

Uncovering the hidden value in Romios Gold

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You likely haven't heard about [Romios Gold Resources Inc.](#) (TSXV: RG) unless you've read about it previously at InvestorIntel [here](#) or [here](#). That's because with a current market cap of approximately C\$10 million and roughly 9% of that held by management and directors that means there's only about C\$9 million worth of shares in the hands of the general public. But one could argue that is one of the appealing traits of this company. If anything happens at one of their numerous properties it could result in an explosive move in the stock price. So let's delve a little deeper into what could cause that to happen.

The Company has made a habit out of staking or acquiring properties in the vicinity of existing mines or major development projects, owned or operated by major mining companies (e.g. Newmont, Teck). These properties are all located within world-class, stable mining districts in Canada and the USA. From there, Romios will either explore the property itself or enhance shareholder value by unlocking potential properties through joint venture and/or strategic partnership.



Source: [Romios Gold Corporate Presentation](#)

Romios' most advanced properties include the [Lundmark-Akow Lake](#) project located in the center of the North Caribou Lake greenstone belt in northwestern Ontario, 18 km from Newmont's Musselwhite gold mine, the [Trek](#) and [JW](#) properties both located in BC's Golden Triangle and the [Scossa Gold](#) project in Nevada.

Due to the pandemic, Romios did not undertake any drilling on these properties in 2020 but has detailed plans for extensive ground work in 2021 which could lead to the drilling of promising targets if warranted by the results. On March 4, 2021, Romios [announced](#) very encouraging results have been received from its recently completed airborne VLF-EM and Magnetic geophysical survey over its primary gold targets on the Lundmark-Akow Lake and North Caribou River properties and confirmed geophysical features that now become high-priority targets for drilling in 2021.

As for non-core properties, examples of joint ventures, partnerships or outright sales include on June 11, 2018 the Company completed the [sale of the Timmins Hislop property](#) in exchange for 178,321 McEwen Mining Inc. (TSX: MUX) common shares while retaining a 2% net smelter return royalty. In September 2018 the Company signed an [agreement with Crystal Lake Mining Corporation](#), now known as Enduro Metals Corporation (TSXV: ENDR) whereby, over the three years to November 29, 2021 Enduro can earn a 100% working interest in the Newmont Lake Project for the issue of 12 million common shares to the Company over three years and the payment of \$2 million in cash option payments, and again Romios retains a 2% net smelter return royalty. Most recently Romios announced that it has [signed a Letter of Intent with Honey Badger Silver Inc.](#) (TSXV: TUF) to sell an 80% interest in Romios' five claim blocks in the Thunder Bay silver district of northwestern Ontario for \$150,000 worth of Honey Badger shares.

These deals represent some hidden value for Romios shareholders. Along with the \$1 million in cash that the Company finished 2020 with, it holds 175,000 shares of McEwen Mining, 185,000 shares of Sassy Resources (CSE: SASY) that was dividended out by Crystal Lake Mining, and almost 5 million shares of Enduro Metals with another 4 million to be issued this November along

with the last \$1 million cash payment. The Enduro shares have varying escrow periods but based on yesterday's closing prices, and assuming the Honey Badger deal is closed as agreed, this equates to approximately \$1.7 million worth of shares in the coffer today plus an additional \$1 million in shares and \$1 million in cash come November. Add it all up and that equates to almost 50% of the current market cap for Romios. Albeit I'm reaching a little in that no one knows what the value of Enduro shares will be by November but Romios shareholders could own up to 4% of Enduro come November 29th.

At this point, Romios has the luxury of being able to sell some of its various shareholdings to fund its 2021 exploration program, possibly JV some more assets or potentially raise capital. However, the company elects to move forward, if you combine the "hidden value" with exploration upside from this year's activities and there's a lot of leverage to be had with this micro-cap.