

Has gold lost its shine for investors?

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Today I want to look at a small, but intriguing exploration play. But first let's address the price of gold, as in, what's going on?

In recent weeks, gold has traded in a range, more or less around the high (USD) \$1,700s per ounce. The metal has had a tough time even breaking \$1,800 lately.

Many things contribute to gold currently being stuck in neutral. The U.S. dollar has been remarkably strong against other currencies, so that alone helps keep a lid on the gold price. And the Federal Reserve has raised interest rates, which makes bonds more attractive and adds opportunity cost to holding a stash of gold metal.

Meanwhile, modern economic and academic culture holds gold in disdain, based on several generations of people learning in school that gold is an outdated form of wealth protection, let alone a way to grow wealth over time.

The point is, some things are out of our control. The price of gold is what it is. Markets do what they do. The culture is fixed and it's not as if you or I can change things.

Meanwhile, many gold mining junior companies – explorers and early stage developers – are badly beaten down in the markets. They are way oversold and there's opportunity to be had in this situation.

Right now, across the gold and mining investment space, there's no particular excitement for the gold juniors, especially the

explorers and early-stage developers, outside of an occasional hot press release about drilling results, and even then we usually see a slight uptick followed by a sell-side downdraft.

In essence, gold is in a holding pattern in terms of price, while the junior sector is just treading water in the case of most companies. There's little new money moving in, that's for sure.

So it can all seem pretty grim. But it also sets up opportunities for immense profit downstream if you are in a position and mindset to buy, hold and wait for the wheels of fate to turn.

I like to focus on a few investment basics. That is, I look for companies with solid assets, great technical teams and superb management. These companies hold mineral claims in safe jurisdictions. They don't do "vaporware," meaning that they hold real minerals in the rocks. You can see a current resource, or anticipate a worthy and solid report coming down the line. And people running the show know what they're doing.

Sooner or later, the upside will arrive and some of these plays have the opportunity to become attractive to far more than just the current crowd of gold and mining die-hards.

One company like this, which I've watched for a while, is [Romios Gold Resources Inc.](#) (TSXV: RG | OTCQB: RMIOF). Currently trading at around US 3 cents per share (about 4 cents Canadian) Romios Gold's market cap is about \$7 million (U.S.). It's small, but despite this, Romios holds a collection of assets that ought to prompt gold investors to take a serious look.

Romios holds claims in the Golden Triangle of British Columbia, in much the same geology and along many of the same trends as such names as Brucejack, Eskay and Galore. Field work reveals

excellent gold potential, along with copper mineralization in likely porphyry structures.

Romios also holds claims in Ontario, near the massive Musselwhite gold project. Romios has much the same geology underfoot as the past and presently working mines, again with excellent gold upside potential.

In addition, Romios holds mining claims in Nevada, in hard-rock areas in the west of the state. That is, it's not Carlin-style gold, with all the problematic issues that come with exploration and production of that kind of rock. Instead, Romios works in classic mining country, and has already identified mineralized zones with visible gold within extensive vein systems.

Each of these locales – B.C., Ontario and Nevada – have their own geological story to tell. And at this stage I won't belabor the points or write extensive geological descriptions. Those details can be found on the company's [website](#), along with recent press releases.

Meanwhile, from public documents and discussions with management I know that Romios has been gathering field data over the past year, and especially over this summer. Some press releases to date from Nevada have been remarkable in terms of gold and copper.

Like many junior miners, Romios holds a larger inventory of mineralized claims than its bank accounts can afford to explore, let alone develop. Then again, that's what joint ventures and similar kinds of deals are made for. There's no reason to think that Romios will continue to work alone, and solely on its own account. More likely, we'll see some dealmaking. And those deals will begin to shine light on what the company has in the barn, so to speak.

Indeed, the old term “barn find” is apropos for Romios. To use an analogy, I’m reminded of the stories you occasionally hear about someone who discovers a collection of classic old cars sitting under canvas tarps in some old barn out in the middle of the countryside. There’s definite potential for a Wow-factor here as you pull back the tarps.

With Romios that wow-factor pertains. The company holds an impressive inventory of assets with strong potential upside. At this point the real question is how long, and what level of investment will it require to bring one or more of these assets to the attention of a marketplace that’s currently bored, if not downright demoralized.

As the summer field season finishes up, and we move into the fall, I suspect it will be worth watching for more news from Romios.