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THE GOLDEN ERA

3 POWERFUL FORCES DRIVING PRECIOUS METALS HIGHER

(& How YOU Can Profit!)

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MoneyShow

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Be Bold, Don't Fold, Forget What's Old, and Buy Gold.

That was the somewhat-tongue-in-cheek title I gave to my presentation at our **MoneyShow Masters Symposium Sarasota** in December 2023. Then at the end of my remarks, I got more precise with my advice for 2024, recommending investors do this...

Now the first half of the year is behind us...and the second is underway. So, where do we stand?

The Nasdaq Composite has surged 19%. The S&P 500 has set more than THIRTY record highs. The Dow briefly topped 40,000 for the first time ever, before pausing to consolidate its gains.

And precious metals have been nothing short of SPECTACULAR! Gold blasted to an all-time high above $2,400 an ounce. Silver surged to an 11-year high above $32.

Mining shares originally lagged behind the metals, in part because of concerns about higher operational costs stemming from labor and materials inflation. Mainstream investors also shied away from mining equities because past "false starts" didn't pan out—and higher-momentum, higher-visibility tech sector plays captured their speculative interest.

But that has started to change, too. The **VanEck Gold Miners ETF** (GDX) rose as much as 25% in 2024 through May, while the **Global X Silver Miners ETF** (SIL) jumped more than 32%.

Gold, Silver, GDX, SIL (YTD % Change)

Source: Yahoo Finance, 6/28/24

Both metals and miners have since taken a breather. But the outlook for the rest of 2024—and beyond—STILL looks extremely bullish to me. That goes for several of our top MoneyShow expert contributors, too.

And that brings me to this special report. In June, I canvassed and interviewed several of our top experts and sponsors in the metals and mining space. I reviewed past **MoneyShow MoneyMasters Podcast** transcripts. I combed through metals-focused presentations. I conducted my own research on the forces driving this market.

Now, it's time to share the results of the project with you. My work suggests we're in a "Golden Era"...one where three powerful forces are already driving precious metals higher—and should continue to do so in 2024, 2025, and beyond.

Those reasons?

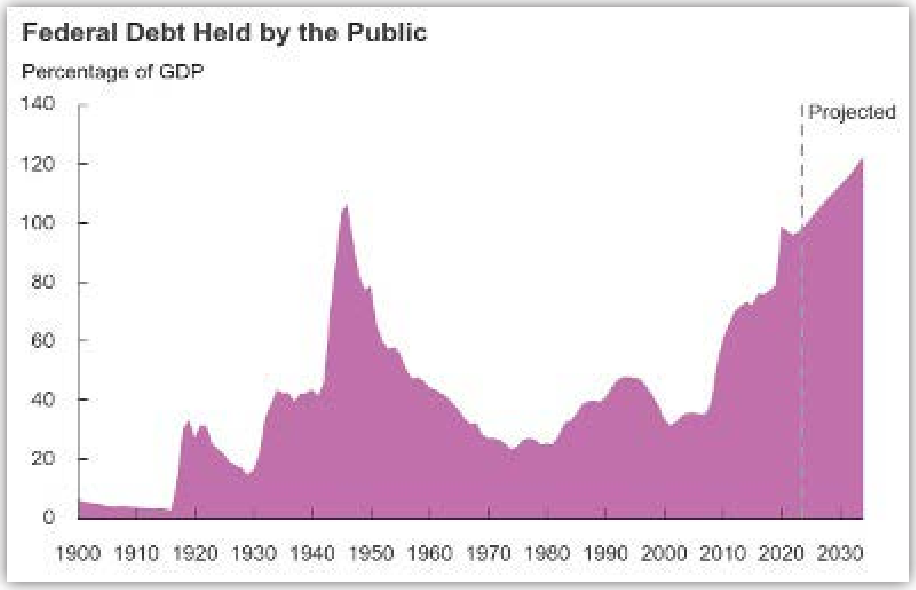
1. Global central banks have abandoned rate HIKES and started pivoting to rate CUTS. The Swiss National Bank became the first major central bank to lower rates back in March. It just cut rates again in late June.

In between those moves, the Riksbank in Sweden, the Bank of Canada, and the European Central Bank all started cutting, too. Bank of England policymakers have implied they're on the verge of cutting next, while the Federal Reserve won't be far behind. Interest rate futures markets were pricing in a 63% chance of an initial Fed cut at the September 18 meeting as of the end of June, according to the CME FedWatch Tool.

The more rates get cut, the less competition gold faces from bills, notes, and bonds. In other words, investors are more inclined to invest in gold—which "yields" 0% — when alternatives yield, say, 2% or 3%, instead of 4% or 5%.

2. Government debt and deficits continue to spiral higher. The Congressional Budget Office (CBO) recently released shocking projections on the dismal state of the US government's finances. Already at almost $2 TRILLION in 2024, our annual deficits will likely swell to $2.9 trillion over the next decade.

The only way to cover annual deficits is by issuing more and more debt. So, the CBO projected that federal debt held by the public will surge to almost $51 TRILLION by 2034 from $28.2 trillion at the end of this year. As a percentage of GDP, it will jump from 99% to a record high of 122%.



Source: CBO, 6/18/2024

Peter Krauth, editor of *Silver Stock Investor*, put the increase in debt supply into context in a recent article I digested for MoneyShow.com. He shared the following chart (from SRSrocco Report), which demonstrated that in 2023 alone, the US Treasury issued $2.4 trillion in debt—10 TIMES the value of the total mine supply of gold and silver.

As debts and deficits swell, more official and private investors are turning AWAY from government bonds and TO alternative stores of value like gold and silver. After all, governments can't just conjure precious metals out of thin air the way they can add fresh debt.

3. Foreign central banks are buying gold like mad. Amid rising geopolitical tensions, a push to "de-dollarize" economies, and more, reserve managers are flocking to gold like never before. The world's central banks bought a record 1,082 tonnes of gold in 2022, and another 1,037 tonnes in 2023, according to the World Gold Council.

Then in Q1 2024, they outdid themselves—buying a new quarterly record of 290 tonnes. A separate WGC survey of reserve managers found 29% plan to increase their gold reserves even more in the next 12 months, the highest reading since the group began polling managers in 2018.

Source: World Gold Council, Gold Demand Trends, Q1 2024 Report

The People's Bank of China (PBOC) has shown a particularly voracious appetite for the yellow metal. The PBOC boosted its gold reserves for 18 straight months through April, snapping up 390,000 troy ounces in February, another 160,000 in March, and another 60,000 in April.

The move comes amid increasing diplomatic and economic stress between China and the US. Moreover, with both cold and hot wars raging in Europe, the Middle East, and elsewhere, other countries are following China's lead. They're turning away from US bonds and the dollar, and looking for the protection, stability, and financial strength that gold provides.

Bottom line? Whether it's global interest rates...the surge in government debts and deficits...or central bank reserve buying...the big-picture trends are getting more favorable for gold (and by extension, silver).

Now, in the rest of this report, you'll get in-depth intelligence about those trends—and actionable advice on how to profit. From gold bullion to coins, metals ETFs to mining shares, and everything in between, our experts will cover the available options to you—as well as their pros and cons.

The expert network you'll get to tap into includes...

Brien Lundin
executive editor of *Gold Newsletter*

Peter Schiff, chief global strategist at Euro Pacific Asset Management

Rich Checkan, president of Asset Strategies International

Dana Samuelson, president of American Gold Exchange

Omar Ayales, editor of *Gold Charts R Us*

Chris Berlet, president and CEO of Stakeholder Gold Corp.

Ken Konkin, president and CEO of Tudor Gold Corp.

James Russo, manager at Metals Mint

My goal is to help you zero in on what works best for YOUR needs—and make the most of this "Golden Era." And it's about time to dive in.

But first, a few housekeeping notes. The interviews have been edited and condensed for clarity and length. The subjects are a mix of editorial contributors and paid MoneyShow sponsors or advertisers. You'll see notations for the latter in the report.

I also encourage you to do your own due diligence and research to supplement what you'll find below. Not all investment options discussed will be appropriate for your personal needs, goals, and/or risk tolerance.

With that said, let's get started...

Brien Lundin
Executive Editor, *Gold Newsletter*

www.goldnewsletter.com

Gold Newsletter

Q. Obviously, this is a crazy and exciting time in the precious metals market, with what's going on with gold and silver. So, I just wanted to start from 30,000 feet up and have you tell me what are the one, two, or three biggest drivers of this. And how do you see them playing out as the year goes on?

A. You know, this has been a really weird gold bull market. A lot of things that we've literally never seen happen before. It's been hard to figure out, but there have been, I think, three or four factors moving the market so far that are easily identifiable. Maybe a fourth that's kind of still mysterious. But for the first four to six weeks of this bull run, it was just a relentless rise.

Gold was setting new records every day, hardly one day without a gain, and it was really awesome and surprising and came out of nowhere. It took us about a month or so to try and figure out what was really driving the buying. And it was coming from a number of factors. Central banks, they had actually been buying all along since March of 2022, when the US imposed sanctions on Russia.

And a lot of other nations started trying to de-dollarize and move toward the goal of trying to gain some independence. Then we had in the early part of the year, tremendous buying by the People's Bank of China—again, central bank-related—but very aggressively from the central bank of China. And we also had Chinese citizens buying gold hand over fist.

They don't usually buy on a price rise. They usually, and have always historically, bought on price declines and have served therefore to kind of support the price on declines. But this time they were chasing the price higher kind of like Western speculators and Western investors typically do. And in this instance, the Western investors weren't buying on the run up for some reason.

