

# INTERVIEW WITH JUNIOR RESOURCE LEGEND BOB BISHOP



**JUNIOR MINING MONTHLY**

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I recently had the pleasure of interviewing a legend in the junior resource space. Someone who was generous with his time early on in my career and someone who is respected by everyone in the space: Mr. Robert Bishop.

Here is my interview with Bob (as he prefers to be called) going over his thoughts on gold, what to expect, and some names that he is personally bullish on among other topics.

Enjoy.



## INTERVIEW WITH JUNIOR RESOURCE LEGEND BOB BISHOP.

**Gerardo Del Real:** This is Gerardo Del Real with *Junior Mining Monthly*.

Joining me today is, frankly, a gentlemen that needs no introduction, but I'll take a stab at it anyhow.

He was the editor and publisher of *Gold Mining Stock Report*, a subscription-based newsletter that focused on junior resource companies from 1983 to 2007. He's also the author of one of the first books I ever read on junior resource stocks. It was the *Investor's Guide to Penny Mining Stocks*. I could go on. Mr. Robert Bishop, how are you this morning?

**Robert Bishop:** It's Bob, and very well, thanks, Gerardo.

**Gerardo Del Real:** Thank you for taking the time. It's an interesting time to say the least. I want to talk gold and the market and where we're at. But before we get into any of that, I have to ask for your thoughts on the current state of the country. It's an interesting time, to say the least.

**Robert Bishop:** That's the understatement of the year. I think the country is in a space it's never been in before. We've got a reality TV star who managed to become president. He's taken a very divided country and driven a wedge much deeper into it.

It's two countries right now, and an ugly time in America. We're in the midst of a pandemic and have an economy in ruins. Before it's all over, there'll be hundreds of thousands of deaths, most of which could have been avoided.

We have 4% of the world's population but 25% of worldwide cases and deaths. President Chaos likes to call it the China Virus, but global statistics say Trump virus is more accurate. It didn't need to be like this, but here we are.

**Gerardo Del Real:** Here we are indeed. I mentioned that you were the author of one of the first books I ever read on junior resource stocks. Coincidentally, you also were largely involved in my first ever resource speculation, a company by the name of Animas Resources.

I bring that up to mention and ask you, we are coming out of what everyone I've spoken with has said was the most brutal bear market in the resource space. I want to ask you how you navigated it and just what your thoughts are about that bear market. Was that the worst you've ever seen it, these past several years?

**Robert Bishop:** Yes, and I was eternally grateful that I was no longer in the business and in a position where I had to deal with it every day. As you know, it wears on you. It was much nicer to simply be an investor, and not be in the business of giving people advice during what was a resource bear market for the ages.

In a market like that, it's hard to do anything right for people, and so easy to lose them money. Even if you do make a recommendation that makes money, few benefit from it; most people don't take your advice in that environment. Trust me, it was nice viewing the bear market from the sidelines, not being in the thick of it.

**Gerardo Del Real:** Now here we are with gold near the \$2,000 level, copper near the \$3 level. I have to get your thoughts on the current gold bull market. What do you see developing here? Is this sustainable? Do you think it goes higher? Then of course, how do we play it?

**Robert Bishop:** I think it's early days. I know a lot of people are getting altitude sickness up here around \$2,000 an ounce, but I don't think gold has even crossed the minds of most people. They're distracted — and giddy — by the fact that they've gotten much of their money back on Wall Street. The only time I can recall fear being a driving force in the gold market was in late 1979, and although gold had a good run a decade ago, I never felt that fear was a driving force. I'd love to be wrong about this, but I think a fear sequel is on the horizon and people need to be open-minded about where the gold market can go.

We've already seen some spectacular volatility. Last week gold was down over \$100 an ounce in a day, yesterday it was down \$72 or thereabouts. Volatility like that scares people, but I think you've got to learn to view such setbacks as opportunities.

It's the daily price, but it's almost as if it's fake gold, in the sense that there's not much supply available. Go out and try to buy the stuff, try to buy it in quantity. There's a big disconnect between the price and the availability of supply. It's true in gold right now and doubly true in silver. If we're seeing that kind of supply tightness at this stage of the game, it seems to me that gold has to go much higher if the leading edge of the market is finding supply problems at this early stage. What happens when gold gets popular?

**Gerardo Del Real:** You've seen cycles in, I got to believe, over five decades. Is that accurate?

**Robert Bishop:** Most of five decades. 1978 is when I fell into a job with a guy named Howard Ruff who had a newsletter called *The Ruff Times*. He sold 4 million copies of a book over a few years and his newsletter went off-scale. Anyway, I worked for him for five years and explored a lot of different avenues of the markets, all with a hard money emphasis.

