

Gold Newsletter

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• **Copper Canyon Resources** (CPY.V; C\$0.94) and **Romios Gold Resources** (RG.V; C\$0.68) have announced a merger — one that makes perfect sense.

As you'll remember, Copper Canyon is on our recommended list, having gotten there as it was dividend-out of one of our long-standing recommendations, **Eagle Plains Resources** (EPL.V; C\$0.89). I've never recommended Romios, although I have been on the verge of doing so a couple of times.

The merger of the two companies makes sense because Copper Canyon has huge resources (2.86 million ounces of gold, 37.9 million ounces of silver and 1.16 billion pounds of copper) adjacent to NovaGold's Galore Creek Project in northwestern British Columbia. But those resources are joint ventured to NovaGold on an extended time table, and can't do much to move the CPY market in the near term.

On the contrary, Romios is also working in the same area of BC, with a massive land position encompassing nine separate properties, some of which are contiguous with NovaGold and Copper Canyon's holdings. One of those properties has an early-stage, 200,000 ounce inferred resource, and a fairly aggressive drilling program promises to significantly expand the resources over the coming exploration season.

So the new company will combine a premier, world-class resource with a highly prospective exploration story. The best of both worlds.

I'll go into more detail about this company and this region in upcoming reviews. Suffice to say now that the "New Romios" will be a very interesting, high-potential addition to our portfolio. It's a strong hold through the merger process, and a buy beforehand on any significant weakness in either of the two companies.

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