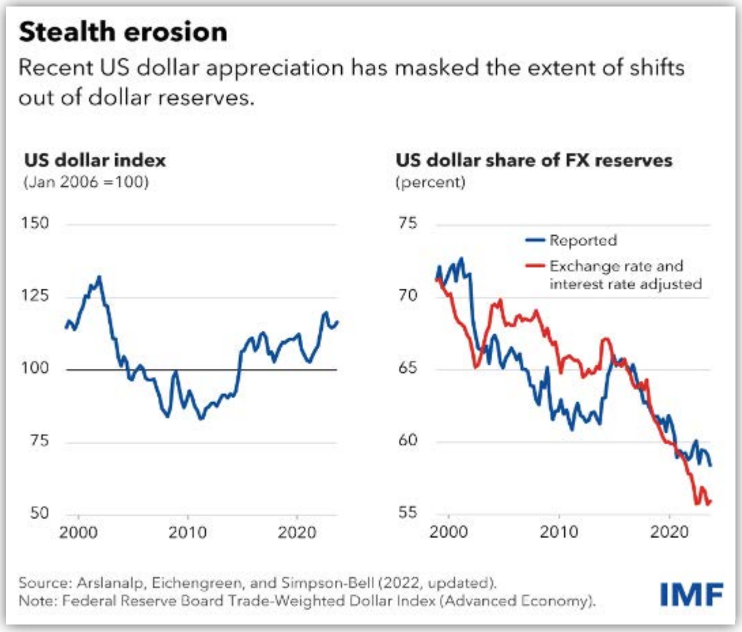
I think it was because this move came out of left field. The Western investors were waiting for an opening and didn't really understand why the price was moving. And that gets to that other factor that I think is coming up. That's the Fed pivot. That's the thing we expected to drive gold in the first half of this year.

And it never happened. It just kept getting postponed. That, I think, is going to start to come into view in in a couple of months. And investors are going to start placing their bets on that driver. That's really the big driver that I think is going to take gold to even far higher levels.

Q. Got it. Let's try and unpack a couple of these things a little bit more. You used the de-dollarization term. I know at least one or two other people I've spoken with who mentioned it as well. What does that actually mean and how does that fuel what happens with gold?

A. Well, it means, I guess, different things to different people. Some people think it means the end of the dollar as the world's reserve currency. I don't think that's going to happen at any time frame that really makes sense for us to worry about. In other words, not in our lifetimes, because we still have the best rule of law of all the other options out there, here in the US.

But what is happening right now is that the dollar has been weaponized. This has been a trend over the years, but with the sanctions on Russia, it's really reached a new height where the dollar is used as a weapon. And countries just want to maintain their independence and insulate themselves somehow from being able to be victimized by the US government for whatever reason.



Source: IMF, June 11, 2024

So, it's just a trend to diversify assets, reserve assets, out of the dollar and toward gold. And if you look at the trend over time, you can see that the dollar as a percentage of international reserve assets is decreasing, while that of gold is increasing. The lines are not about to cross anytime soon, but I think they will eventually.

Q. One thing I have to ask you about is the way investors are behaving differently in different parts of the world. I've kind of been surprised, frankly, at the lack of piling into things like GLD and some of the other junior miners and so on in the US, given how powerful this move is. What do you think is behind that versus, say, what you alluded to happening over in China?

A. Yeah. The factors behind gold's rise have been weird and different, somewhat mysterious to us. And we've seen a lot of head fakes from gold in recent years. So, investors don't want to jump in and have this turn out to be a false move. Also, initially there wasn't a break. There was no entry point.

We didn't have any pullbacks for people to get into. But I think it's coming for two reasons. The Fed pivot, the Fed's shift from a rate-hiking to a rate-cutting cycle is something that Western investors can see and project for. They can understand that this is a trend that's going to be around for a couple of years.

So, we feel safe betting on it. It's not going to turn around anytime soon. The other thing, again, is that there weren't any breaks in the rise, no entry point. And where there have been, we've seen some early signs of investment by Western investors. For example, on April 22nd, gold dropped about $60.

Then the next day, the price stabilized. And it was either that day or the day after we saw a 10% gain in **Newmont Corp.** (NEM) on the back of no corresponding movement in the gold price. Now, Newmont is the only gold stock that's actually in the S&P 500. So, it is naturally the initial target of the generalist investor trying to come into the sector.

That was a sign that we had an opening, an entry point. And the generalists seized on it. I think we're going to see that again if we see a Fed pivot. That's the key thing to consider. When the Fed was hiking rates—and when it was hiking rates in the most severe rate hike campaign that arguably we've ever seen in the history of the Fed—over the course of that period, the gold price gained about $700 from trough to peak, or about 40%.

So, if gold can do that during a very severe, historically severe rate hiking cycle, well, what's it going to do when the Fed finally capitulates and pivots to the rate cutting cycle? I think the argument there is very powerful that it's going to do much better, and that's going to bring a lot of generalist investors into a relatively tiny sector.

Q. Do you want to throw your hat in the ring at all and say what you're looking for the Fed to do and when? When it comes to cutting, when do you think they start and how much do you think they do?

A. Yeah, the current odds are favoring between one and two by the end of the year. And I think that seems fair to me. The thing that's most important to me is, it's not so much the timing. It's the very fact that they have to.

Over the four-and-a-half decades of ever-easier money since Volcker just started lowering rates in the early 1980s, we've accumulated debts that were ever, ever greater. To the point where today, they're completely incompatible with interest rates at these levels. Interest rates at these levels are historically normal, or even low, but not compared to the debt loads we have today.

We can't have interest rates where they are today. We can't survive with the kind of payments in the present and coming down the road for the federal debt, for commercial debt, on and on.

So, that's a tsunami that's kind of lying off the coast of the economy, and it's going to hit in successive waves over the coming months as more and more debt gets reset. I don't think the Fed can hold out much longer. I don't think more than the end of this year. And the longer they wait, the more urgently they're going to have to cut because something is going to break.

Q. Anything you'd want to add about silver here, since we're talking precious metals in general?

A. Yeah. This is a monetarily based secular bull market that we've begun for gold because we are in the end game of this long-term, ever-easier money cycle. And in any kind of a bull market like this—that's long term, that's based on monetary issues, based on concerns over the depreciating purchasing power of the currency—in those bull markets, silver has always outperformed gold.

So, my expectation is that silver is going to do the same thing again and outperform gold. It's kind of like a non-expiring option on the gold price. So, I'm very bullish on silver right now.

Q. Okay. And when it comes to playing this trend, if things do play out as you expect, is somebody best served looking at coins? Bullion? Stocks? ETFs? Where do you think somebody should approach this market when it comes to how to profit?

A. Well, if they're new to the sector, if they don't have any precious metals investments at all, they should focus on physical metals that are either in their possession or readily accessible. Gold and silver are insurance against something you know is going to happen, that being the depreciation of your purchasing power.

So, if you know it's going to happen, you can lock in that current level right now by holding gold and silver. Over the broad sweep of time, gold and silver protect against depreciation of your currency's purchasing power.

So, get physicals first. If you think that the macro environment argues for one of these "catch up" periods where the gold price really responds to the worries over currencies, then you want to invest. On one hand, you insure and on the other side, you invest. To do that, you'll want to find ways to leverage those moves in the metals.

Now, the ways to do that are myriad. You can do futures and options if you're a good trader and know the risks and can tolerate them. You can buy the mining indices. You can buy those indices for leverage. You can invest directly in mining stocks. And in that sector, there's a wide spectrum from the big producers down to the juniors and explorers.

So, you can explore all those options. I would say that in the mining sector, especially in the junior sector, it's very risky. But the rewards can be commensurate with that risk. It's also very inefficient. You can find values that the market is temporarily overlooking just by doing your research and learning about the sector. And it's a lot of fun.

It's kind of like the romance of a prospecting and a treasure hunt. It's a fun sector to speculate in, but they are speculations.

Q. Sure. Absolutely. I guess the last question I'd ask is about certain levels, targets, and duration. Anything you'd want to say about where you expect gold to go and silver to go and how long you think it'll take to get there?

A. With precious metals or gold and silver, it's one of those areas where the short term is unknowable, but you can be fairly certain about the long term. And if my thesis is correct that we're at or in the end game of this long, multi-decade cycle of ever-easier money, ever-greater depreciation of the currency...and that the water is kind of circling around the drain a little more quickly...then I think you have to look at this as really the fourth secular bull market in gold.

We had one in the early 70s, one in the later 70s, and one in the early 2000s. In each of those three instances, gold ran up anywhere from 5.6 to 8.2 times in value from the lows to the highs.

Now, I placed a low in this cycle at about $1,040. So, that gets you in a range of somewhere between high-$5,000s to low-$8,000s for the ultimate end of this cycle. Now when is that cycle going to end? It's I think it's going to take years. But I would say it's a cycle that you want to participate in and ride to the end of it.

Key Takeaways

1. **Start by buying physical metals. Then look for leveraged ways to play upside, including junior mining stocks, if your risk tolerance allows**
2. **Gold upside target is anywhere from $5,000–$8,000**
3. **Silver should outperform gold in this bull market, as it has in past ones**

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(Excerpts from Podcast Interview Aired February 15, 2024)

Q. Wall Street is celebrating Jay Powell for sticking a soft landing. Big Tech's on fire. And so on. Why shouldn't investors enjoy this? What are the bulls missing?

A. Well, they're missing quite a bit. But I think that the biggest mistake that they're making is believing that, you know, the inflation genie is back in the bottle, that the Fed's policies worked, that they pulled off the soft landing. In fact, we didn't even land. Bulls think we avoided recession entirely. Everything is great. Now the Fed can start cutting rates again.

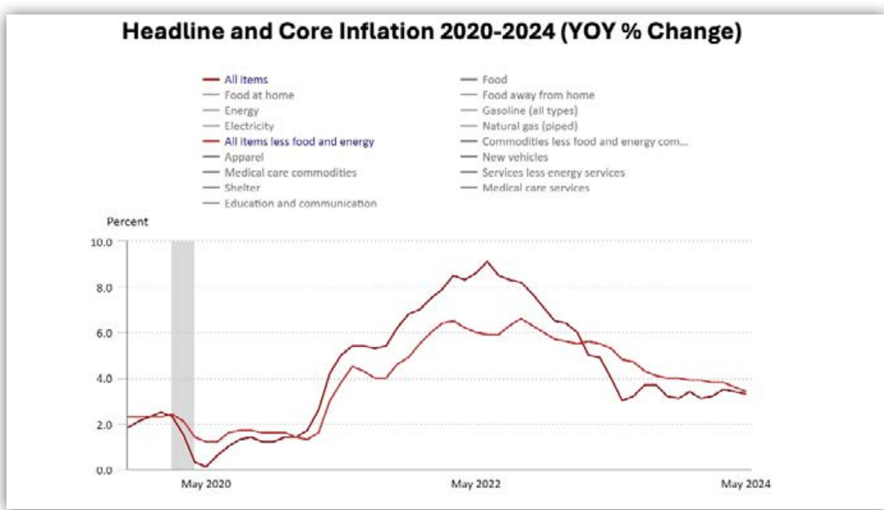
And the markets can just resume this huge run that they've been on really ever since 2009, when the Fed started the policy of quantitative easing and 0% interest rates. It seems that the markets think that this can continue indefinitely, but it can't. You know, the Fed has not succeeded in putting the inflation genie back in the bottle.

