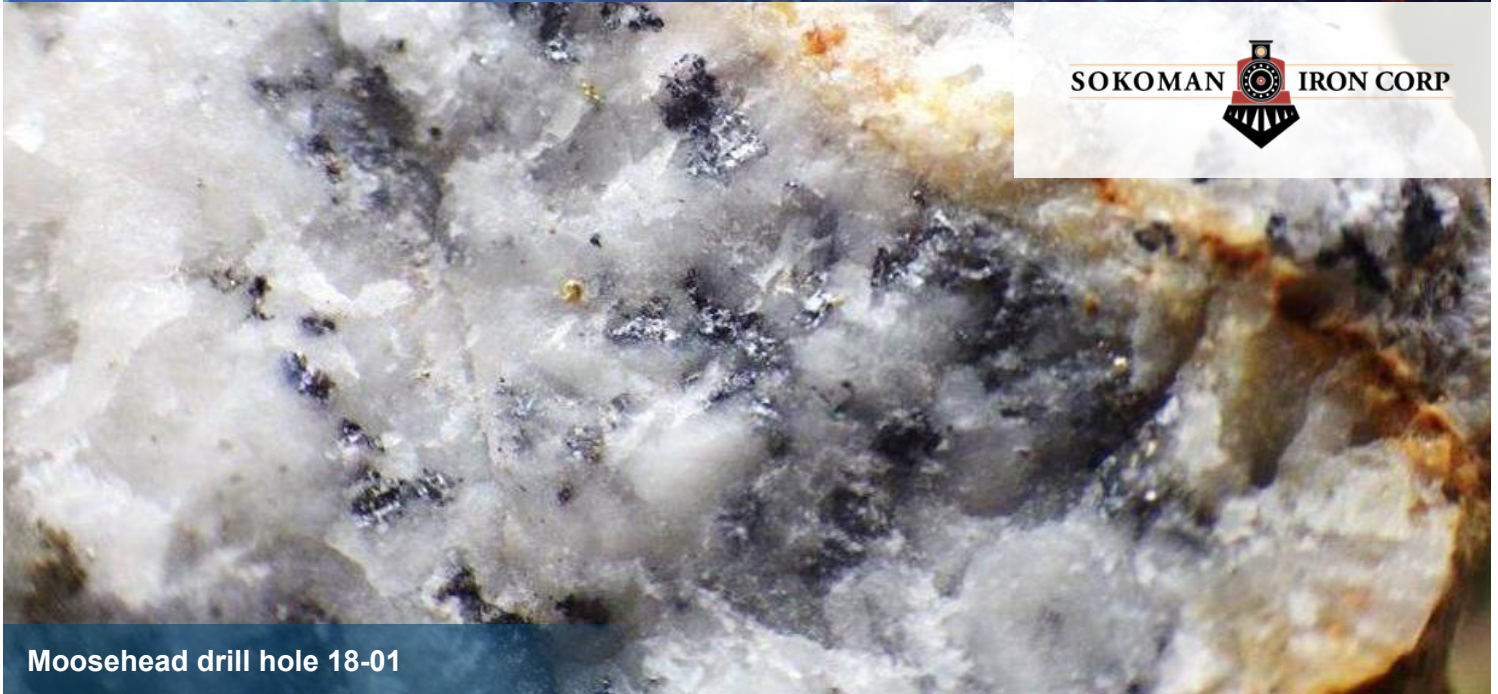




eNewsletter

CHF Spotlight

August 2018



Moosehead drill hole 18-01

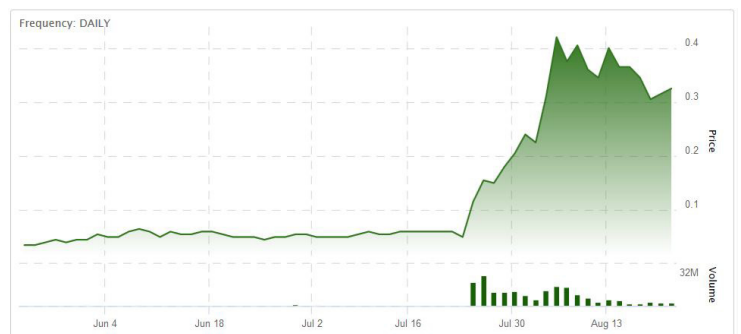
Sokoman Iron Corp.: Canada's Newest Emerging Gold Play

