

Mining & Energy

Pure Speculation

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Bullion's day is nigh

IF the price is right, the punters will come to the party.

Morning Star Gold (MCO) has put away 91.45 per cent of its options rights issue. The reason: the exercise price is 10c, while MCO stock has not been below 11c for a month and ended on Friday at 14c. It's great to pay for options knowing you're already in the money.

The only reason the uptake wasn't 100 per cent is that a handful of shareholders in Europe, the US and Hong Kong were not eligible. The applications for the shortfall from local shareholders ran to five times the number left over. One we know wanted \$5000 worth of the shortfall, but got just \$300 worth of options.

Now MCO is getting into trial production at its historic underground Morning Star mine in Victoria with hopes to produce around 1500 ounces of gold (at about 15 grams a tonne) from that trial operation -- revenue that will be most helpful.

We won't go over the gold arguments again, save to say that Pure Speculation is not unnerved by the gold correction over the past week -- and there's not much that PS is not unnerved by these days. We are sticking by our story that the yellow metal will be the currency of last resort, and that day is coming.