

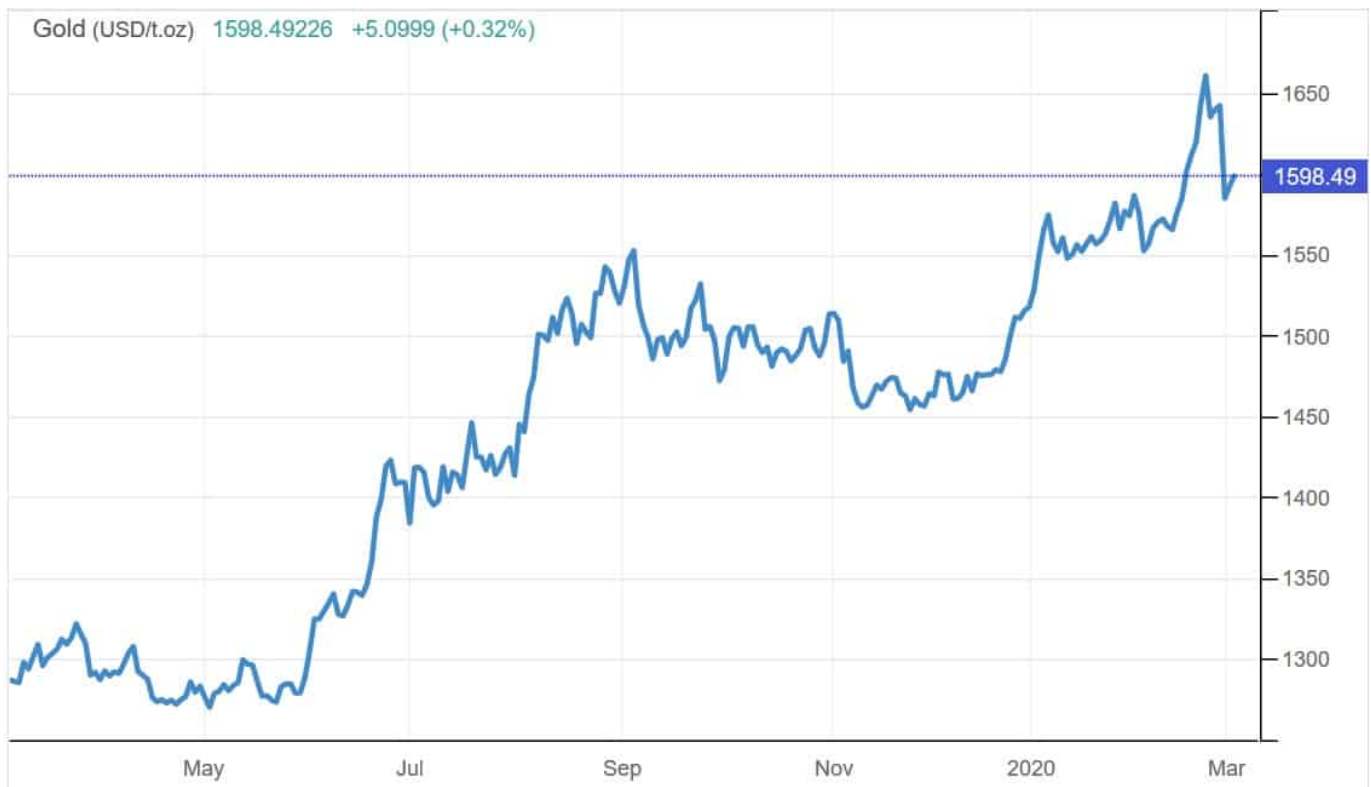
# Looking at West Red Lake Gold, a well partnered explorer in a rich gold producing district

written by Investor News Writer | March 6, 2020

With the gold price surging 24% in the past year there are still some gold juniors that are exceptional value. Even better today's gold company is in a very strong gold producing district, in the safe jurisdiction of Canada. The Red Lake Gold District is host to some of the richest gold deposits in the world and has produced nearly 30 million ounces of gold from high grade zones.

Yet strangely the share price of this gold junior is 35% lower than a year ago despite finding more high grade gold.

