



This Genius Billionaire Made a HUGE Bet on This Canadian Gold Miner

Description

Eric Sprott, one of Canada's most successful entrepreneurs and investors, has taken a huge stake in a little-known gold mining company. Retail investors could take a closer look to see if this stock represents a golden opportunity for wealth creation.

About Eric Sprott

Little is known about Sprott besides the fact that he started his career as an analyst with Merrill Lynch before launching his own investment firm.

His Toronto-based asset management firm **Sprott Inc.** is now a \$1.4 billion public company, while his alma mater Carleton University has renamed their business school, the Sprott School of Business. Sprott Inc. now focuses on equity investments, lending, corporate services and brokerage.

Sprott himself focuses on an entirely different asset class: gold. Worried about the state of the global economy in 2007, Sprott stepped down as the CEO at Sprott Inc. (although he retains the chairman's seat) and decided to invest 90% of his assets in gold and silver.

In the 2008 financial crisis, his net worth jumped alongside the market price of this precious metal. This year, again, Sprott has added millions to his wealth through his gold holdings. Forbes now estimates his net worth at well over \$1 billion.

Rather than diversifying away from this core asset, Sprott has been doubling down this year. He made a huge investment in a little-known [Canadian gold miner](#): **Teuton Resources Corp.** ([TSXV:TUO](#)).

About Teuton

Victoria-based Teuton is a small gold mining company focused on the Golden Triangle area of northwest British Columbia. Previously remote and inaccessible, the Golden Triangle region is said to be the largest deposit of precious minerals and metals in the world.

Despite decades of discoveries and mining in the area, estimates suggest that only 0.0006% of the total reserve has been depleted so far. Teuton owns and operates 30 properties in this prolific region.

Eric Sprott started accumulating a stake in the company and boosted his holdings this year by several millions. He now owns 20% of all outstanding shares. That makes him one of the largest external investors in the small mining firm.

Since March, Teuton's stock has skyrocketed 1,100%. It's currently worth \$200 million, many times greater than its annual revenue or profits till date. However, if the company finds a major gold deposit at one of its sites and if the price of gold continues to rally higher as it has throughout 2020, the stock could have much more upside left.

Experts believe that the surge in government debt and money printing policies across the developed world could devalue currencies. If the Canadian and U.S. dollar lose value post-pandemic, investors could turn to gold as a safe haven asset. That could propel stocks like Teuton much higher.

Bottom line

Coattail investing, or following the moves of the so-called "smart money," is a great way to gain insights. This time-tested strategy could help you gain the advantage professional investors have over most other investors.

Sprott is a billionaire investor who's built two investment companies. He has devoted the majority of his wealth to gold investments and should serve as a benchmark investor in the sector.

Eric Sprott's bet on Teuton Resources Corp. should put the company on every gold investor's radar.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSXV:TUO (Teuton Resources Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

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