High-grade results attract the market's attention in this selective season for the junior mining sector. A lot of the speculative money is heading into other start-up industries but great gold results of high grades or big widths are still attracting some of the big name investors and speculators too. The recent high-grade assay results reported by **Sokoman Iron Corp. (TSX.V: SIC)** from their Moosehead project in Newfoundland brought them this market interest. They reported 11.90 m at 44.96 g/t gold from their first hole on their 100%-owned Moosehead project this summer. The Company was hoping for these types of results as the project was known to deliver high gold grades results from past work in boulders, to 442 g/t, and in drilling, 170.31 g/t over 1.53 m. Hole MH 18-01 was following up on a high-grade hit of 278 g/t over 0.45 m from the deepest hole on the property to date.

This high-grade result potential was known to the Sokoman management and the reason they acquired it from Altius Minerals Corp. Tim Froude was familiar with the project and the region and was quick to do a deal on the project when it came available. The cost

of the project was significant for the Company at the time – 19.9% of the Company stock to Altius – their standard deal. This equated to a market value of just under \$275,000 at the time of the deal. It looks like great value for the asset now.

The \$220,000 Phase 1, 15-hole, 1970.5 m drilling program delivered the MH-18-01 result, their first hole, hitting the high-grade result including a section at 385.85 g/t over 1.35 m [>10 oz/t], potentially confirming the up-dip extension of the high-grade 2003 hit



by Altius on the East Trend. This was followed by additional gold intersections in MH-18-02 and 18-03 on the West Trend, including 12.59 g/t over 1.2 m and 35.31 g/t over 1.17 m respectively.

These results immediately encouraged the market to trade the stock and increased the price from 5c to over 55c in the following weeks and to a market cap of over \$33 million, up \$30 million, great value for an investment of under \$0.5 million for the acquisition and initial drilling program. The Phase 1 initial high-grade results delivered more than good assays - they delivered market interest and investment showing, the price paid by SIC for Moosehead was an excellent investment for the Company and its shareholders.

