

THE National Investor

Fall, 2022

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Special Issue!

THIS IS NOT YOUR FATHER'S GOLD MARKET!



A typical "gold bug" initiation

Gold (and silver)-related investments have long been as mysterious as they have been often *wildly* profitable. **The trick is understanding how all these are priced in markets *today*.**

Twice now in the last two years, the gold price has surged to new nominal highs of over \$2,000/ounce. Yet as this is written, it has fallen back substantially *despite* 40-year high inflation rates.

Worse still, investors who have bet too heavily on shares of precious metals-related equities have REALLY had their heads handed to them in the recent past!

Yet there's good—and potentially HUGELY PROFITABLE—news. As you will read, the same factors which caused the gold price to TRIPLE in under three years in the wake of the 2008 Financial Crisis are coming together (Silver rose *five-fold* back then, also!) These and other factors will lead to the NEXT wave of huge profits for wise investors armed with the right *knowledge*.

AN INTRODUCTION



From the desk of Chris Temple, Editor & Publisher

The National Investor

Of all the asset classes and sectors one can be an investor in, none over the years has been as rewarding...sometimes a little quirky...and at times devastating as have precious metals. Particularly for investors who have put their faith in gimmicky sales pitches, conspiracy theories and the like from the universe of precious metals-centric promoters out there, portfolios have suffered a veritable *bloodbath*. And this is despite gold still, as of this writing, being *relatively* strong.

This kind of often unpredictable (for most, anyway) action underscores the need more than ever for you to understand *how markets work* in the Year 2022—and **how gold likewise “works” and the factors that influence it specifically**—if you are going to be a successful investor and/or trader in this space. That you need to have an exposure here should not be in question: when you see major central banks of the world and the most successful and wealthy private investors hoarding the yellow metal as fast as they can, *there’s a reason!* Those others believe—as do I—that although the gold sector can still be fickle, **gold remains the single best-performing asset, PERIOD, since the modern era of gold investing was reinstated back in 1971** (Since then—as one key comparison—gold as of mid-October was up nearly 50-fold, compared to about 30-fold for the Dow Jones Industrial Average.)

None the less, precious metals as *investments* are not embraced by the average investor today. There are many reasons for this, which we will discuss along the way. There have been brief flurries of interest from time to time from “generalist” investors, such as that period beginning in late 2008 when gold soared in under three years from around \$670/ounce to a then-all time high over \$1,900. But then inevitably, it becomes time to exit again (or at least pare back substantially) for *wise* investors; all while those I have called “The Pied Pipers of the Gold Bug Echo Chamber” urge their unfortunate followers to go “all-in”...and lose their accumulated profits—and then their shirts—in the ensuing correction.



Let me state unequivocally from the get-go that, for pretty much my entire adult life, I have philosophically been a BIG "gold bug." As a student of money, banking and economics I recognize that central (i.e. - *fractional reserve*) banking and fiat currencies have served to make the rich richer and more powerful and—as the economist John Maynard Keynes long ago predicted—hollow out the wealth of *the people*. If I am fortunate to live long enough to see the death of central banking generally and the Federal Reserve specifically, I will help *organize* the party where we can all dance on those graves!

In that philosophy, I of all people embrace the role of gold and silver—not to mention barter, community currencies, private sector- and citizen-created honest and interest-free money of various kinds—and more.

But that said, I am NOT always a "gold bug" as a *practical* matter; chiefly, when it comes to the *investing* advice I impart. Especially when it comes to the often-volatile and risky world of mining stocks, an investor MUST know—as Kenny Rogers famously sang—when to hold 'em and when to fold 'em. And that highlights but one of the fatal flaws many of the more “religious” gold bugs have: *SELL is a four-letter word that is not in their vocabulary when it comes to gold and silver at times it at least temporarily belongs there.* Indeed, it’s TRAGIC that so many investors in precious metals have NOT enjoyed net gains for their portfolio in the sector’s strong moves, on and off, of *the last decade-plus.*



For those of you who are the more “religious” gold and silver bugs reading these words, this Report will be your “deprogramming.” You will learn to not walk away but RUN from those relatively few but vocal (and highly promotional) self-proclaimed gurus out there who either 1. Simply do not understand how modern markets work or 2. When they are (regularly) wrong on their wild predictions for gold and silver prices, the “death of the dollar” and like, always blame some shadowy “conspiracy.”

As I have been long demonstrating in these pages and our other work (among other things, advocating SELLING our trading positions and at least some of our individual holdings in this space at all three of gold’s major peaks of the last decade or so) the movement/behavior of these metals is painfully simple to understand and predict...IF YOU THROW AWAY PHILOSOPHIES AND PRE-CONCEIVED NOTIONS.

For those reading this who do not have that “religious” fervor for precious metals but something deep down is telling you you’d better get up to speed, *you’ve come to the right place!* No, you need not wear a tin foil hat...believe that some crazy plot is afoot to replace the U.S. dollar with some “one world currency” or some such thing...or believe the world is about to end. From history, current events, *today’s* behavior of markets and good old common sense, you’ll learn why NOW is the time once more when the stars are aligning for gold and silver (albeit for somewhat different reasons between the two, even though some overlap.)

Importantly, we do not *start* here with the prospect that precious metals/mining stocks just HAVE to go up. **As I do with every investing subject and sector, I call things as I see them.** As I alluded to above, I have not been afraid to recommend selling these types of investments when I think it’s wise to do so; and likewise, advocate as well when it is time to get overweight precious metals. *And I clinically, step-by-step, explain those factors and that reasoning to you.*

So fasten your seat belt. In the pages ahead you will be essentially crawling inside my own mind and thought process and learn how to be a *successful* investor in precious metals. Space does not allow for exhaustive analyses of *every* possible topic: so I urge you to keep up with me on a regular basis. Simply visit me at <https://www.nationalinvestor.com/> for all we offer, including paid Membership options to avail yourself of all my *specific* portfolio, stock and trading recommendations.

AN EVOLUTION: FROM 1971—WHEN THE MODERN ERA OF GOLD INVESTING BEGAN—TO TODAY

At its core, my on-again, off-again (more the former once again) bullish stance on gold especially is for the oldest and most basic of reasons: the ongoing and ever-increasing need for the Federal Reserve and other monetary authorities the world over to continue to create their fiat currencies virtually without limit. It's what the late dean of newsletter writers, Richard Russell, simply termed their "Inflate or Die" mandate.

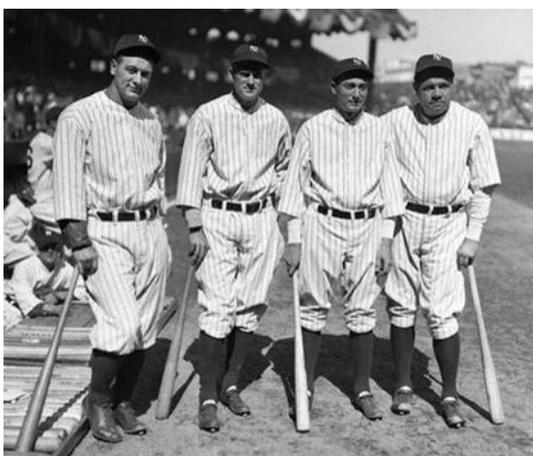
In our modern age, *monetary inflation and its attendant maladies (and, yes, some benefits) were first uniquely unleashed by the United States of America.* As we remember, the late President Richard Nixon in 1971 ended the international convertibility of U.S. dollars into gold and essentially ended its role as a key monetary asset.

Having prior taken the global lead in issuing way too much in the way of fiat currency—and faced with threats from foreign governments to demand gold in return for their dollars/dollar assets they held, given America's more reckless finances and deficit spending of those days *compared to others*—there simply was not enough gold to "back" the dollar any longer. *So Nixon essentially admitted the scam.*

But the FAR more important part of the aftermath of Nixon "closing the gold window" and forever breaking its link to America's currency is the part of the story that few understand: **the ensuing new role of the Federal Reserve.** Long before there was an Alan Greenspan or, today, a Jerome Powell running the printing presses with often *criminally* reckless abandon, **Nixon's Fed Chairman Arthur Burns (above left with Nixon) set the tone for the post-gold era;** not just for the U.S. at the time but, since then, *for the world.* And many of those nations (China most of all recently) have since followed America's initial lead in currency debauching and debt issuance to even greater extremes.



It started with these two--and with gold at \$35.00/ounce



Two famous "Murderers Rows" - one the vaunted Yankee lineup that once murdered opponents' pitching; and the last four murderers of sound money at the Fed.

Notwithstanding its occasionally wild swings along the way, gold has benefitted as now *the whole world* is forced to issue ever more fiat currency/debt *just to keep things from imploding*. And it's less a case that gold is special (though it *is* unique in several key ways as both a commodity and monetary asset *still* in parts of the world); more so that most everything "rises in price" when the dollars (and yen, euros, yuan, etc.) they are priced in are cheapened over time. Indeed, considering gold's starting point of a \$35/ounce *fixed price* when Nixon opened it back to the markets again and Burns/his successors at The Eccles Building in Washington printed ever more money, gold's price rise in the ensuing half century now has exceeded just about everything, as I pointed out earlier.

The early part of the secular bull market unleashed for gold by the Nixon/Burns duo—basically, from 1971 through the first manic peak in 1980 of over \$800/ounce—*was* uniquely due to the U.S. dollar's being turned into toilet paper by Burns. In those days, America emerged as the initial, *sole leader* in the world in uncontrolled money printing, soaring debt and **overall monetary idiocy**. So back then, you had a fairly pat dynamic of an inverse correlation between the U.S. dollar and the yellow metal: a weaker dollar *against other currencies* (KEY POINT!) meant a rising U.S. Dollar gold price and vice versa.



That former relationship has been changing, though you wouldn't know it from many of the Pied Pipers and their propaganda, regularly predicting the imminent demise and/or replacement of the U.S. dollar; *at best* fighting the obsolete "war" of the 1970's. Indeed, despite the continuing monetary inflation and the rest from the Fed, today other central banks have done even more to trash their own currencies, banking systems, etc.

As this is written, for instance, the greenback is even more "King of the Hill" in the world of fiat currencies, hitting its highest level in over 20 years. China—sporting the world's most outrageous total debt-to-GDP ratio—is *easing* policy while others moderately tighten, in the hope of preventing an epic CRASH of its economy and

markets. Europe—which never recovered from 2008 in the first place—is a mess, now with the added New Energy Crisis I have written/spoken of elsewhere.

So the fiat U.S. Dollar remains—relatively speaking, of course—the strongest fiat currency in the world; not *backed* by gold, but *enforced* through intrusive and adventuresome industrial, economic and military policies and via the dollar's continuing status as the world's reserve currency. That won't last forever; and as I have spent a LOT of time discussing recently as well, the current proxy war with Russia and other geopolitical events have, in my view, accelerated the process whereby the dollar's global role *will* finally be whittled down appreciably in the years ahead of us.

This is but one of many things that overly simplistic/religious gold (and silver) bugs have simply failed to understand. One of the BIG ways in which today's is NOT your father's gold market is that this whole relationship between fiat currencies is *not* what it was in the 1970's. Instead, everyone

has been debauching their currencies; and in this ongoing race to the bottom, market relationships and dynamics have been upended from what they were when gold's price was allowed to float freely again beginning in 1971.

To this point the U.S. dollar has been “winning” this race to the bottom. But that decidedly does NOT mean that gold hasn't benefitted as well from some of the same factors from time to time. Most notably, when it looked back in 2010-2011 as if the euro was going to perish as both a political/economic experiment and a currency, gold rose substantially and simultaneously WITH the U.S. dollar. And even in the days ahead of this Report's release, gold and silver have been firming up somewhat even as the greenback has hit successive new 20-plus year highs...and stocks, new bear market *lows*.

MONETARY INFLATION HAS BEEN “HOTTER” FOR OVER 40 YEARS; AND BY DESIGN HAS BENEFITTED ASSETS OTHER THAN GOLD

In addition to failing (or refusing) to grasp *today's* relationship between fiat currencies themselves, precious metals' *occasional* responses to all that, etc., **many claimed experts on precious metals (and others for that matter) have also abysmally misunderstood how inflation is manifested in markets and the economy overall in modern times.**



That does not compute!

Following the epic spikes in silver and gold that peaked in 1980, the Federal Reserve (and other central banks) ratcheted up money supply growth *exponentially*. Yet for many years following those 1980 peaks, precious metals *declined*. Incessantly, the Pied Pipers told us that all this money growth *had* to lead to higher gold and silver prices; yet it would take a quarter of a century before gold would see those 1980 levels again, even as market valuations of many other asset classes soared; and money and debt grew *more*.

Likewise—and notwithstanding gold's twin *and brief* \$2,000/ounce record peaks in August, 2020 and late winter, 2022—even when the “official” consumer and producer price inflation numbers DID finally bubble up over the last year or so, the response of the precious metals space has been generally underwhelming. Here again, *lots* of scapegoats cited by the PMs' advocates/promoters as to who/what has been to blame for the underperformance of the metals themselves (especially silver in this context) not to mention the more horrid behavior of PM-related equities most of the time.

This all is why you must NEVER start with a preconceived notion, bias, or whatever in ANY investment decision-making. Because when you *do* properly understand all these markets, the actions of the Fed and the rest as they work *today*, none of this is a mystery at all.

In my regular annual visit to Members, colleagues and others in the Chicagoland area last spring, I explained (watch at <https://www.youtube.com/watch?v=UqmLVme0Ukl>; this is THE MOST IMPORTANT lesson you can take away from all this as an investor) how “The Flation Debate” is relevant TODAY. Simply put, without this understanding of the *real* legacy of Paul Volcker...how the Fed basically took over the economy and markets in the early 80's...and many related new “facts of



life” that have cropped up over the last four decades, it’s simply not possible for you to make sense of all this. I explained, as you’ll see, how Volcker succeeded in directing a *massive* amount of monetary inflation (MANY times beyond what he ostensibly “killed” via raising interest rates and causing a deep recession in 1981-1982) *into* real estate, financial assets and the like as a first matter; and *away from* (with policy help from Washington) areas that would have directly impacted living costs for Americans.

By and large, the general investing public’s overall embracing of the Fed’s modern-day regimen of blowing financial asset bubbles elsewhere has—in their eyes—relegated precious metals (and many other commodities, for that matter) to also-ran status. Gold and silver alike have *net declined* since two summers ago and gold’s first push above \$2,000/ounce. Starting not long after, we *did* see consumer and producer prices start to increase and accelerate. Yet until the Fed belatedly began to do something about all this, precious metals responded little. Harkening back to my above-linked primer on how all these “flations” work these days, it’s no wonder that money managers and investors alike didn’t see a “need” for PM’s, what with stocks hitting new records and everything from crypto currencies to real estate on fire *due to the soaring inflation that was none the less leaving gold and silver behind.* (NOTE: Later this fall I’ll be releasing a **video series** taking a *much* deeper dive into all this and how to distinguish between all these flations...geopolitics...basic economics...and how they affect asset classes, including the precious metals; be on the lookout!)

Some of this activity of recent years and how *everyday investors and asset managers* perceive things will be instructive for understanding when and how the next major move upward for the PM’s will come about. In my view, the scenario and at least the perceived backdrop will be similar to what prompted gold’s *monster rally* from the late-2008 depths to its 2011 peak.



Quickly, for now: In the immediate aftermath of the 2008 financial crisis, **a narrative quickly developed that undergirded demand for gold and silver broadly for a while.** In order to “rescue” us all, the central banks of the world are going to print so much money that we will all soon be using wheelbarrows instead of wallets to carry our dough around, as they did in 1920s Germany. With one after the other cutting interest rates to zero *or less...* “printing” trillions of dollars via Quantitative Easing...and the rest, that narrative did not seem to be far-fetched. Most important, it made at least some sense to investors NOT automatically gold bugs, but who came to believe that this thesis could prove true and that *they* should put some money to work in the PM’s. As that “hyperinflation” narrative took hold, gold tripled in less than three years: *NOT because Gold bugs were piling in, but because the other 99% of investors now also thought the narrative favoring gold (and silver) made sense.*

A corollary to this view was that the economy and markets had been so badly damaged by the 2008 Financial Crisis that it would be years before they recovered. Thus, gold and silver wouldn’t have that much competition from stocks, a bombed-out real estate market at that time, etc. And that *was* true for a few years; and the reason why the PM’s were such HUGE outperformers for a while. But finally, stocks and real estate were recovering...the view grew that maybe this wasn’t the 1930’s (yet) after all...**and those generalist investors SOLD their PM-related holdings in order to take part in those belated recoveries elsewhere.** They were correct to do so.

Here again, if at that time of gold nearing \$2,000 and *supposedly* on its way to the long-touted “targets” of \$5,000/ounce, \$10,000/ounce, etc. you took the advice of the Pied Piper promoters, you got *annihilated* in the subsequent selloff and then bear market for PM’s and especially PM-related equities. As central banks’ efforts to reinflate the economy and markets, real estate and all *did* finally take hold, the “inflation” that returned was *not* in the form of the 1970’s-style “cost-push” inflation, but in THE RENEWED INFLATION OF STOCKS AND OTHER FINANCIAL ASSETS. As stocks ever more regained their footing and the world wasn’t ending after all—and as the Weimar-type “inflation” was A.W.O.L., despite the hyperventilating promoters’ claims that gold was going into the stratosphere thanks to Q.E. and all *but was not*—**wise investors sold out of the gold space and piled even heavier into “risk assets.”**

Now, before we get into how I see things evolving as we are now here in the final quarter of 2022, a quick lap around a couple other general subjects/approaches to investing in the gold space, supply and demand factors and where the PMs’ chief demand is from *today*:

GOLD DEMAND: WHERE IT COMES FROM TODAY

The Two Main Drivers of Gold Demand



Back at the time of gold’s release from its fixed price, pre-1971 status (and with only scant, temporary exceptions for nearly the next 30 years after) it was fairly static that about two-thirds of the demand for all the available gold was jewelry and related fabrication and industrial demand.

In recent years it’s been more like one third.

