THE National Investor

Summer, 2020 *You can get information anywhere. Here, you get KNOWLEDGE.* Special Issue!

THIS IS NOT YOUR FATHER'S GOLD MARKET!

A typical "gold bug" initiation

Long-suffering gold bugs (those that still have any investible funds, that is, after the beatings of the last several years) have had some reason for cheer in the recent past. Their favorite asset broke out to the upside in late 2018 and—as this is written—has just traded over $1,800/ounce, its highest in several years.

I'm here to tell you that things still ARE looking up *longer-term*. But, as usual, the Pied Pipers of the Gold Bug Echo Chamber are, *at best*, "fighting the last war." In the following pages, I'll explain to you why, indeed, this is NOT your father's gold market. **The dynamics driving gold are different than they have ever been.** The decisions you make as an investor must adapt. AND there are DEFINITELY things you should *not* do.

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 has gold. **Even along the way to a stellar first half of 2020, mine fields awaited investors; gold and especially gold mining equities were briefly decimated in the late February-early March plunges for everything.** So much for being a safe haven all the time!

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 2020—**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, it has technically been gaining more momentum, trading over $1,800/ounce in recent days for the first time since the late-2011 peak. And as I will explain as we go along, gold's unique strength—particularly as opposed to silver and other metals—owes to its characteristics today of being a much different animal than the "inflation hedge" of the past.

As I discuss the gold space herein, I'll talk about history…investment strategies…the KEY differences in the gold market today…and more. If you are one of the typical more "religious" gold bugs out there, in a way this will serve as a "deprogramming exercise" for you. In no way pretending to be right all of the time on *my own* market/stock calls, I will nevertheless necessarily be critical of a lot of the plain *bovine excrement* that many of you have been sucked in by over time. And for *everyone*, you are going to learn why the gold space—**as it has been since all the way back in 1971**, when the modern era of totally fiat national currencies and fractional reserve banking was fully unleashed on the world—can be an important part of your portfolio, IF you approach and invest in it with viable information and viable strategies, and NOT based on hype, sales pitches and religiosity out there that has done little but *cost investors money*.

Let me state unequivocally from the get-go that, for pretty much my entire adult life, I have *philosophically* been a "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—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.* Indeed, it's TRAGIC that so many investors in the gold sector have NOT enjoyed net gains for their portfolio in the sector's strong move of the last year and a half or so; instead, they are merely recouping some of the losses they suffered from riding their stocks ALL the way down from the 2011 peak.

Those I have often called "The Pied Pipers of the Gold Bug Echo Chamber" have done their followers few favors, to be sure. Many of these gurus, precious metals and junior stock promoters and the like have played on that near-religious fervor of many politically conservative and usually older investors who have a natural affinity for the gold space (nothing wrong with that *philosophically*.) They play—*and prey*—on the blind faith such investors have in gold. I have seen countless occasions over my 40 years in this industry, now, where *entire portfolios* have been wrecked by investors who first unwisely put a disproportionate amount of their portfolio—*sometimes all of it*—in gold and gold stocks, overstay their welcome, and then have to clean up the mess afterward (or what's left of it.) Of course, time and again when the Pied Pipers' various sales pitches and conspiracy stories leave their followers with their pants down (and with crashing portfolios!), it's *someone else's* fault: the most common "go-to" story being that some shadowy cartel or manipulators have torpedoed the gold market (I'll *briefly* address that subject farther along.)

The frustrating thing to me is that—on several occasions in recent years—the points at which to get into and then *at least partly* out of the gold space have been quite obvious; at least to me. Yet tragically, gold bugs—alternately led astray by bad information and goofy theories alike from many of their gurus—are prone to ride the roller coaster *down* as much as up.

As I said earlier, I by no means claim that I am always right. **But here's what I DO claim and have the track record in the gold space to prove: as with every other asset class, I approach the gold sector as *an agnostic* as a first matter.** Just as it's unwise to be a "perma-bear" or "perma-bull" where, say, the broad stock market is concerned, one *especially* can't be dogmatic when it comes to gold. There are times that the factors which *do* affect it mandate being aggressive. Other times (as I advocated *almost* *dead on* at the peak of the late February rally before the gold stocks were more than cut in half in not many days' time) you need to take money off the table.

So as I do with all markets to my best ability, **I call things as I see them where gold is concerned, too,** putting aside my own beliefs of how things *should be* and focusing on FACTS, REALITY and TODAY'S MARKETS. I do not *start* from a place thinking "Gold just *has* to go up, *because* (insert your favorite gold guru conspiracy theory here)" and *then* look for evidence or theories to support that, *while rejecting facts and markets*.

I'm going to show you likewise how to do the same: approach gold as you can and should do with *any* sector or investment theme in a deliberate, calculated manner and with NO PRECONCEIVED NOTIONS to cloud your judgment. Space here presently will not allow, of course, for in-depth discussions about *each* subject I'll bring up; they are ones, though—with others—I have previously or will be covering in greater depth for Members in *The National Investor*, together with the more publicly-available knowledge and commentaries available on my web site and social media outlets.

This will none the less be a MEATY, if sometimes fast-paced, Guide for you. Whether you are a long-time and *again* bloodied gold bug who needs some deprogramming, or someone new to the gold space—and perhaps investing generally—who needs to know if there is some rational reason why you should be looking at this asset class, this is for you! So read and re-read this…**and as always, feel free to drop me a line with your questions.**

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 since I turned *sector bullish* on gold again in late 2018) bullish stance on the yellow metal 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.

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

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, **Nixon's Fed Chairman Arthur Burns 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.

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 to today's (rounding it off) $1,800/ounce, **that gives you a 5,040%+ gain in gold's price since this new era started.**

That gain over that same time *substantially* exceeds the gains of the broad stock market (the Dow Jones Industrial Average over the same stretch has risen less than 3,000%) and even real estate.

And that long-running gain for gold is also the *first* piece of evidence I'll offer that **those carnival hucksters who talk of some grand conspiracy to "suppress" the gold price are full of more crap than a Christmas goose**. If you have the misfortune of following the "advice" of these kinds of Pied Pipers, *my advice to you* is don't walk away…RUN!

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, pat dynamic has been changing, though you wouldn't know it from many of the Pied Pipers and their propaganda, regularly predicting the imminent demise 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. in most cases. That fiat U.S. Dollar remains—relatively speaking—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.

The majority of the time during this move from late 2018, **gold has *risen* even as the U.S. Dollar has also risen in value against other currencies.** Further, gold has risen even as the central bankers decry their inability to stoke that old 1970's-style inflation **and instead are worried about *deflation*** (Deflation dangers that their own money printing have actually exacerbated; a story for another day.)

Introducing... "Cargo Plane Jay" Powell and his sidekick "Bombs Away John" Williams

"I just need to fix a little plumbing problem."

It's a MUCH different world today, of course, when *deflation* is STILL a great danger…interest rates have *crashed* around the world, rather than soared as debt levels rise exponentially…and all the rest. A generation ago, gold would have declined against this back drop. *But not today*.

This helps, of course, explain why gold continued to rise recently *along with* the dollar and a rising Treasury bond market (with yields falling.) Even when Federal Reserve Chairman Jerome Powell late last summer was suddenly moved to fix the "plumbing" in repo markets—and on cue, the Pied Pipers said the U.S. dollar was going to crash and burn as a result—the dollar still moved *higher* against most all the other fiat currencies.

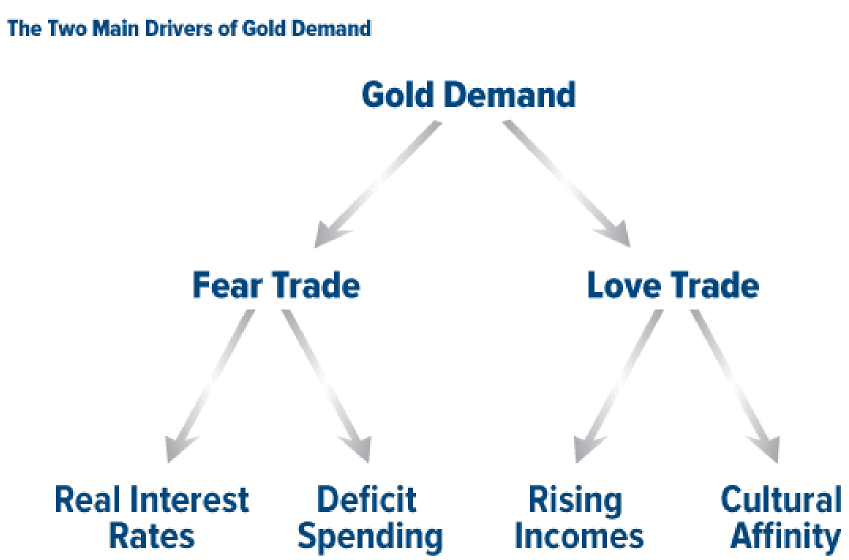
The *present-day* definitions of "inflation" have also left the Pied Pipers behind. The lesson of gold's *monster rally* from the late-2008 depths to its 2011 peak—and then multi-year, *agonizing decline* afterward—starkly demonstrate this; together with the broader inability of many to understand how gold relates to other markets *today*. **(NOTE:** I recently explained this dynamic in *considerable* depth in a discussion with Palisade Radio's Tom Bodrovics; it's at https://nationalinvestor.com/2333/update-the-flation-debate-with-palisade-radios-tom-bodrovics/ and should be considered a MUST-listen for you!)

Quickly, for now: In the immediate aftermath of the 2008 financial crisis, **a narrative quickly developed that undergirded demand for gold 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 yellow metal. 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 made sense.*

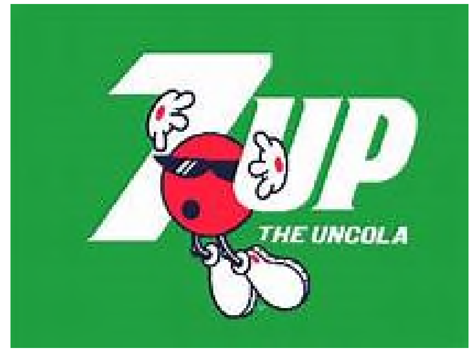
But the inflation, if not hyperinflation, that the Pied Pipers breathlessly awaited as they herded anyone who would listen into gold failed to materialize; at least, not in the manner they predicted. The first thing those calling for it failed to "get" was that—for every new dollar the central bankers created—they were for a while merely mitigating the obliteration of *$100* lost in the sudden, massive DEFLATION OF ASSET PRICES that culminated with the 2008 Financial Crisis.

Further, as central banks' efforts *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 Pied Pipers' 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."**

Here again, this is another key lesson that many *too* enamored with and religious about gold—and their own preconceived, dated notions, or the propaganda of the Pied Pipers—just haven't learned yet. It doesn't matter what YOU think gold and gold stocks should do. **What matters is what that other 99% of investors think.** Especially when it comes to fund managers and other institutional investors who *did* see it wise to have some exposure to gold in the immediate aftermath of the 2008 crisis *they* had no choice but to bail and put money back into the stock market, etc. when *that* became the better move.