There was just something about the mining game that intrigued me a great deal, not least of which was making 1,000% on a stock (Bull Run Gold Mines — BULL — best symbol ever) in a 90-day period. That may sound impressive, but I made very little money and it was a good lesson: own enough to make a difference.

It also occurred to me that we were going to see a gold mining renaissance in the early '80s as a result of price changes and new technologies such as heap leaching coming into play. Up to that time, South Africa produced most of the world's gold and there were just a handful of large, North American producers. Higher gold prices and new technologies lowered the barriers to entry and small companies got into the business.

**Gerardo Del Real:** It sounds as if the wind was at the back of gold miners. Have you ever seen so many tailwinds as right now, fiscally, monetarily, geopolitically, for the gold price and in the gold space?

**Robert Bishop:** No, I don't think there's anything to compare it to; the country has never been in the position we're in right now. We're in the midst of a pandemic. We've got an extremely erratic narcissist for president. We've got the very real prospect of a disputed election. The only thing that avoids that is an absolute tsunami win by Joe Biden. But absent that, I think we've got a disputed election in our future.

No, we've never been here before. I think there are many, many reasons for gold to continue its advance. Like I said, I think it's early days. I think we have a few more years and much higher prices than most people can wrap their heads around. One of the reasons I say that is because some of the recent gold commentary I've seen is reminiscent of those who tried to talk down the China-driven commodities market after the turn of the century.

Then and now, opposing major trend changes is no way to make money.

**Gerardo Del Real:** Anytime I get the privilege to speak with a legendary stock picker that's seen a little bit of all of it, I have to ask, are there some names out there that you own that you like, that you're using as a vehicle to play, what many think, including yourself it sounds like, is going to be an unprecedented, historic gold bull market?

**Robert Bishop:** I'll be happy to give you some names. My portfolio is a legacy portfolio in the sense that I've owned some of these stocks for years. It's not like I had to decide earlier this year that gold might be going up and I should get in the space. An extreme example is Almaden (TSX: AMM/NYSE: AAU), one you're following that I've been around since 1986.

**Gerardo Del Real:** It's in your book.

**Robert Bishop:** That's when it went public. Almaden has been good on multiple occasions over the years. It got a 2,000% gain out of the diamond play in the early '90s and the company has been in Mexico for many years now. I'm sure Almaden is trying the patience of many, many shareholders, but I believe Almaden will be worth the wait. It's ridiculously cheap in light of what a permit would mean to that company. With permit in hand, I expect Almaden will be in play. It's also nice to see a significant silver component to the Ixtaca project.

**Gerardo Del Real:** Agreed, agreed. Polymetallic deposit, equal parts gold and silver, a mill, a lot to like there. As you mentioned, I do cover the company. I like the Poliquins and what they've been able to do with the share structure after all these years. I think they're a world-class team.

Any earlier-stage names that you like that can potentially provide those triple- and quadruple-digit gains that we're all in the space for?

**Robert Bishop:** Sure. One you're following is K2 Gold (TSX-V: KTO/OTC: KTGDF). Again, I like the people. That's a starting point on every single one of these things. If I don't like the people, I don't like the stock, I don't care what the story is.

You've got very good people behind this one. You've had Newmont and BHP in the deal before. That certainly implies size potential, as such companies wouldn't be there unless they thought a major discovery was possible.

As you know, the warrant expiration is August 22nd. So in a sense, there's been a period here where you could get almost free money, in the sense that you could buy the stock knowing it wasn't going to get away from you and the selling pressure would disappear when the warrants expired.

Another one that you're following that I've been around for years is Nevada Sunrise (TSX-V: NEV/OTC: NVSGF). The Kinsley Mountain Project has shown some very, very interesting high-grade results. It's been in the hands of people who have done it before. They had Long Canyon, which they sold to Newmont for \$2.3 billion. Years after they began at Kinsley, the same exploration team is still in the mix and they're not walking away from it.

Nevada Sunrise is in a tagalong position with a 20% interest in the project. That's another drill hole play that could come right, and probably the most speculative of the companies I'm mentioning.

Lastly on the exploration front, Westhaven (TSX-V: WHN/OTC: WTHVF) is another stock I've been around for a long time. Again, people. Chairman Gren Thomas is someone who was very early in the diamond game, with Aber Resources, and the Diavik diamond mine resulted from that. His son Gareth is running Westhaven.

They've got a gold belt in British Columbia that's about a three-and-a-half-hour drive from Vancouver, so Westhaven has huge infrastructure advantages. So far, it's a teaser project, in the sense that they've got some very good high-grade results and they've gotten plenty of low grade as well. It's a big, big gold system and Kupol and Hishikari are the geological models this one is based on. I still own it because I think there's still a good chance to hit the sweet spot over time.