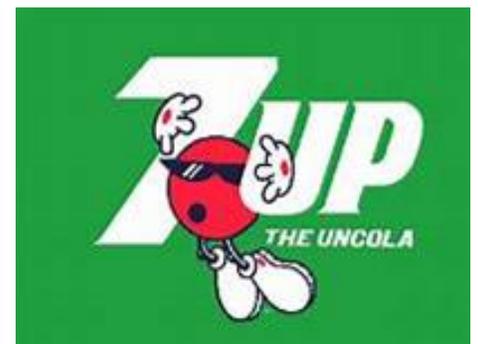
Investment and monetary/reserve demand for physical gold has been the

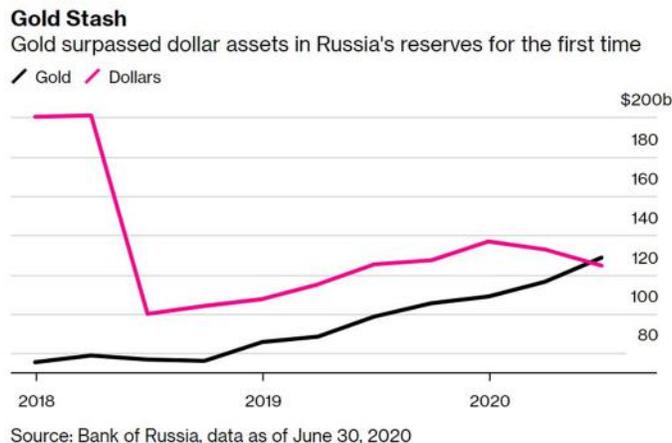
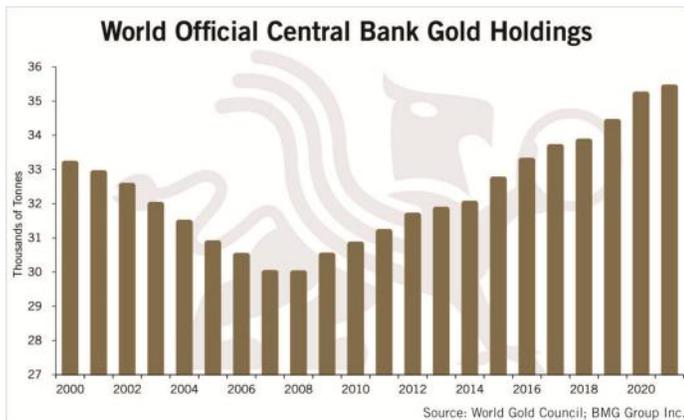
largest driver now for nearly 20 years. A corollary to that has been the much heavier (though volatile; here BIG-time one minute and gone the next) interest in using ETFs (exchange-traded funds) that invest in gold (and silver) bullion as well as baskets of stocks in companies that either produce or explore for metals.

For most of this last 20 years or so, it’s been a story of gold’s role as what I have called “The Un-Currency” in a world where *trillions’* worth of debt has carried *negative* interest rates and deficit spending goes through the roof everywhere. *This has come from two places: Central banks (mostly of non-Western nations) and investors.* Obviously, there’s some healthy mistrust of fiat currencies!



“The Un-Currency”





The 2008 Global Financial Crisis has—on the surface—been “recovered from.” **Yet to the extent that is true it’s only because central banks came up with even more ways to “extend and pretend.”** In much of the world burgeoning debts, the growth of which greatly accelerated since 2008, have for a great many countries become not only unpayable but, these days, *unserviceable*. The nasty geopolitical cocktail of recent months added to this, as well as *those* events accelerating, in 2022, what I have called The New Energy Crisis and the new global war of currencies and commodities alike have a great many people and nations preparing for a new and treacherous world.



Going all the way back to the turn of the millennium, there’s been a curious and—for most western nations—ultimately wrongheaded move to shun gold as a part of *official* reserves. While the U.S. maintains the single-largest gold stash on the planet among central authorities, **almost everywhere else physical gold has been moving greatly from West to East.**

A sign of things to come in a couple respects was at the end of the 1990’s. Then-U.K. Chancellor of the Exchequer Gordon Brown infamously sold all of his country’s gold at the bottom of the market back then; much of it under \$300/ounce. Elsewhere, Canada (pretty much entirely) and most European nations (substantially) have sold their official gold reserves. *Especially since 2008, China, Russia, India and a host of other largely developing nations have been all too happy to buy this—and more—gold.*

And that’s especially been the case since the late 90’s also—September of 1999, to be exact—brought about another sea change in how gold is traded in global markets. After gold had simmered down following that Fed- and weak-dollar induced pop which peaked in 1980, the yellow metal’s price was largely a function of some control exerted on it by a slight handful of players. **The gold price was actually managed quite effectively;** and to the considerable gain of those who were part of that managed gold market which was similar to the market for diamonds and how they have been managed over the years by a handful of players led by DeBeers.

But that all ended in September of 1999, when what at the time was called The Central Bank Gold Agreement was enacted. In short, up until that time a tool of sorts that was used by those managing the

price of gold was that there were regular and (unlike the U.K.'s sales, which were always telegraphed in advance) often unannounced sales of gold that regularly undermined the price. For a variety of reasons I chronicled at the time and later republished and archived on my web site, the central banks decided to be more transparent and supportive to a constructive gold market, by limiting how much gold they would sell/lease to currency, commodity and investment markets.

For those interested in this sea change in gold trading—and especially if you want to understand the nonsense spouted by some that gold (and silver) prices are “suppressed” today—I urge you to read <https://www.nationalinvestor.com/1490/gold-manipulation-history-lesson-feb-20-2018-issue/> and <https://www.nationalinvestor.com/1482/now-gold-suppression/>. In these two pieces I go into considerable detail especially on the events leading to this pivotal event for modern-day gold investing that occurred in 1999; and which indeed included THE ONE AND ONLY TIME I have seen evidence of actual gold price *suppression*. In turn, that led to the most spectacular short-term trading profits in *The National Investor's* history.

Gold Up on Negative Real Bond Yields
January 2007 – June 2020



While it's been central banks recently that have provided the most reliable “anchor” for gold demand, *investment markets* have likewise become ever more prominent since 2008

especially. **But that has been an often fickle and volatile ingredient.** As I recounted earlier (and will again in a bit) investors not already among that tiny minority that seems *always* to be all-in on precious metals saw a world in the immediate wake of the 2008 crash that *they* all believed was conducive to gold and silver. *When that far larger group invested, gold rose three-fold and silver five-fold.*

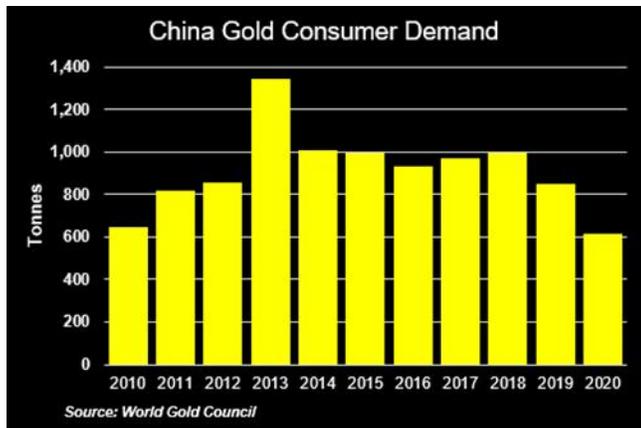
The *downside* of such interludes then and since have come when those generalist investors were 1. Less afraid of the world/geopolitics, 2. Less concerned about “inflation”, 3. Embracing the “good kind” of inflation that made investing in stocks, real estate, cryptos and the like more fun, etc. **And this is why—to be a successful and profitable investor in precious metals during this time and going forward—it behooves you to be able to identify what turns *this* investor demand on and off.**



Going into 2011 I had amassed the *largest-ever* recommended portfolio allocation ever to the PM's: about 35% of an overall portfolio. At the beginning of the year as gold and silver *equities* were peaking we cut that in half in one fell swoop. By the fall when the metals themselves were peaking we cut

the remainder about in half. And—after adding back our *trading* positions at various times afterward, I likewise saw the two peaks for gold of over \$2,000/ounce since as times to *again* lighten up on the PM's. (NOTE: A bit further along I'll specifically distinguish between trading positions and longer-term ones.) This is NOT because I'm so smart as much as it's because I long since learned to throw away the preconceived notions and *theology* of the gold bug crowd and simply and dispassionately learn about what makes these investments “tick” today.

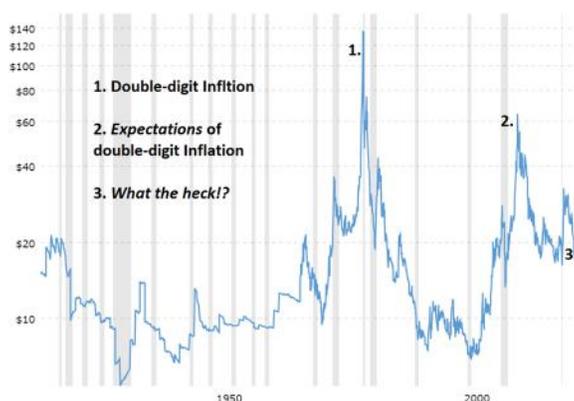
And folks: it's not that hard! As I'll explain in a moment, looking at all these factors has me quite encouraged that we're getting close to another major move higher for the PM's that will be instigated and then embraced anew by the non-gold bug crowd/generalist investors and money managers.



Where other demand for gold is concerned, it's a mixed picture. Keep in mind that what was once the anchor—jewelry—requires good times, prosperity and an overall good disposition on consumers' parts. That has been stressed recently in China (left) where the economy is in dire straits. A chart of fellow major gold jewelry consumer, India, recently shows the same thing: demand well off the peak of recent years. Both countries face what the rest of the world's consumers do to varying extents: Stagflation, uncertainty and a general inclination to spend less on discretionary purchases.

On the flip side, gold's properties have long rendered it a **key ingredient of a host of consumer and industrial products**: see <https://geology.com/minerals/gold/uses-of-gold.shtml> for an enlightening look at this. In this regard, overall economic weakness from time to time will hurt the equation some; meanwhile, as technology has improved, the need for gold has as well.

GOLD'S “JUNIOR” SIBLING -- SILVER



Much more so than gold which has gone farther in the direction of being influenced by monetary and investment attitudes, **silver has if anything gone in the other direction in recent years.** This helps explain why—when gold is down as of mid-October by some 13% from its 2011 high—silver is down by *over 60%* from its own marker back then.

Nevertheless, many hold the belief that—once the next major move for metals comes about—silver will outperform its relative on the upside as well. **And that view has some merit.** Over time, the pattern is that—once markets become of a mind to get into the PM's for an extended period—the initial move which favors gold is eventually overtaken by silver's momentum. It's why silver rose *five-fold* from 2008-2011, while gold “only” tripled.

Part of the reason why this occurs especially at times the Fed decides/is forced to ease monetary policy and, thus, push the exchange value of the dollar back down is because a great many funds exist solely to trade what is then “hot” in currency/commodity markets. To date for silver and other commodities, though, this has worked the opposite way.



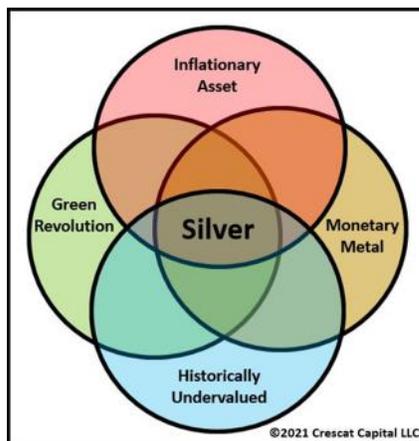
This past summer, for instance, as things were going the other way (a strong dollar that broke even further upward to new 20-year highs) copper was especially conspicuous in collapsing by some 30% in price in a mere six weeks or so. *Fundamentally*, little if anything had changed. But as I also pointed out at the time, **copper’s collapse (and that of most other commodities; silver dropped by about 20% during that same time) was almost entirely due to the U.S. dollar’s move higher.** A great many funds of various types, as well as larger and more sophisticated investors who trade “directionally” based on key charts, volumes, etc., pretty much *had* to sell or short copper and these other commodities and buy dollars. That’s how they operate.

Traders at such firms have no *ideological* bent to do anything but try to make money. **Trading profits are their religion.** When they buy dollars and sell silver, copper, gold *or whatever*, they are not part of some shadowy conspiracy that exists just to aggravate gold and silver aficionados, protect central bankers and all that drivel. They are simply looking at what it will take to generate trading profits. And believe you me, when it becomes profitable to do the opposite—*buy* metals like silver and sell/short dollars—they will once again do *that* too.

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Silver is one of the world’s most important metals. Over the past ten years, silver has remained largely in a worldwide supply deficit. The metal’s future looks very bright, as its unique properties of durability, reflectivity, conductivity, malleability are increasingly valuable to a growing world and a number of rapidly-expanding sectors, including: coinage & investment, technology, solar energy, medicine, and more.



As I alluded to earlier, silver’s increased distinction in recent years has been less of a monetary metal and more of an industrial *and, increasingly, energy metal.* And it is in this long-term, fundamental sense that you

should be interested in silver *as an investment*. When the time comes to start increasing *trading* positions again (as I have *recently* advocated with both gold and silver as I'll explain below) that will be some potentially dramatic icing on the cake!

For a very deep dive into all of silver's supply/demand fundamentals, I recommend you read <https://sprott.com/insights/silver-report-silver-demand-and-supply-trends-to-watch/> from this past May. It was authored by Maria Smirnova, MBA, CFA, Managing Director of Sprott Inc. and Senior Portfolio Manager & Chief Investment Officer of Sprott Asset Management.

WHAT MIGHT COME NEXT?

As time goes on, of course, I will continue to give our regular, full-service Members here at *The National Investor* my best wisdom and recommendations on this...and a lot more. The day-to-day nuances of the markets now—including how they impact the PM's—are very much a moving target. If the global economy *really* tanks in the near term and/or the fear trade ends up on steroids, gold and then silver will ROAR higher (PM stocks less so, at least initially) On the other hand—as happened around gold's 2011 peak—if all stays well/gets better and the stock market makes new all-time highs *and keeps going*, gold's run could once again peter out.

I can't comment beyond that on what might happen near term; as always, I keep our Members apprised of moves they should (and *should not*) be making. But I do want to talk about **a few broader themes I am looking at**: ones which will affect things in the foreseeable future one way or another...and ones which MIGHT loom down the road a bit.

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2022: Portfolio Decisions for
"The Great Stagflation"

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As I have been telling folks for well over a year now—and alluded to somewhat earlier herein—we are entering *a new world*. I have been a speaker/guest in all manner of media for a while now addressing how, in my view, this new world breaks down into two themes:

1. **"The Great Stagflation"** – If you think the Fed is easily going to put producer/consumer price inflation back in the bottle, I have some ocean front property in Arizona I'll sell you...cheap! The myriad of factors that allowed the Fed to exponentially increase the volume of money and debt for 40 years since Volcker's alchemy are going *or gone*.

At <https://www.youtube.com/watch?v=IjvIKW87QdE> you can watch my presentation on this from 2022's inaugural Money Show Virtual Expo. I *urge* you to do so, to get your head around all this.

2. **"The New FAANGs"** – This summer I spoke *twice* on this (see <https://www.youtube.com/watch?v=VGn-i1vbGes>) for The Money Show and will be at an upcoming live conference in the Orlando area as you see nearby. This—as I billed it in these and in other venues as I

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New FAANGs and a
New Fragmented World

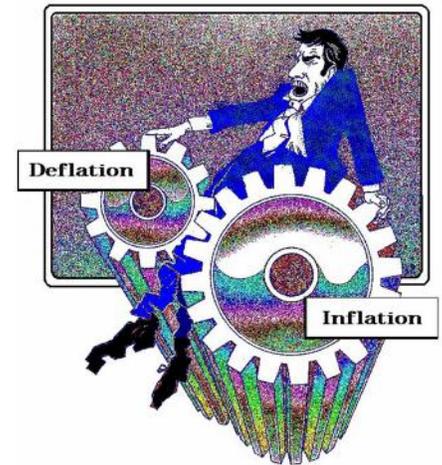
CHRIS TEMPLE
National Investor Publishing

ATTEND IN PERSON

have delivered the same message—is THE most important investment theme for the coming years; one you must understand in order to make sense of everything else.

Specifically when it comes to the PM’s (and, frankly, most other commodities), dynamics exist today which have NOT existed at past turning points/bull market launches for commodities. As you’ll see, I explain why the prices for gold, silver and many more raw materials are set to move higher in the coming years, alternately with other assets and, at times, despite other assets *declining*. **Frankly, the nasty stagflation world we are entering is likely to disproportionately favor precious metals.** Here again, it behooves you to watch those above-linked presentations.

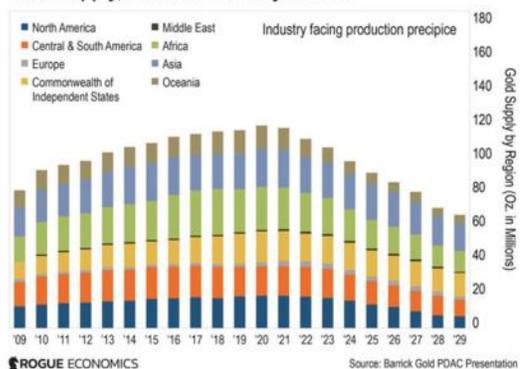
In short: None of us alive today—and certainly when it comes to our approach to investment markets, managing our nest eggs, etc.—has EVER lived in the kind of world that is unfolding in front of our eyes now. Citizens the world over are going to be increasingly squeezed by all manner of price and financial stress. As I also explained in one of my most recent commentaries (for *much* more, of course, make sure to spend some time at my web site and social media pages) The Great Stagflation will be more challenging for the average household than even that of the late 1970’s-early 1980’s.



And much of this is going to be exacerbated by a reordering of the global economic, currency, commodity and strategic balance of power. As both citizens and investors, we have never known a world that did not primarily revolve around the United States of America. That world has seen its last hurrah.

Precious metals are going to be *net* beneficiaries of all this; again, though, in ways *not* previously experienced or contemplated by those still fixated on *past* episodes and backgrounds.

Gold Supply, Forecast Industry Decline



Other bullish factors/probabilities for precious metals include:

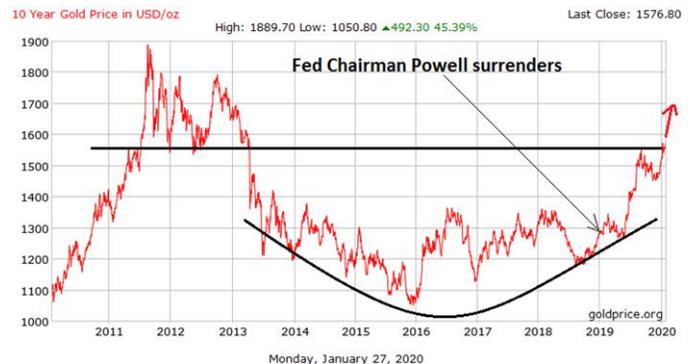
* **Supply constraints** – *Wherever* the demand comes from in the future, **gold’s new supply is set to become less.** While some of what you may have read on the subject of “Peak Gold” has been overstated to some degree, it is TRUE that:

1. Existing mines are being depleted,
2. New mines aren’t replacing them fast enough,
3. The industry has underinvested in itself in recent

4. What *is* being found in the way of reserves for future production is, in most cases, lower grade *and more expensive*.

These same dynamics are true just about everywhere else, too, (including for silver) as I also discuss in those above-linked video discussions.

*** A Fed pause or “pivot” to come** – Make no mistake: The Fed could *still* do even more damage to asset prices across the board (including the metals) than it has to date. The 20+ - year high in the U.S. Dollar Index, geopolitical worries, growing fears of a global slowdown and more are going to keep things *dicey for a bit longer*. But inevitably—and as I argued recently, in part in justifying our first move back into some “trading positions” in gold and silver since the last peak—we have likely seen and heard the worst from the Fed we are going to.



That in turn is likely to set up for us (all else being equal) that kind of post-2008 Financial Crisis positive world for the PM’s. And we have a more recent corollary as well: the BIG rip the PM’s had from late 2018 onward for a while (gold went from under \$1,300/ounce to just over \$2,000/ounce in a year and a half) when Fed Chairman Powell was last *forced* by the markets to abandon what he back then called a “normalization” of monetary policy.