From late 2008-early 2011, I had my highest-*ever* recommended allocation to precious metals: about 35% of an overall portfolio. **Early in 2011, I advocated selling half across the board** (about the time P.M. stocks were peaking; gold itself hit its high in the late summer.) We sold more along the way. Thus, we avoided the great majority of the resulting UGLY cyclical bear market for mining stocks especially; one which the average Gold Bug tragically rode all the way down.



Summing things up before I change subjects *a bit*, gold has been driven much more in recent years by a DEFLATIONARY "fear trade" than by a more benign INFLATIONARY "love trade." In 2008-2011, it was a fear that real interest rates would crash and inflation would soar (the first one came true, at least, to *some* extent.) In the recent past, it's been a story of gold's role as what I have called "The Un-Currency" in a world where some $15 *trillion* worth of debt now carries negative interest rates and deficit spending goes through the roof everywhere. (Once upon a time gold was disparaged as a monetary asset or investment alternative because it "paid no interest." Again, how times have changed!)

So like 7-Up was the soft drink that distinguished itself from all the Cola products out there so, too, is **gold's MAIN driver today its status in NOT being just one of the fiat currencies of the world**.

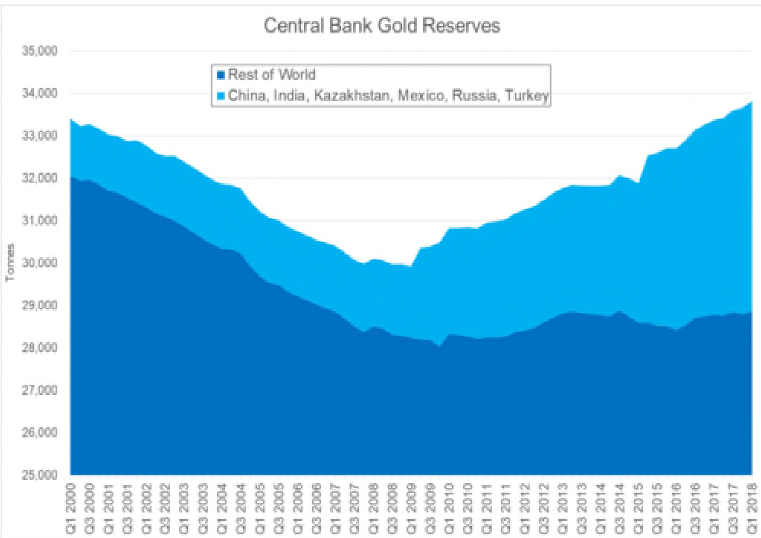
Critically, it's important to know that the more benign "love trade" for gold—driven, in part as it was for the 2003-2008 bull move, by rapidly-growing wealth and good times in much of the world, *chiefly in China*—is now subdued. This helps explain for those who can put aside their pre-conceived notions *one* of the reasons why gold stocks STILL have not nearly made up the ground that gold itself has, comparing today's prices to the 2011 peaks. *And it further explains why silver (again, contrary to the sales pitches otherwise) remains 60%+ below its 2011 peak.*

TRADITIONAL SUPPLY AND DEMAND FACTORS TURNED UPSIDE DOWN!

Yes, things are *far* different for gold in the 2020's than they once were; even as recently as that 2003-2008 run. Indeed, the supply and demand "mix" for gold *here and now in 2020* is CRITICAL to understand in order to properly be an investor *or even trader* in the gold space. And here is an especially stark lesson in the theme of my cover "title" that ***"This is NOT your father's gold market*!"**

Following that manic 1970's surge for gold when a lot of investment money piled into the sector as gold rose more than 20-fold—and gold stocks rose even more—**the yellow metal settled into a more than two decade-long relative slumber.** Investment demand became quite muted and for largely the same reason as I earlier discussed when it came to that more recent 2011 time frame: the "action" was better in the general stock market. So the price meandered after that heady 1980 peak; eventually trending *downward* to ultimately under $300/ounce on and off.

The demand equation back in those days pretty much was simple: **basically, 2/3 of overall gold demand was for fabrication**: jewelry, industrial and technological uses and the like. The rest was investment-related demand and official sector holdings.



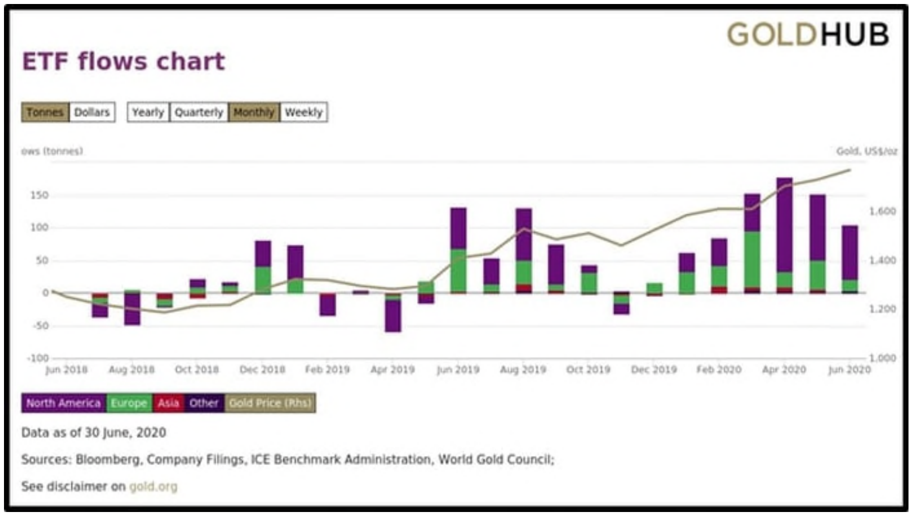
The first "jolt" to what was at the time a fairly dull environment (and for that matter, one during which the gold market and price were largely *managed*, much as DeBeers once managed diamond prices more effectively) came in 1999 with the crafting of what was known as The Washington Agreement. That was an *unexpected* decision on the part of most of the world's central banks to limit the amount of gold they could sell or lease into the market. **This—almost like putting the paddles to a patient in cardiac arrest—jolted the slumbering investment part of gold demand back to life.**

As I chronicled at the time and since, that episode 1. Resulted in the greatest-ever short-term trades for our members and 2. Caused the ONE AND ONLY instance I have *ever* seen of what was legitimately a price suppression exercise (by the Fed) for a spell. For those interested in all of that *really cool* history, two items archived on my web site tell it all: at https://nationalinvestor.com/1490/gold-manipulation-history-lesson-feb-20-2018-issue/ and at https://nationalinvestor.com/1482/now-gold-suppression/

So as the demand side goes, net central bank *selling* for so many years has turned into *net buying* since (most notably) the 2008 Financial Crisis. As I pointed out in my video introduction to the March 1 version of this Special Report—at https://www.youtube.com/watch?v=Ct-bWS97hDw&t=214s – the overwhelming majority of that net buying has come from what are commonly called developing countries (an imperfect descriptor, to be sure.) China. Russia. Turkey. Iran. And others. *And why they are so keen to accumulate gold is one of the subjects I'll touch on farther along*.

And frankly, central bank buying has held up far better since the blow to the solar plexus we've all taken since the global Wuhan Virus pandemic hit earlier this year. I would have expected more net selling to materialize; especially where some weaker countries with more acute economic/budget crises are concerned. *But recently World Gold Council stats and related surveys still show net buying*.

Investment demand for gold—chiefly, via large institutions and directional traders, chiefly using ETFs—has more recently emerged, however, as the *biggest* gold driver. It has been well-chronicled recently how a lot of this dough that came into the gold space was put into garden-variety gold proxies like the "Spider" Gold Shares (NYSE Arca-GLD), as well as the major ETFs representing the largest mining stocks (and the miners themselves.) *But it's predominantly the former: the major bullion proxies on both U.S. and other global exchanges*.



The World Gold Council just announced that gold-backed ETFs recorded their seventh consecutive month of positive flows in June: adding 104 tonnes to their holdings, the equivalent of $5.6 billion. Those net inflows now have taken global ETF holdings to new all-time highs of 3,621 tonnes.

As I alluded to earlier (and will be again) these increased fund flows have come from *generalist investors*; not "Gold Bugs." These folks have ZERO interest in those characters who seemingly for *eons* have predicted $10,000/ounce gold…the "death" of the U.S. dollar…some cockamamie "reset" to a new I.M.F. currency…or whatever. But they ARE animated—and emboldened—when Goldman Sachs and Citi each in recent days set a $2,000/ounce price target for the yellow metal; *and* when Bank of America *just* upped the ante with an 18-month target of $3,000/ounce. And when the price action and momentum seem to be confirming this bullishness from *their* chosen gurus, these folks LIKE gold once again!

***Considerably* diminished now—and likely to get worse before it gets better—is jewelry and fabrication demand.** The story of the very nice move for gold…gold stocks…and *all commodities*, truly, in that 2003-2008 period could be summed up by the photo below. Growing middle class wealth in China (and India and elsewhere, too, lest they be left out) helped the "love trade" aspect of that move. An overall strong global economy and a several-year "commodity super cycle" of sorts supported gold's use in all manner of industrial and technological applications as well.

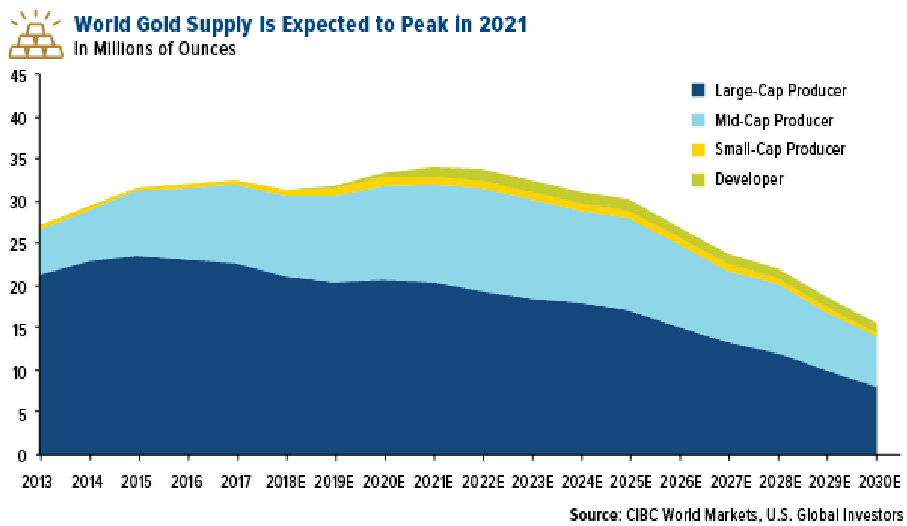
But now, thanks to its creaky economy, the gold-loving Chinese consumers don't have quite as much to spend these days on gold baubles (true too, elsewhere, as the global economy weakens.) Those that *do* have some money to spend are staying home for fear of contracting the Wuhan Virus.