Not even close. Yes, we did come down from 9% year-over-year inflation to a bit over 3%, but that's probably about as low as it's going to go. I think inflation has bottomed and it's headed back up and we're headed back towards nine. In fact, we're going to go higher than nine. And we have a fiscal timebomb that's going to go off sometime soon as the national debt is rising by nearly $1,000,000,000,000 a quarter.

I think that we're probably already in recession. I think the idea that we've avoided that is absurd. I think the government numbers don't tell the whole story. And I think they're likely to be downwardly revised, you know, six months to a year from now. That's what they did with the Great Recession, which started in December of 2007. But they didn't acknowledge it until December of 2008.

The government went back and revised down a year's worth of rosy economic data and then said, you know, we've been in a recession the entire time. And it's quite possible that that's going to happen this time. In fact, that's probably why Biden is the most unpopular president in history. It's because the economy is in recession and the statistics just don't bear that out.

Headline and Core Inflation 2020-2024 (YOY % Change)



Source: Bureau of Labor Statistics

But the polls do because the voters are expressing their frustration at the economy. And so I think what's going to happen is, we're not going to get as many rate cuts as the markets are hoping for because inflation is going to turn north. But the Fed is going to return to quantitative easing, which I think is an even bigger pivot than rate cuts. Because I think the alternative move is too big a disaster for the Fed to, you know, allow because it would mean a worse financial crisis than 2008. And I think it would mean the US government would be unable to service its debts.

And so in order to prevent a default or dramatic cuts to government spending to avoid default, I think the Fed is going to monetize the debt. So, I think we're going to go back to quantitative easing and abandon quantitative tightening. And I think that's going to, you know, collapse the dollar. I think it's going to send gold and commodity prices through the roof—and it's going to be a big problem for the stock market.

Q. Let's talk about Powell for a minute here. You know, you recently said when Jerome Powell talks, people shouldn't listen. You also were referencing his 60 Minutes appearance and kind of what Ben Bernanke used to say on 60 Minutes back in the day. What is the Fed reading wrong? What do you think that the Fed's getting wrong here and will for the rest of this year and beyond?

A. Well, you know, I don't necessarily think the Fed is trying to get it right so much as they're kind of toeing the party line. You know, Ben Bernanke in an interview out after he was no longer Fed chairman, he was asked about a lot of the mistakes that he made, in particular, saying that the subprime problem was contained and that we didn't have to worry about it.

And his response was, well, you know, he wasn't really speaking his mind so much as toeing the party line. He said that he was a member of the administration, which he was not, but he somehow felt that he was a member of the administration and felt obligated to put a positive spin on things. And so he said, look, just because I said not to worry and everything is great, it doesn't mean that that's what I really felt.

I was just trying to put out a positive message in line with what the administration was saying. And so nobody really talked about that but me. I thought it was a pretty profound admission, but it was something that I had suspected all along...that the Fed is more of an engine of propaganda than legitimate economic analysis. And so when you hear Jerome Powell talk about how we have a great economy, how we have a strong economy, he is saying that as a pseudo member of the Biden administration and he's trying to help re-elect his boss by pretending the economy is in much better shape than it really is.

Q. Let's talk a little bit about this sort of combination that, you know, you have the term inflationary depression. Weaker growth but not weaker inflation along with it. Negative growth, really. How does that come about? I mean, traditional economic theory tells you, hey, growth is going to slow, inflation is going to slow, policy eases, and that solves things. Why do you look at things differently?

A. Well, it's not really economic theory. It's Keynesianism. And according to Keynes, if the economy is weak, then inflation is going to come down. But, you know, Keynes got a lot of things wrong. And inflation is about money. It's a monetary phenomenon. It's got nothing to do with economic growth. It's the growth of the money supply. That's what inflation is.

And when you have more money, prices are higher than when you have less money. When the economy grows, real economic growth produces more goods and services. And that helps keep prices down. That can offset the impact that inflation has on pushing prices up. So, it's really a strong economy that helps keep prices down and not the reverse.

When you have a weak economy, if factories are producing fewer goods, if workers are providing fewer services, then prices will go up. And what really stokes inflation in a weak economy is not only do you have fewer goods and services being provided, but you have more money being printed because unemployed people get government benefits. They get, you know, welfare payments or food stamps or stimulus checks.

And so the government tends to print even more money and run even larger deficits when the economy is weak than it does when it's stronger. And that is an inflationary force. So we have more money printing and less goods production. So, I think this next recession is really going to fuel the inflation fire because it's going to start when inflation is already elevated.

And I think when the dollar really starts to tank, which I believe it will, that's going to dramatically accelerate the upward pressure on prices.

Q. I definitely want to talk about the markets that you follow closely, including precious metals. But before I get to that, let's talk stocks here. I mean, if this is your macro view, this is how you see things playing out, what does that mean for the stock market first?

A. Well, you know, I think the growth stocks are in for a lot of trouble. A lot of these stocks that trade at very, very high multiples to their earnings or they don't have any earnings at all. And they just trade at a multiple to their sales. So, I think those stocks are going to come down quite a bit.

But there are a lot of stocks that are probably going to do well in an inflationary environment as hedges against inflation because people still need to find a refuge. You have to get out of paper, you have to get out of bonds, you have to get out of money markets. So, you've got to put your money somewhere.

So, I do think that certain stocks will do well. But I think it's going to be the international stocks, particularly the emerging markets that are going to, you know, be the primary beneficiary of the stagflation trade, of the move out of the US dollar. And, of course, commodities will do very well. As are companies that are involved in commodities, mining, agriculture, oil and gas. Things like that will do very well, as they did in the 1970s.

They're going to do very well in the coming decade, probably even better than they did back then.

Q. I want to talk about gold, the metal itself first. You noted recently that spot gold hasn't traded below $2,000 an ounce yet in 2024. And I think you noted it is the longest stretch of days over that benchmark that we've ever seen. So, what's helping gold in this environment? What do you think is behind the bullish outlook there?

A. Well, look, I think gold is setting up for a big rally. But, you know, you don't see that in the gold mining stocks, which continue to be under a lot of pressure. There's a lot of fear in the investors when it comes to the mining stocks. You don't have a lot of optimism. You don't have a lot of hype.

It's just fear and doubt. And so I think that's a good combination to begin a bull market where you've shaken out so many weaker players. But I think the rise in the stock market, you know, the S&P being above 5,000 or, you know, record highs in the Dow and the Nasdaq are you know, a distraction from gold. I think all the hype and the fanfare surrounding the Bitcoin ETFs, that's probably stealing some of gold's thunder.

And so it's just an environment where nobody is paying attention. But the central banks continue to be the primary buyers of gold other than, you know, the jewelry industry. But the central banks know what they're doing in this respect. They're preparing for de-dollarization. Central banks around the world are no longer accumulating dollars. They're buying gold instead. I think they're preparing for the day when the dollar is no longer the reserve currency.

And that day is not too far off. And so gold, I think, is going to be dramatically repriced in that environment, and the American standard of living is going to be substantially reduced. And with that, the value of our equity markets. You know, our stock market has been on fire for the last 15 years relative to the rest of the world. But that's going to change.

Q. It was such an interesting stat you had the other day. I think that Meta Platforms Inc. (META) gained more in market cap in a single day than 70% of the total market cap of the top 85 miners globally. That's an amazing thing that just shows the dichotomy of how much money and I guess excitement is here in this one part of the market versus another, right?

A. Yeah. I mean, the entire market cap of all the gold stocks doesn't even come close to the market cap of, you know, one of these Magnificent Seven stocks. So, the entire industry has almost no value. It's just, you know, just a rounding error in the market cap. And obviously that's, you know, not sustainable.

This segment of the market is just much too cheap. It's been overlooked for a long time. And that's why I'm so over-invested. And I have been for a while. I mean, it's not like I'm just figuring this out. I was very early in this trade, and so I've been patient and I've been waiting and accumulating more.

But I think there's a huge payday coming at the end of this. I think investors are going to be shocked by how much these stocks go up. You know, gold in the 1970s went from $35 an ounce at the beginning of the decade to over $800 by the end. So, you know, you'd have to have $50,000 gold to have a comparable percentage gain from 2000.

And I don't know that gold's going all the way up to $50,000, but even if it goes to $10,000 or $20,000 right? I mean, that is just huge for these gold mining stocks. I mean, even a move up to $3,000 should be enough for these stocks to double or triple, maybe more. But I think the potential is much higher.

And it's not just because of the inflation we've had in the past, but all the inflation that we're going to have in the future. Because the alternative is just a political nonstarter. The alternative to massive inflation is deflation. And they'll do everything they can to stop that, because in deflation, not only are the banks going to fail and not only will we not be able to bail them out, but the depositors are going to lose money. Not just the investors, but the depositors.

And the government is going to have to come clean with voters and tell them that they can't have their Social Security benefits, they can't have their Medicare benefits. There's just not enough money. And we're going to have to tell our bondholders we can't pay you back. You know, we might be able to pay you something, but we can't pay you everything.

But I just don't see the politicians being that honest. And so inflation is the only viable path that we're going to follow. If you think inflation is bad now or was bad over the last couple of years, you ain't seen nothing yet. It's going to get a whole lot worse.

Q. In the last minute or two we have here, what do you see the "Endgame for the Fed" being?

A. The endgame is runaway inflation, maybe a dollar crisis, a sovereign debt crisis. Look, the Fed has never solved any of our problems. It simply made them worse. The only tool it has is inflation. That's what they've done. So every time there's been an economic problem, the Fed has created inflation. Now they called inflation quantitative easing or, you know, reducing interest rates.

But it all amounted to expanding the money supply, the credit supply. They inflated. And in so doing, they bought time. They allowed us to kick the can down the road and allowed the problems to get worse in the process. So instead of dealing with the problems with solutions that would have worked, but that would have been painful, we didn't deal with the problems.