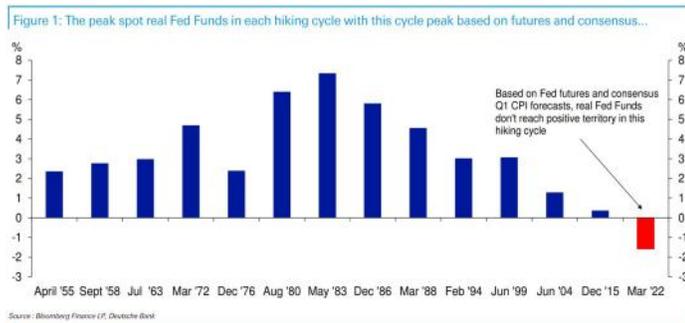
“Fire Marshall Jay” as I have been calling him (among other things!) perhaps IS sincere in wanting to undo the damage he did in being an *arsonist* for so long. Huzzah. **But the FACT is that many things are nearing the breaking point in global markets.** Just ahead of the release of this Special Report, debt markets in the U.K. became unhinged, requiring massive back-stopping by the Bank of England. China is only still standing due to its massive easing of monetary policy in 2022, including a record devaluation of the yuan against the dollar.

Emerging market nations are beginning to drop like flies; many of them lined up at the International Monetary Fund for yet *new* lifelines. Last but not least, several major European banks are teetering; a consequence of The New Energy Crisis, the broader funk that is Europe’s economy and the growing (but unreported in the U.S.) rebellion even in Germany and France against what America’s proxy war with Russia is doing to *their* lives and security.

I know not what “stick” is going to be one too many in the Fed’s tightening game of Monetary Jenga. But I have been warning that way before the Fed has tightened sufficiently to bring about



the kind of so-called inflation reduction it claims to be aiming for in the U.S. and for our economy, its actions are going to cause the equivalent of one or more Lehman-type busts some place. And if that happens—or markets get even more of a whiff of such danger, such as with the U.K. gilt market recently, the implosion of Credit Suisse’s share price and elsewhere—the rebellion by markets everywhere WILL result in an overwhelming pressure on the Fed to at least stop, if not reverse, its tightening.



*** The likely continuation of negative real interest rates** – Shortly before this publication, Yours truly commented about Fed Chair Powell’s insistence that he wants interest rates across the yield curve to get back above the rate of inflation. *That* would surely kill off inflation (not to mention the markets, real estate and a LOT more for many years to come.)

There’s a lot of skepticism as to whether Fire Marshall Jay can pull this off. While a more hawkish Fed than the above Q1 assessment could mean the Fed will at least pause its rate hiking cycle closer to the inflation rate, my view is that nothing short of a major global recession/market crisis is likely to bring inflation below the Fed’s target rate (set to reach the 4.25-4.5% area by the end of Q1, 2023.) So if we do get positive real interest rates again (where rates are higher than inflation), THAT will be “transitory.” Otherwise, between the limitations on how tough the Fed can be—and for how long—owing to *simple mathematics*, expect generally negative real interest rates to continue into the future as far as the eye can see.



And that over time has been the single most-bullish driver for precious metals prices. And it’s but one reason (albeit arguably the biggest) that I’m salivating just a bit more as the day quickly approaches when the Fed will be forced to run up the white flag yet again.

*** The changing global order will eventually be a net negative for U.S. hegemony; and a net positive for gold and silver** – To date, Russia’s invasion of Ukraine has done nothing to boost precious metals prices, though there have been times when platinum and especially palladium have popped over worries that those more specialized PMs will be in even more of a crisis short supply, given they are among Russia’s significant exports.

Clearly, though, generalist investors have not been of a mind to look to gold and silver as a “crisis hedge” by and large over Ukraine. There *have*, though, been recent glimmers of interest (at least, a “less bad” performance as opposed to equities) due to worries about one or more of those systemic market/debt crises I mentioned earlier. So in the near term, it’s possible we’ll see gold especially continue as a relative outperformer, even moving higher with the U.S. dollar if fears grow over such things.

Looking way into the future, the inevitable weakening of U.S. financial, currency and other



hegemony over the world suggests that it's going to get harder for the U.S. to keep *its own* skyscrapers of cards from tumbling down. As blocs emerge (for instance, a broadened BRIICS one with new members soon to be added) that go it alone **without using the current global dollar standard**, America will be in a pickle. All else equal, the greenback will slowly go the way of the *prior* decades-long global standard, the British pound.

The British pound WAS "the admiration of the world"

For now—and likely, for the foreseeable future—the U.S. dollar *still* has most everything on its side. But that will change; not soon enough for those of us that would like to see the dollar's reign as the world standard end *so that the world would afterward be a safer place*. **The ominous thought—and a story for another day—is that the American Empire is not going to surrender the dollar's hegemony without a fight.**

For present purposes, the evolution toward a *multi-polar* world is *not* likely to be one of the primary bullish drivers for gold and silver right away. This will be a process; though I do not discount the possibility that some day leaders of other nations come to their senses and break from both the global dollar standard and the war-mongering and death it has enabled for too long.

1. SO WHAT DO WE DO...AND NOT DO?

No matter which way(s) things unfold in the months and years ahead, the secular bull market for precious metals (which, some argue, is only on a hiatus) WILL resume in earnest sooner rather than later. But especially today, as opposed to the simpler times of the past, there are more decidedly right ways—and *wrong* ways—to invest in this space.

Let me start with the latter first; a few things not to do, and pitfalls to avoid:

1. RUN—don't walk—away from the Pied Piper QUACKS!

It's as simple as this: central banks have massively "suppressed" interest rates on debt and price discovery elsewhere for a long time now; certainly, in the wake of the 2008 Global Financial Crisis. And notwithstanding the present, Fed-led ostensible effort to "fight inflation" and all that, the massive global debt, soaring interest costs anew and all the rest will sooner rather than later put the central banks right back into the money printing business *in earnest*.

I have attempted to this point—and including the earlier links I've given you—to provide you with a sober, realistic assessment of how things work. In contrast, there are some out there who specialize in WILD exaggerations, crazy theories and predictions and more of what old Colonel Sherman Potter would



CONSPIRACY

Because sane, logical explanations just aren't as fun as bat-shit crazy theories.

call “horse hockey.” By and large, these “experts” are part of well-funded, slick promotional/sales companies who have made an art out of scaring and/or tickling the ears of well-meaning people with all manner of said horse hockey. The pitches are deliberately misleading (if not outright LIES), as one of the more infamous ones at right I’ve reproduced. *And if you acted on the premise of such pitches, your portfolio has been bludgeoned.*

There are more than enough maladies in the world to not have to make any up. I’m the first to admit that some of these shysters are *WAY* better *marketers* than I am. *But our results could not be more different where it counts.*

Gold’s movements for 1. those *not* selling an agenda or conspiracy story and/or 2. Those that do *not* have such a pre-existing bias in favor of gold so that they cannot impartially assess things have for the most part made perfect sense *for years*. **So my advice is simple:** anyone who tells you the kind of nonsense theories I’ve discussed earlier herein...or regularly alleges some “conspiracy” to keep the gold price suppressed, and what not simply is *dangerous* to you and your wealth! *Don’t* take them seriously.

2. The average person should NOT store *physical* metal any place EXCEPT in his/her own preferred hideaway, I.M.O.

The Number One reason why one would own *physical* gold (or silver, preferably) bullion is to use as “Mad Money” if/when the doomsters are finally proven correct and the economy implodes, sending us at least for a while to a barter/wilderness economy. What good is your physical gold going to be to you then, when you can’t lay your hands on it, but have it stored in some “safe and insured” location?

If you are a heavy enough hitter—like the previously-mentioned folks storing LOTS of gold these days—so that you know **you will be an exception** if that dark day comes and *everyone else* loses access to bank accounts, safe deposit boxes and your stored gold, etc., fine. Then it might be cost-effective and secure enough for you to risk that inconvenience. Otherwise, you should have your coins and such where you can *use* them if/when that becomes necessary.

3. Do NOT buy so-called “rare coins” for ANY other reason than as pretty, historical collectibles that *have* risen in price over time (AND only if you know what you are doing!)

Here I offer the voice of experience, Yours truly and some of my financial planning clients of long ago being sucked in for a while MANY years ago to the pitches of *a couple pastors*, no less, selling numismatic coins as both a crisis hedge and viable investment. We lost a lot of money in the end on such things; out of our own ignorance which we thought we could overcome in trusting, ultimately, the wrong people.

If you know what you are doing, have the surplus savings and like history, fine: you might want to own some “rare coins.” **But for most people, stay away.** Premiums charged by dealers can be *huge*. And as to the implications offered by some crooks back during the Y2K craze (and since) that such coins could even serve as valuable things with which to barter, *please!!* If we were plunged into a “wilderness economy” and you were negotiating for something you/your family need to live, do you think the person on the other end cares whether that one ounce of gold you paid 20X the gold price for is “rare??”

Friday, September 30, 2016:

D-DAY FOR THE U.S. DOLLAR

On Friday, September 30...
a new kind of “world money” goes live.

When it does, it could unleash a devastating crash for the U.S. dollar... a massive implosion for U.S. stocks... and send gold soaring as high as \$10,000 an ounce.

Here’s how to protect yourself...

And similarly to my advice to *run* away from the Pied Piper types which (these days) are warning about such things as that your current dollars are about to be seized and replaced by digital “Biden Bucks”, RUN AWAY also from coin promoters who tell you that you MUST by their numismatic/rare coins because “they can’t be confiscated.”

4. Do NOT fall for “Gold IRA” scams

Urgent Warning: Dollar Collapse Imminent by Spring 2020?

- Kaboom! Why US Dollar could Implode in the Spring 2020
- China Takes Big Step at Dethroning Dollar as #1 Currency
- Urgent Alert: Law Gives Bank Rights to Confiscate Your IRA?
- Dollar Collapse Begins Shortly. How to Prepare...- Chinese Currency to replace the dollar?
- Federal Gov't to Steal our IRA's & 401(k)s to solve fiscal crisis?
 - Urgent Warning: Dollar Doomsday. How to survive...
 - Markets Could Collapse By Spring 2020
 - Spring 2020: Here's the Asset That Stands to Soar

Here’s a representative one of many I see *even today*; a sales pitch from one outfit peddling Gold IRA’s that in one, overall come-on ticks the boxes on *several* of the most common conspiracy theories and outright LIES used by promoters.

It would take an *entire* Special Report just to go through the above ad point-by-point (for now, ask yourself: if you have gold coins in an IRA and IRA’s are “confiscated” by Uncle Sam, how/why do you think YOU will be exempt!?) Again—and YES, there are many things in this world right now that give *me* the willies, too, at times—beware of such fear-mongering come-ons that are promoting investments, etc. that are among the *last* things you should be doing.

Keeping things elementary for present purposes, the reasons *against* having physical gold coins in an I.R.A. are the same as cited above: *physical* gold should be *in your possession* to use in case of emergency. Further, the outfits peddling gold I.R.A.’s do not sell you garden-variety bullion typically, but instead “proof” and other coins *with higher premiums and mark-ups over the bullion price*.

Given the tax treatment of I.R.A.’s, you are FAR better off in setting such accounts, or parts of them, aside to use for your stock/ETF investing and especially trading of precious metals (and other) investments. Whatever gains you realize enjoy the favorable tax status of whatever brand of I.R.A. you have, as opposed to generating such gains in a taxable account where you have to pay income tax as you go along. (**NOTE:** I have written in times past more comprehensively on this subject of “Gold IRA’s”—for more, drop me a line.)

5. Do NOT put a disproportionate amount of your overall portfolio into the gold space.

In addition to making the mistake of failing to *sell* much of anything when the gold sector hits peaks (or even when individual stocks have HUGE gains, suggesting *in the average case* that at least some money should be taken off the table in the interests of sound, overall portfolio management) many a Gold Bug makes *an even deadlier mistake*. **They shovel THEIR ENTIRE PORTFOLIO, or close to it, into precious metals (usually a mixture of producer and exploration company shares) in one way or another, so strong is their religious fealty to the great god of gold and/or silver.**

This violates one of the KEY cardinal rules of investing, in *not* diversifying. I can't tell you how many people I have talked to over the years—*especially conservatively-inclined retirees* too enamored with PM's and their favorite Pied Piper's come-ons—who have put *and kept* pretty much 100% of their portfolio into this sector. Tragic. Many such people rode exploration stocks especially *all the way down* from the peak in 2011-2012. Thus, *starting* from a place where their whole portfolio has lost 70 – 90% over the last decade in many a case, what good is it that we finally ARE going to get that monster bull market for PM's? *Most or all of it will be spent on just making up some past losses.*

2. SO WHAT DO WE DO...AND NOT DO?



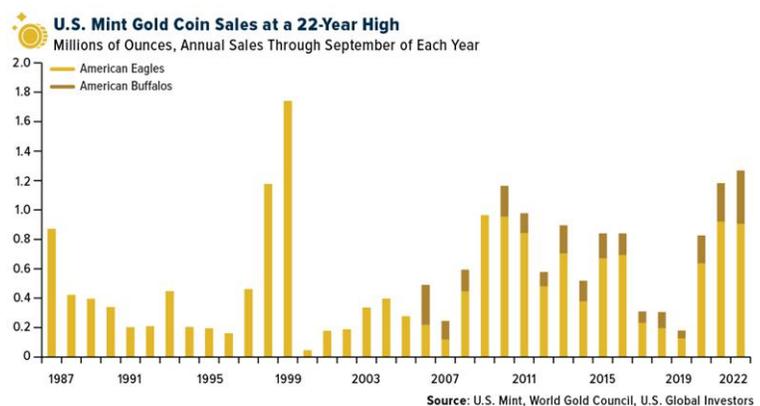
The GREATEST news I can offer you in this Special Report is that, by and large, **the broad investing public and the majority of institutional and “Mainstream” investors are *not* involved in the precious metals sector much right now.** They didn't even take part in the latest couple surges to brief peaks over \$2,000/ounce for gold. When the bigger moves for gold and silver DO come and they take part, you'll be happy you were wisely invested *now!*

1. Physical metals.

As alluded to above, *physical*, bullion-type gold and silver coins are good to have on hand to use as “Mad Money” in case the everyday economy breaks down and you are forced to barter. I have always advocated owning some, in an amount that meets *your* potential needs, etc. (IF, for example you live in a rural area and have your own garden and/or food stored up, firewood, a generator and all the usual things, *your* need to have PM's to barter with is relatively less than someone without those things, of course.)

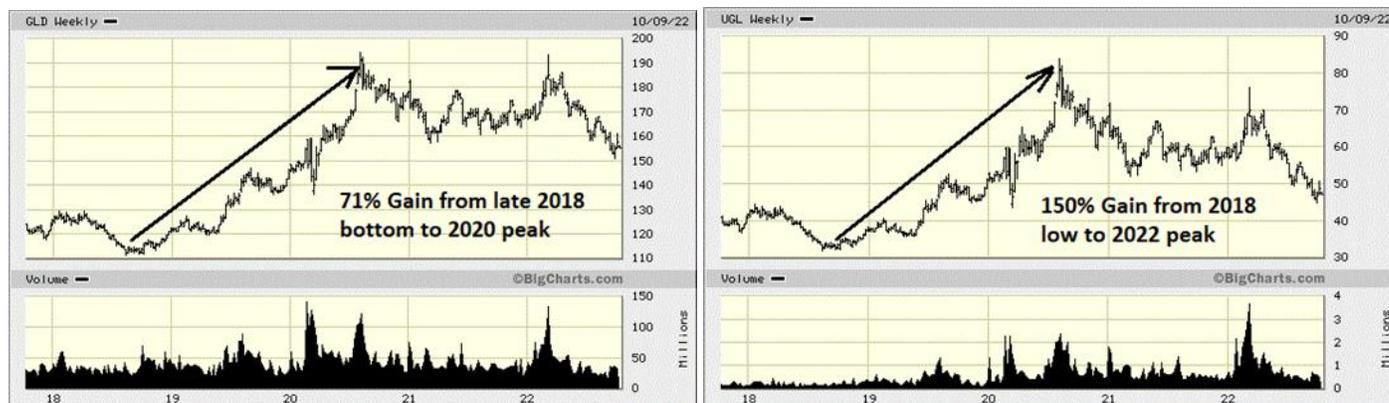
Such coins are not to be viewed as the be-all and end-all in such an event, though. I have long said (only half-jokingly) that I'd volunteer to enter a contest with people who are “all gold” for such contingencies: *You stock up on gold and I'll stock up on tobacco and whiskey.* If we're both right and we need to use our respective goods as a means of exchange someday, which of us do you think will have the easiest time in bartering? I'll bet it's me.

When buying physical PM's, costs can vary widely. I regularly keep tabs on several different firms out there whom I feel offer gold and silver buyers the best deal; so if you're in the market, let me know what you want to do and I'll direct you to what I think is the best source. **In the recent past, premiums have been expanding even for the cheapest bullion coins, as well as for pre-1965 “junk silver” U.S. coins (which are 90% silver in content.)** Though investors *in the markets* are still largely A.W.O.L., enough people wanting those “Mad Money” coins have been taking up the majority of the supplies.



2. Gold bullion ETF proxies

Over the years, it has *generally* been the case that when **non-Gold Bug investors** buy into the sector for trading and investment purposes, *most* of them start with the Exchange-Traded Fund (ETF) proxies *for bullion*. Many do not understand *or trust* the world of gold mining-related companies; typically, mining stocks are “last to the party” generally, even though in extended moves they are the best money makers. And because a money manager who goes *too far* afield in the mining stocks arena and makes a bad decision might end up driving an Uber or flipping burgers rather than managing money, most will at least start with the relatively safest bets even when they do determine that they need to have some gold exposure.



The best-known and most widely-used of such ETF's is the **SPDR Gold Trust (NYSE-GLD)**. As the biggest and most liquid, it is the first place money finds its way to. **Usually, I prefer the ProShares Ultra Gold ETF (NYSE Arca-UGL)**. The way it's managed offers leverage to the gold price itself; and as you see in the above charts, it *doubled* GLD's return during gold's big move from the bottom in late 2018 to that first peak in the summer of 2020, when we sold.

Especially for the more novice or cautious investors, GLD or, at most, UGL would be a meaningful place for part of your portfolio, provided that with especially the latter you have a sound strategy to “trim sails” now and then as needed. I view these as trading positions; *added to*, when appropriate, portfolio positions I recommend in individual metals-oriented *companies* I feel have superior stories.

Not long before the publication of this issue, I for the first time in a while have advocated new, initial trading positions in UGL as well as in **ProShares Ultra Silver (NYSE Arca-AGQ)**, that firm's leveraged silver bullion play. If things turn out as I see them now, we'll incrementally add to these and other PM-related ETFs.