As with the statistics that have been released on net central bank purchases, physical/fabrication demand for gold is *less bad* than I expected to see for the first half of the year. **Yet make no mistake: gold is not going to get much help going forward from this factor that once accounted for 2/3 of total demand.** Consider that gold had a good 2019 *despite total gold demand being down 1% for the year*; investment and central bank demand made up for NO contribution from jewelry, fabrication and the like.

With a punk global economy and chagrined consumers the world over and with net central bank buying unlikely to maintain the headiest pace of the last few years, we are left with a fact of life in this sector that is one of the most important things you can take away from this issue: **More than ever, the fate of the gold sector for the foreseeable future rests more than it EVER has before with the inflows—and outflows—of generalist investors.**

THIS money is NOT religious about gold; and historically, such "hot money" can enter and leave the sector quickly. Notwithstanding what I believe is a *very* constructive bullish narrative for gold going forward, we must stay on our guard for any events such as we saw early this year in the bloodbath for the gold sector as a lot of "hot" and leveraged money all ran for the exit at the same time.

So as *we* 1. Invest in gold generally, 2. Determine *how* to invest and trade and 3. Determine what kinds of companies to own/trade—it behooves us to understand what *these* investors are thinking and doing. **For, just as was the case back in that December, 2008- (roughly) mid-2011 period, it will be generalist investors—not Gold Bugs or the Pied Piper "experts"—who determine gold's investment fate.**



The good news is that, *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 years, leading to expected production declines going forward and

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

So no matter how things evolve, **the supply end of things is going to be *a net positive*.**

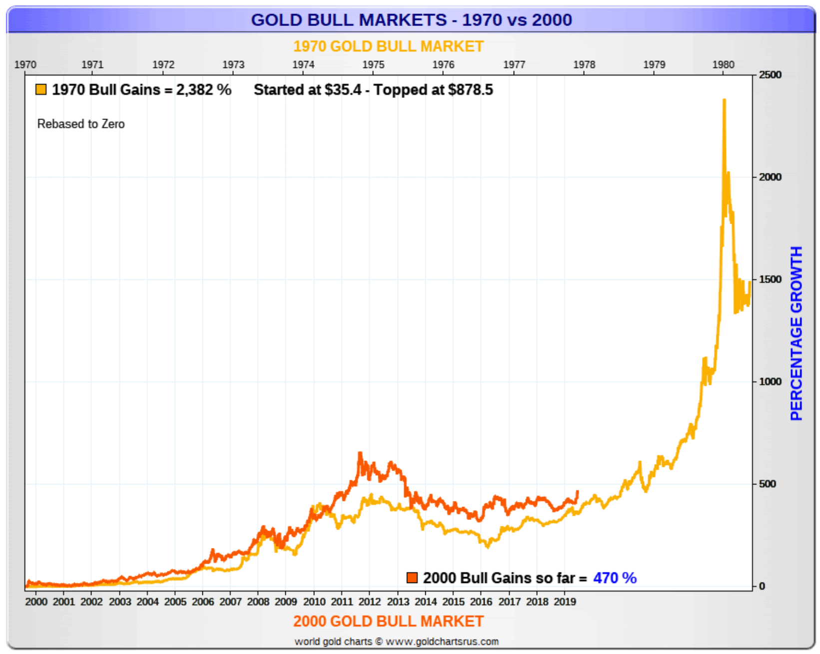
WHAT MIGHT COME NEXT?

As I suggested back near the beginning, when you see many of the world's central banks and the wealthiest/smartest people on the Planet aggressively buying gold (in addition to record ETF inflows there have likewise been record amounts of bullion bought in the recent past and squirreled away by big investors), YOU need to know why, and take a look yourself! The whole point of this particular exercise to pass the necessary *knowledge* along to you, of course, is that you do so safely, properly *and profitably*.

I'll get back to the central banks in just a bit; as well as *briefly* address (for now) one of the true Doomsday scenarios that would drive gold to the stratosphere *as well as upend the average American's way of life.*

The central banks, wealthy investors, etc. that have been accumulating gold **see the handwriting on the wall for*, at the least*, more of the same of what we have seen now for *nearly half a century*: ever more money-printing, debt and rolling crises of one kind or another world-wide.** Though it wouldn't go up by any means in a straight line—and the sector will time and again *massacre* the unwary and "religious"—the trend for gold will be the same as it has been since 1971.

When and under what circumstances the gold sector moves forward *from here* remains to be seen. As I have chronicled along the way in *The National Investor* and on a myriad of podcasts and interviews,



Beyond that, we have to ask what is going to positively (*or negatively*) affect the gold sector going forward now. Many insist this bullishness of the last year-plus is only getting started; and as the nearby chart suggests, the REALLY big *parabolic* move is yet to come. I certainly can make a case myself for that, if enough of the right "stars" align along the way. **After all, the broader investing public by and large took little part in the recent move.** The time will come—as it has in the past with gold, and has more recently with bubbly behavior in things from Bitcoin to cannabis—when that broader investing public piles in for fear of missing the hot new (for gold, *renewed*) craze.

When that happens—when your Uber driver starts to talk about the latest hot tip he got on a junior gold stock—**it will be time to SELL** (there it is again: that four-letter word that has been the ruin of the more religious gold bugs for years on end!)

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 gold—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 will ROAR higher (gold stocks less so, but gold will likely move enough to drag them along anyway.) 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 couple broader themes I am looking at**: one which will affect things in the foreseeable future one way or another…and one which MIGHT loom down the road a bit.

THAT "FLATION DEBATE"

"Whatever it takes, I'm going to make it to the top!"

As I will be writing on in *much* greater detail yet again in the very near future—and have spoken and written about a lot already in the recent past—**the big threat global central banks are trying to fight off yet again is DEFLATION.** With the unprecedented and previously *undreamed-of* new tricks the central banks have pulled out of their sleeves in 2020, that threat is less than it was. *But it's still there*. (**NOTE**: Here again, a crucial "primer" for you to understand all this is via that above-linked discussion I had a short time ago with *Palisade Radio's* Tom Bodrovics.)

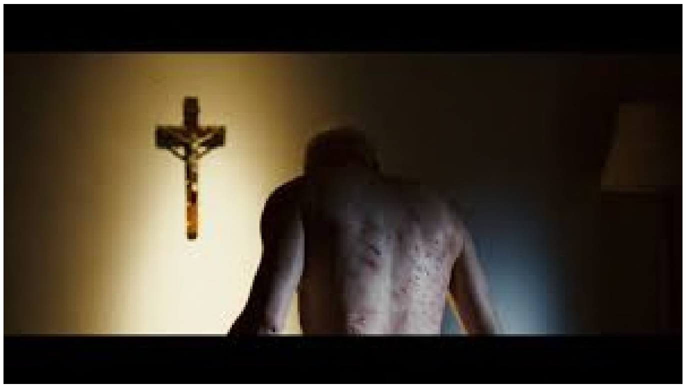
The best that we can hope for is for the central banks to stave off another *disaster* and merely keep things papered over; **in the end, leading to the kind of "Stagflation Lite" scenario I have occasionally discussed.** I have described why I believe one "trick" will be to embark on massive infrastructure programs, in part funded by government-created and seeded but then privately-financed *infrastructure banks*. Again, that's a story for another day.

Those of you who really want to see your *gold stocks* especially do well should be rooting for the central banks and elected policy makers to SUCCEED…not fail. And especially if present financial risks can be mitigated…we can at some point later put the Coronavirus in the rear view mirror…deflation is fought off…and "Cargo Plane Jay" and his crew at the Fed *do* manage to stoke broader price inflation (so that you also see copper, industrial materials and energy recover meaningfully) the investing environment for precious metals and P.M. stocks will be more constructive and *relatively* less risky.

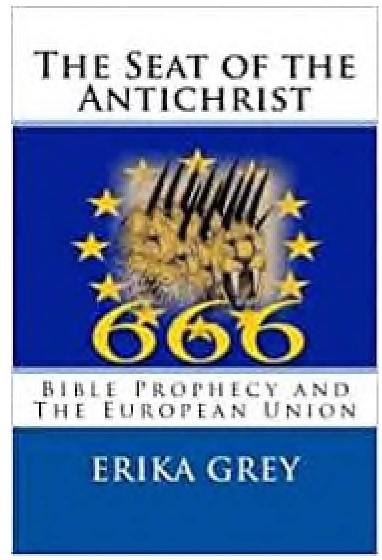
The alternative—FEAR-driven trades—might bolster *gold itself* more dramatically, but it would be largely *alone in rising.* Gold-related stocks would be at risk. Other metals would surely *decline* anew.

THE COMING "DEATH OF THE DOLLAR?"

I have regularly chided those snake oil salesmen out there who for *years* have in one form or another warned that **the "death" of the U.S. dollar—**or at least its end as the world's reserve currency—was nigh. One particularly memorable instance of a while back was one Pied Piper guru—still incredibly well thought of, for some reason—who predicted that, on September 30, 2016 (and at "about 4:00 p.m. Eastern time" no less; he named the TIME too!) the U.S. dollar would be replaced by a revamped International Monetary Fund "currency." **It was all B.S., as I explained in detail at the time** (a few of my past tirades against this phony baloney are on my web site.)



Numerous times since, this same character—and others—have regularly trotted out their latest “secret” reports on the coming MAJOR changes to the greenback, and how that was about to cause gold to explode higher. **None of them, of course, ever pan out.** But they keep coming. *Tragically*, their followers—among the more religious of the gold bugs out there, though they are steadily dwindling in number, leading to *even goofier* come-ons and predictions to keep the remaining “faithful” in line—lap it all up. Like the Silas character in *The Da Vinci Code*, they seem to think that the more they suffer, the more faithful they are to the Gold creed and their guru (or *something*.) Very sad.



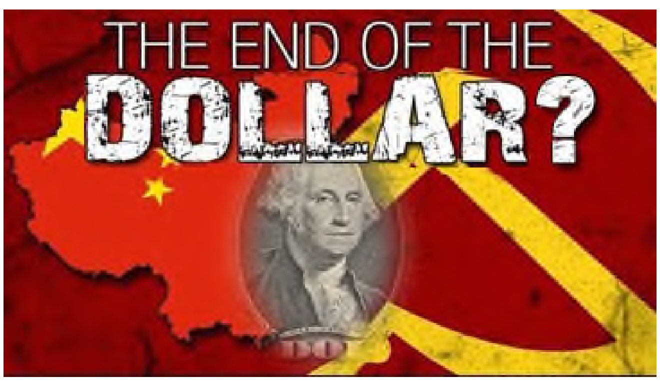
I humorously remember some years back when the euro was about to be launched. There was NO END to the excited and sometimes ominous warnings that the strengthened European Union—and its new currency—would be the fulfillment of Biblical prophecy: the Revived Roman Empire and its “antichrist” currency. **Here again, all B.S.**; and in this instance, not swallowed hook, line and sinker just by the Gold Bug audience but as well by many millions of well-meaning but similarly misled evangelical Christians, whose own Pied Pipers peddling such creations are no more honest than the Gold Bug variety (but there’s a TON of money in it *for them*!)

