



JIM RICKARDS'

GOLD SPECULATOR WITH BYRON KING

— Mining Fortunes as Gold Marches to \$10,000 —

April 3, 2018

Gold Speculator Portfolio Update (excerpt)

Balmoral Resources (OTCBB: [BALMF](#))

Hold at current levels | Position sizing: 3%

Balmoral's share price tumbled last week. The share price is far down from our entry point. For now, I'm changing the recommendation to Hold.

Last week, Balmoral released an "initial estimate" of gold resource at its Martiniere Gold project in Quebec. The press release is [here](#).

In essence, Balmoral came out with a 591,000 ounce indicated resource, with an additional 53,000 ounces inferred. Per the report, 73% of indicated resource is mineable within a "constrained" open pit, using 2.0 grams per tonne average gold grade. Meanwhile, based on drilling, all gold zones are open for expansion.

The market hated it, and promptly sold down Balmoral shares. The number of ounces is low, in the context of what larger or even intermediate companies are looking for in a resource. The share price drop was near-instantaneous; people hit the sell button as soon as possible. Since then, shares have drifted up-down, in the context of rising gold prices.

Who knows what exploration managers are thinking at other gold mining companies. But if the market reaction is any indication, Balmoral is no longer an attractive joint venture or takeover target for larger companies. The company spent a lot of money and time building a resource base that turned out to be rather meager in the context of current industry expectations. **Hold BALMF.**