3. Gold stock ETF proxies

Though *in a sense* I am putting the cart before the horse here in talking about ETF's holding mining and/or exploration stocks I am talking about them *first* because 1. After the bullion ETFs like GLD, this is where **new money from NON-Gold Bugs** will be coming from to some extent and 2. I necessarily need to spend a bit more time separately on the “2020s' Rules” for buying *individual* mining stocks anyway, since **the greatly changed landscape for them is more than anything the evidence that “This is NOT Your Father's Gold Market!”**

The two best-known gold mining ETFs are the **VanEck Vectors Gold Miners ETF (NYSE Arca-GDX)** and the **VanEck Vectors Junior Gold Miners ETF (NYSE Arca-GDXJ)**. Each of them is a fund owning many different companies: in the case of the former, chiefly the largest producing (primary) gold mining companies; in GDXJ's case, mid-tiers and even some near-term developers. In the past, it was *typically* the case that mining stocks *much more dramatically* outperformed the gold bullion price itself because of two things:

1. Companies actually mining gold profitably see a more *exponential* increase in their profitability for the *nominal* increase in the gold price itself. All things being equal (which they have NOT been so much in recent years, as I will be explaining in a minute) this means that **there is much greater leverage with a good mining company.**

2. Likewise, when it comes to exploration companies not in production *but growing resources and reserves of gold in the ground*, the potential economic rewards also go up exponentially on a nominal increase in the gold price. This is based on the perception of the far greater value of the metals in the ground for companies with the most spectacular drilling/discovery successes.



\$1,900/ounce high for gold when the metal prices made new highs, the universe of mining-related stocks is selling for a fraction of what they were in 2011. There have been a variety of reasons for this, some of which I'll touch on shortly.

The underperformance of the recent past of these ETFs as well as gold stocks generally (in comparison to what had been the norm of times past in such moves for gold itself as we have seen) *primarily* reveals that the “natural constituency” of investors with an affinity to gold has been LITERALLY dying off. **This is one of the biggest ways that, in 2022, this is NOT your father's gold market.** A great many of those fathers, grandfathers, crazy uncles, etc. who LOVED gold and couldn't get enough of the hottest new mining stock story are *gone*. And newer investors in recent years have had little interest in precious metals when 1. The stock market generally, crypto currencies, real estate and more have provided great returns and 2. Too much of what they find when they *have* decided to investigate the PMs is pure crackpot nonsense; and has driven them *away* from the sector.

So as I alluded to earlier, more than ever the fate of this whole sector rests on generalist, non-Gold bug investors. When *they* get motivated to take meaningful positions in the gold space, it's like a 300-pound man jumping into a kiddie-sized wading pool, as I regularly quip. And that is REALLY fun when we are smart enough prior to see this move coming and invest *ahead of* the crowd! That *will* come again; and will—as in the past—be HUGELY rewarding.



Here again, it is my approach that ETFs such as the above are *more trading vehicles* than buy-and-hold investments. (NOTE: There are numerous other PM-stock focused ETFs—many of them leveraged and very volatile; not for the faint of heart!—out there. Two of the more prominent ones covering silver equities are the **Global X Silver Miners ETF (NYSEArca-SIL)** and the **ETFMG Prime Junior Silver Miners ETF (NYSEArca-SILJ)**. As with GDX and GDXJ, these are good-sized and have plenty of trading liquidity. As the stars align for PM’s, we’ll incrementally add sector exposure via ETFs like this to our core, longer-term holdings of the best *individual stories* we have in our portfolios.

MINING STOCKS: AN OVERDUE “CLEANING OUT” AND CATHARSIS...WHAT TO LOOK FOR

I have in the past compared junior—even *fledgling*—exploration companies in natural resources generally and PM’s particularly to *biotech stocks* (those two sectors go back and forth as my favorite and second favorite ones for transformative “story stocks” that can become ENORMOUSLY profitable if you are correct in your pick.) Careful research of and then an *appropriate* investment in legitimate companies is NOT what you do with the *majority* of your portfolio, of course. But a meaningful portion can and should be deployed—especially at times like this with the “tail wind” of broadly bullish *long-term*

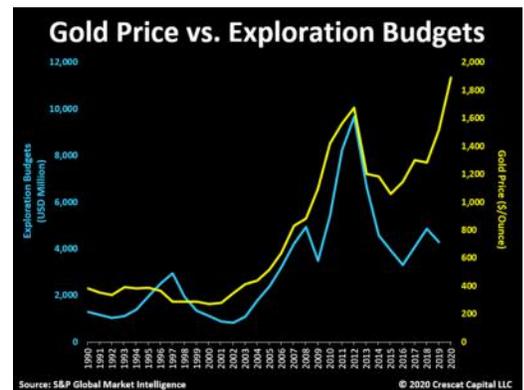


factors for resources visible—when you can diversify among a number of carefully-vetted stories. *You don’t even need to get half of them right to have a major, positive impact on your overall portfolio.*

The knock especially against more speculative exploration companies endures in the minds of many. Some boil it down simply to the old saw: “A gold mine is a hole in the ground with a liar standing over it.” To a very great extent this has come about because of past misdeeds and investor losses caused by a combination of questionable companies *to begin with* and the paid promoters who flogged them. Though a lot has tightened up regulation- and disclosure-wise over the last 25 years now, it’s still very much a “Buyer Beware” world out there.

Inevitably, for the reasons I have been covering herein *and more*, I believe we are going to see in the few years ahead MONSTER gains as during past moves in gold and silver-related stocks. **To a great extent, they will replicate what we’ve already seen in just the last few years for many battery metal and other “green” themes.** We’ve enjoyed *two* 10-baggers plus in the lithium area alone in the last couple years; and several-fold increases in some uranium equities likewise. Such gains on gold and silver equities will come, too.

As in other areas—and as I discussed in my The New FAANGs presentation linked earlier—the “pickings” are especially tantalizing **when you fully understand the dire straits these metals are in supply-wise going forward.** The industry will need to make up *fast* for so many years of lax exploration; and



that will happen anew once prices recover meaningfully and we have those attitude changes about Stagflation, the Fed, etc.—and the lack of confidence in the economy and broad stock market going forward—I discussed earlier. There are going to be a lot of opportunities to take positions in those places **where larger companies looking for future reserves will be looking!**



Generally speaking, we're looking at two types of companies to take positions in:

1. Companies whose financial performance is superior to their peers – Gold-related miners especially over the last couple decades became notorious for burning through money, overpaying for assets, enabling cushy management lifestyles and more. Most found it difficult to turn a profit even during times when gold's price had spurted higher.

Accountability and pressure to perform has returned to the arena; and that's been a good thing. In 2018, billionaire hedge fund manager, philanthropist *and noted gold bull* John

Paulson (right) formed a coalition of other major investors and funds in the sector to push for BIG changes in how companies are managed. In addition to sometimes questionable acquisitions, Paulson has gone after extravagant management costs and lifestyles. Essentially, he was calling out an entire industry which got fat, happy and rich over the years by being better at mining *investors* and blowing money than they were at mining gold.



Along the way, Paulson has also decried what I have herein: the fact that religious/gullible Gold Bug investors helped to enable such practices (abetted by their Pied Pipers.)

In one of Paulsen's own tirades, he was critical of such investors—even including some institutional ones—of behaving like “sheep being led to the slaughter.” Check out <https://www.reuters.com/article/us-gold-paulson/paulsons-gold-investor-group-urges-deals-costs-purge-idUSKCN1VX20U> for a story on Paulson's “Shareholders' Gold Council.”

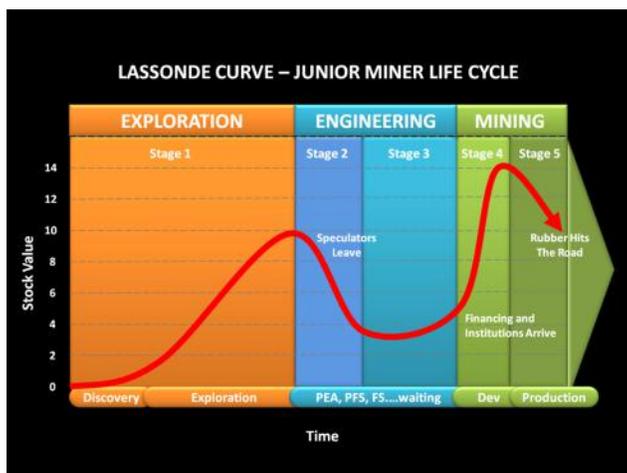
Now, you are seeing even more rewards for metals companies that **perform well financially**...and punishment for those that disappoint when it comes to fundamental news. *And that's as it should be.* As I have said over the years in speaking and writing on this subject, “Metals companies are *companies*, too!” Just because a company has “gold” or “silver” in its title does not magically render it a viable *company*.

We must “kick the tires” here as with any company in ANY sector/industry. And to be sure, that job has gotten harder anew; as has the gauntlet that even good producers of gold, silver and other metals must run through to grow and be profitable. Part of the whole inflation equation going forward is that operating costs for mining companies of all kinds have spiked notably over the last 18 months or so: fuel, labor, insurance, materials and more. As this is written, some companies are suggesting the possibility of cutting currently high dividend payouts, to conserve some of their newly positive cash flows as those soaring costs put a dent in things.

So as we look at companies to invest in, it's best to look (where *producers* are concerned) at companies which have not yet reached their "maturity" stage but are seemingly on their way there (more just below.) Are there some able to add in a *strongly* accretive manner to increase their production (meaning, able to expand/buy assets on the cheap to bolster the overall bottom line as they grow)? There *are* some good companies out there like this; and we have a few on our list, as you'll see shortly below.

2. Companies whose exploration prospects are superior to their peers; and/or most attractive to "majors" needing to increase their reserves/future production. – As alluded to above, resource "juniors"/exploration companies of most *all* kinds—but especially PM's—have contributed more than any sector save for biotech stocks to our roster of HUGE winners over time. And especially with such gold- and silver-related plays down to a *pittance* after the brutal bear market for such stocks of the recent past, the time is ripe to take our positions in the best stories we can find among all the wreckage. Indeed—comparing notes with many colleagues at the *just*-concluded New Orleans Investment Conference—we all agreed that we have NEVER seen such low valuations for a group like this (although—**notably, and an indication that smart money is active**—worthwhile projects are having little trouble raising money right now.)

CAPTURING ONE—OR BOTH—KEY PLACES ON "THE LASSONDE CURVE"



Well-known and hugely successful mining company operator and investor Pierre Lassonde long ago came up with his "curve" idea—at left—indicating *the two key places* in a company's life cycle where investors typically reap the biggest rewards.

Reversing the above order, **the first is when the BIG initial discovery/exploration news hits.** And the bar for that has been moved *a lot* higher in the recent past due to a few factors, including:

* There are WAY too many companies/stories out there in the PMs space. I have often contrasted the fate of gold/silver junior explorers since the big 2011 peak with the one that occurred at the same time for uranium stocks. With the latter, the overwhelming majority of uranium companies went belly-up or changed their focus when that sector/story imploded following the Fukushima accident back then. So now that there is a legitimate nuclear energy/uranium renaissance taking place, there are a relative few companies to look at; and that rising tide will lift most/all *deserving* boats.

There remain a plethora of gold (especially) and silver explorers, however; far too many, in my opinion. So oftentimes, *legitimate* good news from one is lost on average investors.

* *Truly breakout* news is needed to move the needle. Pretty much anybody can take an existing resource of, say, one million ounces of gold and do some updated drilling, etc. and turn it into 1.3 million, let's say. That doesn't (and shouldn't) impress anyone. But there are far fewer stories where a company

can glom on to an existing/dormant one million ounce resource and turn it into *several times* that. Such exploration companies that have THAT kind of potential are best to focus on.

* Any exploration company you look at needs to be in **a place where they will have other eyes on them**. As stated earlier (and a fair level of M&A activity in the recent dour market attests to this) the reason why anyone is exploring is to be able to provide future reserves of gold, silver or whatever in an environment where structural deficits of supply are looming. So among the questions to ask in evaluating exploration projects is whether/why a “major” will want this company/project down the road.

* **Are enough KEY players involved** so that the explorer in question will have sufficient brain power and money to prove its thesis (or not)? For those of us who have followed this space more than the average person/investor, we know it’s not uncommon for a prospective project to change hands now and then until the right people/investors coalesce over it and can make something happen. And it’s nice from time to time to see “the usual suspects” who are leaders in this industry lending a hand.

When all is said and done, in looking at ANY individual exploration company for prospective investment, you “kick the tires.” What’s the story? Geology? Property? Jurisdiction? Regulatory issues? Management; how good and experienced? Do they have a compelling game plan to prove themselves *and the money to enable it*? In the end, you want some superior case to be made that they will reach that first big step on The Lasso Curve: an eye-catching discovery story that investors simply can’t ignore.

Secondly, after that initial euphoria has dissipated and, perhaps, a lot of earlier investors in the discovery phase have moved on, a second point comes where sometimes *an avalanche* of investor interest occurs. **And that is when one or more events confirm the economic viability and soon development of the project.** And the best example I can offer from the recent past about this dynamic actually has to do with one of my *lithium* recommendations: Piedmont Lithium (NASD-PLL.)



The monster, 10-fold move in PLL shares came just over two years ago, when it was announced that Tesla was entering into an “offtake” agreement to buy battery-ready lithium products from the company. Prior, there had been some rumblings of interest as Piedmont dusted off and consolidated a lot of ground in the southern area of North Carolina that has been largely dormant for years where lithium *mining* is concerned (processing, though, has continued with imported lithium feedstock in this region.) Once the Tesla announcement came, though, it was a HUGE wake-up call to investors that it’s going to be “game on” here!

I expect to see ever more of this down the road in resources generally and—for our purposes here—in the PM’s particularly.

Summing up, investors need to look at the potential economic superiority of a project as it nears that possibly second Lasso Curve breakout. Again--Why would a larger firm, a “major” or other big player want it?

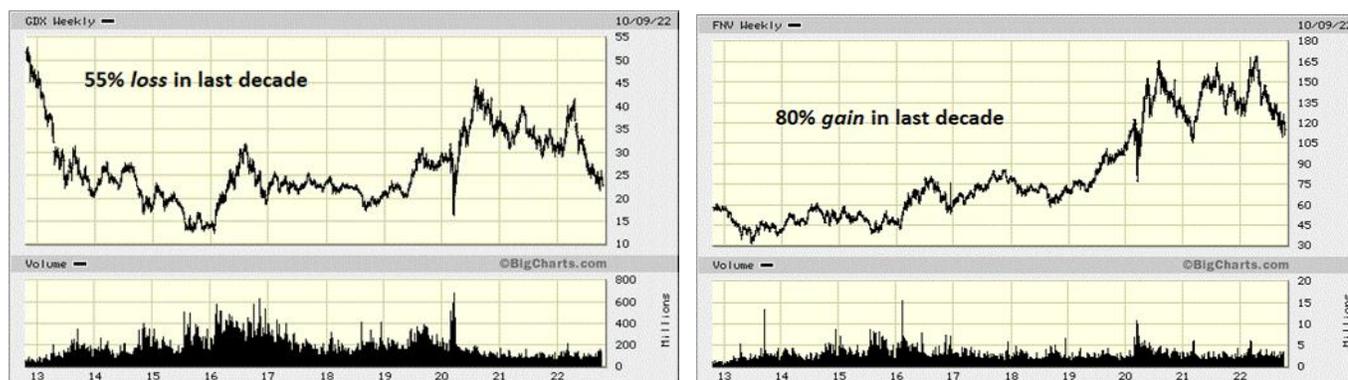
A GOOD DIVERSIFIER: ROYALTY AND STREAMING COMPANIES

Before I wrap up by giving you *several* examples among my present recommendations of *individual companies* I think have more potential and are more compelling than the average one, I want to spend just a moment on a different way to do some more conservative and calculated stock picking in this space: **and that is through royalty and streaming companies.**

Once upon a time (with the general stock market and even sector-specific funds) most mutual funds and similar vehicles were *actively managed*. Even in the precious metals (usually more gold-specific) area, most major fund companies had a precious metals offering where one or more managers would make decisions on a company by company basis. There was a lot of overlap, of course; but there were a few standouts that fairly consistently beat their peers' stock-picking prowess in the PM's space.

These days, it is much more the norm as with everything else to find indexed ETFs and *passively managed* ones, too, even in sectors such as PM's. So while there are a relative few actively managed, "bottom up" stock pickers in PMs still among fund managers, they are almost all gone save for those companies that specialize only/chiefly in resources.

Between this and the overall investment challenges in the precious metals space, one modern-day type of fund that has been gaining interest/following is **the royalty/streaming model of PM "fund."**



With the *primarily* bearish trend of the last 10-11 years for PM stocks (albeit with several tradeable rallies along the way, most of which we've made money on with our trading positions/strategies) **being a buy-and-hold investor in this space has generally been disastrous.** The "Cadillac" of ETFs for larger companies, GDX, has lost over half its value during the past decade.

Yet one of the Cadillacs among royalty companies—Franco Nevada Corp. (NYSE-FNV)—is still *up* 80% over the last decade. FNV and other companies like it actually invest differently than a GDX-like ETF, which buys a basket of stocks in its sector. Franco instead typically *loans money* to companies in/on the edge of production in return for a portion of the cash flow from that company. *It is usually tied to one or more specific projects.*

So first off, it's *Franco's lenders* that do the vetting or stock-picking (more so, the project picking.) And on top of that, they need not worry (over the short term, anyhow) about what the share price of the

underlying company is doing. *They need worry only about whether the company is generating cash and making its payments to Franco.*

In a lousy market, investors will even sell off such a company as FNV as you see above. Challenges have grown even for a Franco, too, with the magnitude by which companies' costs to produce has shot up of late with everything else. But going forward, conservative investors especially will want to take a look at this and other such streaming/royalty companies (which have been cropping up a lot, covering not only PM's but base metals, uranium and energy.)

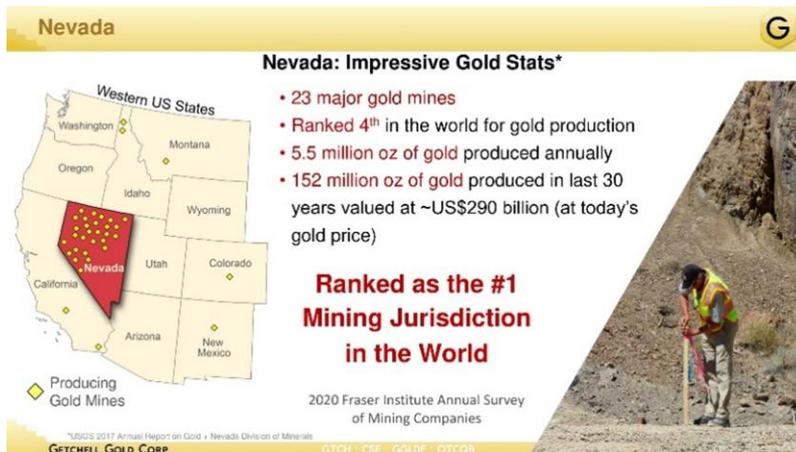
And now, on to “the main event” – companies among my current recommendations which I think represent superior stories, and risk-reward potential. They are *not* listed in pecking order/order of importance:

RECOMMENDED COMPANIES

OUTSIZED RESOURCE EXPANSION POTENTIAL

Getchell Gold, Inc. (CSE-GTCH; OTCQB-GGLDF)

When I first heard a bit over two years ago that a *new* Getchell Gold (there once was a company in Nevada by that name that is long gone, having been bought over two decades ago) was animating one particular colleague of mine, I decided to learn what the story was. Ultimately—despite the fact that I had several months prior advised our Members to *sell* all our trading positions in precious metals and a few of our individual holdings when gold made its August, 2020 peak—I **was sufficiently moved by *Getchell's own compelling story to add it in early 2021.***



other states of the U.S. Given this *long* mining history and culture, Nevada is one of the best jurisdictions on the planet in which to operate.