The sad fact—as I continue to explain as the need arises, and have explained in some older commentaries on my web site—is that **the U.S. Dollar’s global hegemony is *not* going to end any time soon.** I wish I was wrong; and would be happy to be proven so. And I do not say that because I want to see gold go up even more. I say that because the U.S. Dollar and America’s owning that reserve currency has been the force for a lot of BAD things in this world. If other countries were not essentially *forced* by those financial considerations to support America’s destabilization of the Middle East, *overthrow* of governments we don’t like (the Russians are PIKERS in trying to “influence elections” by, at most, buying ads on social media) and all the rest, the world would be a better and safer place!

All that said, we need to keep our eye on the previously-discussed dynamic of so many central banks in the “Eastern world” especially that have been gobbling up gold. To a very great extent (some of you have followed this for years more than others) **physical gold has been moving from West to East.** Most *infamously*, Great Britain under the numbskull (or *conspirator*, with certain parties who benefitted) Chancellor of the Exchequer Gordon Brown sold most all of its gold at the bottom of the market about 20 years ago. Switzerland has sold most of what it once had. Canada, too; it now has NO gold in its official reserves. *And the Russians, the Chinese and some others have been happy to take it off their hands.*

What I *do* see potentially looming some day is that, *at the least*, the dollar will be joined more forcefully by the yuan (at least regionally) and *what might be left of* the euro by then (pretty much *within Europe* more than for regional or global trade) as more bona fide reserve currencies. That will, frankly, be part of the process as the Globalization regimen of the Post-WW2 area unravels in the coming years anyway (*a lot* on my web site about this, as well.) It's something I expect to evolve over time; but it could also be impacted by 1. Politics and 2. By whether President Trump does get a second term and can more aggressively prosecute *his goals for the dollar* (the subject of another upcoming Special Report.)

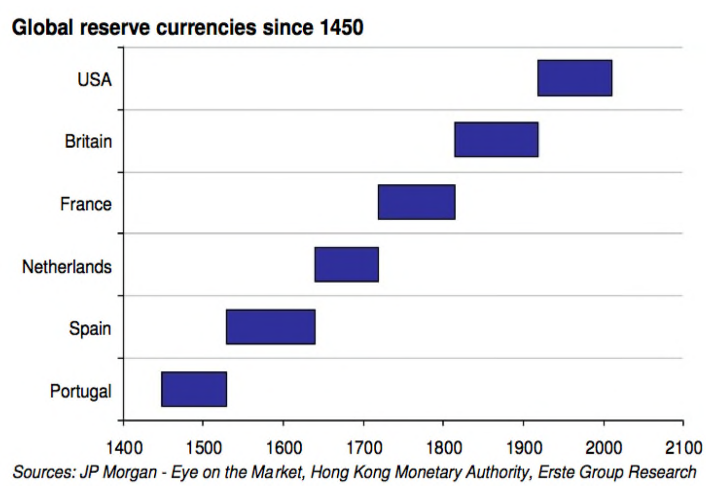
Necessarily leaving that subject for later, I *will* say this to my fellow Americans who—encouraged by the propaganda of the Pied Pipers—are rooting for that "Death of the Dollar": BE CAREFUL WHAT YOU WISH FOR. In part *because* Tricky Dick closed the gold window and led *the whole world* into the present-day fiat currency regimen globally, the dollar's status as the global reserve currency was extended. With that has come a lot of privilege as far as costs for American citizens, as well as the world-beating ability of the U.S. government to get a lot of external help in funding its massive deficits (and WARS) over the years. I point this out not because I like or agree with the policies involved. I do *not*. But as I hope you have figured out by now, I deal with facts and reality; not the world as I think it *should be* but is not.



Were the dollar's status as the world's reserve currency to end—especially abruptly—by other nations banding together and helping bring about an end to dollar hegemony, **I submit to you that what you might gain in your gold investment portfolio will be lost by how much EVERYTHING ELSE soars in price for YOU!** As I alluded to earlier, the world, net, will be a safer place, if the Deep State that runs America is much less able to spend trillions of dollars and kill untold people the world over in the quest to keep The Empire intact. *That* would be a *good* outcome.

But your living costs as an American will *soar*, when external money is no longer there and the Powers-that-Be have to add a couple zeroes to future Q.E. programs. That would be the kind of a thing more likely to bring about the kind of "hyperinflation" long predicted but not realized.

This is an intriguing subject; one which you'll be hearing more about. The world's "De-Dollarization" fought off at the time by Nixon—when French President Charles de Gaulle was leading the charge against is—*is inevitable*.



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 gold has a ways to go. 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; things not to do, or pitfalls to avoid:

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

CONSPIRACY

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

It's as simple as this: central banks massively "suppress" interest rates on debt and price discovery elsewhere. They have distorted financial markets even more broadly; most recently, as you know, pouring money into corporate bonds and other non-Treasury debt markets. But *in relative terms*, gold as an asset class has traded *in markets* with virtually none of this dynamic where *it* is concerned (save for that one glaring exception from 1999 that I alluded to and gave you the links to earlier.)

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, what not simply is *dangerous* to you and your wealth!

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

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?

If you are a heavy enough hitter—like the previously-mentioned folks storing LOTS of gold—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 a pretty, historical collectible (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 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??"

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, you think YOU will be exempt!?)

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*. 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 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*.

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 gold 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 several years, what good is it that we finally ARE going to get that monster bull market for PM's? *Most of it will be spent on just making up 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 gold sector.** They didn't even take part in the latest surge When the bigger moves for gold DO come and they take part, you'll be happy you were wisely invested *now*!

1. **Physical Gold**

As alluded to above, *physical*, bullion-type U.S. 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 *either* 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.

With the now roughly 50% move higher in gold of the last year and a half or so, the premiums you will pay for bullion have gone up some with that demand. For now, though, they remain far below what they were in the immediate aftermath of the 2008 Financial Crisis, when you'd often pay 30% or so above the spot price. So make sure that if you want to buy some, you do it sooner rather than later. As I have been discussing in recent days, if we get a more decisive move over the $1,800/ounce level—and possibly, then, a swift sprint to the old highs—premiums will undoubtedly rise *as well as* the spot price.

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. 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 has nearly doubled GLD's return since gold's big move began in late 2018; and done so with little more *downside*, frankly.

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. *Especially* keep in mind (I'll start discussing this next) that 1. Gold mining stocks *generally* have remained laggards, not making up nearly the ground back toward their own 2011 highs as has gold itself and 2. If gold were to get a renewed boost from a crisis, renewed deflation fears, etc. the mining stocks might not join in as energetically, particularly if the overall stock market corrects sharply.

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 gold 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 "2020 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.

As this second set of charts shows, GDX and GDXJ *have* recently started playing some catch-up; albeit with that NASTY implosion back in late February-early March thrown in. *Yet despite the powerful gold price move of going on two years now, each of these remains well off their 2011 highs.*

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 2020, 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*.

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 if you and I were smart enough *prior* to have taken positions before the rest join in. But as we saw vividly early this year—and on various occasions in the past—**this works in the opposite direction as well**. So especially with these ETFs they need to be viewed as positioning/trading vehicles.

My own *chief* preference is to find the best stories among *individual companies* when it comes to *long-term* investment; and more so in an environment where I think that we have an overall bullish thesis for gold generally. The ETFs are good to help us occasionally boost *overall* portfolio exposure to the space when the circumstances call for it. However (and others disagree with me on this) I do not view the ETF positions as a "core."

Still, especially now with them remaining *relative* laggards, if you are a novice investor in the gold sector who wants to at least get started, you can do worse than by accumulating GDX and GDXJ. Once things *really* get cranked up down the road, you will have *a lot* of company! For when others start to come into the sector in a bigger way they will *first* go into such funds also, as I have pointed out.

AN OVERDUE "CLEANING OUT" AND CATHARSIS

I have in the past compared junior—even *fledgling*—exploration companies in natural resources generally and gold 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 a bullish gold market underlying things—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 another 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. *I have LONG maintained that it is the gold sector's most visible promoters, in fact, who have been most responsible for giving the space a black eye in the eyes of average investors.*

In recent years, the attitudes toward even producers and larger companies has been little better. While admittedly the most extreme such example, consider the former Goldcorp (NYSE-GG), acquired not long ago by Newmont Mining (NYSE-NEM). Prior to the acquisition, many had taken to jokingly rename the former darling of the sector as Gold*corpse*. Few would have imagined that a company that was once THE most spectacular one in its sector would have no higher a share price after gold had *more than tripled*.

But Goldcorp sadly became a microcosm of pretty much everything that has not only brought the gold space into recent disfavor and criticism *but laid the foundation for a much better investing environment going forward*. The company's astounding success of the late 1990s and well into the early 2000's was courtesy of the world class, uber-high-grade discovery at its Red Lake Mine in Ontario. This rendered Goldcorp the most spectacular cash- and profit-generating machine pretty much *ever*.

But then the company decided to spread its wings—and fortunes—and acquire many other assets. It overpaid for some. Others were not what was thought or expected. Along the way *everywhere*, the **costs** of exploration and production were rising with the gold price. Investors in the stock learned a hard lesson of what I have from time to time insisted: Gold companies are *companies*, too!

For all the above, it's my contention (though a lot of "blood" will be spilled still in the process) that **a corner is being turned for the better where all of this goes**. And much like I *still* want to believe where the general stock market is concerned—that value investing will reassert itself at some point over the robotic passive investing we've seen—so, too, do I think that the changes underway in the gold space are going to make the sector more transparent and honest *and eliminate a lot of the chaff*.

Here are some key changes that are going to bring this about even more over time:

1. Accountability and transparent, stronger finances required *of producers.*

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 acquisition valuations as alluded to above with Goldcorp, 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 do 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 gold companies that perform well financially…and punishment for those that disappoint when it comes to fundamental news. *And that's as it should be*.

2. Those past "enablers" are *literally dying*.

Those legions of (I mean no *personal* disrespect to anyone in such a necessary generalization for these purposes) retired, affluent, (mostly) white (mostly) men who once jammed precious metals-oriented investor conferences and had a seemingly bottomless pit of money to throw at the best sales pitches they ran across **are fewer in number as time goes on**. Among other things, this means that the Pied Pipers in some cases are getting ever dopier with their conspiracy theories and come-ons, in the hopes of keeping such Gold Bugs' ears tickled and wallets opened, squeezing the remaining utility out of a too-trusting demographic *that is going away*. As a consequence, of course, they render themselves even more off-putting to the other 99% of individual investors out there.

Increasingly now, companies looking to get noticed will have to do so on their merits and the legitimacy of their properties/stories/etc. (isn't *that* a novel idea!) Among the things that legitimate companies are going to have to learn FAST is how to get in front of and make themselves relevant *to new blood*.

This is already starting a winnowing-out process among a universe of companies, *many of which should not even exist.*

3. Likewise—partly due to reality and partly due to oversight like that from Paulson's group—money is being spent *far* more judiciously by financers of companies.