We allowed the problems to get worse because we were able to postpone a lot of the pain to some future date. But there's going to be a point where the Fed can't do that, and that is the end game.

That's where, you know, the truth is laid bare. And, you know, we see the inevitable consequences where we have the collapse of the dollar, runaway inflation, and then there's nothing the Fed can do because all of its tools are inflation. And so if we have a dollar crisis and a sovereign debt crisis and we have a banking crisis and the economy is in depression or is collapsing, what can the Fed do?

What they did in the past that we thought worked, won't work. It'll just make it worse. They can't add fuel to the fire by printing even more money when the problem is we got too much money. The problem is a loss of confidence in the dollar. And you don't instill confidence by creating even more. And so this is going to expose, you know, decades of failed policy, of monetary policy mistakes.

That I've been one of the lone voices to publicly criticize. But the conventional media has rallied around the Fed and extolled the Fed Chairmen as saviors of the economy and they've done no wrong. But they are actually the architects of this coming disaster.

Key Takeaways

1. **Inflation is not dead, the dollar is going to head lower, and commodities and resource stocks should outperform**
2. **Gold ran from $35 to $800 in the 1970s. An equivalent move today would push it to $50,000. But even a much more modest move to $10,000 to $20,000 would give metals investors a huge tailwind**
3. **Buy mining stocks, which are radically underrepresented in the averages/investor portfolios**

Rich Checkan
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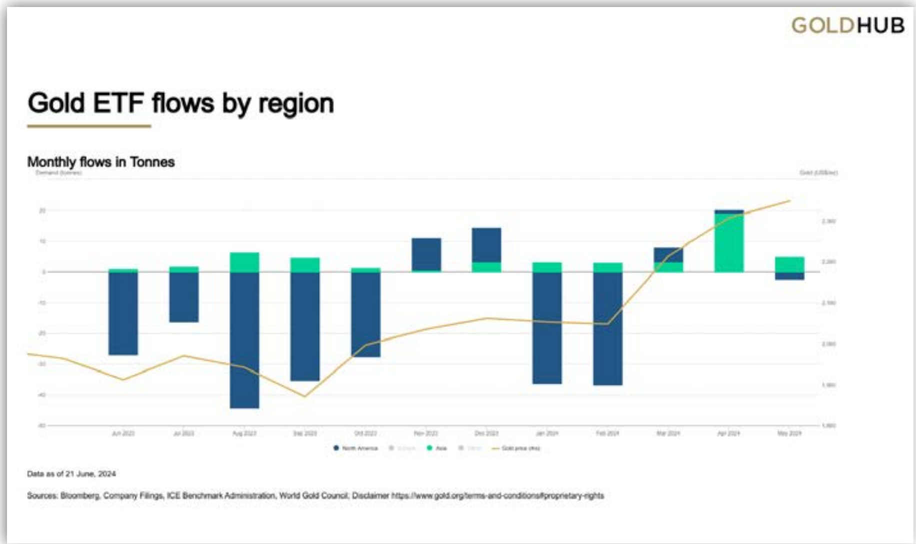
(Sponsored Content)

Q. It's a really interesting time for precious metals. So, what is going on? If you had to put your finger on one or two or three of the big drivers for the precious metals markets, what are they?

A. I think the biggest drivers for the precious metals market are central bank buying and Asian buying to be honest with you. I've been doing this for 28 years now, and I've heard my whole time in the industry that we're going to see a movement of real wealth from West to East.

I can say right now, more so than at any time in my 28 years, we're seeing that happen before our eyes. And it's characterized by basically the drawdown of the gold ETFs in the West and the purchases in Asia of gold. We are seeing real wealth move from West to East right now.



In 2023-2024, ETF flows in Asia (green bars) have been mostly positive—not to mention easily outpacing ETF flows in North America (dark blue bars).

Source: World Gold Council.

Q. What are the primary drivers of that? Why are we seeing this happen? What's the motivation of Asian buyers that are getting very active in this market to do what they're doing?

A. I think it's two-fold. I think it's a combination of the mismanagement of Western fiat currencies, and specifically the US dollar losing value over time, losing purchasing power. That coupled with—and this is probably what brought it to a head—the weaponization of the US dollar, right?

So, when we started going after Russia and saying: "You're the bad guys and we're going to cut you off from worldwide finances. You cannot have access to dollars," the rest of the world, friends and enemies, sat up and took notice.

The enemies said: “Okay, well. Big deal.” You know they don’t like us anyway. But the friends said: “What if someday I get on the bad side of the US government and then they’re going to cut me off as well? I need a plan B.”

And they turned to gold, which is also a Tier 1 asset—and in my opinion, a better one.

Q. Got it. I look at the same numbers that you do probably out of the World Gold Council. Some of the numbers we’ve seen in the last couple of years are really just astounding, right?

A. There’s no question. So, central banks two years ago bought more gold than they have in the around-56 years that they recorded those numbers. Last year, they didn’t quite get there. They didn’t quite meet that peak. They were 4% short. But they bought 96% of what they did, the most in 60, 50 years, whatever it was.

This year, after the first quarter, it looked like we were on pace to surpass that. So, yes, central banks are buying in a big way.

Q. From what I see in media reports and other things, it’s not really just the central banks. It’s your average people on the street and so on in China and India. And others are snapping up gold as well, right?

A. Yeah. And you can see that actually if you look at the premium in the gold prices on the Shanghai Exchange versus what we’re seeing in London. They’re paying a premium for gold in China. And obviously the premiums increase when the demand increases. So, there’s no question the retail buyer is very present in Asia right now and certainly in China.

Q. Okay. So, we’ve got central banks buying. We’ve got the men and women on the street and so on buying as well. Let’s talk about what’s happening from the macro perspective here in the US. It’s got to be kind of a concern about the debt and deficit scenario with the US government, right? That’s got to be a reason why people are flocking to precious metals as well, I would think.

A. Well, I would think that’s where the world is. But you know what, Mike? What’s not happening is Western investors are not buying. That’s why we’re seeing the drawdown in the ETFs. So you know, I’ve had clients come to me and say (and I’m not going to give you names), but they said, you know, Rich, I’m so sorry. I’ve got to sell my gold.

I’m like, well, what are you sorry about? It’s your gold. You do with it what you will. They’re like, I have to pay off credit card debt, but I’m going to come back in when I can. And that’s not just one isolated incident. We’re hearing about the struggles people are having with credit card debt. We know that inflation is an issue.

And granted, we’re all happy that inflation—the rate, not inflation, but the rate of inflation—has come down this year, right? So, it’s not going up as fast as it was last year. But let’s face it. Everything this year still costs more than it did last year. Maybe only by 2% or 3%. And everything last year was 8% to 10% more than it cost the year before that.

So, everything costs a lot more. And when the Fed looks at consumer spending and they say, well, spending is up, you know, we must have underestimated household savings and the strength of the household balance sheets. I think they’re as wrong about that, Mike, as they were about transitory. Okay? Basically what’s happening is everybody is buying what they need.

They’re buying what they need, what they did the year before. It just costs more. Period. It’s stretching their budgets. And unlike five, ten years ago, they can’t refinance their house and pull out some cash because now that takes their mortgage from 3% to 8%. Yeah, they’re not going to do that. So, they ran up the credit cards.

What’s next now? Well, we’re seeing the move to liquidity. They’re selling some gold. They’re selling some silver wherever they can to get their hands on some cash to ease the pain. But I think the middle class is suffering, right?

Q. When it comes to the investing case for gold, then, one of the things I find interesting is there doesn't seem to be euphoria out there. Wall Street's not, you know, saying "Buy gold! Buy gold now!" Which actually adds to the longevity of the rally, doesn't it? If you don't have that ebullience, that sentiment?

A. That irrational exuberance that Greenspan talked about years ago? Yeah. You don't quite have that yet with gold. And I do think that's a good thing. I think it's coming. Investors have to get in this market. I think we need to see some rate cuts probably before that happens. And let's face it, we may not see one this year.

Now they're talking, at best, one. And then initially it was at least three. So, you know, the economy is not doing what the Fed needs it to do to keep their promise to start cutting rates and I think they're going to hold off as long as they can as long as nothing major breaks.

They're not going to cut rates. And I think we're going to have kind of a stealth rally in gold for a while. I will caution some people, though. I hear a lot "I'm waiting for the price to come down. With gold at all-time highs, I won't buy here." My word of caution is, it's going higher.

I can't promise that. I can't guarantee it. But we consolidated at all-time highs for gold for four years, and we didn't do that to fall. We did that to build the platform to go higher, okay? Silver consolidated for four years at 40% to 60% of all-time highs. That is not going lower, either. In fact, we're starting to see silver catch up to gold this year.

So, you know, now's the best time. The prices, although at all-time highs, are lower than they've been, and the premiums are not high because the demand is not here in this marketplace. So, you kind of have the best of both worlds. I think a couple of years from now, you might not have the same answer for both premiums and spot price.

Q. So, let's talk about what investors can do. What is it that you say to somebody who comes into your office and is asking to be involved in this market for the first time? And what are some things that you tell them, some tips and things they might want to look at here?

A. Yeah, we'll invariably get people asking you, "Oh, how much is enough? What should I do? This is my portfolio." Everybody's different and I can't give investment advice. What I can do is, I can tell you what I've done, and in my opinion, it works. I like to have 10% of net worth in precious metals, specifically in gold, for wealth insurance.

And I buy that. I hold it. I never, ever get rid of it. Unless I have a financial crisis. So, my definition there, Mike, is gold is wealth insurance. A store of purchasing power with high liquidity for a potential financial crisis you hope to never have. If you have one, you sell it immediately.

You meet the need. Then as quickly thereafter as you can, you try to replenish it, right? For the next emergency you don't anticipate having. I actually like silver here to outpace gold, as it did in the past two bull markets we've had since we decoupled from the dollar.

You know, I like for profit maybe another 10% to 15% of investable assets, not net worth, in gold and silver, primarily silver for profit. And I handle that completely differently. I balance that. So, when you rebalance your portfolio, you take a look and you say, okay, I wanted 5% in precious metals for profit. Now it has doubled. Sell half of it.

Don't hesitate to take profits all along the way. If it dips a little, buy a little bit more if it's at a good price. You know, so you're buying on the dips. You're selling as it moves up. You're taking profits along the way. And then as long as we have the difference between a bull market dip and a bear market turn, you should be okay.