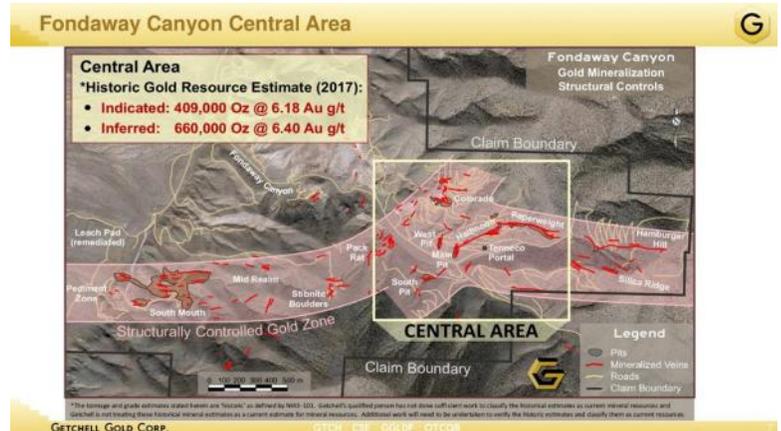
One of the common themes in resource exploration is the ability if the right ingredients come together to **“repurpose” a property**. Much of the *world* is home to all manner of properties—base metals as well as precious metals—that once upon a time were “high-graded” or where limited (and

sometimes artisanal and even primitive) production left *a lot* behind. As Getchell's President Mike Sieb explained to me in our earliest conversations, multiple operators over about 40 years' time took a whack at what is now the company's flagship project, Fondaway Canyon. Fondaway is described as an advanced stage gold property located in Churchill County, Nevada and—like most projects in the state—is easily accessible, located not far off I-80 east of Reno, Nevada.

As they looked closely at Fondaway, Sieb and his team saw quite clearly the potential for Fondaway to be a far larger *producer* in years to come than it ever was. By and large, previous exploitation of the area was limited to essentially surgical extraction of the some of the highest-grade, gold-bearing material from the many readily-identifiable veins traversing the property. *But as the Getchell team took a close look, two main characteristics excited them:*

1. There was still exploration and potential resources to be uncovered in and around already-known vein structures and
2. There seemed the potential to drill off *far wider areas* where recoverable gold was disseminated around many of the veins on the property.

At right is a graphic showing a more focused layout of Getchell's holdings. As the company has been happily *and quite spectacularly* reporting over the past couple drilling seasons, **drilling has started to uncover likely economical gold resources in several wider areas beyond those narrower veins in the dark red that you see.**



For many of the details surrounding this and the reasons why such success has been realized so far by Getchell in revealing Fondaway as an emerging, *potentially major new gold resource* in Nevada, watch <https://www.youtube.com/watch?v=3a65dFnhidc>. As Sieb told me in that discussion/profile of just over a year ago, even then we were seeing how “Drilling has blown the project wide open; from (only) high-grade shears to *100-meter thick* bands of mineralization...” (*Emphasis added.*)

The below chart highlights some of the top drilling results from the 2020 and 2021 drilling, and incorporates the first hole (of more to come) of the 2022 exploration at Fondaway Canyon (*through July, 2022*):

Drill Hole	Au (g/t)	Interval (m)	From (m)	To (m)	Zone
FCG20-02	6.2	21.9	106.1	128.0	Juniper
including	20.4	3.2	120.5	123.7	
FCG20-05	1.8	90.0	177.5	267.5	Colorado SW
including	3.0	45.3	222.2	267.5	
FCG21-08	4.2	27.5	223.4	250.9	
including	13.0	4.3	243.9	248.2	
FCG21-08	2.8	24.5	261.5	286.0	Half Moon
FCG21-08	1.4	30.7	323.5	354.2	
FCG20-04	8.6	9.8	108.1	117.9	
including	2.7	20.5	128.5	149.0	
FCG20-04	2.5	58.0	383.0	441.0	North Fork
including	10.3	5.2	414.6	419.8	
FCG21-10	3.0	41.8	275.5	317.3	
including	47.0	1.5	293.3	294.8	
FCG21-16	6.3	50.7	117.5	168.2	
including	10.4	25.0	139.9	164.9	
FCG21-16	3.1	33.4	265.0	298.4	
FCG22-17	5.4	51.9	66.1	118.0	
including	12.2	5.3	72.4	77.7	
including	17.7	9.9	94.7	104.6	

What has so excited investors about all this is that many of these results are in areas where potential open pits could be mined. Keep in mind that much of that kind of mining in Nevada these days (also, where most of the higher-grade vein material was already recovered in years past and now wider areas of disseminated gold are being mined) is of material that is *less than one gram of gold per ton*; not several times that, as many of Getchell's intercepts have revealed.

Before year-end, Getchell is planning to have the first update to the present resource estimate (showing slightly over one million ounces of gold in the inferred and indicated categories) at Fondaway released. **And this will be the first major news item that could confirm my own investment thesis here:** that *far* beyond incrementally increasing the amount of gold from its current tally of a little over a million ounces (between indicated and inferred) Fondaway holds the potential of eventually delivering *many times* that number. *Once the new resource estimate is out I plan to do an updated video interview of Sieb; you'll get the link for that once it's completed.*

Elsewhere, great potential exists with the one other noteworthy asset among Getchell's array: The Star High Grade Copper-Gold-Silver Project; it's located upstate a bit from Fondaway and has been owned by Getchell for over a decade. Back when it was initially acquired there were high hopes; but plans were put on hold after the major peak for resource stocks following gold's then-all time high in 2011. But now, with gold looking better *and especially with the heightened interest in copper and silver as battery and "green economy" metals*, Getchell is looking to do more to hopefully reveal this asset as an economic one.

Star High Grade Copper-Gold-Silver Project

STAR Situated 50 miles north of Fondaway Canyon

Getchell Gold Corp. Nevada Projects

Star High Grade Copper-Gold-Silver Project

Star project comprises two main mineralized occurrences:

Star Point (Cu)

- Historic near surface, high-grade Copper oxide (tenorite) mining operation operated from the late 1940s through the mid-1950s
- Dump samples* associated with the main workings, reported grades of **4.25, 3.00 and 2.35% Cu**

Star South (Cu-Au-Ag)

- Historic artisanal shallow mining area that contains at surface high grade Copper-Gold-Silver mineralization along northeast trending faults and along the thrust fault boundary at surface

GETCHELL GOLD CORP.

As Sieb described it in the above-linked video interview, Star contains numerous “rat holes” from very small-scale mining in years gone by, but “...has never really been explored much.” And this is despite 1. Oxidized copper mineralization (and more) still evident on the property at surface and 2. Old “dump material” that has been assayed—stuff thrown away from past artisanal mining—has graded *multiple percent* copper equivalent, with healthy components of gold and silver also! The company spent some money on drilling this past June, toward a more comprehensive exploration program to come.

But the big story near-term is Fondaway. Frankly, I ultimately see the potential in the end for a three *to even five* million ounce gold resource, based on the trajectory of drilling results. And that is likely to garner attention even in this kind of market that we've had, given that the company's market cap recently was a scant C\$40 million (or US\$28 million) AND that such a resource would be attractive—in such a place as Nevada—to other companies looking for mill feed for the future.

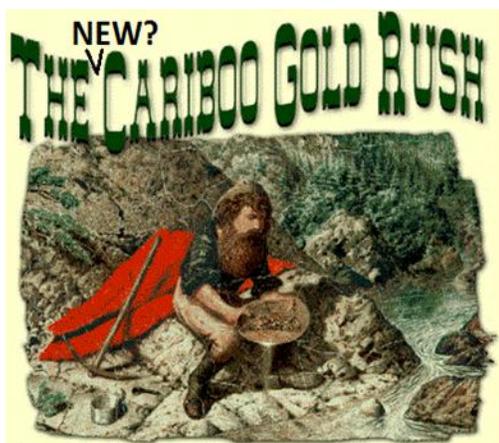
I encourage you to learn more at <https://getchellgold.com/> .

A ONE-OF-A-KIND STORY—AND FROM A FAMILY I KNOW AND TRUST

Omineca Mining and Metals (TSXV-OMM; OTC-OMMSF)

One reason I have been fortunate to have such a good “batting average” over the years is that I make it a point to get to know not just stories, but companies/management teams *well*. Over my career there has not been a better example of this than the MacNeill family of Saskatoon, Saskatchewan; **nor a group that has been more profitable for my Members at *The National Investor*.**

The late Bill MacNeill was a dear friend, mentor and colleague; and the founder years back of the former Claude Resources, a long-operating gold mine in Saskatchewan. It was bought out by SSR Mining in 2016 and has since been fulfilling Bill’s long-held belief that the Seabee Mine anchored a *district* play. Claude at times was an up and down story, but in the end we did well.



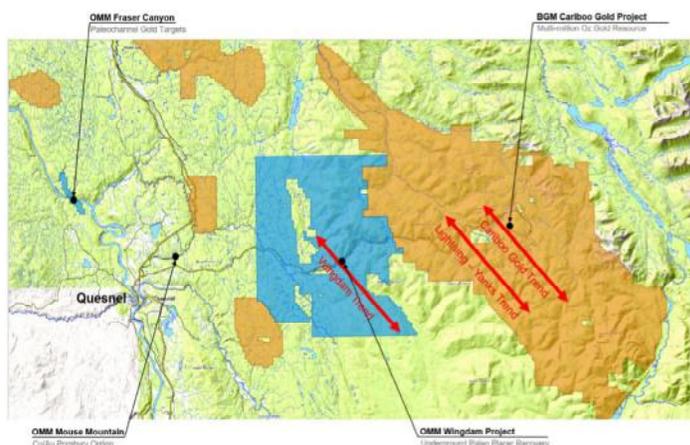
Son Ken years back gave us one of my Top Ten gainers *of all time*. We bought shares of his company (then Shore Gold) that was sitting on the largest diamond-bearing kimberlites in the world in the Fort a la Corne area of central SK. That and another company Shore later absorbed into it we bought at all of C10 cents/share...and sold most of it near the peak later at an average of C\$6.00.

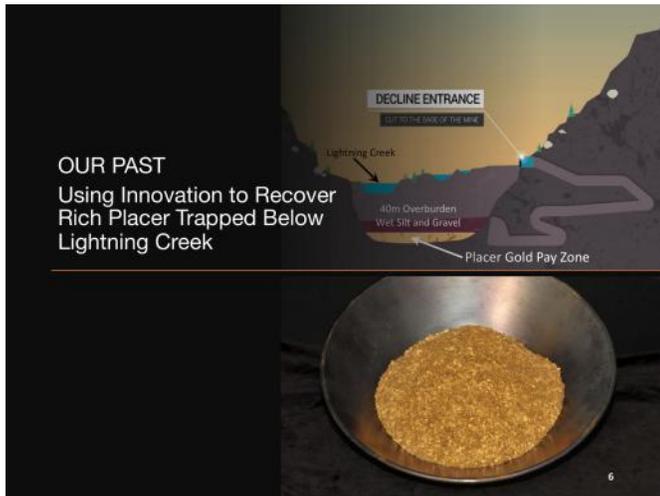
That brings us to son Tom today: and Omineca’s very “one off” story. And if all goes well, OMM could one day rival the gains we formerly had thanks to Tom’s big brother.

Omineca is the lesser known of *but two* companies around which is centered somewhat of a new gold rush in the Cariboo region of British Columbia. The other is Osisko Development Corp., which owns the multi-million gold ounce Cariboo Gold Project (formerly owned by Barkerville Mining) next door. The nearby Wingdam Trend owned by Omineca is not nearly as well-known; something Tom and his crew are seeking to change.

As you’ll see on Omineca’s web site at <https://ominecaminingandmetals.com/>, its chief asset for years has been the **Wingdam Gold Project, about 45 km east of Quesnel, British Columbia.** Past exploration and sampling work there suggests that the area of a unique *alluvial* gold-bearing deposit OMM controls here has *the richest gold grades of anything known of in the entire Cariboo District.*

Back in 2011, the company hired Fortis Mining Engineering and Manufacturing to help demonstrate a thesis: that *very rich* gold-bearing material was trapped under *present-day* Lightning Creek. A bulk sample test was successful: 5.4 kilograms of raw placer gold was recovered from a crosscut tunnel 2.4 meters wide and 24 meters long.





OUR PAST
Using Innovation to Recover
Rich Placer Trapped Below
Lightning Creek

The trouble was that the gold price was peaking at that time; and falling as Omineca’s team were looking at exploiting a trend/buried creek that is several kilometers long. So—wisely as it turns out, no matter how disappointing—MacNeill kept Wingdam off to the side *until recently*.

In mid-2019, Omineca entered a deal with neighbor Lightning Creek Mining, now augmented by the renewed involvement once more of Fortis; see <https://ominecaminingandmetals.com/news/omineca-provides-update-on-placer-gold-recovery-operations-at-wingdam/> for the late September announcement.

This will see Omineca receive 50% of all the gold recovered, after an C\$850/ounce cost to the combined team of Fortis-Lightning Creek; those latter companies are putting up all the money, now-augmented equipment and work crews and the rest. **And as I have covered previously, the kind of cash flow this could generate for Omineca—with a paltry market cap of only around C\$12 million as of this writing—is mind-numbing.**

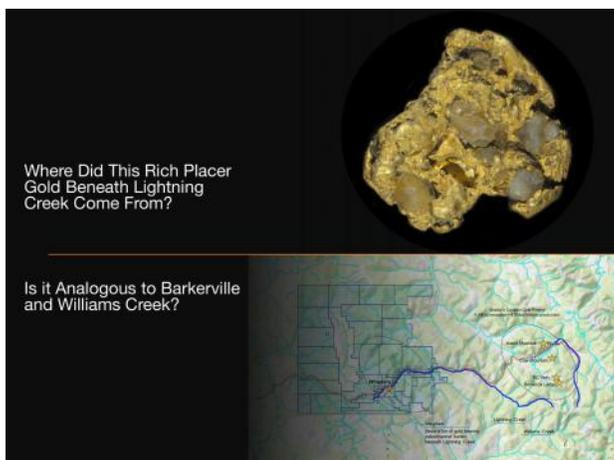
It’s been a *long* slog to get to this point, as MacNeill recounted at a presentation to our investor conference back in the Spring; see <https://www.youtube.com/watch?v=secbBOPbT6Y&t=3s>. From COVID shutting things down on the one end to, recently, the truckers’ strike in Canada delaying parts and equipment, it seemed as if things were doomed. Many investors frankly tired of the wait and left. *And as I reminded our folks along the way a few times, had I not known the MacNeill family for the great majority of my adult life, I may have grown more impatient myself.* But it looks as if the reward for our patience might finally be at hand.

To MacNeill, though—and notwithstanding what tens of millions of dollars of cash flow potentially could do for shareholders as gold is liberated—the truly BIG potential “blue sky” is in what has become the second part of Omineca’s story. I remember well at the beginning of 2020 when Tom excitedly told me of how he had *vastly* increased



Omineca’s claims in the area as much as was possible; this in **the belief that his team was “hot” on the original source of the placer gold at Wingdam.**

What had always intrigued everyone was that much of the gold recovered a decade ago showed little to NO sign of having “traveled” far. Keep in mind that before gold ended up in creeks where you can pan for it, it was first ripped from “lode” or hard rock deposits: usually as water, seismic activity or both moved material in ages past and some of the gold escaped, ending up away from its prior “home.”

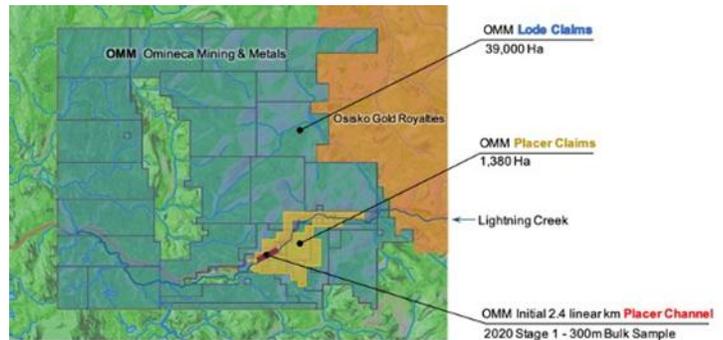


Where Did This Rich Placer
Gold Beneath Lightning
Creek Come From?

Is it Analogous to Barkerville
and Williams Creek?

In the case of what was recovered a decade ago, the “wear” that would have been evident had the gold traveled very far was *not evident*. So theoretically it came from very close by. And as MacNeill explained to me in—for him—an uncharacteristically *exuberant* fashion, **he feels the truly big discovery could come once one or more sources for the placer gold are discovered.**

All this new ground (blue) added to OMM’s original claims (yellow) have all of us excited over what’s to come. *But it will be a process.* After some sporadic greenfield work and limited drilling over the last couple years, the company’s brain trust has decided to test at least some areas this fall/winter; see <https://ominecaminandmetals.com/news/ominecas-lode-gold-exploration-drill-program-underway-at-wingdam/> for the Sept. 30 announcement.



Omineca is necessarily rated a “*Speculative BUY*” in our pages; no matter how great this story and the *wild* upside potential based on its cheap valuation, *nothing is yet in hand*. Yet there are two bites at The Lassonde Curve involved here, if Omineca and its partners are successful: a *new* discovery drilling near the paleo channel as well as if/when substantial cash flow starts coming from Wingdam as the development/production there comes into play.

A “MOM AND POP” PRIMARY SILVER COMPANY POISED FOR ITS BEST GROWTH (AND A NEW DISCOVERY??) EVER

Avino Silver and Gold Mines, Ltd. (NYSEArca-ASM; TSX-ASM)



Avino in more ways than one has also been about family over the years. The late mining entrepreneur and broker Louis Wolfenbarger happened upon the historic Avino Mine—in an area first mined by the Spaniards hundreds of years prior—*way* back over 50 years ago. Over the years he built a family of sorts in the Durango, Mexico environs where this flagship asset is located; among the local citizens—some of whom have worked for the company for *decades*—and most important, bringing his own son David (at right in the nearby picture, going over an updated Avino area map with Yours truly at the recent New Orleans Investment conference) on board. For some really cool history on Avino, check out <https://avino.com/about/our-history/>.

Over the years, both Wolfens have been adept at identifying great opportunities. Most noteworthy—and where this family has likewise already made a LOT of money for our Members—was via the former **Coral Gold**, a Nevada-focused company whose attractive project was furthered by the Wolfens and then bought several years

back by Barrick Gold. More recently, Avino sold off another key asset: the historic Bralorne Project in British Columbia. The company got nearly C\$9 million from the acquirer, Talisker Resources, and holds, last I looked, a bit over 6% of Talisker's shares to retain some upside there.