One of the part-humorous *and part-telling* developments I have been following since gold itself made its cyclical bottom back around the beginning of 2016 is **how the financing of gold exploration companies/stories has become a feast-or-famine story.** Companies that do not have all (or even most) of the necessary ingredients in place to be taken seriously by discerning investors can't get as far as they once did by keeping the promoters and dwindling Gold Bug audience entertained. I have spoken with many in the recent past—*a few of which I once even had as recommendations but dropped*—trying to get *me* re-engaged. But when I bring up the lack of money for them to continue and scant prospect of raising any, they complain about *the whole sector starving* (not true) or Bitcoin and/or cannabis hogging the action (true only marginally, I.M.O.)

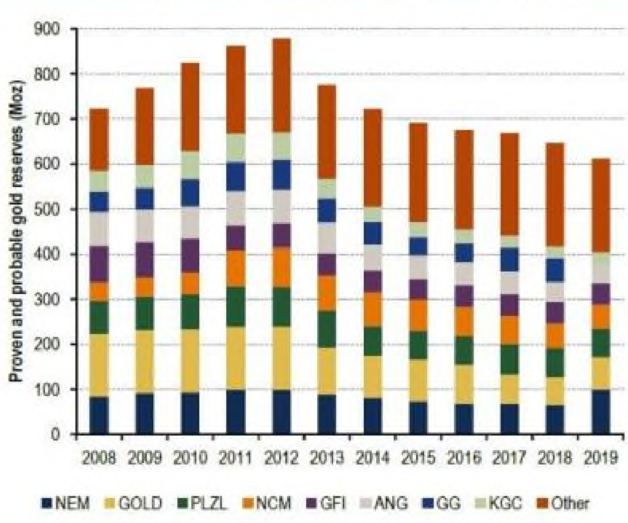
There has been *and is* money available for the better stories and companies/management teams out there; I'll share some examples shortly from my own current recommendations. Happily, for the individual investor attempting to figure out which interesting speculative stories to buy, a BIG factor in many cases is already being answered: are streaming companies…royalty companies…and the most knowledgeable BIG investors putting *their* dough to work in said companies?

I see a LOT of interesting stories…but of companies *running on fumes*. The great majority of them will wither away in the coming months/years, even in a continuing bull market. *Again, that's as it should be.*

WHAT OTHER FACTORS TO CONSIDER IN PICKING COMPANIES IN THIS SECTOR

When all is said and done, in looking at ANY individual company for prospective investment, you "kick the tires." What's the story? 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?*

Chart 21: Year-end gold reserves for global gold producers (Moz)



Note: 1) Other consists of the balance of the BofA global gold producer coverage universe
Source: BofA Global Research, company reports

The big picture for looking at companies in the gold space all along the food chain, frankly, is compelling. Already, there's been some of that winnowing out; and "garbage" companies are being revealed ever more as such, given that smarter and more objective money coming into this sector is being selective.

Besides the bullish (primarily investor) demand noted earlier, the gold sector is promising due to the chronic problem for a while now of **dwindling reserves.** With *any* commodity (and YES, gold is more than that in the end) some of the ebbs and flows in price over time have to do with waves of either surplus or scarcity. And especially with the ugly environment—and *especially* demoralizing one for investors and financers—following the 2011 peak in the gold price, the industry has simply not kept up with long-term demand by spending the time, effort and money on adding to resources and reserves for future development. But with things turning for the better these days, money is finding its way *belatedly* back in.

As a consequence, the most explosive stories to be found these days are those companies that can move the needle most in that department: providing future reserves that they can either develop or (more likely) that a larger company will want to buy. The biggest "majors" in the gold sector especially are looking for where their production is going to come from 10, 20 *and 50* years from now.

When it comes to companies with at least some **production**, or near-term production, are their stories *economically* standouts? Are their costs lower—and margins higher—than their peers? Is something looming that might make them an outlier?

Generally speaking—and as evidenced by the assortment of companies in this sector that Yours truly presently recommends—**the best chances for outsized gains are in exploration, not production companies**. (In any event, we have exposure broadly to producers once more—as this is written—via GDX and GDXJ.)

And that—to use the biotech analogy again—is because it's more fun and potentially rewarding to "buy mystery"; and if we are right to later "sell history." Buying a drug researcher/developer that scores big-time with something, like **Sarepta Therapeutics (NASD-SRPT)**—being, as some of you know, my most profitable recommendation *ever*—can be portfolio- and life-changing.

Sometimes it will be an individual story just *so unique* and potentially so explosive as to defy the normal criteria/stereotypes for what to look for. Among the companies I currently recommend and offer brief snippets and updates on below, there's one particular example I'll lead off with.

EXAMPLES FROM MY RECOMMENDATIONS

A ONE-OF-A-KIND STORY—AND FROM PEOPLE I TRUST

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

Over the years, The MacNeill family of Saskatoon, Saskatchewan has done more to make our Members money than any other. Dad Bill was the founder and long-time Chairman of the former Claude Resources, which was bought out (by SSR Mining) in 2016. At times it was a roller coaster ride; but in the end, we did well.

Much more spectacular was what son Ken MacNeill has done with **Star Diamond** (another of my now-past recommendations) formerly known as Shore Gold. We got into it—and another diamond explorer which the former Shore later absorbed—starting way back in the late 1990's at around C10 cents/share. *Most of what we had we sold*

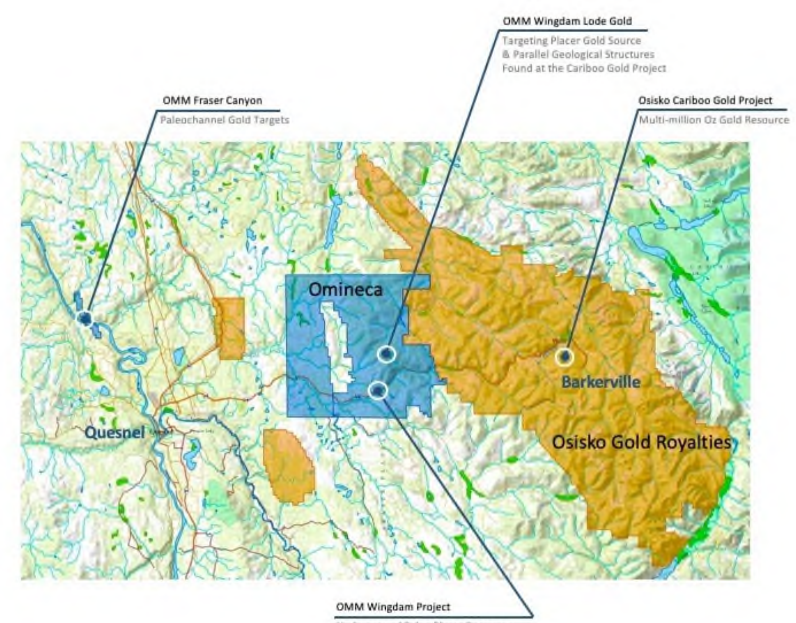
North of C$5.00/share.

Now it is Ken's brother Tom's turn, potentially. And as I have already written to Members at some considerable length—and in a separate, stand-alone report on Omineca that you can read, if you haven't already, at https://nationalinvestor.com/2360/company-profile-omineca-mining-otc-ommsf/ -- this company has the potential to supplant Sarepta Therapeutics as my most profitable recommendation *ever.*

The company already owned a "buried" placer deposit in the Cariboo District of British Columbia which their contractor partner plans to soon start a rolling "bulk sample" of. After a lot of past work, engineering and more (and importantly, sitting on it and spending little money until all the pieces fell together to exploit the hidden gold) 2020 is poised to deliver the beginning of cash flow from what is called the Wingdam Property which (Omineca's share) will *dwarf* the company's currently small market cap.

At the beginning of 2020, Omineca added considerably further to the ground it has staked for exploration, as you see in the below map. There is—as I recently updated Members on—considerable potential also here for a hard rock discovery, given the geology and past work in the area surrounding Wingdam (**NOTE**: That above-linked report goes into MUCH more detail, so I'll refer you to it.) And recently animating new investors who have been buying, Omineca's activity is coming on the heels of well-known Osisko Gold Royalties' purchase of the former Barkerville Gold Mines and its existing and potential high-grade gold resources in a "rediscovered" Cariboo Gold Camp in British Columbia.

On June 10, Omineca announced (see https://www.ominecaminingandmetals.com/news/after-completing-over-subscribed-financing-omineca-commences-field-program-at-wingdam/) that **it had closed an oversubscribed private placement and had commenced field work at Wingdam.** Stephen Kocsis, P. Geo has been appointed the lead geologist for the Wingdam hard rock exploration project. Based in nearby Quesnel, B.C., Kocsis has spent his career exploring for gold and other mineral deposits in the Cariboo Mining District and has authored numerous papers and technical reports covering the project area, including on Wingdam itself.



With this past season's unusually deep snow cover and heavy spring rains finally giving some way, Stephen and the geological team from Axiom Exploration

Group have been to the site and surveyed the initial locations of interest identified by geophysics to coordinate plans and procedures for the 2020 exploration and drilling program. As you can read in the above-cited news release, ultimately the plan is to drill some 8,000 meters of core in 27 specific targets within about a three-kilometer "sphere" of the underground paleo channel area, once the work to narrow the specific targets is done and permits are in hand.

Separately, I expect before much longer to see an update on the underground bulk sample program work's progress as well.

To learn more still, visit Omineca's web site at https://www.ominecaminingandmetals.com/

Also, *Streetwise Reports*' Patrice Fusillo just published her own updated profile on the company, in part consisting of an interview with C.E.O. MacNeill; it's at https://www.streetwisereports.com/article/2020/07/07/advanced-technology-a-game-changer-at-high-grade-alluvial-gold-project-in-british-columbia.html

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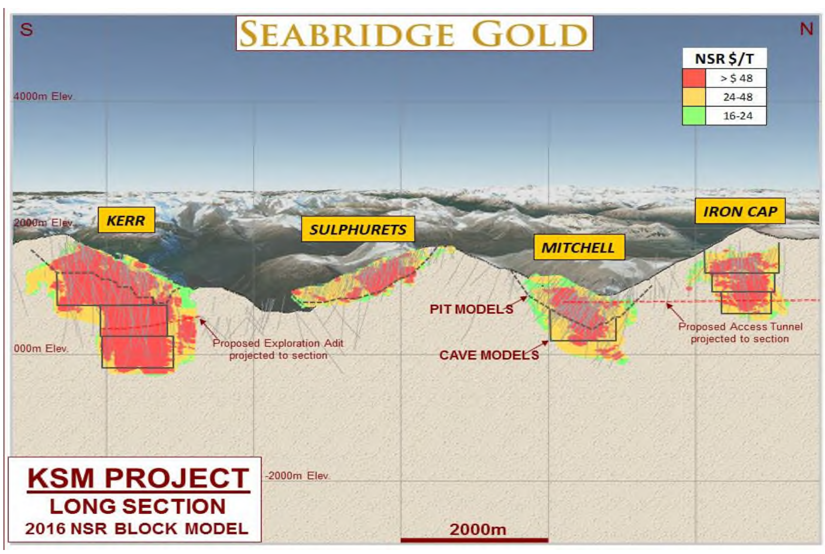
WHAT THE MAJORS NEED—(AND WITH EVER MORE UPSIDE)

