AN INTERVIEW WITH BOBBY LAMOND, Chairman, CEO and President with Humboldt Capital Corporation

It's about time we cornered oil and gas guy Bobby Lamond, the Scottish-born Calgary oil guy, that built and sold two companies in the 1990's - Czar Resources and Orbit Oil and Gas. He's been a little bit quieter the last decade and tiny Tuscany Energy ended with little joy. But Bobby through Humboldt Capital has been a constant investor in resource stocks for the last while. Bobby has a gorgeous home in Calgary that features a library/sitting room with a large collection of very rare books and an incredible collection of scotch! He seems to have lost our phone number lately...but time to get caught up with him.

Dave: Bobby, in the old days you were a specialist in the natural gas field in Canada and with so much drilling going on in the United States, what do you see for the future for natural gas south of the border and it certainly looks glum in Canada.

Bobby: Firstly, Dave thanks from all of us for republishing your research, it opens my eyes to a whole lot of companies I would never follow. Debbie is always welcome to come for a scotch and if you play your cards right, I am sure she will invite you to come along! You are right, there is a huge over supply in Canada and the Marcellus/Utica production is growing, now more slowly. LNG is no panacea either as the liquefaction costs, estimated to be at a minimum $8.00/mcf, results in a poor return for the producers and provinces. Only the majors, with imbedded costs in substantial gas reserves could justify LNG. The solution is to drill less and be patient.

Dave: What general trends do you see in the oil patch these days that an investor should be aware of?

Bobby: Low prices and politicians have effectively driven foreign investment out of Canada, Kinder-Morgan is the last one to get away scot-free. However, the winds of change are blowing with Doug Ford and most certainly Jason Kenney providing a more seasoned, adult view of the industry, things should steadily recover.
On a personal note, due to very low land prices, I have reassembled some seasoned veterans in a new company, Amherst Energy Inc., focused on generating low risk oil development projects. So far, we have eight projects and an independent engineering report showing 6.9 million barrels of recoverable oil. It has been funded by Humboldt and it has no external debt and plans to further finance and commence drilling this Fall. Details can be found on our website at https://www.amherstenergy.ca.

Dave: Everyone seems to be fleeing to the United States with their dollars from Canada. Fear of the "Extreme Greens", no pipelines, unfriendly folks in Ottawa, Quebec and seemingly everywhere. Are we supposed to import all our oil and kill all the jobs? Bobby: Patience is a virtue. We have seen many crashes before, this is just a long one. Ask the boys in the metal business how long their down turn lasted. Unfortunately, in these days of Janet Yellen’s QT and Trump’s long overdue correction of the “oneway free trade” problem and emerging market crises, BREXIT etc, etc.” I can’t see much optimism until the recovery from the next recession.

At that point though, we should recommence a boom in all commodities, as there has been under investment in most of them for the last five years. Personally, I have been selling since QT commenced but I am ready to add to selective buying when things get better.

Dave: What do you see for the future for oil and gas price? And where do you see those prices a year from today?

Bobby: Oil and gas prices should be slightly higher next year barring a major recession “highly negative” or a debacle in the Middle East “highly positive” but short term.

Dave: You have long been an investor in the mining sector which a lot of people aren't aware of. What is attracting your attention these days as to which minerals to be watching?

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What trends do you see in mining as well? Usually at this point in the mining cycle, we enjoy better commodity prices...

**Bobby:** Dave, I started investing in the mining business about 15 years ago during one of the energy business periodic lows. The exciting thing about mining is the variety of commodities representing industrial growth-copper, zinc, nickel, inflation hedges - gold and silver, alternative energy-uranium and lithium and the plethora of other commodities in which to invest. Unfortunately due to the excessive investment from 2007 to 2011 the hang over following the slump has been very prolonged.

You are correct, prices should be better, but a creeping slow down in China is probably the main factor in keeping them weak.

**Dave:** So can you give us a pick in the oil and gas and mining sector? And remember, if they don’t do well, we expect to have a tasting of your best scotch…

**Bobby:** As above, scotch is always available for you. Due to my caution about the market I can only recommend companies with good management and excellent exploration projects in my favourite areas. Those are the Abitibi, Golden Triangle, Nevada, Mexico and Peru. Finally, just in case you thought the Lamond’s were reaching the end of the trail, my son, also Bob Lamond, is the Vice-President, Exploration at Rife Resources Ltd. and my daughter, Emeline, is working with me in mining research at Humboldt. You will be pleased to note that they are a lot more mellow than their Dad, but be careful!

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**Deb’s Ditty:**

Every weekend I say to myself:

**Julie, you need to stop drinking!**

Luckily, I’m not Julie.