Because when the bear market turn comes, you want to sell that for profits, right? But real quickly, the price of gold is probably going to be two to three times what it was at the last high.

So, it was $1,900. It's going to be $3,800 to $4,700. You would think that the bull market's going to last about ten years right. They tend to be long in the tooth. You're not going to have peace breaking out all over the globe.

That's not happening right now. You're not going to have "social rest" breaking out all over the world, instead of social unrest.

We don't have that now. Your Uber driver maybe start giving you tips on how much they made in silver. You might want to look for the exits at that time. Plus, interest rates are going to need to be considerably higher than 5% here to depress gold purchases. That's not enough to do it. The gold/silver ratio is going to be much lower than the 79/80 we've been hovering at forever.

So, that's how many ounces of silver it takes to buy an ounce of gold. When you start seeing that number come down to 35, you see some of those other factors come into play together. Then you say, okay, it's time to start looking for the exits. This is not a dip to be buying on. This is probably a turn. And I'll be selling my for-profit assets there.

Q. You touched on a lot of great points there. So I don't know that I'd have a heck of a lot more to add. Although I guess I would kind of want to know about this "Commodity Supercycle" argument. I read a lot about how gold and silver, especially silver because it's a little more industrial, getting swept up in that. Is that something you're also expecting to be an issue for the next several years?

A. Yeah, I do. I mean, take a look at pretty much all commodities. It's not just precious metals. You look at copper, you look at grains, you know, cocoa. Whatever the case, they're all starting to surge here. Silver is especially interesting. We produced, I want to say, for about 11 years, a surplus.

And then in two years of deficit production, they wiped out 11 years of surplus. And it's going to be more demand going forward for solar panels and everything else, not just, you know, its monetary role alongside gold as a money metal. So yeah, I like the prospects for silver going forward. The other thing I'd like to share with folks real quick is, how do you hold it?

I strongly encourage you to buy physical metal and take delivery up to a point. That's what we should have as a starting point. If you don't have any, take delivery of some gold, maybe a little bit of silver for divisibility. Have it shipped to your doorstep. Don't tell your neighbors what you have. It's none of their darn business.

Sock it away in a safe, a fireproof safe or something, and hold it for that emergency. At some point, you're going to have enough at home where you say, okay, I have what I need to bridge a short-term crisis, to where I can access assets elsewhere. Right? So, you don't need any more than that.

In addition, you don't want to hold any more than you're comfortable safeguarding. Storing yourself is the cheapest way to do it until it's lost or stolen. Then it becomes the most expensive way to store it, right?

So, you at that point put it in the hands of a professional, put it in a storage depository. And we know many very good ones onshore and offshore that we can help you with for personal or IRA funds.

So, start at home. You got to be able to put your hands on it if you need it. Then branch out to the professionals where it'll cost a little bit more in most cases to store it, but it will be well worth it, to have that asset protected.

Key Takeaways

1. **Split your metals allocation into wealth insurance and investment buckets. Hold the former for the long term/protection and use the latter for profit making/trading**
2. **If you need to tap into the first pool for an emergency, replenish it as soon afterwards as you can**
3. **Keep an eye on the gold/silver ratio as a sign of exuberance. Hovering around 79/80 now...where as 35 would be more of a "sell" signal**

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(Sponsored Content: Excerpts from Podcast Interview Aired May 28, 2024)

Q. This has really been an exciting time for metals investors. Gold was recently back above $2,400 an ounce. Silver was topping $32. What's going on? What's your big picture outlook?

A. Well, there's a lot going on. So, that's a bit of a deep dive. What we're seeing is a bunch of different factors coming together to drive the market all at the same time, which is unusual. And they're overriding the traditional inverse correlation that gold typically has to the value of the dollar versus other currencies, and Treasury yields.

Normally when the dollar is strong, that pressures gold lower because most of the gold around the world is bought in dollars. And when the dollar's stronger against other currencies, it makes gold more expensive in other currencies. So, a strong dollar tends to dampen demand down. We saw that in the fall of 2022 when the dollar got inordinately strong against every other currency because of interest rate differentials. Gold was on sale at that point in time.

Also, gold doesn't do well when Treasury yields are high, because if you can get an interest rate that's meaningful on your money, gold doesn't pay a yield. So, putting money in a T-Bill or money market fund is more attractive.

But what's happening is we've had some real changes. First and foremost, gold has been tracking our debt higher in the big picture. So, if you go back to 2002-2003, our debt at that point in time was $7 trillion. It took us 200 years about to get to $7 trillion.

Between 2004 and 2014, our debt more than doubled to $17 trillion. Now, between 2014 and 2024, our debt has doubled again to $34 trillion. It's up almost 5, 6, 7-fold from where it was now at the start of the century, the year 2000. And gold is up the same amount. It's lumpy, but it's following our debt in the big picture.

Q. It's amazing when you throw those numbers around. It kind of makes your head spin, right?

A. Oh, it's crazy. And we're starting to see, for the first time in mainstream press, stories that talk about our debt and how it's becoming untenable.

You know, just the other day, there was a story in the mainstream press from the government figures, releasing projections on the longevity of Medicare, Medicaid, and Social Security. And they're saying they're going to run out of money in 11 and 12 years from now, 2035 and 2036.

The last time I saw those projections, they were 2040. So, you've got our debt exploding, especially after Covid. We went up $6 trillion in a very short period of time.

That's a big factor helping gold in this time frame right now. The war in Ukraine, when Russia invaded Ukraine, that has created another big trend change. Or it has increased a trend that had changed after the Great Financial Crisis.

So between the 1950s and 2010s, central banks were mostly net sellers of physical gold. Throughout most of that period of time, if you look at net central banks purchases and sales of gold, they're mostly negative.

Following the Great Financial Crisis starting in 2011, central banks became net buyers of gold. Now they're the people that have the printing presses. They know what they're doing. They're creating a lot more debt out of thin air.

So, they're buying gold for the first time en masse, I think, to hedge their bets, right? They know what they're doing.

Annually, mines produce about 2,500 tons of gold every year. New production is pretty consistent. From 2010 to 2021, central banks have been buying about 500 tons of gold a year, or one-fifth of the mined production annually since the Ukraine war started.

And we sanctioned Russia. We seized their assets and we took them off the SWIFT international banking system. So, there's been this move among Eastern countries to de-dollarize. They're doing more trading in their own currencies outside of the dollar.

Saudi Arabia is now selling oil to China and India outside of the dollar, which is a first. But central banks have stepped up their gold buying as a result of this. Because if you have money in the US, either in Treasuries or in cash, and the US can seize it or sanction it like we did with Russia, you've got a problem.

But if you have gold in your vault...that can't be seized or sanctioned. So, central bank gold buying has more than doubled in the last two years, from 500 tons a year to 1,000 tons a year. Now they're buying 40% of what mines produce annually. And this is a big trend higher just in the last two years.

And what I sense...I can't prove it, but I've been doing this for 44 years...when I first got into these markets in the early 80s, the physical gold market dominated the price. Once we got into the mid-90s and computers came up and they became ubiquitous, everybody started using them. We were enhancing our trading capacity, with high-speed trading and then this explosion of wealth. Well, the futures market took over as the dominant factor in the metals price.

But I think all this gold physical buying that's been going on is starting to change that situation. The physical market is starting to dominate the market more than the futures market. This is a big potential trend change that I suspect is starting to happen. And that's why gold is running higher now, especially in the last couple of months.

Now on top of that, we've had problems with our banking system. We had bank failures last year. So, there's some fear over that. But more importantly, we have two wars that are going on and gold climbs a wall of worry.

And what wars do, especially in the Middle East, is they affect the oil price. They push the oil price up, and we're already in an inflationary environment because of all the printing. So, all these factors are really starting to come together to mesh to help propel this gold price.

Q. You've been following this market even longer than I have. And it really is amazing to see those traditional things—you mentioned Treasury yields, mentioned the dollar—get overwhelmed by some of these other things that that have been percolating in the background, but are really in the forefront now, right?

A. Exactly. This is very unusual. So, what happens if the US goes into recession and we increase our debt or our Treasury yields fall or the dollar falls? Gold could get a real tailwind from that event as well.

And, you know, five years ago, when gold was $1,300 and having broken over a six-year top at $1,375, if you would ask me "When are we going to see $3,000 gold?" I would have said, oh, that's a long way off. We've got a long way to go.

Now, it's five years later, and we're around $2,400. And I'm saying, you know, $3,000 gold isn't that far off from here.

Q. Dana, in the time we have left, let me ask you: If somebody wants to get involved in this market, if they're just starting out, what kind of advice do you have for them? What are some ways that you can help them capitalize on this or just find protection in the precious metals market if that's what they're looking for?

A. Well, I'm in the physical precious metals market. That's what I do. I handle the physical product—ounces of gold, ounces of silver, mostly made by sovereign mints: The US mint, Canadian Mint, Austrian Mint. If they were ice cream, I would tell you they were vanilla, chocolate, and strawberry. The three most popular flavors.

We also handle refinery-made bars. But I think the sovereign-minted coins, which are just round bars made by a sovereign government, are better for the public to own for a host of reasons I won't get into here.

My company is American Gold Exchange. We're located in Austin, Texas. We're a national, physical precious metals, mail order dealer. Our website has the most widely traded, competitively priced items on it, with transparent live pricing.

And we're very competitive. It's a very competitive market, and we're always on the hunt. We're consultative by nature. So, if someone's interested in being in the physical markets, we help individual clients on a one-on-one basis answer all their questions. We want to help you succeed in what you're trying to accomplish.

We also look at the relationship between gold and silver. We do a bit with platinum and palladium as well, which I think are undervalued in this market, especially relative to gold. They're both scarcer and they have some pretty high industrial uses. But right now they're underperforming by quite a bit and they are lagging, so that's another area that we specialize in.

I also do a lot with vintage old US gold coins. I'm an expert in those. I'm a nerd when it comes to vintage US gold coins minted pre-1933.

But for most people who just want to own physical gold or silver, you know, the ounces that are made by the US mint, the Canadian Mint, and the Austrian Mint are the best ways to go for not only purchase price, but liquidity. When you want to sell, these are easy for you to sell anywhere to any reputable dealer.