Seabridge Gold (NYSE-SA; TSX-SEA)



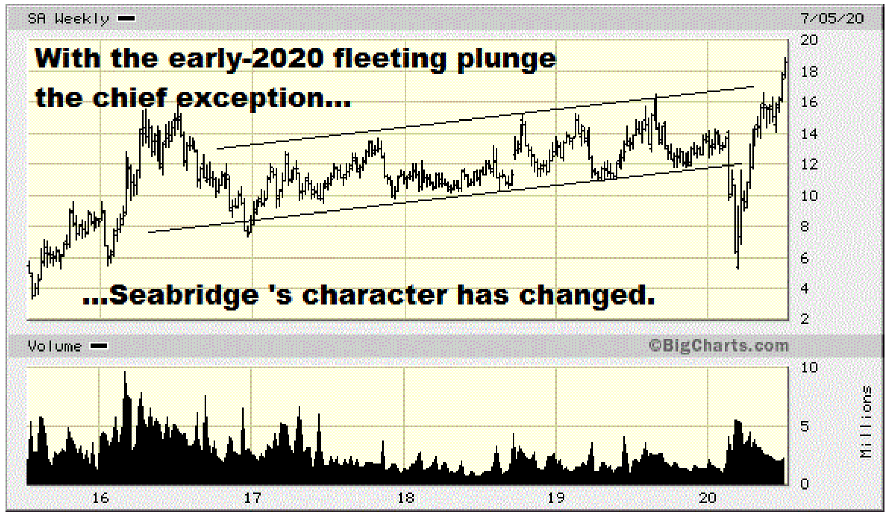
Seabridge's main property, KSM in Canada's British Columbia, is **the *world's* largest undeveloped copper and gold deposit (by *proven reserves*.)** It contains nearly 40 million ounces of gold and over 10 billion pounds of copper in four separate deposits, as you see in the cross-section of the project at left.

Over the years, Seabridge was one of my favorite *trading* vehicles among individual companies when I used them, at times, to play the swings in the gold market. Its shares had one of the highest "betas" (volatility measures) of pretty much any other. In one period of a bit under two years, my trading recommendations allowed Members to more than triple their money with Seabridge starting—*and ending*—at about the same level.

Getting ever nearer to a development or even sale story (where KSM is concerned), however, we are in Seabridge now "for the duration." And that is due to the great work management, led by Co-founder, Chairman and C.E.O. Rudi Fronk has done to grow, de-risk and diversify KSM.

The knock against this enormous asset early on was that, yes, it was huge; but too low-grade to be attractive and economic. **But a lot has changed over the last couple years or so.** Higher-grade gold resources have been discovered, bolstering the economics. Also doing so was **the realization that copper was a big component as well**.

Indeed, Seabridge's stock prices' methodical transformation to more an upward-trending one from its traditional yo-yo behavior of the past owes to the growing understanding that KSM has become just as attractive for its copper content, to some, as for its gold. By one measure—using copper production to help "pay" for the gold, as a production credit—the gold would be all but *free*!



And when you consider that KSM will be producing for *generations* to come, it is no wonder that Fronk and the rest of management are getting a lot more inquiries these days from majors. Yet Seabridge is in absolutely no hurry to sell. As Fronk repeated on a recent webinar, "Terms are more important than timing" as they entertain offers. And that's no surprise coming from a management team that has led the entire industry in issuing so few new shares in comparison to the resources/reserves it has discovered.

Indeed, in that department of looking into the ability to raise money on good terms—and the identity of its major shareholders—Seabridge is outdone by *nobody*. Among the last couple of private placements it sold (all the details are at https://seabridgegold.net/news.php, its news release archives) was one for just under C$10 million back in May *at a 45% premium to the previous day's market close!* That level was a new company record, though such offerings commonly are at a premium to the market.

When you consider as well that John Paulson—who I referred to earlier, as one of the loudest critics of shoddy management in this sector—is a major shareholder of Seabridge, that says a lot. That came about a few years ago, when Paulson—of all the management and exploration teams he could have chosen—put his trust in Seabridge, when he sold the company **the Snowstorm Project in Nevada.**

Since then, Seabridge has acquired even more ground in Nevada, where a multi-year advanced exploration effort will be getting underway.

And Snowstorm is but one of the several *major* additional exploration projects Seabridge now has apart from its flagship KSM. Nearest to it, the Iskut Project, acquired a while back from another company, contains targets similarly suggestive of large copper/gold porphyries such as at KSM. The company is preparing to do some drilling there imminently.

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 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 drilling in 2021.

In short, and as you can see, Seabridge in my own long association with and following of the company has gone from THE best trading vehicle for investors, to now arguably THE best single company developing multiple advanced projects, any *one* of which would be a company maker for anybody else.

To learn more, visit https://seabridgegold.net/. Of particular note is the latest update (July 3rd) to the Corporate Presentation, at https://seabridgegold.net/pdf/corp_pres.pdf

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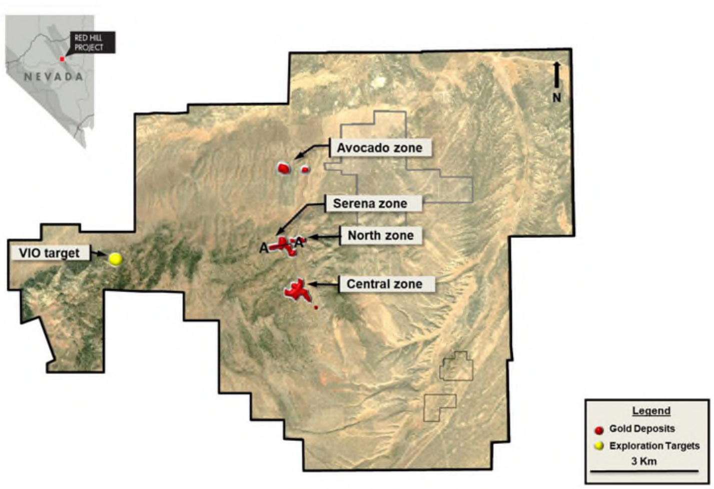
SWINGING FOR THE FENCES (AND WITH BABE RUTH AT THE PLATE; NOT PEE WEE HERMAN)

NuLegacy Gold (TSXV-NUG; OTC-NULGF)

Focused *solely* in Nevada is NuLegacy, which I have long praised for a trait not typically evidenced by small exploration "juniors." **They make no bones about the fact that they especially are a "Swinging for the Fences" story.** But as I quip above, they couldn't have heavier hitters up to bat with them as they attempt to hit a "home run" at their Red Hills Project complex.



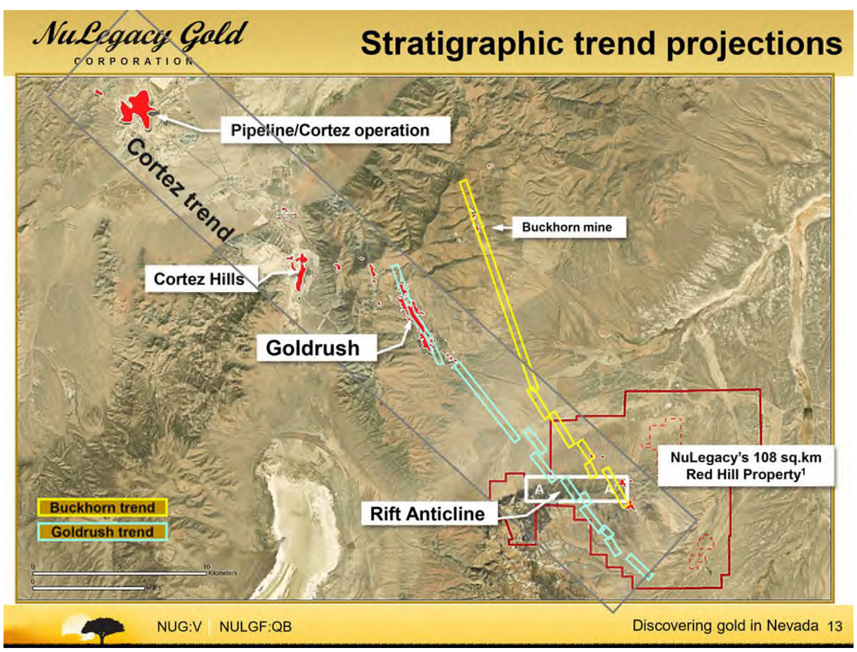
With that characterization I am referring to the fact that C.E.O. Albert Matter has put together a geological and technical team full of the old Barrick Gold brain trust (and others) who have been responsible for *several* multi-million ounce gold deposits in the state. They have crafted a strategy based on a *ton* of work

(I've spent a fair bit of time chronicling and explaining it for Members) **which they feel is slowly but surely leading to an "elephant" discovery**.

More about the specifics—and some other educational links on NuLegacy—in a moment. For now, I *must* point out how NuLegacy is unlike any other company I know of in the recent past in how it epitomizes the famine-to-feast turnarounds for the most compelling (albeit still risky) exploration companies. Scarcely a year ago—before financing started coming back in earnest and after, frankly, a little demoralization in how NUG seemed "so *close*, but yet so far away"—the company said it would sit and wait for better times, not wanting to raise money further under such lousy circumstances.

Fast forward to today. NuLegacy recently announced, at https://nulegacygold.com/news/news-releases/nulegacy-gold-reports-closing-of-c-5.625-million-private-placement/, the closing of the latest of *a few* cash raises since those darker days of mid-2019. On this latest one, in fact, my old friend, C.E.O. Albert Matter quipped to me that, "This is the first time in twenty years I've sold out an issue in 2 days…completely done; sure shows the sentiment change."

You can read through a *highly* detailed slide show of the years' worth of progression at Red Hills to the point where, now, management believes its decade-long quest to find an "elephant" at Red Hills is closer than ever to fruition: it's at https://nulegacygold.com/investors/investor-presentation-gallery/rift-anticline-goldrush-analogue-may4/. I have followed this saga the majority of the way myself, and stay in close touch with management.



Simply put: many of the same people who discovered the nearby 20+ million ounce Goldrush deposit for Barrick Gold (now, in this area, part of Nevada Gold Mines, the joint company in the state with Newmont) are with NuLegacy. AND they believe they have identified the specific underground "rift" structure that can host that same kind of deposit. *They will be seeking to prove that, in part, via a big drilling program starting later this year and into early 2021.*

NuLegacy Gold shares have had a nice, if erratic, recovery from the puny C3 cents/share low of mid-2019. Yet the present valuation is nothing, in my view, compared to what we'll see if *this* is the drill program that finds the elephant!

For more background, check out https://www.youtube.com/watch?v=VtEndMEMaRs; this is a discussion on the project by Dr. Quinton Hennigh (of Novo Resources' fame) who was an original shareholder of NUG and recently returned to the company as an adviser. It's from a recent on-line "virtual" Metals Investor Forum.