Lastly, I'll mention one that nobody should rush out and buy, but I think is worth looking at. I don't expect a drill play out of it until sometime next year; it's called Harfang Exploration (TSX-V: HAR/OTC: HRFEF). Last I looked it hadn't traded today and that's not uncommon. It's quite illiquid. It's about \$0.30 Canadian.

I own Harfang because Andre Gaumond of Virginia Gold called a few years ago and said, "You should own some of this." That got my attention. Andre's Virginia Gold was very good to my subscribers, and Andre is one of the real class acts of the business. Osisko is Harfang's largest shareholder, and they've got some very, very good technical people in the background. It's a next year story. In a market where so many things have moved, Harfang hasn't moved, so it's an idea that might be worth looking at for down the road. HAR is the symbol.

**Gerardo Del Real:** Excellent, I appreciate that. I have to mention, about a decade or so ago, I did extremely well early in my career riding the coattails of yourself and Mr. Jeff Phillips with rare earth plays, whether it was Rare Element Resources or Quest Rare Minerals. There were several others. Tasman. I did very well. I mean, these were stocks that went from 8, 10, 11, 12 cents up to as high as \$16, \$17, \$18 at their peak.

We're now seeing heightened tensions geopolitically with China. We know China isn't shy about weaponizing the rare earth critical metal supply chain. They're dominant in that space.

You mentioned to me off air that there were some lessons learned, although you did very well. I know you did very well during that time period. Can you provide some insight there? And then is that still a space that you keep track of?

**Robert Bishop:** I'm aware of it, but I wouldn't say I'm closely following it. That said, I still have a big position in Leading Edge Materials (TSX-V: LEM/OTC: LEMIF), which at the time was Tasman. LEM seems to be on the comeback trail.

When the rare earth situation blossomed years ago, it did so in a way that you couldn't script any better. The New York Times was really the stock promoter. They had rare earth stories in the paper every day and it was relentless, and it led to a mania that was the biggest I've ever seen. The diamond play was great when it was happening and there have been others, but the rare earth play was a true mania.

I guess looking back on it, although I did well, I should have done so much better. A lot of the reasons the rare earth mania took place then are still in place today.

We're still at the mercy of China for rare earths. I believed in the backstory too long and didn't appreciate the urgency to harvest gains as aggressively as I should have. The story can remain intact but when the psychology of a market changes, look out below!

One other thing to think about: I've given appreciated stock over the years when I've donated to charitable causes. When you've got these massive gains, giving appreciated stock is a really easy way to be philanthropic.

In hindsight, I wish I'd done more of it. I did a lot, but wish I'd done more.

**Gerardo Del Real:** That's good insight. That's good insight for me as I develop in my career. That's definitely something that's near and dear to my heart is giving back. It's important, so I appreciate that.



I got to ask you before I let you go, do you feel this gold bull run is going to be similar to the mania you saw in the rare earth space, or do you think it'll be even more prolonged than that?

**Robert Bishop:** I think it'll be more prolonged. Like I said, I think it's just started and it's being driven by money creation on a scale that's hard to imagine. I'm not on the blogs and reading everything, but it seems to me that the monetary creation is off-scale in a way that the gold price does not begin to match. I think we've got big economic problems down the road, irrespective of who becomes president for the next four years.

Many investors have very short attention spans, but I expect the people who can afford to be patient will be the ones who make the most money.

Years ago when Diamond Fields was playing out, there was a group of people in Atlanta at a conference I used to go to every year, and it was a pretty upscale crowd. I had recommended Diamond Fields to this group and lots of people owned it. I came back a year later and the stock had gone to the moon. These were people who could afford to be patient and they made the most money. I think that is a good rule of thumb.

Another is to have cash on hand. You don't want to be wondering what to sell to buy something else. I think maintaining a big cash reserve serves you well in a period like this pandemic.

When the markets cratered in March, how would you feel if you didn't have cash on hand at a time like that? Same thing applies to your ability to buy resource stocks. You want to be able to write the check, rather than figure out what to sell to make the next purchase.

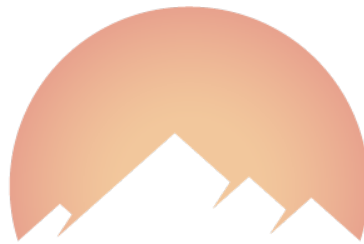
**Gerardo Del Real:** Words of wisdom from one of the best. I want to thank you very much for taking the time today. Is there anything else that you'd like to add?

**Robert Bishop:** Thank you for the opportunity and congratulations. I think you're doing a good job.

**Gerardo Del Real:** I'm going to keep hard at it. Thank you.

**Robert Bishop:** All the best, Gerardo.

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