While I'm on that subject, it's very important that you deal with a reputable dealer. We're an unregulated business and there are opportunists in our marketplace.

So, find someone who has a great reputation and has been in the market a long time. That's really the two things you can do to help protect yourself from opportunists who might bait and switch you. It's a classic ploy that some of our unscrupulous participants in this market like to do.

Key Takeaways

1. **Sovereign-minted coins are one of the best options for investors due to competitiveness of market and ease of buying/selling (liquidity)**
2. **Best options are those minted by the US, Canada, or Austria**
3. **Platinum and palladium look undervalued relative to gold**

Omar Ayales
Editor, *Gold Charts R Us*

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Q. This is the kind of market where it's just getting more interesting, more opportunistic in the precious metals space. So given your background, I want to kind of start from 30,000 feet up. What is it that you're seeing that's driving the action in gold here in 2024 and beyond?

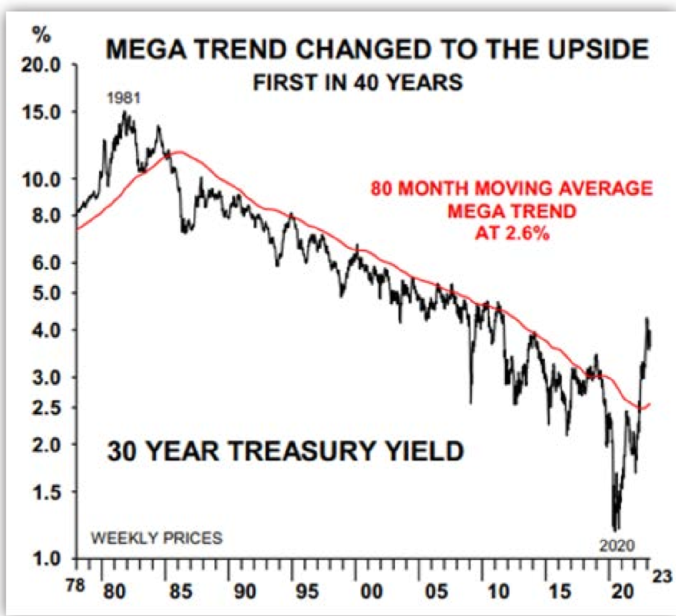
A. For me, really, it's an inflation story. There are a lot of interesting tidbits, but it's basically an inflation story that has been fueling the metals ever since there was this big shift towards higher inflation for longer that we saw formalized back in 2022.

Of course, it was brought on by the pandemic and a lot of what everybody knows regarding stimulus and years and years of easy money. But back in 2022, we saw a clear breakout. And it's one of those breakouts, a longer-term breakout so it's not just a little blip, you know? It's not just something that's transitory.

It's actually something that is a mega trend. And I believe that since then, that is the driver, the driving force for a rise in metals, both gold and silver.

Q. I remember hearing about that chart in a previous conversation. We had just kind of seen this is what a four-decade trend that's been broken essentially looks like.

A. Exactly. It started back when interest rates peaked in 1981 approximately and inflation basically peaked back then, too. And for the 40 years that followed, we had been living in an era of disinflationary forces or outright deflation in certain areas. More recently, that reached a low and that was around 2020 with the whole pandemic when rates were once again slashed to zero.



Source: *Gold Charts R Us*

And you know the story. But that was kind of like, maybe, the pinnacle of low interest rates. Ever since, there's been a turnaround and a breakout. Of course, I'm a chart man. So when I see a breakout in charts, it tells me things.

And I've seen that turnaround in the past two or three years not only become confirmed, but it's opening our eyes to higher inflation and higher rates for longer. Now, that doesn't necessarily mean that it's in a straight line shooting up to the stars. But it's a trend that takes 30 or 40 years to develop as well and sometimes it's just hard to grasp.

We haven't been in this type of situation since the period from 1940 to 1970 or really 1980.

Q. Okay, so what does that mean from a metals perspective? Is this really a big macro trend of people looking for inflation protection? Or are there other things that are contributing to it as well?

A. Well, there are a lot of things. I think the inflation story is definitely like a backbone, the strength of the gold market. And when I mean the gold market, of course I include silver.

But there are a lot of other things, Mike, that are driving this inflationary story, right? There are mega shifts that are happening worldwide. For example, global fragmentation and the energy revolution that we're living in. The need for just more capacity.

And global fragmentation—going back to that—is huge, because all of a sudden, the world is realigning itself. Having sovereigns and countries doing business with friends and with allies. Or even with other sovereigns that have geopolitical interests align...things of that nature.

Ultimately, when you're buying from friends, you're not necessarily buying the cheapest, right, like it was for the past 40 years from China? It's actually being maybe a little bit of a premium. But you are contemplating other aspects. So, I think some of these things that I've been mentioning are contributing to the greater push of this greater inflation story down the road.

And of course, we have geopolitical turmoil. We have wars going on. I personally don't believe that the threat of geopolitical issues, war, etc. are contributing to the longer-term development of the metals or gold and silver. You could see a spike up and down. That's what usually you see when there are those international skirmishes. But the backbone strength of gold, you know, I believe is the whole inflationary story for those reasons I cited.

Q. So, who's doing the buying that's driving it here? And I ask because I look at some of the stats from the World Gold Council and so on. They're looking at some of the central banks. China, for example, has been pretty aggressive. But then you look at, say, US ETF purchases, things like GLD. There just doesn't seem to be a lot of individual investors flocking to gold and I'm wondering if you had any thoughts on that.

A. I think it's all related to this global fragmentation story. Basically central banks across the world see that there are different systems. Global systems that are being forged due to sanctions and different things that have been happening due to geopolitical turmoil, especially Russia, Ukraine, and all the different wars that you of course, you and everybody else know and see. Central banks are not turning away from the US dollar completely, but I think they're looking for diversity.

Right now, when you're looking at and saying, I want to also be a part of these other systems. What do I do? What do I buy? Well, the currency market really is the US dollar and it doesn't really look great. So, where are you going to put your money? It's not really an easy choice.

And then if you go into US Treasuries, well, you're doing the same thing, going into the US dollar. So, I think gold allows for that diversity. It allows for, eventually, whatever systems become forged—whether it's a BRICs system or whatever—it's going to be a parallel system that is going to be created to the current system. It's going to need an agent or something to arbitrage value between the different systems.

How are we going to be able to determine what the US dollar is worth in a system that is not being used, or likewise the other way around? And I think that gold in this particular circumstance is a great value because it's actually the natural arbiter of value between any currency systems that are created.

And I think that one of the reasons central banks are going into this is because of that. They're just looking for diversity because of this global fragmenting. It's a question of diversity, absolutely. And most other currencies are just...you see the euro, which is a very strong currency, but it's been in a long-term downtrend. It doesn't seem like it's going to be breaking that anytime soon.

And with most other major global currencies? The yen continues to tank. You have others, like the Swiss franc, which you could go into, and I'm sure central banks, some of them, are populating their assets with that kind of stuff. But I think it's at a lesser degree.

Q. Let's talk about charts. Obviously, as you mentioned yourself, you follow them closely. When you look at things like targets, upside, duration of this run...what do you see for gold and silver?

A. Well, so I follow a couple of the longer-term cycles for gold that I will be showing at the MoneyShow conferences. I tend to always take them and I think they're great. But basically, there are two major cycles and just to keep it simple, there's one cycle regarding bottoms, which is every seven years.

And this cycle goes ever since the price of gold was freed back in the late 60s, early 70s. Then there's an 11-year cycle of tops, okay? One is the bottoms, one is the tops. And the reason why these are important is because they've been very, very consistent.

They've been very consistent over the past 50 or 60 years. And, you know, if past is prologue, then it's telling us a couple different things. Right now, for example, the last major lows that we've had were in 2015 and more recently, 2022.

That's seven years from 2015 to 2022. But the 11-year cycle that's of tops, that would start usually at every low. That started in 2015, the last 11-year cycle of tops. That tells me that gold is going to have a major peak, major peak around 2026.

Of course, that's not exact. It could be the end of 2025. It could extend a little bit further. The gold market right now is very strong.

But around 2026 is where I have my eye, and I think that, again, it's not necessarily a straight shot up to there. But I think you're going to be better off holding and owning gold right now from here to then than not. And I think it's going to be one of the assets that outperforms other global assets.

Q. Any price targets or anything like that? Based on if you look at the chart of gold or what it's done, is there a reasonable expectation for where it goes? And for silver as well?

A. Totally. Look, I think a very reasonable expectation for gold would be $3,000. I could say higher numbers and it could be, again, because the gold market is very strong. It wouldn't surprise me if it breaks out, but $2,400-$2,450 was a big number for me that obviously we reached already.

And the reason why is because, really, $2,450 was gold's inflation-adjusted peak from 1981 and interestingly, it reached that, right? So adjusted to inflation, gold actually reached the same peak of 1981 and I think that was a major top. But I think gold will break that.

And that's just going to show, you know, a tremendous amount of strength. We're going to see gold rise to about $3,000 and I think that's the next major milestone—probably in 2026 or before.

I just talked about gold. But for silver, you know, I think the recent breakout above $30 for silver was huge. Huge because it had been resisting at that level even when gold was already rising to new highs back in 2020. And they're in similar situations.

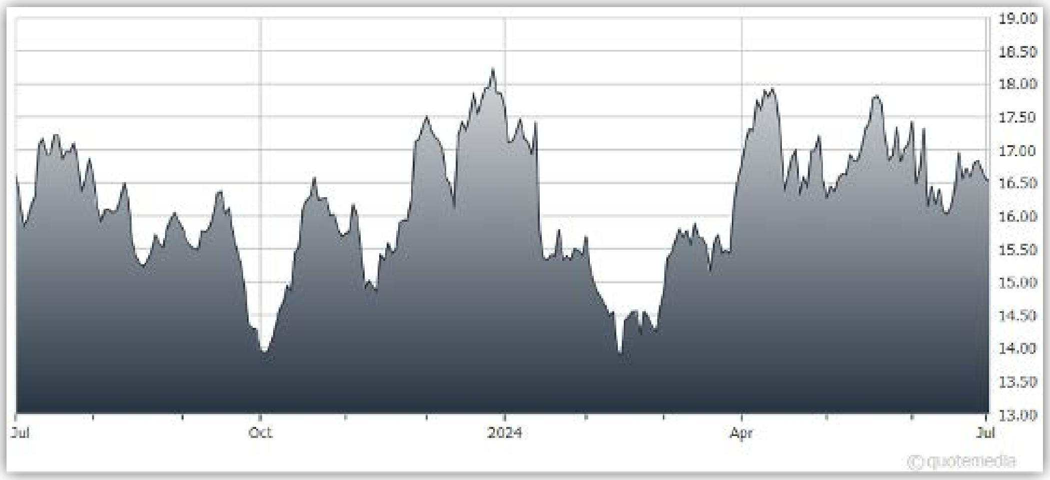
So, I think that this breakout, it's telling us that silver could very easily reach the 2011 nominal highs of around 50 bucks.