A SOUND AND UNAPPRECIATED (BUT THAT'S STARTING TO CHANGE!) "SUM OF THE PARTS" STORY

Monarques (Monarch) Gold (TSXV-MQR; OTC-MRQRF)

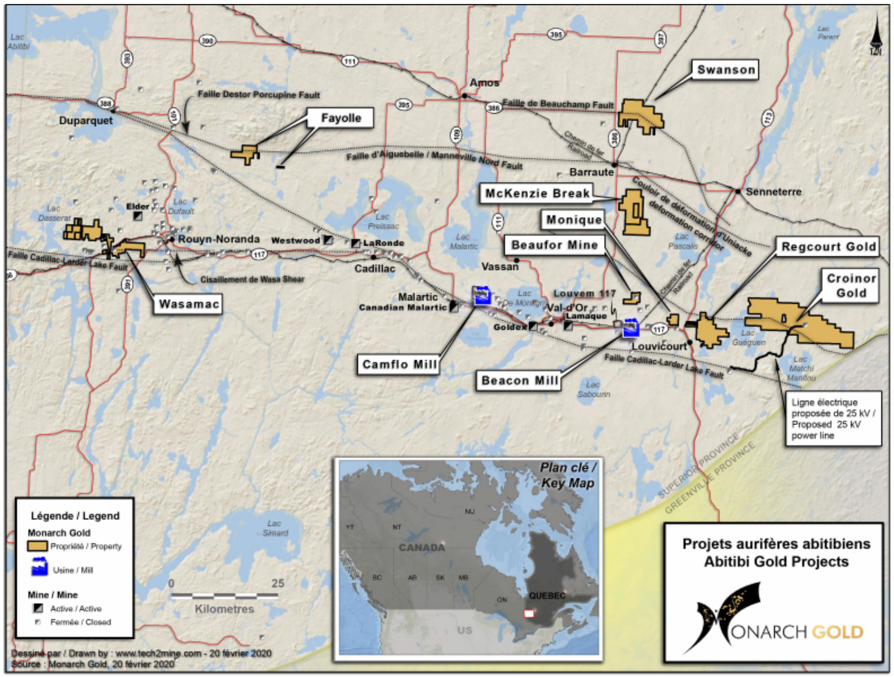
Quebec-based Monarch Gold received short shrift from investors for a while; yet its shares have surged in recent months at last. **And aside from the better gold price, in Monarch's case it's for the most fundamental of reasons: *value, and performance*.**

Previously, investors yawned at Monarch. Sure, the company had amassed a considerable portfolio of assets in one of the world's premier camps: **Canada's Abitibi-Greenstone Belt region.** Yet most of them were small exploration projects, and two small mills. Little seemed to animate investors, even though Monarch in somewhat a "stealth" fashion was accreting more and more value to the company.

But 2020 is now proving to be the year when Monarch unlocks some value from its portfolio of assets; in a couple recent cases, good deals in selling non-core assets to narrow the focus on the most promising, company-making projects. President/C.E.O. Jean-Marc Lacoste came *highly* recommended to me a few years ago by one of the most successful mining executives and entrepreneurs with prior involvement in the Abitibi area; and Lacoste these days is getting *much broader recognition* as well due to recent successes.

As he said in a recent interview with the *Canadian Mining Journal*, ". . .Monarch has six advanced projects, we've got $25 million in the bank, and we will be moving forward in the next year on two main fronts: the re-start of the **Beaufor Mine** and the final permitting phase for the **Wasamac project**."

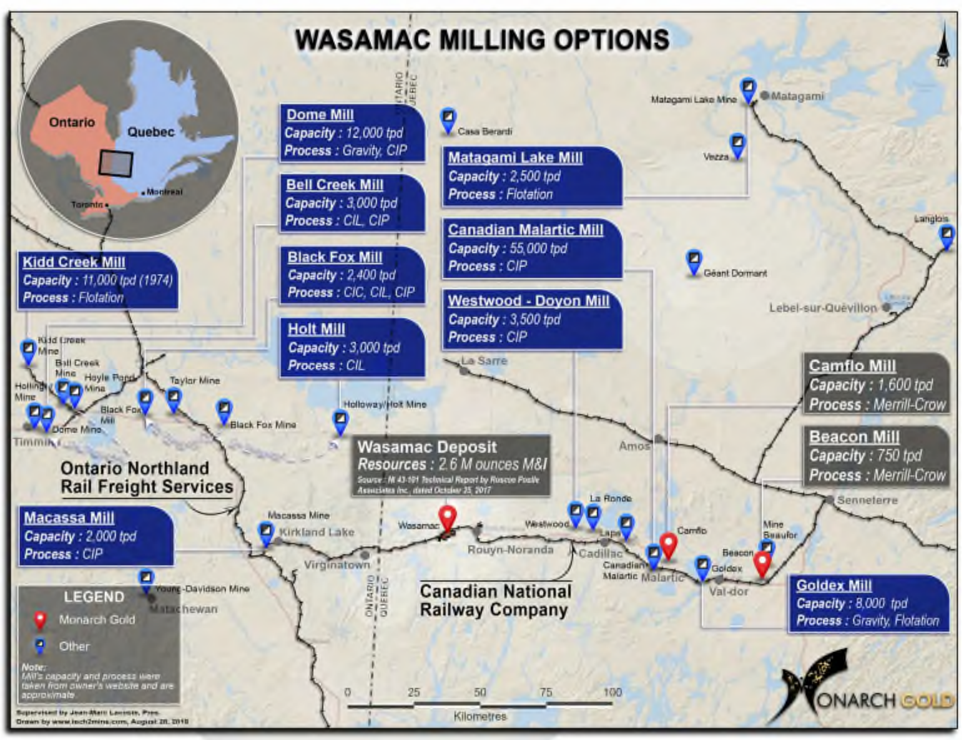
Back in May, the company announced that one of Canada's largest pension funds—Caisse de dépôt et placement du Québec (CDPQ)—was investing C$5 million in Monarch, in return for a 3% net smelter



royalty on future production from Beaufor. That money will be used to accelerate redevelopment work at this legacy mine and mill, with an eye toward putting both back into production (for the news, etc. see https://www.monarquesgold.com/news-releases/cdpq-invests-5-million-in-monarch-gold-to-support-the-potential-re-opening-of-the-beaufor-mine.)

By far, the majority of the company's total of four-plus million ounces of gold resources are at **Wasamac**, its western-most holding as you see in the map at left. A recent economic assessment shows a very profitable potential deposit; based on the most recent economic study (Dec., 2018) 142,000 ounces of gold over 11 years is planned; see https://www.monarquesgold.com/en/our-assets/val-d-or/wasamac.

As much as anything, the ramped-up interest in and furthering of plans for Wasamac to become a *producer* sooner rather than later has been animating investors recently. Referring back to one of my themes of earlier—that you want to find companies/projects in the sights of majors—that Monarch announced a memorandum of understanding (MOU) with **Glencore Canada** (US-OTC: GLNCY) in mid-May for the potential use of Glencore's Kidd concentrator in Timmins, Ontario, for the treatment of ore to be mined at Wasamac caught peoples' eye; see https://www.monarquesgold.com/news-releases/monarch-gold-signs-mou-with-glencore-canada-regarding-the-potential-use-of-the-kidd-concentrator-for-its-wasamac-gold-project.



There are still several moving parts to the development story of Wasamac; and the company has been creative in finding various ways to reduce up-front costs and otherwise make the project attractive for development. As you see at right, with all the numerous mills in the area…large companies…the

Canadian National Railway and other top-notch infrastructure…it's but a matter of a but more time before Wasamac is contributing actual revenues to MQR shareholders.

Further raising Monarch's profile of late have been new investments in the company by both **Yamana Gold** (TSX: YRI; NYSE: AUY) and **Alamos Gold** (TSX: AGI; NYSE: AGI); Yamana took down the lion's share of the most recent C$5.4 million private placement in the company. Pointing out what should be obvious to those watching the industry generally, and this region specifically, closely, Lacoste said of this: "Yamana is a great partner to have, and this has created more opportunities for us. The big players out there need ounces on their balance sheets to grow. They need to have ounces underground. And that's what Monarch has to offer."

And the story for this previously unappreciated but, now, suddenly fashionable company hardly ends with these two major projects. The company is preparing to "dust off" the old Camflo Mine and mill; this was once Barrick Gold's original significant asset (for some background and plans Monarch has, see https://www.mining.com/draft-monarch-gold-camflo-gold-property/.) And elsewhere on the exploration front there is growing excitement as the company attempts to augment a small existing resource at its **McKenzie Break** property. Earlier this year in one reported drill hole, Monarch reported an eye-popping 32 grams/ton of gold (that's ONE OUNCE per ton, folks!) over a 7+ meter width at a *new* discovery zone there.

Notwithstanding MQR shares having surged back to their highest level in some three years, I see them still as woefully undervalued when you consider the "sum of the parts" story that *is only getting better.*

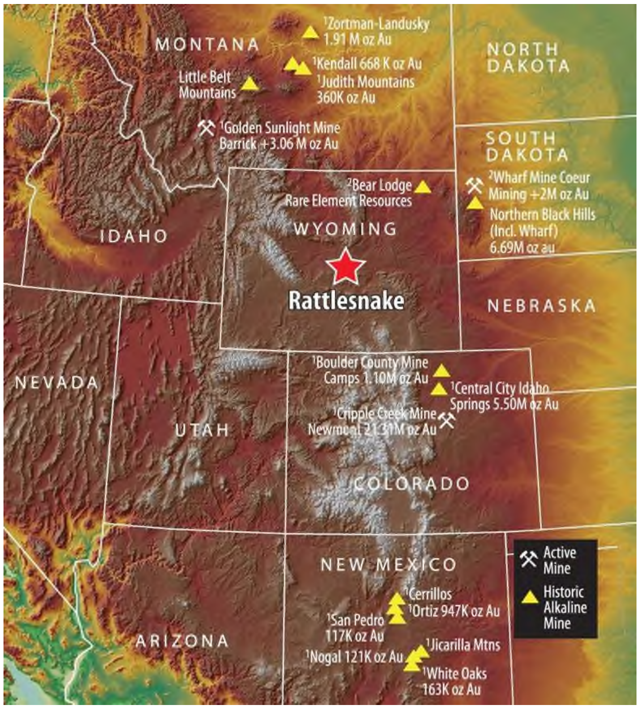
For more color still on Monarch, check out https://www.youtube.com/watch?v=9sNfTXh-SVs&t=68s, where Soar Financial Group C.E.O. Kai Hoffman recently spent half an hour with Monarch's Lacoste in an interview (and don't let the first few minutes of the bad connection put you off; it quickly goes away!)