**The price of gold has risen 24% in the past 1 year**

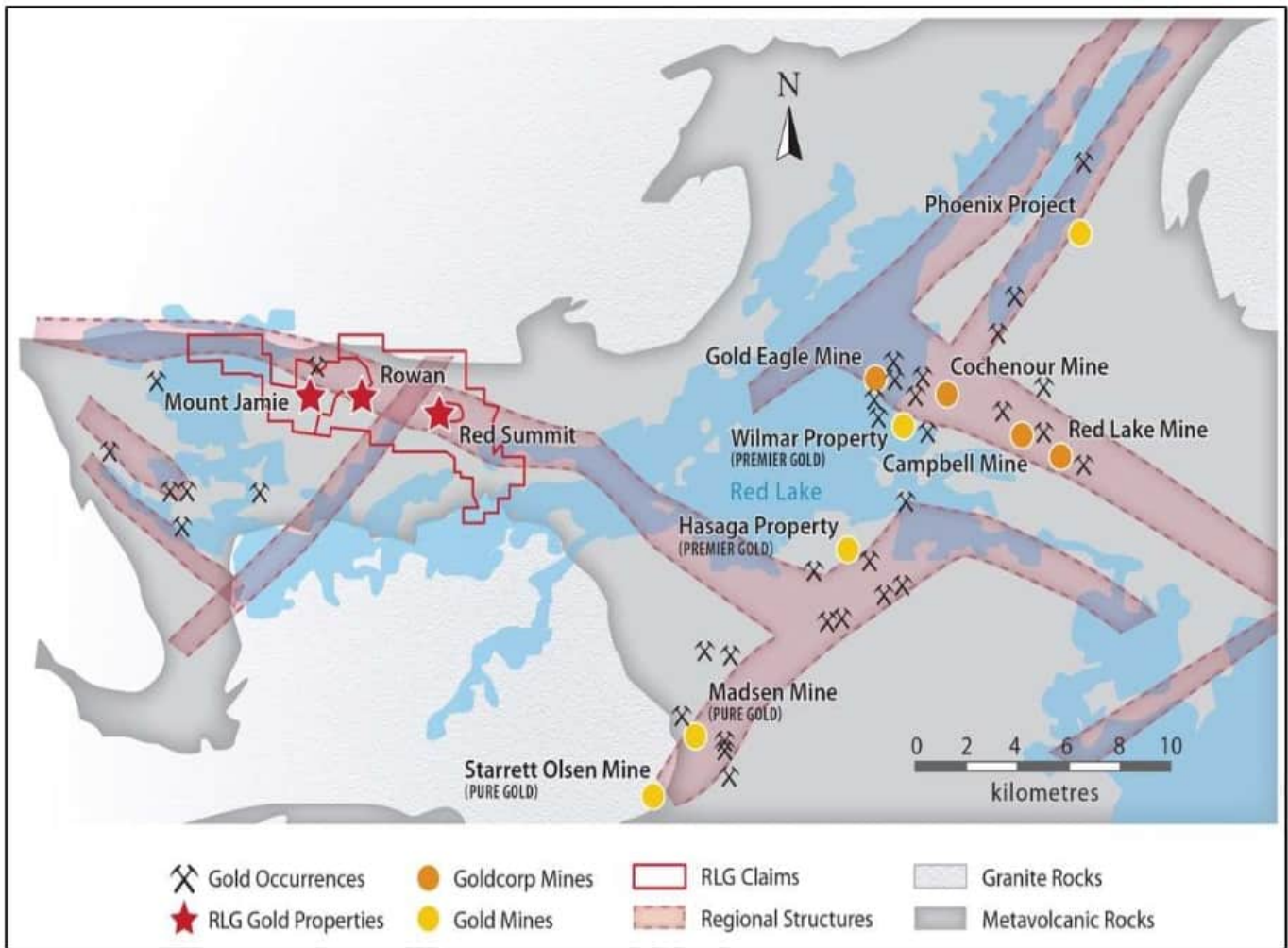


[West Red Lake Gold Mines Inc.](#) (CSE: RLG | OTCQB: RLGMF) is a Toronto-based minerals exploration company focused on high-grade gold exploration and development in the prolific gold district of Red Lake. West Red Lake's 3,100 hectare property has a 12 km strike length and 3 former gold mines, and contains [1.1 million inferred ounces](#) of high-grade gold (7.57g/t), and is open at depth.

West Red Lake's three former gold mines are located 20km west of Newmont Red Lake mines and are:

- Mount Jamie Mine (100% owned)
- Red Summit Mine (100% owned)
- Rowan Mine (60%-owned, 40% Newmont Goldcorp)

**West Red Lake Gold Mines Inc. property is close to several successful gold mines**



## Recent drilling results found more high grade gold at the Rowan Mine

In recent news, West Red Lake [announced](#) that they have extended the NT Zone on the Rowan Mine Property. Drill results included the following:

- 12.14 gpt Au over 13.5 m
- 9.14 gpt Au over 7.5 m
- 5.38 gpt Au over 21.0 m
- 11.13 gpt Au over 3.0 m
- 4.99 gpt Au over 5.2 m
- 6.34 gpt Au over 3.0 m

