



Why Pretium Shares Plunged...Again

Description

Although we don't believe in timing the market or panicking over market movements, we do like to keep an eye on big changes — just in case they're material to our investing thesis.

What: Shares of precious metals explorer **Pretium Resources** (TSX: PVG) crashed 27% today after reporting preliminary processing results for the material excavated from its Valley of the Kings (VOK) Bulk Sample Program.

So what: The stock [plummeted earlier this month](#) after independent consultant Strathcona Mineral Services resigned from the project, and Pretium's report today included part of the reason why: Strathcona found "no valid gold resources for the VOK zone." While the first portion of the bulk sample was actually pretty solid — a total of 281 ounces of gold and 532 ounces of silver were produced — Strathcona's conclusion reinforces Bay Street's worst fears about the project's potential (or lack thereof).

Now what: Naturally, Pretium backed the sampling methodology of Snowden Mining, the *other* industry consultant it hired for the project. "Preliminary figures from the processing of the 426585E cross-cut show the contained metal included 281 ounces of gold," [wrote](#) Pretium in a statement. "It is the opinion of both Pretium and Snowden that there is a significant difference in the contained gold estimated by the selective sampling of the 426585E cross-cut by the sample tower and the actual contained gold determined by milling the total 2,167 tonnes of material excavated from the 426585E cross-cut." So while the stock is certainly too risky for average investors, the extreme pessimism surrounding Pretium might be providing resource-savvy Fools with an enticing entry point.

Looking for an easier way to make money investing than pouring your hard earned dollars into speculative plays like Pretium? Look no further. [Click here now](#) and download our special **FREE** report "**3 U.S. Companies That Every Canadian Should Own**". Your portfolio, and your stomach, will thank you for it!

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Fool contributor Brian Pacampara does not own shares of any of the companies mentioned at this time. The Motley Fool has no positions in the stocks mentioned above at this time.

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Date

2025/07/26

Date Created

2013/10/22

Author

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