TWO MAJOR EXPLORATION PROJECTS FOR THIS PAST-PRODUCING TEAM

GFG Resources (TSXV-GFG; OTC-GFGSF)

The management team of GFG is one I have a history with. I mentioned earlier that—before it was taken over—the former Claude Resources had at times been an up and down story. One time it was particularly down there was a management shakeup; and a new team led by Brian Skanderbeg came in and took control. Some hard decisions and a financial turnaround later, the company was sold for *many* times the share price at which they stepped in. And as I said earlier—and will discuss a bit below where Taiga Gold is concerned—SSR Mining has since demonstrated that the Seabee Camp in Saskatchewan is the likely anchor of a new district that may be *far* larger than even all of us had contemplated before!

Now GFG's President and C.E.O., Skanderbeg (who brought others of the former Claude management with him) has acquired two major exploration projects, success at *even one* of which could be company-makers by themselves. I'll start with the one that has great long-term promise: but is now somewhat "on the back burner."



The **Rattlesnake Hills Gold Project** in Wyoming is a high potential project. Already, *several* mineralized zones are known here; two of them (each of which could be a shallow open pit) are believed to hold one million ounces-plus of gold combined.

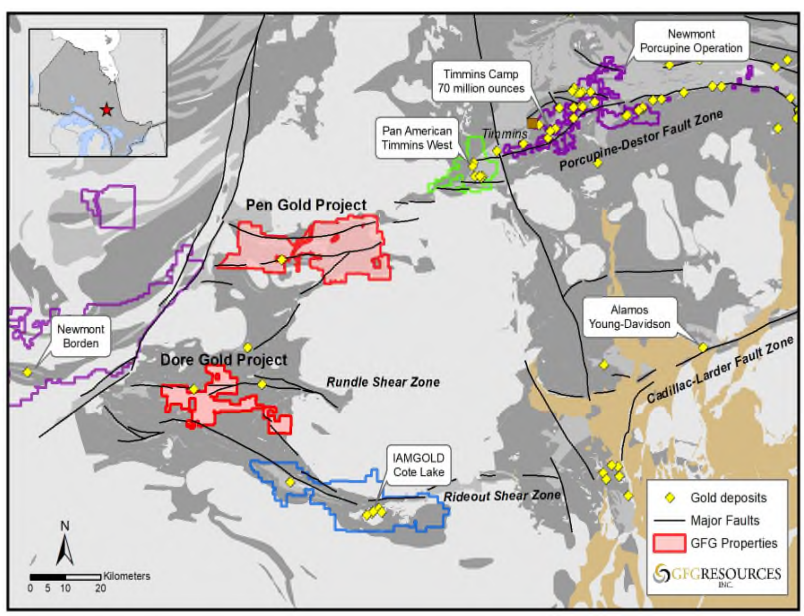
For the better part of two years, Australian mining giant Newcrest Resources had an option agreement with GFG to explore Rattlesnake Hills, the belief being that—*somewhere* underneath the presently known network of "feeders" and the near-surface resources—there lies a deeper and much more substantial porphyry source. However, with a few deep drill holes not immediately returning enough to keep Newcrest entertained, the company decided to move on as it has bigger fish to fry elsewhere (including in Ecuador, which I will be discussing separately in the near future!)

Disappointed to be sure, GFG is none the less better off for Newcrest having spent *several* million dollars to increase the overall knowledge of this project. As the company's V.P. Marc Lepage discussed with me a few times in recent months, as the gold market stays strong (if not gets stronger) there will be other bites at the apple down the road. *And in any case, a couple million ounces of gold or so now—very near surface and open-pittable—isn't exactly chopped liver!*

Happily, GFG's other main exploration project **is a *massive* land package—much of it little disturbed previously, despite its own world-class location—in Ontario.** Its West Timmins Land Package (two major claim areas as you see below: the Pen Gold Project and Dore Gold Project) totals nearly 700 square kilometers in all *and is near some of the most premier past and present producing areas in eastern Canada.*

As you'll learn at the company's web site, 2019 was a good year for exploration there. But 2020 has been even better; anchored by **a staggering assay result from one hole measuring 71.27 grams of gold (that's MORE THAN TWO OUNCES!) over 8.5 meters.** That came from the Pen Gold Project area.

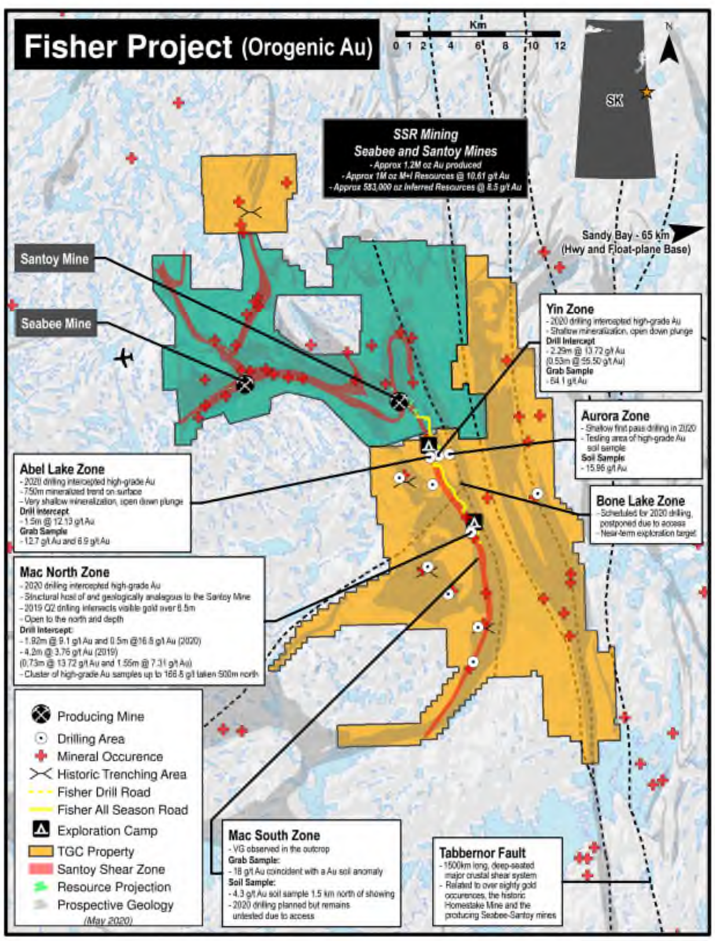
In a release on June 18 (see https://www.gfgresources.com/news/press-release-details/2020/GFG-Announces-Final-Drill-Results-and-Initiates-Expanded-2020-Exploration-Program-at-Pen-Gold-Project-West-of-Timmins-ON/default.aspx)



GFG—in addition to chronicling the recent drilling program—**announced an even more aggressive next phase of drilling at Pen**. Said C.E.O. Skanderberg, in part, "The results from our Phase 1 drill program were significant. We made a high-grade gold discovery at Nib (where that above-referenced high-grade assay came from-Ed.), intercepted significant visible gold and broad zones of gold mineralization at Slate Rock and expanded the mineralized system at HGM. Following a successful financing in May, which included welcoming Alamos Gold Inc. as a strategic investor, we are in a position to outline a more aggressive exploration program for the second half of 2020. Beginning in July, we will resume drilling at the Project with a primary focus on the Nib discovery and will test other highly prospective regional targets. The revised exploration program will be our largest drill campaign to date and we are confident that we will continue to demonstrate the potential that exists across our 480 square kilometre land package located in one of the richest gold districts in the world."

As Skanderberg alluded to, another feather in GFG's cap recently was Alamos Gold (TSE-AGI; NYSE-AGI) recently investing about C$5 million into the company to bring its stake in GFG up to 9.9%. Here again: at a time when there are still *way* too many garbage companies out there with little or no legitimate investment cases, it's important to take closer looks at ones where intermediate and major producers are placing *their* bets!

To learn more about an *especially* undervalued stock now, visit https://www.gfgresources.com/. Particularly on that home page, if you scroll down, you'll see **several video interviews of management** from recent months.



EXPANDING A NEW DISTRICT; AND ALSO A LIKELY ACQUIREE

Taiga Gold Corp. (CSE-TGC; OTC-TGGDF)

Taiga Gold had already been on my radar for some time prior to becoming my most recent recommendation among gold-focused exploration companies. The company (a spinout from **Eagle Plains Resources**, a highly successful prospect generator and "incubator" which—once upon a time—also had Omineca's Wingdam Project) makes no bones about **the primary purpose for its existence**: and that is to be attractive to whoever down the road consolidates and expands the growing, new gold district in Saskatchewan anchored by the Seabee/Santoy Complex.

As you see at left, Taiga a few years back acquired **the Fisher Project** and associated ground *primarily* to the south of SSR Mining's Santoy Mine. Notably, it encompasses a considerable length of the Santoy Shear Zone; and this formation has proven over the years to host a network of high grade, if at times narrow, underground veins in an especially rich setting. *In fact, recent production out of the present Santoy Mine by SSRM has been of ore regularly grading over 10 grams/ton of gold.*

The ink was hardly dry on SSRM's deal to acquire the former Claude Resources before they approached Eagle Plains (prior to these regional assets being spun out into Taiga) in Q3 of 2016 to get an option on the Fisher Property. Now in that option period's third year (of four), SSRM can earn up to an 80% interest in the 34,000 hectare Fisher Property by spending C$4 million in total exploration expenditures (which by recent news is already being *well* exceeded; more like C$10 million to date, in fact) and making a total of C$3.3 million in cash payments to Taiga.

The last exploration news and several high grade drill intercepts were reported by SSR and Taiga in mid-May; see https://www.taigagold.com/news/high-grade-gold-mineralization-discovered-3-separate-zones-during-recent-drilling-taiga-gold%E2%80%99s. As I am writing this, crews are slowly getting prepared for the next round of drilling and exploration work, following the recent shutdowns due to the Virus.

I must confess that—while always believing that the Seabee Camp had a LOT of room to grow into a bona-fide *district*, **I never fully realized the extent to which that could well be true until I spent the time to *really* understand the geology/setting/structures**; see https://www.taigagold.com/projects/fisher for the vast, FASCINATING details I couldn't do justice to in trying to represent them here myself (**NOTE**: Be sure to click on *each tab* on that page.) *That the overall Tabbernor Fault structure is the same major one running through Seabee/Fisher--and extending some 1500 km, including down into South Dakota's Black Hills and the famous Homestake Mine--I never knew!*

SSR Mining with little question had the expansion—in great part, by added discovery—of this emerging district in mind when it acquired Claude Resources. That one of the key members of its own exploration team has past experience at Homestake suggests further that the company—which has now committed over half a billion dollars here to date, including its purchase price for Claude—understands the potential in front of it.

Taiga Gold has a few other exploration projects in this same region; I will discuss those in some detail—and add much more color to the core story—in a coming separate report on the company a little later this Summer. Clearly, for present purposes here, I present Taiga as it nicely fits the bill as well for the kind of a small, exploration company that will especially be desired as this emerging new gold district continues to expand in the years ahead.

Besides taking the time to read up on Taiga at its web site, *especially* take the time to visit https://www.taigagold.com/investor/interviews where Taiga's President/C.E.O. Tim Termuende is featured in several interviews, including one especially good one with mining company analyst John Kaiser.

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*.

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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