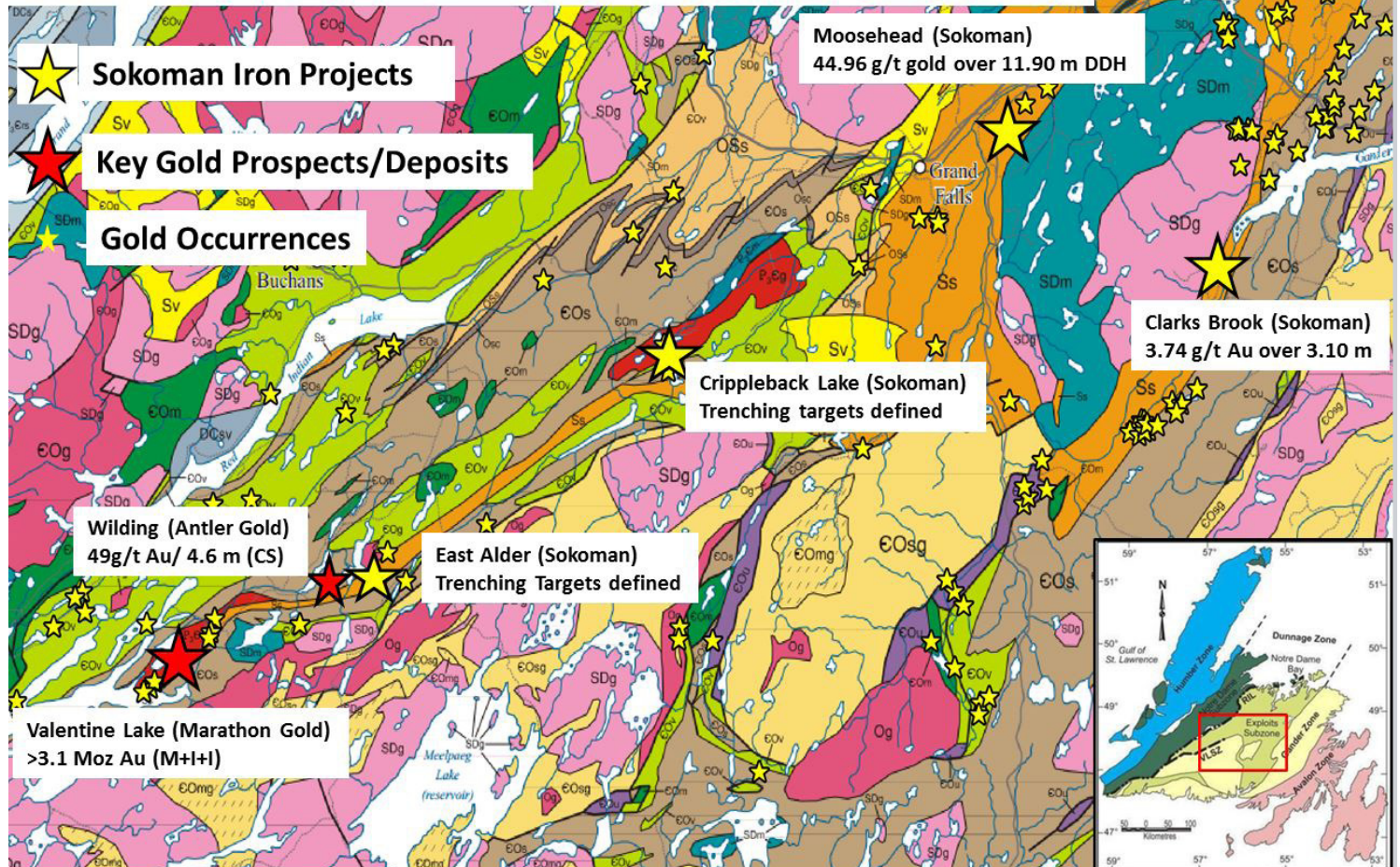
This value is illustrated in several significant ways. The initial news led to a doubling in the value of the stock on that day from a previ-

ous close of 5c to 11.5c. Since this time the stock price rose to closing at a high of 55c, this is 10-fold increase in the stock price and value for the Company. Stock price moves of this magnitude attract investor attention. Many juniors only hope for this kind of a move – to be a stock that delivered a “ten bagger”. This reward to the early shareholders can bring a sense of loyalty to the Company and provides a whole new group of promoters for the stock, a tremendous help to the management team.

The high-grade hit also attracted one of Canada’s mining finance leaders in Eric Sprott. Mr. Sprott led a private placement investment with over \$2 million as part of a \$3 million offering at 15c. This is Mr. Sprott’s personal investment fund and he is most likely a happy shareholder too, seeing his stock up over 15c and the 25c warrants also in-the-money, albeit not out of the 4-month hold period.

Central Newfoundland Gold District – Canada’s newest emerging Gold Play
Sokoman Iron (SIC) Strategically positioned with multiple quality Projects

- Gold associated with regional scale structures - along underexplored >150km long trend
- Silurian host rocks are analogous to the Timiskaming assemblage of the Abitibi Belt



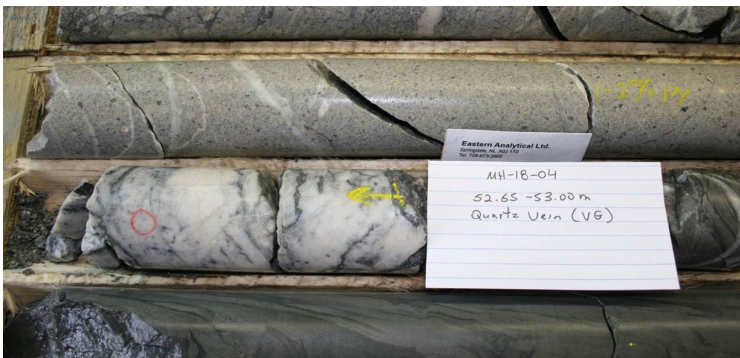
Sokoman Iron Project Map



CEO Examining Historical Moosehead Core

This type of strong performance over such a short term could make Mr. Sprott another willing promoter of Sokoman. Funding at this level ensures that Sokoman is able to advance its projects for the foreseeable future due to their healthy cash position. The recent financing included 20 million in 25c warrants and this could provide \$1 million for every 5c above the strike price once the hold is off, again strengthening the Company's balance sheet.

