



## My Recommended Junior Gold Play for 2017

### Description

Investors who placed their faith in the young **Osisko Mining Inc.**'s ([TSX:OSK](#)) potential in hunting for hidden precious gold beneath the Canadian soil have so far been greatly rewarded. The stock has risen by 103% since January 3, 2017, and seems to be consolidating at around \$5 right now.

Could this be the time to buy?

Osisko Mining is a junior mineral exploration company that is mainly focused on the acquisition, exploration and development of precious metal resources on a number of fully owned large-area claims and properties in the country. Its best performing and most promising asset is currently the Windfall Lake gold deposit in Quebec.

### Whats moving the stock price?

As once discussed in my last opinion piece on the stock [here](#), Osisko's stock price is very much anchored on the success of its gold drilling and exploration program. The company's new discoveries have pushed the stock up 21% since March 17, 2017.

Gold mining companies' valuations are heavily influenced by their indicated and measured resource base.

The company is embarking on an aggressive 400,000 meter drilling program at Windfall Lake and exploration activities are still going on at the Garrison Project.

Most striking has been the junior miner's rate of gold discoveries in 2017. High quality discoveries are being reported, especially at Windfall Lake where, in April alone, three more discoveries have been made, including a 63.8 grams per tonne (g/t) of gold ore over 4.4 meters which was closer to the company's discovery of a 71.4 g/t over 5.4 meters at the same site in March 2017.

More discoveries are being made at Fox and the Garrison too, but Windfall Lake has proven some serious potential to support full fledged mining activities. I believe the site will be successfully turned into an operational gold mine in the next few years.

Osisko has already identified a site for the construction of a mill complex that would process mined gold ores from the deposit in Quebec. Management indicates that construction activities on Windfall Lake could begin in 2019.

The company's tried and tested management team is at it again, after registering success at the **Malartic Mine** in Quebec. The company is currently well financed to the tune of \$190 million in cash and investments.

### **Risks to consider**

Just as with any other mining venture, there is uncertainty about the ability of exploration activities to accurately predict mineralization, and there could be possible errors in management's geological modelling.

Furthermore, the stock's valuation is heavily impacted on by the international gold price, so the price may fluctuate with the market price of gold.

### **Investor takeaway**

The potential in Osisko Mining Inc's projects is visible, and the Windfall Lake project is likely to be turned into an operational gold mine in the near future.

However, sometimes exploration results may not fully give an accurate estimation of mineralization rates and expected recovery costs. So the risk with the investment in the gold miner is significant too.

Also significant is the opportunity for investors to get rich on an investment in this budding project. Just 115,000 meters drilling has been completed to-date in the 400, 000 meter Windfall Lake drilling program. More discoveries are likely to be made and could push the stock price higher in the short term.

A long term investment in the company's shares during this price consolidation phase could be worth the risk.

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