Spanish Mountain project with the Rosebel mine with a high level of confidence. However, based on fairly extensive drilling so far, grades are similar. And, given the appearance of a low stripping ratio, it is reasonable to anticipate reasonably low mining costs. Favorable infrastructure and property access is also a plus for Spanish Mountain. Also, early metallurgical work has produced recoveries of up to 95% using a gravity process followed by carbon-leach cyanidation. And, 80% recoveries using a standard flotation process. Time and space constraints impede me from providing the extent of information I would like to provide about this company at this time. However, there is some very interesting information available on the company's web site at www.skygold.ca and you can call the company for additional information on the management, and other matters at (604) 685-6465.

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