Q. Okay, so if someone is reading your work or listening to one of your presentations, what do you give them as advice if they want to get involved in the market? What are some of your favorite vehicles? Is it mining stocks? Is it bullion? Is it ETFs?

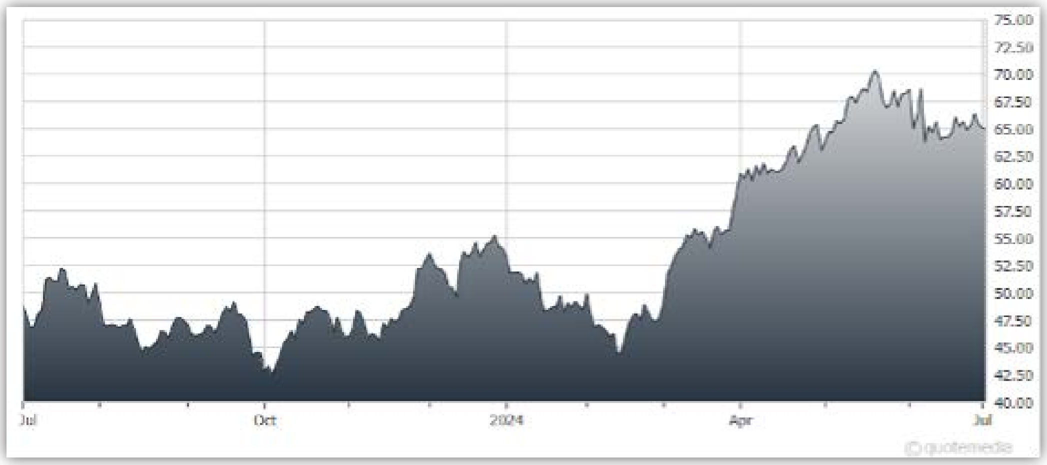
A. Well, I usually like to have an approach that combines all of those together, you know? I have a little bit of physical, honestly. I have some physical. I have some ETFs for gold, just because I like to be, maybe at some point, going in and out and I'm not just going to sell my physical. My physical, I keep it. The ETFs you trade once in a while.

But now, of course, the miners I think are my favorite. When you're talking about senior miners, I believe that you're talking like they're the gold standard. Like gold. The **Agnico Eagle Mines Ltd.'s** (AEM) of the world, the **Barrick Gold Corp.'s** (GOLD) of the world. Those companies are very well established with awesome operations globally and great balance sheets.

Barrick Gold Corp. (GOLD)



Agnico Eagle Mines Ltd. (AEM)



I think those are like owning gold. They even pay a dividend that is not all that bad. And I think that's a great way if you just want to not think too much about it. Just buy the senior miners and you'll definitely get a better return than if you would just own bullion now.

What's very interesting, Mike, is one of the things that the charts tell us. When I'm looking at relationships between miners and the gold price, and the moment in time that we're in...usually when gold is going into a phase that it's strong, or it's currently strong...usually the junior miners tend to outperform the senior miners.

Okay? And then look, going to what you had mentioned earlier about not seeing the Western civilization or culture going into gold as much as maybe Eastern, right? You made a point about that. I think that one of the places that we're going to see that actually develop is probably in the junior miner space. Usually Western or American investors, like retail investors, tend to like the multiples on those rises. They tend to get crazy.

And right now, junior miners are really, really cheap. They could get a little bit cheaper. So, I wouldn't necessarily go in like right this second to all of them. But I have been buying. I have been acquiring.

In our letter, we made a big shift from our positions very recently where we were only investing in senior miners. We shifted now and we still have some seniors, but now we're zeroing in on and trying to consolidate and accumulate the junior miners. I think they're going to be a really good place to be over the next year, two years.

Key Takeaways

1. **We are in a long-term inflationary cycle that began circa 2022 and should last for a couple of decades**
2. **Intermediate-term targets for gold and silver are $3,000, $50 by 2026**
3. **Recommends shifting more money into junior miners as they are very cheap relative to seniors and metals themselves—and have solid profit potential**

Chris Berlet
President and CEO, Stakeholder Gold Corp.
(TSX.V: SRC; OTC: SKHRF)

www.stakeholdergold.com

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Q. Thank you so much for joining me. I guess we'll start with the big picture, right? This is obviously an exciting time for the precious metals market, with a lot of momentum there in gold and silver. What is your take on what is driving the action and how do you see things unfolding in the rest of the year?

A. It's a case of "Be careful what you wish for." Two things that we see quite clearly. One is, there has been a significant rally on central bank buying. China, principally, but Russia also. Even India. Then a number of other countries like Turkey. They're indiscriminate buyers of gold—not so price sensitive.

In this context, gold ETF prices have therefore moved significantly higher since the beginning of the year, following the gold price. But take the number of units outstanding for Western ETFs—the five biggest, two of them are in the US, GLD being the biggest, and two of them are in the UK, and one of them is in Germany.

The five biggest gold ETFs in the world are all in the West and they all had net redemptions of units. The number of shares outstanding was reduced, despite a significant rally in gold price. That's evidence of the fact that people have been selling their gold ETF holdings in the West.

The opposite is true in the East. The five biggest ETFs in the East, one is from Japan, three are from China, and one is from India. And all of those ETFs had increases in the number of shares outstanding. So, there's a net flow for retail investors of gold from West to East. And this is also evidenced with silver ETFs.

So, that's kind of what's going on with underlying price. We see this carrying on. You know, in 1945, the US economy was 55% to 60% of world GDP, and only represented 5% of the world's population, okay? Today, the US is still 5% of the world's population, give or take, but represents only 25% of world GDP.

That's the biggest economy in the world. And on a per capita basis, it still has the highest GDP per capita. But China, for instance, is 18% of world population and 18% of world GDP.

So, as these countries, as countries ex-United States, their percentage of the global economy increases, they look for alternative mechanisms for trading, for currency exchange. And dollar hegemony will at some point begin to begin to come off a little bit. We're also seeing the beginning of that being what's motivating central bank buying. And what's ultimately providing a very strong backstop for gold. We see the potential for significantly higher prices over time.

Q. I appreciate the big-picture perspective. That's a great place to start. What I want to do now is kind of transition the conversation to what it is that Stakeholder does and what your role is. Can you talk a little bit about the company for people who don't know where you're involved in?

A. So, the gold companies through a prolonged period here have underinvested in exploration. They've in fact even to some extent been involved in share buybacks and dividends, and underinvested in capex, but certainly underinvested in exploration.

The average grade of gold mines is declining over this century, the last 25 years, 24 years. And that under-investment in exploration requires a catch up. So, when there are new discoveries, there's an outsized return for investors.

So, we have a project in the White Gold District of the Yukon. That is part of an area that really came into focus in the beginning of this century. The gold mining there was initiated in 1896 with the Klondike Gold discoveries. And they've taken more than 20 million ounces of placer out of the rivers, out of the Yukon River and the tributary river.

In the beginning part of this century, they found the source. They started to find the sources of that gold. And we have our ground position in the middle of that area. It's called the White Gold District with a very large land position in relative terms, 18,500 hectares. Our neighbors are the biggest balance sheets in the gold business. And we think we're on the cusp of a major discovery. It's called the Sky Zone.

We have accumulated evidence now, grade strike length over three kilometers. And we're in the neighborhood where major deposits are discovered. The Coffee deposit south of us sold for $520 million, a 5-million ounce deposit in 2016 at a $1,600 gold price. To the northwest and east is Agnico Eagle supporting **White Gold Corp.** (TSX.V: WGO; OTC: WHGOF) and then to the southeast is Rio Tinto and Mitsubishi.

So you have major, major balance sheets in this area. We're a micro-cap with a small cap market capitalization, 16 million, but on the cusp of a pretty significant potential discovery in this area. That's what we do. We're advancing work on the Sky Zone of the Ballarat, our Ballarat Property, in the White Gold District of the Yukon Territory, Canada.

Q. It's amazing some of the players that are involved in and around that area and what they're finding and what they're doing for sure. Let me ask you this. When it comes to your funding model, it's kind of an interesting situation you have with the quartz operations, right?

A. Yes, well, it's important to control the number of shares outstanding for these types of companies. One of the significant issues is that when you find a mine, and then you begin a discovery process, it requires more capital for drilling, more capital for permitting, more capital for environmental analysis, engineering analysis.

So, there are significant dilution prospects for initial shareholders. If you can control that process, you can support a major revaluation of share price. We sought to do so by combining a very high-value-potential exploration asset with cashflow assets that are in Brazil. It's an exotic stone business that we're in and very profitable.

We've been operating one quarry for three years very profitably, about a million and a half dollars operating profit per year. And this year, we're going to expand to five operating quarries and continue to grow that business because it provides a very robust solution to controlling our share issuance.

MineralPrices.com

So, it's a great business. We're very pleased to be in it. It's got very high profit margins. We've started with a blue exotic quartzite. And we're going to incorporate whites, greens, other forms of lighter blue and teal from different quarries, and really begin to expand that business this year.

Q. Can you talk about milestones people can look forward to if they're interested in investing? What are you looking to hit over maybe the next 12 or 24 months?

A. On the cashflow side, we're looking to expand our quarry business this year. We're going to expand from one to five operating quarries by the end of this year, and then concurrently expand our cash flow. That's a key deliverable.