As David Wolfen has explained of late, he and his team have been focused on bringing *all* their focus back to the Avino Complex. In addition to selling Bralorne, the company most notably spun out numerous exploration assets in the general vicinity of its operations to **Silver Wolf Exploration, Ltd. (TSXV-SWLF; OTCQB-SWLFF)** while there, as well, retaining a significant interest for Avino/management. And as I heard Wolfen explain/wrap up anew just days before this publication, **there are—boiling things down—two very good reasons why he and the others want to put all their energy into the Avino Complex.**



of jagged, usually very dark (even pretty much *black*) mountains.

From these mountains, Avino has provided a living for two generations of people to date; but operating much of that time as a small “Mom and Pop” operation. A network, chiefly, of veins that have been mined underground has provided a mix of silver, copper and some gold. With things back to normal in 2022 following prior COVID-related issues, work delays, equipment, etc., Avino has *just* recorded (see <https://avino.com/news/2022/avino-achieves-a-quarterly-record-778-008-oz-of-silver-equivalent-production-in-q3-2022-a-20-increase-over-q2-2022/>) record production for the third quarter.

But to me the bigger announcements of the recent past (for all the company's news of late, see <https://avino.com/news/2022/>) have to do with some of the deeper exploration drilling that's been taking place. As you see in the graphic at right, there have been a couple instances where drilling below prior workings not only shows the likelihood of mill feed for many more years to come but the prospect also that what has been found/mined to date *could* be sitting on top of a much larger—



FOCUSED ON MEXICO – DIVESTING OF NON-CORE ASSETS

Distinctly focused on our Mexican Assets of Avino, La Preciosa, and Oxide Tailing Project

Strategically:

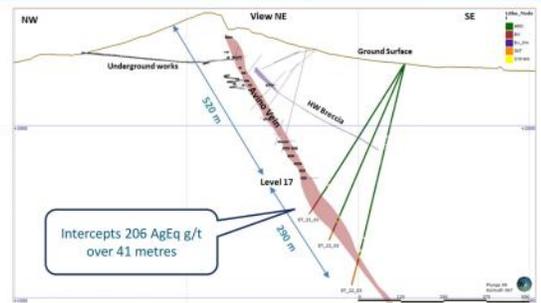
- Divested of non-core assets in other jurisdictions
- Maintain exposure to exploration upside in Canada
 - Sale of Bralorne BC - Share ownership of Talisker
 - Optioned Olympic claims BC - Endurance Gold
- Capitalized on synergies with Avino & optioned the Mexican properties of Ana Maria and El Laberinto for share ownership of Silver Wolf (formerly Gray Rock)



JUNE 2022 DRILL RESULTS – AVINO ET AREA BELOW LEVEL 17

- Drills High Grade Silver & Copper in Multiple Holes
- 6 holes drilled below current Level 17 mining area
- Continuity of widths & grades at the Avino vein extending potential to a depth of at least 290 metres
- Contains significantly higher copper mineralization as is often the case with porphyry deposits

View VRIFY interactive 3D model in the June 13, 2022 news release on our website.



even *prophyry-style*—system. That would make perfect sense for this area and geology, of course; and could—if further drilling confirms this—mean that Avino has MANY more years of even better material ahead.

Beyond even this, Avino took the step just about a year ago of substantially boosting its resources and present/future revenue/profit potential by acquiring a neighboring property: La Preciosa see <https://avino.com/news/2021/avino-acquires-neighboring-la-preciosa-project-adds-significant-production-potential-to-growth-profile-and-substantially/> & <https://avino.com/operations/lapreciosa/> for more details, a history of the project, etc.

ASM: TSX/NYSE American www.avino.com A Clear Path to Transformational Growth 13

PROJECT PORTFOLIO
#2 - LA PRECIOSA – STRATEGIC RATIONALE

- ✓ Elevates Avino's Potential as a Silver Producer and Developer
- ✓ Presents Unique Operational Synergies due to La Preciosa's Strategic Location
- ✓ Highly Accretive to Avino Across Key Metrics
- ✓ Positive Results from Initial Metallurgical Testwork
- ✓ Reduces Development Timeline and Risk
- ✓ Reduces Environmental Footprint
- ✓ Substantially Increases Avino's Ag and AgEq Resources
- ✓ Enhances Avino's Land Position in Durango
- ✓ Presents Exploration Upside Potential at La Preciosa

In short, this transforms Avino from that “Mom and Pop” company to **more of a district play** in this active area, and could—if the company’s 3 – 5 year timeline comes to fruition—**vault the company into the ranks of intermediate producers**. Whereas Coeur Mining, who Avino bought La Preciosa from, was looking at a full-blown isolated development cost of some \$300 million to build the facility to process what are some 140 million AgEq (silver equivalent; including some gold) ounces at La Preciosa, Avino will have the

ability after permitting and related work is completed (hopefully within one year) to begin milling higher-grade material, initially, at Avino’s existing complex.

A third revenue driver to come for the company is slated to be the reprocessing of a massive amount of old tailings material on site:

see <https://avino.com/operations/avino-mine/tailings-facility/>. In many years past, significant amounts of gold and silver were lost when plant recoveries had not been optimized; now it looks as if this material can be reprocessed profitably. As you’ll read, a lot of the economic study work has been done. Ultimately, this vast tailings pond area will be decommissioned—and if still deemed economically viable, re-run to recover gold and silver—once the company switches to a new dry stack tailings system.

ASM: TSX/NYSE American www.avino.com A Clear Path to Transformational Growth 3

AVINO
MEXICO'S NEXT INTERMEDIATE PRODUCER

PROJECT PORTFOLIO

- Avino Mine - Production
On Track for 2.2 to 2.4 million AgEq Oz in 2022
- La Preciosa - Development
Acquired March 2022 from Coeur Mining Inc., Adjacent to Avino Mine in Durango
- Oxide Tailings Project - Development
Comprehensive Metallurgical Testwork Program to Advance Project to Next Phase of Development

LARGE SILVER EQUIVALENT RESOURCE BASE

- 230 million AgEq Oz - Consolidated Ni 43-101 Mineral Resources at October 27, 2021
- 65% Silver - Acquisition of La Preciosa shifts resources to primarily silver

CATALYSTS FOR GROWTH - FROM 1 TO 3 PRODUCING ASSETS

- La Preciosa - Future silver production asset
- Oxide Tailings Project - Future gold and silver production asset
- Avino - Regional Exploration and Resource Expansion for future growth production



So in true *company-building* fashion, Avino is set to grow smartly in the years just ahead. There exists as well the potential for much more substantial new discoveries, as mentioned earlier. Especially given the subdued pricing of PM equities these days, *this is one you can buy and put on the shelf for the future*.

WHAT THE MAJORS NEED—AND WITH EVER BETTER ECONOMICS

Seabridge Gold (NYSE-SA; TSX-SEA)

Like others among my recommendations both present and past, Seabridge’s Co-founders Rudi Fronk and Jim Anthony set out back in 1999 (notably, as gold was forming its final bottom after a nearly two-decade decline) to build a primary gold company that would be more shareholder-friendly than the average one. And over the years they have succeeded: amassing the most substantial gold—and now copper—reserves of any development-ready project on Planet Earth. **And they have been sufficiently frugal in spending money and issuing shares that each Seabridge share today represents a bit over two ounces of gold per share.**

SEABRIDGE GOLD

LARGE NORTH AMERICAN PORTFOLIO OF PREMIER GOLD PROJECTS



TSX:SEA | NYSE:SA

seabridgegold.com | 2022 5

The company owns five major exploration assets as you see in the map at left. Any one of them could be the flagship for the average exploration company. **In Seabridge’s case, the flagship is its 100%-owned KSM Project.** And as stated already, KSM sports the world’s largest—via the latest updated Preliminary Feasibility Study (PFS)—estimates of *proven and probable reserves: 47.3 million ounces of gold and 7.3 billion pounds of copper.*

But as impressive or more so than those gaudy numbers is the fact that, with each step in exploration and acquisition in recent years, the economics of this HUGE asset have improved markedly. The long-time “knock” against KSM was that “Sure, it’s huge...sure, it’s in a great jurisdiction...but it’s going to cost a LOT to develop it, and the numbers won’t work.” But not long after the latest economic study came out in August, Fronk wrapped up the *outstanding* updated economics (see https://www.om-partners.com/index.php?v=plJT391OZd0&ref_u=17657#video) of the first phase of possibly several to come for KSM’s life. **Watch this and then watch it again!**

Most impressive of all if you are an investor—and not to mention if you are a gold/copper major and looking for new ounces/pounds for the decades ahead—you have the equivalent of several average mines of today IN ONE PLACE. And with the initial PFS now contemplated more gold and less copper focused, as Fronk explains, **the A.I.S.C. (All-in Sustaining Costs) for KSM using copper and silver recoveries as credits will be around \$600/ounce of gold.**

SEABRIDGE GOLD

SIGNIFICANT REGIONAL & LOCAL INFRASTRUCTURE

- Northwest Transmission Line completed in 2014
 - ~31.5 km between powerline to KSM process plant
- Paved Highway 37 allows efficient transport to and from port and mine – in use to support Brucejack and Red Chris
- Two nearby ports at Stewart B.C.
- Two nearby regional airports and a local airstrip
- Recent federal and provincial government additional funding to complete bringing fiber-optic communications to the Tahltan Territory



TSX:SEA | NYSE:SA



seabridgegold.com | 2022 12

KSM SUBSTANTIALLY STARTED DESIGNATION

- ▶ To extend KSM's EA approvals for the life of the project, KSM must be "substantially started" by July 2026
- ▶ BC regulators will award a "substantially started" designation based on 3 main criteria:
 1. Indigenous support
 2. Extent of physical disturbance associated with permanent infrastructure
 3. Expenditures (to a lesser extent)
- ▶ KSM substantial start work commenced in 2021
- ▶ Work will focus on roads, camps, fish compensation and power infrastructure
- ▶ BC projects obtaining "substantially started" designation include Galore Creek and Kitsault Moly
- ▶ To fund KSM substantial start activities, Seabridge has secured US\$225 million in funding from Sprott Royalties and Ontario Teachers Pension Plan by issuing a note that converts into a KSM silver royalty at commercial production

CAMP 11 WORK AREA



SUBSTANTIALLY STARTED OVERVIEW (JANUARY 2022) | 2022 20

It's been a long road: but Fronk and company have built one of THE premier assets in the world now (see <https://www.seabridgegold.com/projects/kerr-sulphurets-mitchell> for a LOT more of KSM's back story.) With virtually all of the environmental and related permits in place in such a prime jurisdiction, it's a matter of agreeing to some mathematics sooner rather than later, I feel, as one or more developers decide they need to have a piece of a project that will provide significant new

gold and copper for *generations* to come. Much of the work is done; and it may not be too much longer before we hear the news that actual development is underway.

Elsewhere, again, there are a few other potential big winners. **My personal favorite is the Snowstorm Project in Nevada, which Seabridge bought about five years ago from a firm owned by the previously-mentioned John Paulson.** That critic of the industry put his faith and asset in Seabridge due to Fronk's discipline of building assets faster than outstanding shares as well as Seabridge's demonstrated exploration success. This is largely a "greenfield" project; past owners had little in the way of an organized exploration game plan. Further, it's likely that—given that other famous Nevada mines became so when *deep* high grade sources of gold mineralization were uncovered—the company could be spending several years here in exploration before something substantial comes, if it does.

Closest to KSM is **the Iskut Project**; one that Fronk and his team have believed could be somewhat of a clone of their flagship. In June (see <https://www.seabridgegold.com/press-release/seabridge-to-begin-drilling-a-cluster-of-gold-copper-porphyry-targets-at-iskut>) Seabridge announced its most ambitious drilling to date there: as Fronk explained it, in part, "We have identified a regional trend that seems to be a primary control on the distribution of mineralized intrusive centers and this discovery has created considerable excitement in our team. We have lots of experience with a cluster of gold-copper porphyries in the Golden Triangle of similar age and geology at KSM and we are anxious to bring another such district to light."

Elsewhere in Canada, Seabridge has long owned **the Courageous Lake Project in the Northwest Territories.** A Preliminary Feasibility Study (PFS) was released on it in July, 2012 which estimated proven and probable reserves of 6.5 million ounces of gold in the open-pit FAT Deposit. While the economics calculated back then were attractive (385,000 ounces of potential annual gold production at a \$780/ounce cash cost and a mine life of 15 years) the remoteness of the project and, thus, healthy start-up costs argues for more exploration and/or narrowing things down to an even higher grade "starter" reserve. *Potential is enormous here, though:* the Project is along a 53 kilometer Mathews Lake Greenstone Belt and—aside from two historic past-producing mines—has gold occurrences *along its entire length.*

Most recently, Seabridge bought **the 3 Aces Project** in Canada's up-and-coming Yukon from Golden Predator Mining (see <https://seabridgegold.net/News/Article/813/seabridge-gold-completes-acquisition-of-3-aces-project-in-canada-s-yukon-a-high-grade%2C-near-surface-gold-opportunity-in-a>

[mining-friendly-jurisdiction.](#)) Seabridge's Senior V.P. for Exploration Bill Threlkeld had already been a technical advisor at 3 Aces; so the company knows quite well what it's bought...and why! The game plan here is to consolidate past work in a rich and diverse 35 km-long strike length, ahead of more exploration and drilling.

On that score, it was announced September 12 (at <https://www.seabridgegold.com/press-release/seabridge-gold-receives-class-4-exploration-permit-for-its-3-aces-project-drilling-now-underway-at-the-hearts-zone>) that Seabridge is permitted at 3 Aces and poised to do targeted drilling in at least one area in an attempt to put its geologists' "thesis" of this ground to work.

SEABRIDGE GOLD

THE CASE FOR SEABRIDGE

UNPARALLELED LEVERAGE IN EMERGING GOLD AND COPPER BULL MARKETS	KSM: WORLD'S LARGEST UNDEVELOPED GOLD/COPPER PROJECT	LARGE PORTFOLIO OF EXPLORATION PROJECTS IN NORTH AMERICA
<ul style="list-style-type: none"> Seabridge is ranked among the world's top ten companies in gold reserves. Over 2 oz of gold resources per share, top amongst the world's leading companies Over 600 pounds of copper resources per share, more than the world's largest copper companies Two PFS-stage projects (KSM & Courageous Lake) with a combined 53.8M oz of gold plus 7.3 billion pounds of copper and tremendous torque to higher gold and copper prices 	<ul style="list-style-type: none"> Environmental approvals in hand in a low-risk jurisdiction Substantially Started activities fully funded and underway to ensure permits are valid for life of project P&P reserves: 47.3M oz Au, 7.3B lbs Cu, 160M oz Ag 2022 PFS demonstrates 33-year open-pit only mine plan with all-in costs of gold production (inclusive of all capital and closure costs) of \$601 per ounce 2022 PEA shows potential of an additional 39-years of mine life from block caves at Kerr and Iron Cap deposits 	<ul style="list-style-type: none"> Iskut (BC): exploring for potential copper-gold porphyry similar to Deep Kerr Snowstorm (Nevada): massive property at intersection of three major Nevada gold belts 3 Aces (Yukon): potential for multiple district-scale, high-grade orogenic gold deposits Control of over 1,200 km² of largely unexplored properties in highly prospective districts
MANY NEAR-TERM CATALYSTS	RECORD OF ADDING VALUE WITH MINIMAL SHARE DILUTION	PROVEN LEADERSHIP TEAM AND COMPELLING VALUE
<ul style="list-style-type: none"> KSM: top candidate for a potential JV with a major on attractive terms Iskut: 2022 drill program to further test for large gold/copper porphyry system found in 2020 Snowstorm: ongoing exploration to test structures with similar geology as nearby world-class Turquoise Ridge Complex 3 Aces: preparing for 2022 drill program 	<ul style="list-style-type: none"> Added 89M oz Au and 35B lbs Cu of inferred resources at KSM since discovering Deep Kerr in 2013 Built a large project pipeline following three low-cost acquisitions (Iskut, Snowstorm, 3 Aces) since 2015 Since 2003, total gold resources have increased by 997% while shares outstanding have only grown by 191% 	<ul style="list-style-type: none"> Assembled a premier exploration & development team that has discovered over 100 million ounces of gold at KSM and advanced the project through engineering and EA approvals Trading at an EV/reserve multiple of only US\$15/oz of gold and an EV/resource multiple of only US\$5/oz

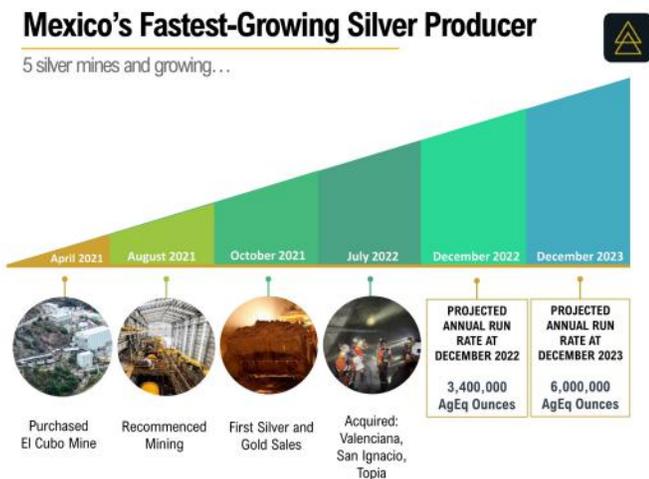
TSX:SEA | NYSE:SA | seabridgegold.com | 2022 3

Once upon a time, Seabridge was my favorite *trading* vehicle among companies. It tended to go up and down more than most with gold's swings; and our Members have made a LOT of money over the years this way. But I've maintained especially as the numbers at KSM and prospects for a J.V. or other deal have gotten better and better that **Seabridge now needs to be a part of your core buy and hold portfolio to capitalize on the secular trends favoring both gold and copper.**

THE WHOLE IS BECOMING GREATER THAN THE SUM OF THE PARTS

Guanajuato Silver (TSXV-GSVR; OTCQX-GSVRF)

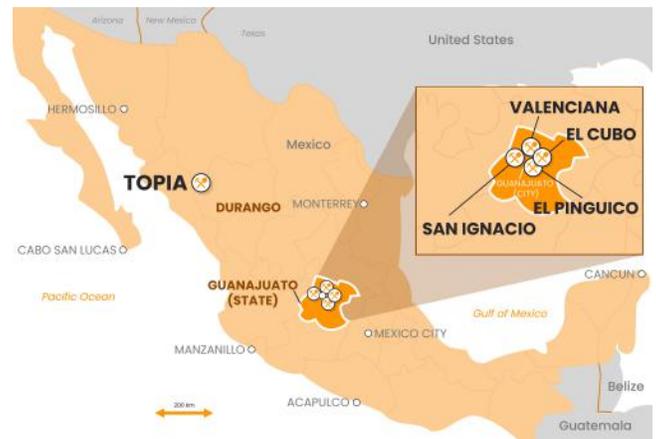
Just as Fronk and Anthony started their bargain basement shopping in the gold space at the bottom of a long bearish trend over 20 years ago so, too, has another long-time friend James Anderson been able to fairly quickly put together a large, impressive and cash-flowing primary silver company in Mexico. He did this as well by buying an array of assets on the cheap; **and with the total of them, ending up in Guanajuato with what the company bills is the fastest-growing silver concern in Mexico.**



Anderson started building his company (initially known as Vangold and later renamed to honor the state and capital city of Guanajuato and recognize their rich mining history) with the **El Pinguico Project; about 7 km from the city of Guanajuato.** Once a *very* high grade underground gold and silver mine, it has not been in full-time commercial production *for over a century.* When it was, *the project was actually owned by a company that traded on the NYSE way back in those days!*

El Pinguico—as is the case with so many previously-mined areas all over the world—is believed to have a lot of mineralization left. It was even interesting to hear early on that a significant amount of already-broken ore had been left underground in past years; this was part of the initial focus of Anderson and his team when they took this asset over. And as you’ll learn more perusing <https://www.gsilver.com/>, they’ll be busy for a while reimagining this historic producer.