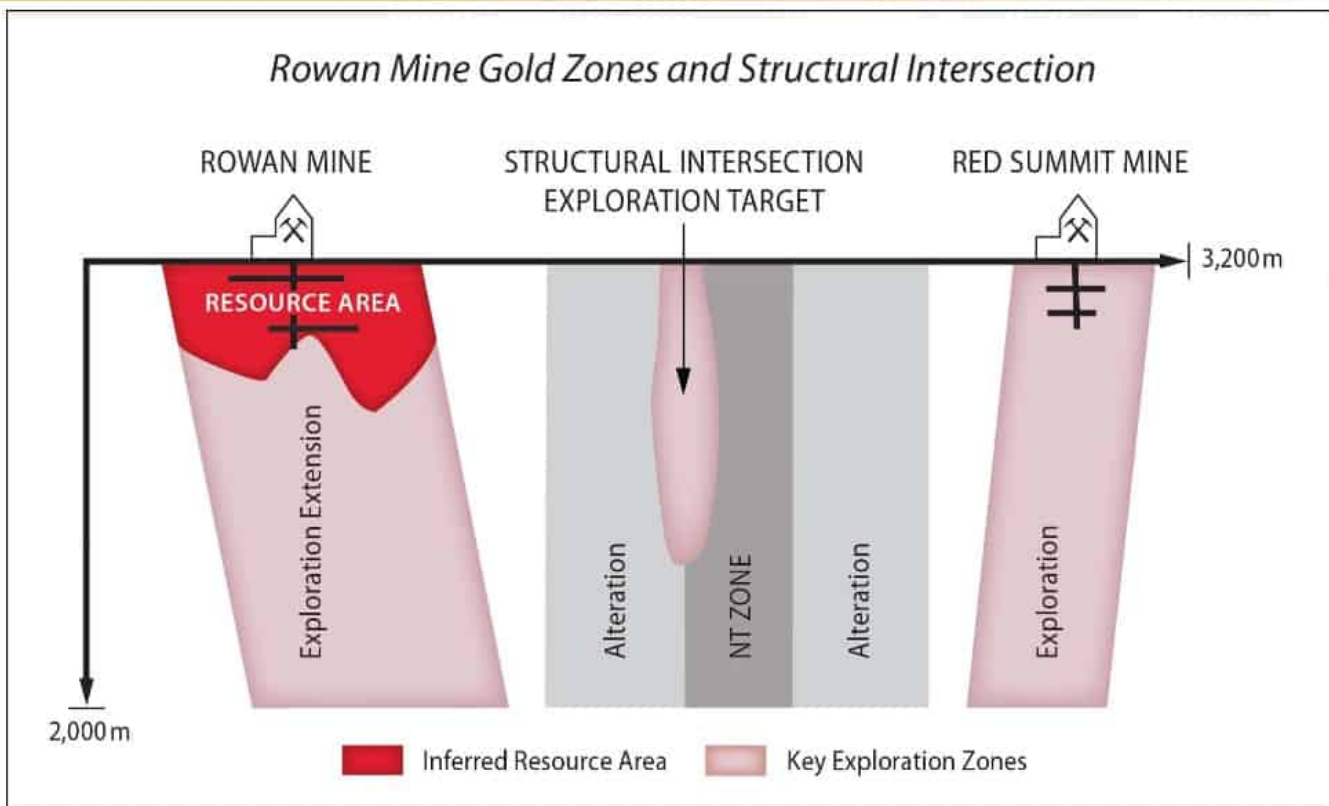
Given that anything over 5 g/t (5 gpt) is considered high-grade

gold then the above results are very promising. The results continue to support the previous high-grade findings [announced](#) a year ago which included: 14.18 gpt Au over 7.8 m, 6.51 gpt Au over 9.3 m, 3.76 gpt Au over 5.6 m, and 13.80 gpt Au over 1.8 m.

President of West Red Lake Gold, Mr. John Kontak, [stated](#): “We are very pleased that the exploration drill program successfully expanded gold mineralization at the NT Zone. These drill results demonstrate that the 2 km long NT Zone holds significant exploration potential and is a new area of exploration focus which is located a few hundred metres south of the Rowan Mine gold deposit.”

### West Red Lake Gold Mines Inc. current gold exploration targets

#### PRIMARY EXPLORATION TARGETS



Gold price goes up 24%, company finds more high grade gold,

## **stock price down 35%?**

I know small junior gold mining companies often get forgotten, but this is a classic case. In May 2019 when I [wrote](#) on West Red Lake Gold Mines the stock was trading on a market cap of C\$10 million, and today it is C\$7.8 million. When checking the stock price 1 year return Bloomberg shows it as [minus 35%](#).

This is certainly strange. The gold price has surged 24% higher the past year while West Red Lake Gold Mines has fallen 35%, despite successfully finding further high grade gold.

## **Closing remarks**

Equity markets are certainly not rational and from time to time the market temporarily gets it wrong. Clearly the largest gold company in the world Newmont Goldcorp (NYSE: NEM) thinks so, as they own a 60% JV share in the Rowan Mine.

It seems clear to me that a well partnered junior gold explorer in a rich gold producing district, with 1.1 million ounces of inferred gold at good grade would be worth at least double the current valuation, with upside from there if they can further grow and prove up the resource and make it to production.