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**San Marco Resources (SMN-V, SMREF-OTC; \$0.13)** San Marco announced they have received a multi year drill permit for the Buck project. I know things are moving faster than the news release might indicate. Bob Willis has always been very sensitive about political stuff, so I think they wrote the permit release more for the locals - "we're going to be clearing out logging roads - no new disturbance so keep the protest signs to yourself". SMN doesn't expect any problems and full consultations have been done with the locals. I've never known San Marco to have permitting issues anywhere, in part because they are careful about the politics.

The release noted that site preparation would begin right away. The pad locations for the initial program are all on existing logging road, which there is quite a bit of at Buck. The site preparation shouldn't involve much more than clearing deadfalls. Management told me they had the driller signed up and ready to go and the drill would move in as soon as the first few pads are ready. We should see a drill start announcement within a few days.

Though there are a bunch of historic holes at Buck I consider this a discovery program, as I've noted before. No one has targeted Buck in the past using a breccia hosted gold model and most historic drilling is away from the areas San Marco will be testing. This one has been flying under the radar, but I think discovery drill programs—that deliver good results - are one of the few things that can get traction in a market like this.

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**HRA SPECIAL DELIVERY ALERT • VOLUME 918 • MARCH 17, 2020**

**San Marco Resources (SMN-V, SMREF-OTC; even on 306k shares at \$0.105)** announced that drilling has begun at the Buck project. SMN will initially drill 2000 metres of oversized HQ oriented core in several holes. San Marco is cashed up enough to expand the program but, given the market conditions, I don't expect it to make that decision until its got assays for the first holes back. Management doesn't seem concerned about getting the program completed given the local drillers and excellent logistics.

As noted in earlier updates, San Marco is undertaking what I consider to be a potential discovery program, targeting the diatreme/breccia model at Buck. No one has ever done that before, which is why I would consider a set of strong drill results to be a “discovery” announcement, notwithstanding the fact there are historic drill holes on the property. This drill program should allow SMN to confirm its breccia model and get assays that will help target the best-looking zones and work to either expand them or find more like them in follow up drilling.

The stock was flat on good volume (for it) today. We’re not in a market where there is likely to be much, if any, anticipatory buying. Notwithstanding that, and the overall crappy market, I think Buck represents the sort of target that has the potential to post gains if the results are good. Discovery stories have their own momentum and day to day swings in the price of the metal being explored for don’t have much impact early in the discovery stage. Of course, we won’t know if Buck IS a discovery until we see some drill results. Thanks to the current market backdrop, it’s a pretty cheap bet on a drill program if you feel brave enough to make it. I’m holding and might increase my holdings if there is another dip ahead of results.

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