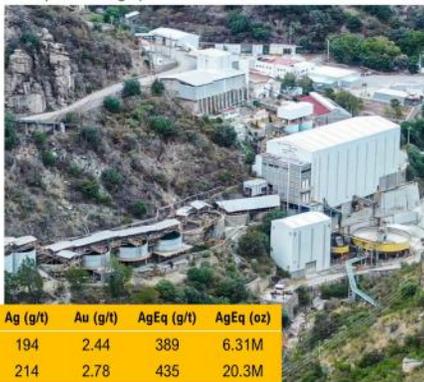
But then a real coup came as Anderson was adding additional pieces to the company: the announcement in December, 2020 (see <https://www.gsilver.com/news/2020c/612-anoldtoacquireluboineillfromndeavourilve20201221>) that the company had entered a deal to buy the nearby El Cubo Mine and Mill from Endeavour Silver for \$15 million and some stock to Endeavour (which owns about 9.5% of GSVR now.)



The El Cubo Production Facility

The centerpiece of our Hub & Spoke mining operation

45,000 t/month capacity



	Tonnes (t)	Ag (g/t)	Au (g/t)	AgEq (g/t)	AgEq (oz)
M&I	508K	194	2.44	389	6.31M
Inferred	1.4M	214	2.78	435	20.3M

Source: Silver Database, © Company 2016 (M&I) PDS Jan 22, 2021



As you’ll hear from Anderson at <https://www.amvestcapital.com/webinar-directory/guanajuatosilver100422> (an interview from October 4 wherein he goes through all the moving parts and story of the company) Endeavour paid some \$200 million for this complex back in 2012! That was just after the last major peak for PM equities, of course; I suspect Endeavour wouldn’t do that over again. So as it turned out, rather than spend money themselves on a “small” asset (to them) to do it justice, it turned it over to Guanajuato and kept some stake in it.

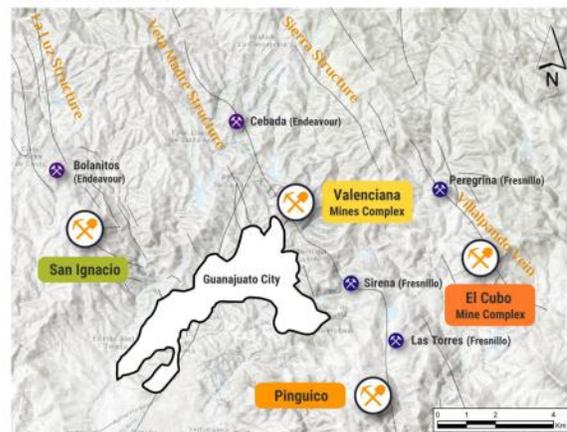
substantially again. For a bit under that same \$15 million cost, Guanajuato purchased a few significant assets from Great Panther Silver: three mines (Valenciana and San Ignacio also in the Guanajuato area and Topia farther north in Durango State) and two processing facilities. **Topia is notable as its resources—and material mined to date—have very high grades of both lead and zinc along with silver.** Here again, Anderson was in the right place at the right time to get a bargain; troubles elsewhere in its operations have led to Great Panther being on the verge of bankruptcy.

In short order, El Cubo has become a real workhorse. The company announced October 4 (at <https://www.gsilver.com/news/2022c/821-guanajuato-silver-production-increases-85-from-july-to-august>) that monthly production through

This summer saw the company increase its size substantially again. For a bit under that same \$15 million cost, Guanajuato purchased a few significant assets from Great Panther Silver: three mines (Valenciana and San Ignacio also in the Guanajuato area and Topia farther north in Durango State) and two processing facilities.

Consolidating the Guanajuato Mining Camp

450-year mining history



8

Global Resource

Mineral Resources



August had increased to over 267,000 AgEq (silver equivalent) ounces. By year-end, as other material from the Great Panther acquisition joins in more so (Anderson explains this in his interview) the mill will be at an annualized run rate of around 3.4 million AgEq ounces.

	Measured & Indicated					
	Tonnes (t)	Ag (g/t)	Au (g/t)	Pb/Zn (%)	AgEq (g/t)	AgEq (oz)
El Cubo	508,000	194	2.44		389	6,310,000
Pinguico (Stockpile)	210,000	79	0.60		127	860,000
Valenciana	251,666	250	1.76		400	3,235,029
San Ignacio	267,828	145	2.80		384	3,302,726
Topia	331,800	609	1.84	4.4/4.5	1,041	11,107,000
TOTAL						24,814,755
	Inferred					
El Cubo	1,400,000	214	2.78		435	20,310,000
Valenciana	220,760	225	1.95		391	2,776,596
San Ignacio	445,217	178	2.65		404	5,781,944
Topia	274,600	592	1.44	3.3/3.6	932	8,221,000
TOTAL						37,089,540

Source: Matrix Database & Company (LSE) No. 2153, Jan 28, 2021
Source: Javelin Exploration Technical Report on the Valenciana Mine Complex, Guanajuato, Mexico April 30, 2022
Source: Javelin Exploration Technical Report on the Topia Property, Guanajuato, Mexico May 6, 2022

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“Targeted, specific capital expenditures that drive down op-ex (operating expenditures)” is how Guanajuato has begun its rapid ascent to being a major producer *by volumes; not just by rate of growth*. Make no mistake: a lot of work remains to be done to, especially, increase future material. But Guanajuato is off to an impressive start; one reason why—in a disastrous environment for many months now for such stocks—*its shares* have held up remarkably well. That also owes to the high-profile and strong hands among its key shareholders, as you see nearby.

Current Major Shareholders

All numbers approximate



Endeavour Silver Corp.		9.5%
Great Panther Mining Ltd.		8.8%
Myrmikan Capital LLC. <i>(Director Daniel Oliver)</i>		7.9%
GSilver Directors & Advisors		4.3%
VBS Exchange Pty Ltd.		3.5%
Eric Sprott		2.3%
EMA Garp Fund LP.		2.0%
Public Shareholders		61.6%

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LIKELY MULTI-MILLION OUNCE DISCOVERY ONGOING

Amex Exploration (TSXV-AMX; OTCQX-AMXEF)



Hindsight as they say is always 20/20; and Yours truly sometimes kicks himself for being too slow to jump onto a transformative story. I must confess that the earliest days of Amex’s ascendance from basically nothing—but as it started making its discoveries at its Perron Project in the area of the Abitibi-Greenstone Belt in Canada, one of *the world’s* best locations for mining—were initially ignored by me. And this was even after I’d visited with C.E.O. Victor Cantore (left) at the 2019 version of the New Orleans Investment Conference, and he tried to impress on me what he was sitting on. **But I guess here, I was like Gus MacCrae said of Woodrow Call in *Lonesome Dove: I was slow, but sure.***

And though a tough market for P.M. exploration equities generally has only permitted occasional positive reactions to the *truly stupendous* news Amex has been putting out on a regular basis, I’m quite confident in the end that all of us are going to be vindicated one of these days by **what is quite possibly THE most spectacular new exploration story in the gold space in North America.**

PROLIFIC ABITIBI GREENSTONE BELT



Amex's flagship Perron Project near the Ontario-Quebec border in this historic and still-Tier One mining destination has rapidly been establishing itself for anyone paying attention as **the next multi-million ounce gold resource in this region**. A neat rundown of this project is at <https://www.amexexploration.com/properties/quebec-exploration-perron-property>.

Where the gold prospects are concerned, even those of you seasoned in this sector have seldom seen *anything* like the numbers that have been coming out of multiple areas. The first impressive thing is that most everything starts at or not far from surface. Almost every separate zone

has delivered high grade intercepts from what is now almost 300,000 meters of drilling since 2019.

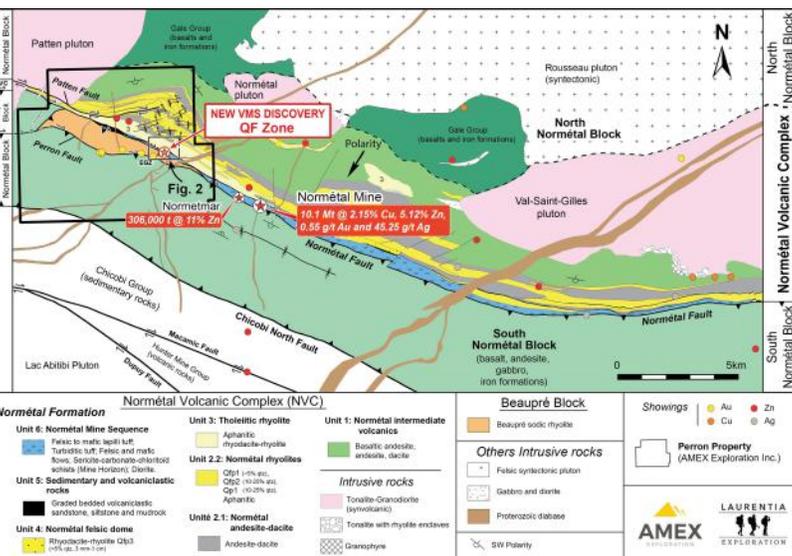
And as you see in the table at right, the grades have often been mind-blowing. The most gaudy number from 2021's drilling was a 6.1 meter intercept at 102.07 grams per tonne of gold; that's a bit over THREE OUNCES.

Kelly Malcolm, Vice President for Exploration, was interviewed earlier this summer and gave a succinct snapshot of the company; see https://www.youtube.com/watch?v=D-Clz1p_D1A. Among the things he reminds us is that Amex was able to raise C\$50 million early this year (and at a better place in the market, to be sure!) to help fund one of the most ambitious drilling programs going on this year *anywhere*. It has enabled drilling at the rate of 10,000 new meters *per month* as the

PERRON TOP 20 DRILL HOLES IN 2021

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Zone
PE-21-386W1	939	945.1	6.1	102.07	HGZ (1)
PE-21-344	320.8	326.95	6.15	79.22	HGZ (1)
PE-21-329	228.9	242	13.1	36.86	HGZ (1)
PE-21-391	213.9	219.5	5.6	84.02	HGZ (1)
PE-21-337	255.2	300	44.8	8.25	Denise (2)
PE-21-367	211.1	226	14.9	21.75	HGZ (1)
PE-21-409	374.9	381.8	6.9	43.74	HGZ (1)
PE-21-313	180	183.9	3.9	70.92	HGZ (1)
PE-21-383W1	538.5	542	3.5	76.61	HGZ (1)
PE-21-318	1207.15	1215.55	8.4	29.62	HGZ (1)
PE-21-301	1054.4	1063.25	8.85	27.06	HGZ (1)
PE-21-392	297.5	304.05	6.55	36.02	HGZ (1)
PE-21-287	1175.8	1182	6.2	37.59	HGZ (1)
PE-20-210	108.8	112.7	3.9	58.25	210 (3)
PE-21-338	201.4	216.25	14.85	15.18	HGZ (1)
PE-21-321	149.6	156	6.4	32.91	HGZ (1)
PE-21-413	338.2	340	1.8	102.43	HGZ (1)
PEX-21-041	288.6	293.7	5.1	31.87	Alizée (4)
PE-20-230	634.1	642.5	8.4	17.89	HGZ (1)
PE-20-207W2	902.5	907	4.5	32.99	HGZ (1)

- Note:
- 1) The HGZ drill results presented above represent core length. True width is estimated to be 55-60% of the reported core length.
 - 2) The Denise drill results presented above represent core length. True width is estimated to be 60-90% of the reported core length.
 - 3) The 210 drill intervals are presented in core lengths, as its estimated true width is currently unknown.
 - 4) The Alizée drill intervals are presented in core lengths, as its estimated true width is currently unknown.

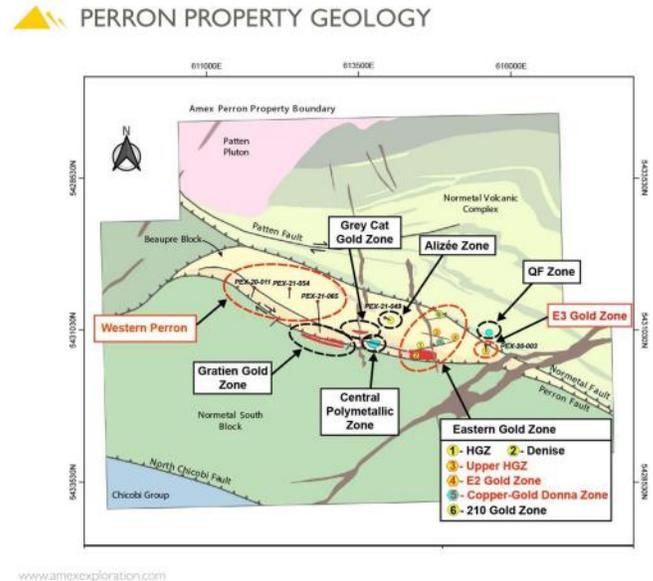


But about the time of that interview, an astonishingly good story got potentially even better. On June 20, Amex teased us with news on an emerging possible copper/base metals story also; see <https://www.amexexploration.com/rss/amex-reports-copper-rich-vms-intercepts-with-values-of-up-to-2-86-cueq-over-6-40-m-including-4-81-cueq-over-1-60-m-from-qf-zone>. As Malcolm alludes to in the above interview, it's been believed that rich VMS-style mineralization that hosted the nearby

Normetal mine might well be on some of Amex's ground as well. And that news of drill intercepts of 2 – 6% Cu Eq (copper equivalent, with zinc, gold and silver factored in) might be the beginning of a *second story* for Amex in this newest discovery.

But for now, the major event the market (and to be sure, any number of intermediate/major *producers*) is looking to is a **coming resource estimate for what Amex has sufficiently drilled out to date**. Last I spoke with Cantore, he was of a mind to keep his head down and *keep drilling*. Though there have been occasional times in an otherwise bearish environment when Amex shares popped after good news, Cantore knows that, in the end, he needs to build *an asset* that someone wants...and one investors can no longer ignore. *I expect a resource estimate along about mid-2023*.

To that end, as Malcolm pointed out, GREAT metallurgy results have come, too, to demonstrate the ore at Perron will fairly easily surrender its riches. One more step in the growth of a major new gold resource in this region; and one with, as said earlier, multi-million ounce gold potential (and now MORE) not remotely reflected by Amex's recent market cap of only C\$180 million (US\$135 million) or so.



AN UNAPPRECIATED DIAMOND IN THE ROUGH

Integra Resources (NYSEArca-ITRG; TSX-ITR)



DeLamar Project: Gold and Silver in Idaho

- Advanced stage exploration and development project in southwestern Idaho – 135k oz AuEq per year Heap Leach with High Margins (US\$814 AISC)
- Large Resource: 4.1 M oz AuEq (M&I) and 663k oz AuEq (Inf)
- Management track record of successful mine development and M&A totaling over US\$2 billion
- Financed to Grow – US\$21 M

For some months now, Integra seems to have become the Rodney Dangerfield of development-ready precious metals companies: *It can't get any respect*. Its DeLamar Project in southwestern Idaho (approximately 100 miles from Boise) is one of the better and cleaner stories—and with a lot of exploration upside still—you'll find today as new blood has come in to resurrect older mines. Yet a series of disappointments—*pretty much none of them Integra's own fault*—has driven this company's valuation down to a level where **it values each ounce of gold equivalent resource in the ground at less than \$10/ounce**.

Fresh from building the former Integra Gold Corp. and its Quebec-based Lamaque project and selling it for \$600 million back in 2017, Integra Resources President and C.E.O. George Salamis bought DeLamar from a Kinross Gold subsidiary in November, 2017. Before being shut down in 1998 due to the

low gold and silver prices back then, DeLamar produced over 100 million ounces of silver and 1.6 million ounces of gold.

It's important to note here that even when things did revive for precious metals exploration/mining in the early 2000's once metal prices started a sustained move higher, lots of properties like DeLamar within the U.S. stayed dormant. With the exception of Nevada, generally speaking, many U.S. and Canadian mining companies increasingly looked to South America and other areas for what they saw as "juicier" exploration opportunities in more virgin areas; and often with less in the way of regulations to worry about. So properties like DeLamar weren't the first out of the gates.

Salamis and his team realized, though, that DeLamar has a LOT of life left in it. Drilling over the last few years at a variety of targets—but chiefly, focused on a heap-leachable ore body—led to the announcement of a PFS (Prefeasibility Study) in February (at <https://integrareources.com/news/2022/integra-completes-pre-feasibility-study-for-delamar-project-with-average-annual-production-of-163-000-oz-au-eq-for-the-first-8/>) –showing how nearly 2 million gold equivalent ounces could be mined in a couple fashions over several years, at about 160,000 AuEq ounces annually.

Despite good numbers, they weren't as good as some had hoped; especially these days when all manner of initial/input costs for mining have risen along with everything else. **So in order to keep moving the ball forward a bit later, Integra decided to briefly "drop back and punt."** Integra announced a mere two months after the PFS (see <https://integrareources.com/news/2022/integra-announces-simplified-strategy-to-advance-permitting-and-development-of-gold-silver-heap-leaching-substantially-reducing/>) that it was going to pare back on "Plan A" and came out with a much lower-cost and higher profit plan to *only* begin early on

2022 Strategy: Heap Leach Standalone

Exploration Upside through Oxide-Mixed Expansion:

Definition drilling on low-grade stockpiles from Kinross, et al operations. ~60 Mt of oxide, ROM material at surface that could extend the Heap Leach mine life.

Lower Project Financing Risk:

Low-cost Heap Leach gold-silver mine reduces capital requirements by ~US\$235M over the mine life, a reduction of 40%, while generating average after-tax annual free-cash flow of US\$101 million over 7 years.

Lower Permitting Risk:

Heap Leach mine development scenario is expected to be easier to permit.

Lower Development Risk:

Development risk of a stand-alone Heap Leach mine is expected to be lower than alternative mining scenarios.

Optionality Preserved:

High-grade gold-silver potential at multiple targets could further complement the Project in future and non-oxide milling expansion work continues.