The next area of value in this Company's stock is that of liquidity of the investment. Investors look for a stock where they can realize their gains as the market allows them the opportunity to buy and sell. SIC is exhibiting this ability for the investor. Before the July 24 news on MH-18-0, the stock did not trade with any significant volume or value. But this high-grade result changed it all – trade volume and value increased by orders of magnitude – 2500 trades, almost 23 million shares – and over \$6.7 million in stock value in one day. In the past month over 146.8 million shares traded with a value of over \$36.7 million, this is more than twice the number of outstanding shares. This trade volume and value made SIC a



Altered Mafic Dike with QCV + py/asp with banded high-grade vein at contact

leading stock on the Venture Exchange for many days and attracted a whole new set of shareholders.

This recent success also makes the Company's stock available/eligible for many institutional funds that set market cap or trade value limits. This opens the Company up for new funding venues. However, these funds will have to wait as SIC is in a strong financial position for a junior, so they will have to get their stock in the market and may do so by switching out of less liquid positions.



Moosehead Project: Main Gold-Bearing Veins

The initial results for SIC on the Moosehead project were possible because of the value contained in the historical work completed on the property, allowing the Company to work more efficiently. The project was first worked by NL government discovering high-grade gold in surface rocks. Noranda was encouraged by these results and found additional high-grade gold in float rocks grading 144 g/t in 1989. The project was also worked under option from Altius by Teck, Royal Oak and Agnico Eagle - this included 111 diamond drill holes. Other exploration work included: mapping and prospecting; airborne and ground geophysics; geochemical soil sampling; trenching; bedrock mapping; structural analysis of core and bedrock. This work amounts to approximately \$2 million in relevant project data that is available to Sokoman and was used to direct its Phase 1 exploration program. The data set was acquired at about 10% of its historical cost. Another good value asset for the Company.

The initial results for SIC on the Moosehead project are certainly delivering value for the Company in many positive ways. The Company now has the funds to allow it to advance the projects in meaningful ways. It also holds the backing of strong shareholders and market interest to ensure the Company can continue delivering on this early success. Next we will write about how the funding can translate into delivering resource value to back up the market value and where that can take the Company.



Timothy Froude, P. Geo.
President, CEO & Director

Timothy Froude, P. Geo. President and CEO, Sokoman Iron Corp.

Tim is a graduate of Memorial University of Newfoundland and has been active in the mineral exploration business for over 30 years. Over that time, he has worked with a number of highly regarded firms including Inco Ltd. where he spent nearly 10 years working on projects in North America and overseas and was part of the team that discovered the Bobby's Pond massive sulphide deposit in Central Newfoundland. Tim

is also directly responsible for the discovery of the Valentine Lake gold deposit in Central Newfoundland, currently under advanced stage exploration by Marathon Gold. Over the course of his career, Tim has worked for a number of successful junior companies including Altius Minerals Corporation, Cornerstone Resources, Crosshair Exploration & Mining Corporation and Golden Dory Resources, the latter three companies as VP of Exploration. He also spent 1 year serving as Executive Director of the Newfoundland and Labrador Chamber of Mineral Resources, now Mining NL. Tim now serves as President and CEO of Sokoman Iron Corp.



Ronald Wortel,
PEng, MBA

Ronald Wortel, P. Eng, MBA

Ron Wortel is a mining and finance industry professional with over 25 years of project evaluation and investment experience. Mr. Wortel worked on the sell side with several investment banks covering the junior mining sector before moving

over the buy side. As EVP of Mining Investments for a well-known mining investment fund, he helped place over \$1 billion into Canadian mining exploration. This unique experience allows Ron to understand what makes for a great project and Company in the Canadian junior markets and share this knowledge with others.



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This article was outsourced at a cost of \$1500.00 CDN. Cathy Hume, CEO of CHF, sits on the Board of Directors of Sokoman Iron Corp. and also owns equity in the Company.

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