



## Wallbridge Mining (TSX:WM): 3 Takeways From the AGM

### Description

The junior mining industry is one that is highly volatile. However, now that gold has [regained its lustre](#), several in the industry are marching towards record highs. In terms of performance, **Wallbridge Mining's** ([TSX:WM](#)) one-year returns of 226% stands out.

The company's Fenelon project is proving to be a strong asset. The company expects that it can prove up to 3.5 million ounces of gold by the end of its current drilling program.

In early June, the company held its annual general meeting. Here are three key takeaways for investors to consider.

### A strong balance sheet

Despite being a junior exploration company, Wallbridge Mining has a solid balance sheet. The company has been able to raise sufficient cash to maintain operations and its drilling program without having to take on debt.

In fact, it exited the year with no debt and \$57 million on cash. I can't stress just how important this is when the price of gold is nearing record highs. In the last [gold bull market](#), gold companies were highly leveraged. This led to industry-wide writedowns and dividends cuts.

In that environment, many struggled and several gold stocks never recovered. Today, however, companies like Wallbridge Mining are more efficient and better positioned if gold suddenly collapses.

### A takeover target

Juniors are often backed by large industry players, which makes them interesting buyout candidates. Wallbridge Mining is no different.

As of the end of 2019, 38.6% of shares are held by William Day Construction (7.8%), Eric Sprott (21%), and **Kirkland Lake Gold** (TSX:KL)(NYSE:KL), which owns an 8% stake. For those unfamiliar, Sprott is one of the most influential names in the gold industry.

What is most intriguing, however, is Kirkland Gold's stake. The company recently acquired Detour Lake Gold, which owns and operates the flagship mine of the same name.

Why is this important? Wallbridge's Fenelon project is right on the Detour Trend and only 80 km east of the Detour Lake mine. Once it fully integrates the Detour acquisition, Kirkland Lake is likely to be on the lookout for additional acquisitions. Considering the proximity to Detour Lake, Wallbridge mining makes for an attractive bolt-on acquisition.

## Drilling program

Wallbridge Mining has an aggressive drilling program. Despite COVID-19 setbacks, it expects to complete a targeted 70,000-80,000 metre drilling program at Fenelon by end of year. More importantly, the program is fully funded for this year.

By mid-2021, the company expects to have collected sufficient data to support a NI 43-101 maiden resource estimate. This could be the catalyst that sends its share price to new highs.

## Is Wallbridge Mining a buy today?

It is important for investors to note that Wallbridge Mining isn't cheap. Remember, this is still an exploration company and will not become a junior producer for at least 18 months. Furthermore, the company is likely to require additional funding to complete its drilling program in 2021. This means a share offering may be in the works, which would dilute current ownership.

This being said, Wallbridge's recent purchase of Balmoral Resources adds significantly to its land package. If the first few drilling holes are indicative of future results, it is sitting on another highly attractive land package.

Taking all this into consideration, Wallbridge Mining is a buy-the-dip candidate and is proving to be one of the best junior gold companies.

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