1. Please reference the NI 43-101 Technical Report dated March 22, 2022 for additional information.

INTEGRA RESOURCES

Integra: Transforming DeLamar

- **February 2022:** PFS highlighting a combined production scenario from heap leaching and milling:
- **April 2022:** Integra strategy to focus on a Heap Leach stand-alone development strategy:
NPV(5%) US\$314 M, IRR 33%, AISC US\$814/oz (\$1700 Au/21.50 Ag)
NPV(5%) US\$404 M and IRR 41% (US\$1,850 Au / \$23.40 Ag)
Decreases permitting, financing, and execution risks, lowers capital needs by \$235 M, reduces footprint, water usage, power usage, etc.
- **May 2022:** High-grade intercepts from War Eagle
 - 3.85 g/t Au and 7.74 g/t Ag (3.95 g/t AuEq) over 77.72 m, incl: 97.48 g/t Au and 181.00 g/t Ag (99.81 g/t AuEq) over 1.53 m,
- **May 2022:** High-grade Discovery at Sullivan Gulch, including record silver grade at DeLamar
 - 9.85 g/t AuEq over 26.97 m, including 80.40 g/t Au and 14,054 g/t Ag (261.28 g/t AuEq) over 0.40 m and 2.00 g/t AuEq over 97.54 m at Sullivan Gulch, in potential new high-grade structural zone
- **June 2022:** Best bulk-tonnage drill result to date at Sullivan Gulch:
 - 1.66 g/t gold AuEq over 397 m
- **July 2022:** Financed to Grow: The Company arranged a convertible debenture and equity financing with Beedie Capital – US\$20M in August and visibility to further US\$10M

1. Please reference the NI 43-101 Technical Report dated March 22, 2022 for additional information on the PFS and the website for drill results.

INTEGRA RESOURCES

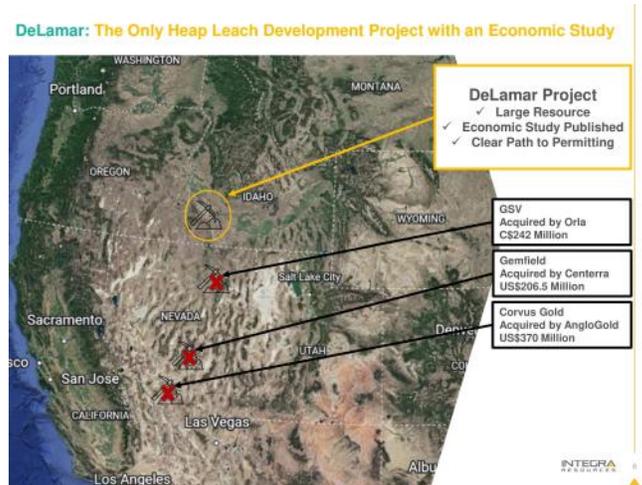
with a heap leach operation, as opposed to also commissioning a mill to run oxide ores. This phase—as Salamis just explained to my friend and colleague Trevor Hall of *Mining Stock Daily* at https://open.spotify.com/episode/0B8LhGrAlhwKq10w0I748z?utm_source=substack&utm_medium=email, --will see Integra able to start monetizing DeLamar soon (by mid-2023, the company plans to submit its official Plan of Operations.)

Beyond the simpler, easier plan to respectable cash flow for a company, today,

with a laughable market cap of only \$50 million, **there remains all the exploration upside the company has only started to flesh out.** Indeed, an indication that the market has so turned its back on the PMs space generally and Integra specifically, is that numerous pieces of good news that have come steadily for months via drill results have been ignored. Only a couple of them are detailed in the graphic above (Transforming DeLamar); many more can be found at <https://integresources.com/news/2022/>.

As this last graphic at right suggests, Integra is a *screaming* bargain after all the beating it has taken (and to be fair, I've said this pretty much all year long.) I mentioned earlier that, at its present valuation and accounting for more than \$20 million cash on hand, Integra's existing AuEq resource is valued at under \$10/ounce. *By contrast, the recent purchase of Corvus Gold's Nevada project by AngloGold valued Corvus' gold at some \$150/ounce.*

Integra is far from the only company that is dirt cheap after the beating this sector has taken in the recent past. *But it is one of the more extreme examples.*



A PURE EXPLORATION PLAY: WITH A LIKELY (POSITIVE, WE HOPE!) BINARY OUTCOME

E2Gold Inc. (TSXV-ETU; OTCQB-ETUGF)



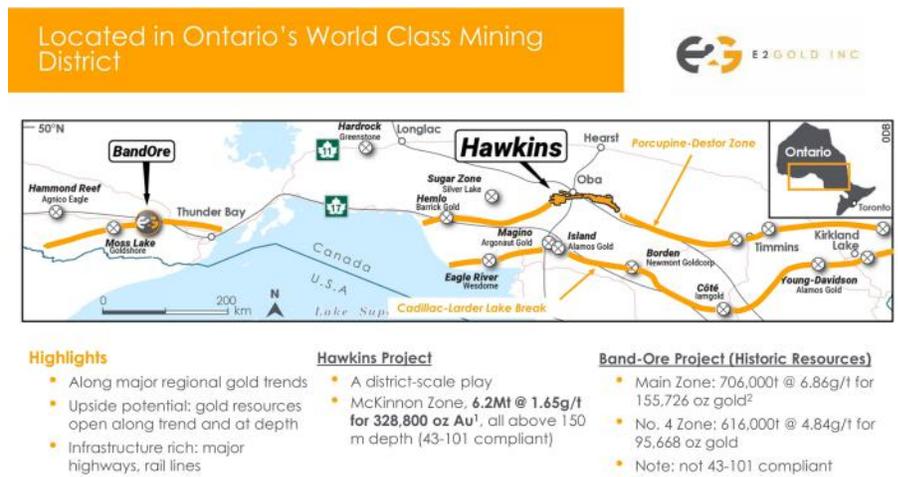
Keeping in mind that *management with an existing track record* is one key ingredient in an exploration junior, I had a *Twilight Zone* moment about a year ago. A colleague I regularly trade ideas with told me about E2 Gold and its exploration project in the storied Hemlo area in Canada. And when I looked at E2's web site, **I saw that an old friend, Dr. Eric Owens (standing, left in the nearby photo; his daughter and company President Ellie is in front of him) was E2's C.E.O.**

Owens was for some years President of the former Alexandria Minerals, a recommendation of mine some years ago that we did well on. Well after I'd advocated taking our last profits here, Owens parted company with Alexandria (that company's assets—mostly in the Abitibi region—were combined with other non-core assets of Osisko Mining and, last I knew, were now owned by O3 Mining.)

After that split when Owens was looking for his next company-building project, he took a renewed look at some ground he'd always been interested in, but which he says "wasn't a fit" for Alexandria previously. This area which—with added acquisitions since—now totals some 540 sq. km. seems ripe for

discovery given that it is not only believed to be on the overall Hemlo-Timmins Trend but, says Owens, has not had much of a “fresh look” in 40 years, since the first discovery here by the late Don McKinnon and two others (**NOTE: A really cool CBC documentary on Hemlo can be viewed at <https://republicofmining.com/2013/03/11/the-hemlo-gold-story-cbc-documentary/>.**)

Speaking of the unique Hemlo Camp geology, one of the most interesting anecdotes shared with me when I got to visit at length with Eric and Ellie at last year’s New Orleans Investment Conference was about Crescat Capital’s Quenton Hennigh being a part of a recent presentation of the company. **Once he saw what drill core at E2’s McKinnon target looked like, they told me, Hennigh pretty much took over the presentation.** He—and Crescat, which owns about 11% of E2Gold last I checked—certainly seem to think this company has a shot at the next major discovery in the Hemlo Camp.



A Hemlo Look Alike



Hemlo: Canada's most prolific operating gold mine, having produced 24M oz Au to date. Currently operated by Barrick Gold, the mine is only 150 km west of E2Gold.

- Shared mineralization style
- Common geochemical signatures
- Similar regional geologic setting

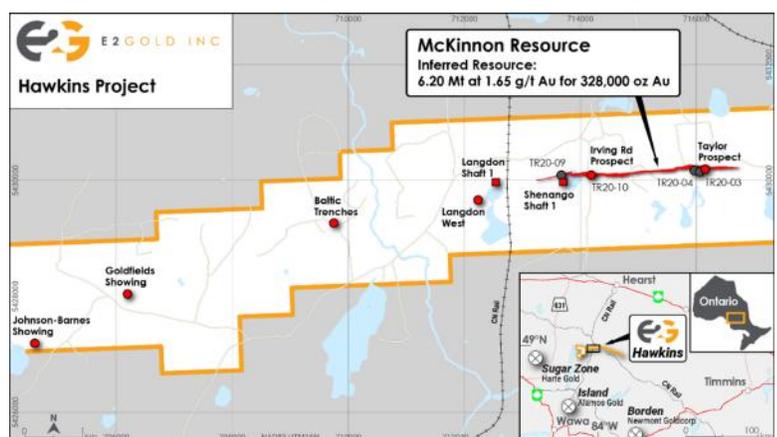
Lead. Innovate. Discover.

As you can learn more of on E2’s web site, at <https://e2gold.ca/project/hawkins-project/>, the company’s flagship asset is its Hawkins Project on the Hemlo-Timmins Trend. Like so many areas still in Canada, this is one where *relatively* less development has occurred over the years, as active mines coalesced around busier trends/corridors that had earlier discoveries. That leaves Hawkins, as E2 says, “ripe for discovery”, with several exploration targets along the length of its claims.

The company’s focus will be on augmenting via drilling, over time, the existing small but near-surface resource in the McKinnon Zone (see below). During field work this past year, in fact, E2 was

able to stake additional ground around its prior holdings: see <https://e2gold.ca/news/2022/e2gold-stakes-claims-to-north-and-south-of-mckinnon-zone-enlarging-its-flagship-hawkins-project/>.

Progress in the current market has been slow where actual drilling is concerned, though, as the company is wanting to avoid much more share dilution at its recent price. In April (see <https://e2gold.ca/news/2022/e2gold-provides-exploration-update-for-2022-2023/>) it laid out a game plan to do more greenfield,



mapping and “prep” work for future drilling once the market was more favorable. Some started to wonder along about then whether E2 would make it through this ongoing slump; **but then Kinross Gold joined Crescat and others to boost the company’s till and prospects.** For a 9.9% stake in E2 specifically, Kinross was the lead and largest order on a C\$3 million raise at the end of May; see

<https://e2gold.ca/news/2022/e2gold-announces-strategic-investment-by-kinross-gold/>.

Band-Ore Project: First-Step Highlights



- 10 km long property near highway; little work over 30 years but with numerous high-grade targets
- Drill program currently underway testing the Main Zone and No. 4 Zone historic resources
- Follow-up drilling/trenching dependent on Fall results and will include untested IP targets
- Fall 2022 prospecting



Lead.Innovate.Discover.

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Aside from Hawkins’ prospects, E2 also has an option to purchase 100% of the Band-Ore project farther west (see <https://e2gold.ca/news/2021/e2gold-options-historic-band-ore-gold-property/>.) As you will read, there is a similar story here: little new exploration in 40 years, a small, higher-grade *historical* resource (not NI 43-101-compliant) and LOTS of exploration upside in similar geology.

Drilling and trenching work just got underway there in the last few weeks; among the objectives will be to confirm (and ultimately expand) the historical resource and bring it to modern-day NI 43-101 standards.

One last, insightful resource I want to share with you here is an interview of both Hennigh and Owens a while back (see https://www.youtube.com/watch?v=8VyXn31M_PI&t=78s) on *Streetwise Live!* **As Hennigh quips along the way, he likes this “swinging for the fences” strategy where this junior, E2 could come up with a transformative discovery(ies).** And that there are existing resources at both Hawkins and Band-Ore is encouraging. But here again, this is a *speculative* play; one that could pay off in MANY times your investment...or not.

A GREAT COMPANY-BUILDING STORY (AND CASH COW!) IN COLOMBIA

Soma Gold, Inc. (TSXV-SOMA; OTCQB-SMAGF)

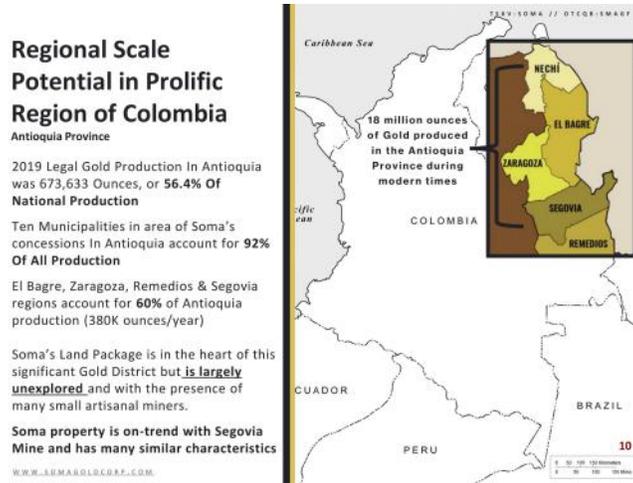


Finally, I’ll wrap up a sampling of our stories for now with another example of “Wait...I know that guy!” where it concerns one of the most solid—if off-the-radar for most North American investors—company-building stories I have *ever* run across.

About a year ago, a colleague urged me to look into a gold-oriented company down in Colombia and whose chief shareholder (a well-traveled and successful investor) he knew and trusted well. So after a short time I agreed to take a look; and about the time I got the Zoom invitation to meet the management, had taken the time to look up some news, etc. on

the company. Lo and behold, the company president this investor and his group had chosen to run Soma was an old acquaintance: Javier Cordova (with Yours truly nearby), once *Ecuador’s* Minister of Mining.

When SOMA Executive Chairman Geoff Hampson and his fellow backers of the company (who collectively own over 60% of the stock) sought a day-to-day C.E.O. and President, Cordova was a perfect fit. His time serving the Correa Administration in Ecuador some years back brought that southern neighbor of Colombia into the modern age **and turned Ecuador into perhaps the most exciting new jurisdiction story in the world for mining.**

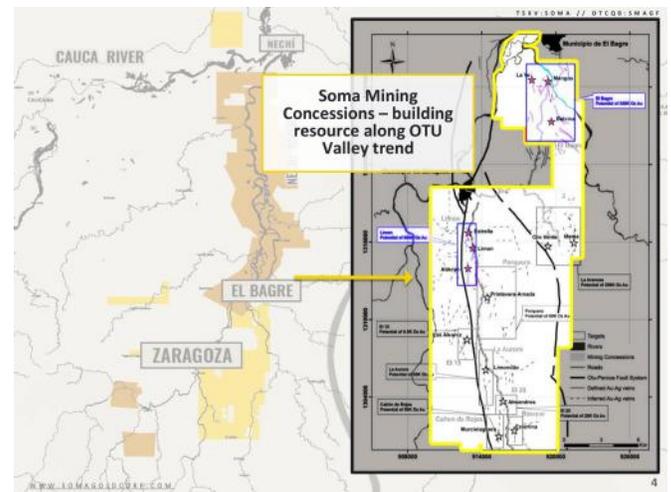


So Cordova (as he and I actually discussed a time or two while he was still in his post in Ecuador) knew well the trajectory of political, legal and other events/factors that actually had Colombia *somewhat ahead* of Ecuador. Thus, he was able to step in and help build the framework of relationships needed between Soma, the government *and local artisanal miners who are required to be cut into any officially-sanctioned mining operation "blessed" by the authorities.*

At issue is one of the most prospective areas in the entire country: a nearly 30,000-hectare land package in Antioquia Province. **Soma has three small producing gold mines, whose ore is milled at two sites.** The

company in just the last couple years has already managed to ramp up production from around 18,000 ounces of gold annualized to an expected doubling of that for next year, on the way to 40-50,000 ounces annualized soon after. And that's based on *existing* resources and milling capacity. The company has already begun a \$10 million program over the coming few years in which they aim to substantially increase both.

Remarkable already, though, is that the ore grades are so high and the company so well-run

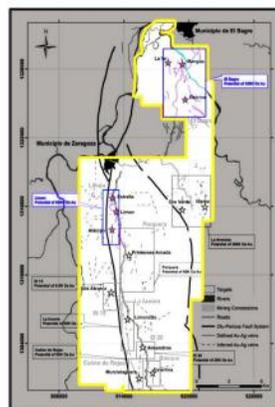


EXPLORATION

Fully Funded Exploration to Expand Mining

20,000m annual drill program

- Company has a multi-year drilling program being funded out of cash flow – annual spend US \$ 2.5 million
- Permits are in place for all 29,000 Ha
- Targeting an additional 750,000 ounces Au, based on small miners working and previous drilling
- All-in drilling costs with in-house drills (DDH) < \$60/meter
- Cost of discovery: \$32.50/oz Au
- Adding ounces to Resource faster than depleting through mining
- Geophysical survey planned for 2022



that Soma is a cash machine even now. On Sept. 6 the company announced Q2 financial results that any small explorer and producer would kill for: and as you read them ask yourself, *what other company in the gold production space sells for ONE TIMES EBITDA?* (for all the results, etc, see at <https://www.somagoldcorp.com/post/release-of-2022-q2-results>)

As I've talked to a few people about Soma, I've compared this opportunity in a way to being able to get 30,000 hectares of prime ground in Canada's Abitibi just as modern mining was getting

started. *Anyone would want to do that.* And for the most part this is what Soma has as an opportunity in front of it: a huge, virtually unexplored area in a gold (and other resource) rich country that has only been mined piecemeal here and there by artisanal/subsistence miners.

And the way in which *they* have been brought into this is very much in keeping with 21st century priorities in previously-exploited Latin American countries. It's important today to employ modern *first-world* standards in such places. And with Soma, you have a situation where:

* Soma has legal, ultimate rights to the mineral claims granted by the government.

* Soma allows artisanal miners to work in designated areas *as contract miners*.

* Previously, artisanal miners used primitive *and dangerous* (including the use of mercury) methods to recover but 35% or so of the gold. With Soma's help, recoveries are near 90% and the artisanal miners get *half*. So everyone is better off.

* All the gold is then sold to a refiner in Medellin for export, enabled by one of the handful of such permits granted by the government.

Folks, were this company doing *exactly* what it is in, say Nevada, its valuation in my view would be FAR higher than its recent market cap of around C\$25 million. Don't let this sleeper get past you: check them out further at <https://www.somagoldcorp.com/>.

TSXV: SOMA // OTCQB: SMABF

Environment, Social & Governance

Environmental

- Soma formalizing small miners working on Soma mineral claims
 - Eliminates the use of Mercury
 - Leads to improved health conditions for the miner and his family as the mercury is often "cooked off" in the family home.
 - The Company is using geotubes for tailings
 - Source of electricity is a "run of river" hydro plant. The mine and mill are also connected to the national grid.

Social

- Soma employs approximately 600 people in the El Bagre region and is an important economic force and is actively involved in providing social services and health facilities to the community

Governance

- Soma's Board of Directors has implemented comprehensive Governance and Anti Money Laundering and anti-corruption policies that are monitored by a sub-committee of the Board



El Bagre Tailings Disposal

El Bagre Hydro Facility

WWW.SOMAGOLDCORP.COM

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Whew!! ... in this Special Report, we've covered a LOT of ground! Just as I said early on, a lot of subjects were *mentioned*; many of them I could have done a long report on by themselves. Likewise, the companies discussed herein were done so merely with "quickie" narratives: a *lot* more details have been and will continue to be contained in the regular issues of *The National Investor*, supplemental news/interviews with some of these management teams and otherwise.

If you would like additional information...have questions...comments...*complaints*...or what not, feel free to drop me a line at chris@nationalinvestor.com. **Paid Members**, I must say, move to the front of the line as their questions/comments come in; but I do eventually answer *everyone*.

Don't forget that those of you so inclined can follow my thoughts, focus and all daily !!!

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- * Every Friday evening w/ Mickey Fulp on the *Metals, Money and Markets Weekly* at <https://www.kitco.com/>

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