The other and more important one, perhaps for significant revaluation of the share price, is that we're undertaking between the beginning of July and the beginning of August, we're going to initiate an exploration program on our Ballarat in the Yukon. Specific deliverables there are a VLF survey of the sizes, strike length, or the full strike length of this 3.2 kilometer trend. And then further soils and rock samples that will indicate the grade of this structure.

It's a very large structure. If we get confirmation on grades, we're looking at potential for a very significant discovery in the Yukon. We'll have all the data on that by the end of August and into the market by early September of this year. And with that, we will begin to get confirmation of the potential for a significant new gold discovery in the White Gold District of the Yukon Territory. That's our aspiration in the next three months.

Q. Chris, anything that we haven't covered yet that you think is important for potential investors to know about?

A. We're into a gold cycle. The new discoveries will yield outsized returns and jurisdiction matters in the cycle because of global geopolitics. A discovery in the White Gold District of Canada will get revalued. Our shareholders will get paid and will be compensated for this type of thing. So, jurisdiction matters to a large extent in this cycle, and we have that box ticked very well.

Key Takeaways

1. **Stakeholder is an explorer in the White Gold District of the Yukon, partially funded by cash flow from Brazil quartzite quarry operations**
2. **Running surveys this summer to confirm grades, size of strike, with news likely to be released in September**
3. **Believes operating in Canada—a geopolitically stable location—gives firm a leg up**

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Q. I know it's a busy and exciting time, really, in the space with what's going on in the gold and precious metals market. So, I guess maybe let's just start from there. What is the opportunity out there? What are you seeing in terms of investor interest and so on?

A. Well, I think it's an opportunistic time, no doubt about it. There are some really good deals, some real high-quality projects out there that are kind of caught up in this vortex or void of the retail sector. I think good projects like ours have no problem getting funded. But the question is, do you really want to dilute at these levels?

And it's always that "foot on gas, foot on break" aspect. But we're going full-on with a project now currently underway up at the heart of the Golden Triangle at Treaty Creek.

Q. Let's talk about that a little bit—the region you're involved in, some of the history in that area, and just kind of what the opportunity is over the next couple of years.

A. Great. Well, your timing is impeccable because you saw the release of the news of our neighbors, **Skeena Resources Ltd.** (TSX: SKE, NYSE: SKE), off to the west of us. They just signed a deal with Orion where they're going to receive three quarters of $1 billion in various equity and investment for that project. So, things are getting some traction here clearly.

We are **Seabridge Gold Inc.'s** (TSX: SEA, NYSE: SA) neighbor for having the extension of all those deposits that they've got. It extends well on to our core claims. But more importantly, Newmont came in and took out Newcrest. So now they hold two of the premier gold/copper projects up at basically Red Chris. And now the gold project that I was instrumental on at Valley of the Kings, back in the turn of the millennium, when we came off of a great successful drill program at Snow Fields.

Now re-branded as Mitchell East, but came out with Brucejack Lake in the Valley of the Kings. That discovery happened in 2009, and we didn't name it until 2010. Gave it the name Valley of the Kings then. But seven years forward, we were pouring dore.

That's got to be some sort of track record in basically what was viewed to be a bit of a kind of, NDP Socialist government. But there's been good progress in the mining sector in this great geopolitical arena.

Q. Got it. Can you talk a little bit about, well, you've been in this industry for what, 35-plus years now at this point?

A. A little higher. You're being kind to me. Yeah, 45 years. I got my start in this exact sector. Back in the day, there wasn't a whole lot of money. That was in the early 80s. We'll use this as a focal point: Calpine Resources, with that great discovery in 1985 where Murray Pezim hit that famous 109 hole, went right down the guts of what later turned out to be the Eskay Creek mine.

And, since my early years in the early 80s, I basically have been involved with projects in the Golden Triangle nonstop in my career. I did spend quite a few years chasing the world's biggest silver deposits all over the Pac Rim, the Pacific Rim. So, North America, South America, even Russia.

But now after walking the earth and seeing how deposits form, I had a takeaway moment from when I was at Yana

Cocha, and that was the periocity when I saw those pits and it hit me like a sledgehammer between the eyes that that's exactly what happens at Treaty Creek.

We call that the perfect storm. It is there. Then finally Goldstorm. 27.8 million ounces of gold equivalent in one deposit. 1.19 gram per ton gold equivalent with another 3 billion pounds of copper in one domain in that copper domain CS-600. So, it does have an essential metals component to it. So, we're really, really satisfied and happy, ecstatic with the four years of exploration that's taken us to where we are now.

But now, even in the late stages of exploration, we're chasing high-grade. This does have a high-grade component. So, that's the focus of this year. We have an additional to that 27.9 million ounces of 1.19. The outreaching inferred is even higher. So, we haven't got the center mass yet. So, this deposit is absolutely a beast.

We're actually chasing 6,000,000 ounces of 1.25 gram per ton gold. So, classically and in Canada, of the two largest gold mines, are underground, Detour and Malartic, both owned by Agnico. So, now what we're looking for is to come out with what will be the strongest IRR number we have for a PEA. So, we're actually head and heart shots only. Trying to conserve the money we've got as best as we can and also clip some high-grade while we're doing it with the same drill hole.

So, I think we've been successful with the very first one out of the box. We nicked into some high-grade, higher grade physical gold. So, theory was proved immediately.

Q. I appreciate some of the specifics on your project and what your company is doing. But I do think one of the valuable things about speaking with you is just, again, that long background you have in the industry. For somebody who is considering getting involved in the junior space, what is the opportunity? What is the operating environment like today versus maybe what you might have seen 10, 15, even 20 years ago?

A. I have to say I've had this discussion in the past with some of our key investors. Eric Sprott was one of the conversations we had, and he went through the early part of the 2000s with virtually no competition. He was able to come in and invest heavily in things like Kirkland Lake and things like that. Typically in the past, you would have had a wonderful gentleman by the name of Murray Pezim doing a lot of work.

And again, we were taking that segue right back to where this thing is cyclical, coming back to the Eskay Creek story. But all of that from the new model forward is basically institutions coming in and almost eradicating that retail space. So, that's one thing. And we're finding that with all of the digital technology, it's amazing how many people have never heard of the Valley of the Kings.

And it just occurred to us when we were at the Mining Symposium, in our mining show in Quebec City, that people get myopic to their backyard and aren't so tuned in to what's happening globally. And for sure, in our sector, we're seeing a disconnect, a digital disconnect. So, this is part of our first step.

The MoneyShow, we attended that in Orlando a couple of years ago. I loved it. It had a different diverse set of investors, potential investors. And I think that's the sector. That's where you have to go to them. Before it used to be, you know, John Gould, Murray Pezim picking up the phone one by one, calling their potential investors, say, you got to get on this.

It's a hot stock. And boom, off it went. We don't have that anymore. We don't have that aspect. It's more of an almost AI world where you're seeing computer trades. You're seeing a lot of things that are challenging because it's not really equating to what it should be. So, I think it's getting the word out that is our biggest challenge now.

And this does help. I really do appreciate this moment to talk about the project. But those are the essential differences.

Q. I guess that leads me to my next question, which would be milestones over the next, whatever,

six...12...24 months? What are some of the things you're looking to hit and looking to do and announce?

A. Yeah, absolutely. I think at this point, we don't need more ounces. That's not the purpose of the drilling. We need the highest-quality ounces we can extract to get the best presentation towards a preliminary economic assessment. There are a lot of funds out there waiting on the edge to come in that will invest and hopefully a premium coming forward.

But it's one of those things where they want to see a set of economics on this thing. So, we've actually been talking with some very high-level engineering groups that do exactly that in the PEA: Mining method, extraction processes, site location, tailings site location, all those things. Positive news in all aspects going forward. So, really it's to de-risk a monster.

This thing is enormous. I don't ever think I'll ever drill it off. I wouldn't drill off Valley of the Kings because it became so deep that you couldn't get 12.5-meter centers on section at that point. So, you had to wait till you're underground and drill off the rest of the resource underground. I think, definitely Newcrest recognized that.

And now Newmont is seeing it themselves. So, it's always that aspect of going forward, showing the best face forward economically that we have for the deposit and making it happen. Like we did with Valley of the Kings. We saw so much negativity. A) You couldn't build it there. B) First Nations was going to be a problem.

They weren't. They were helping us build it. People just didn't understand it. They didn't. They didn't get their head wrapped around colloidal gold. They didn't understand what the method of emplacement was. The reality was, it was there. And we see the similar negativity in markets where people will say, well, if the grades are too low because we put out an initial resource of a 0.74. Now, we've almost come forward to doubling.

You want to use a one gram cut off? You could do that to this deposit and you won't lose a lot of ounces. You're still be in for 50,000,000 ounces.

So, it is really a strong, robust system with a good core to it. We look forward to coming up with, what I call a new economic advantage or an economic arsenal by way of high grade. If you can come up with an additional 3 to 4,000,000 ounces to start this thing off, all of a sudden you don't have that upper-tier, required capex, high-investing, investor or senior producer.

You can get this done with a mid-tier or even a smaller producer, because they would start out with taking out the 3 to 4,000,000 ounces of a high-grade and using that to kill the capex going forward. So, this deposit is what you need it to be in my mind.

Q. Okay, last question: Some of the people I've interviewed for this are sort of big-picture thinkers. Some are people who have their hands dirty, like you who are right there in the mines, in the exploration process. Anything you'd want to add "big picture" on the outlook for gold, silver? What are your thoughts on market conditions here?

A. Yeah, I think that everybody's got it backwards. I think that gold should have been up a long time ago. It's just catching up to where it should be. Wages went and accelerated, cost of production accelerated. These are lagged, well-deserved increases and thinking forward, a lot more increase is coming because it's going to catch up.

I think the future in industrial metal, I love that term "industrial metal" to silver. It's ubiquitous in our deposit. We see it everywhere. I think that copper has lagged so far behind. I just hope that the world recognizes the need for electrification, for greener energy, is now. And it takes you, like, ten years to find a monster copper deposit.

I can't imagine that world, what that copper price would be looking forward. So, in the past, I had a pretty good grip where you could see forward six months to a year. Now that's blurry. I'm telling you, I look at myself and I say to myself, what are we going to do? Well, number one, we're resilient. We can adapt.

And that's what you need to do is have that adaptability. So, no doubt about it, we are going to pay attention to our copper component going forward. The gold component will take care of itself. I think there's going to be definitely with inflationary times, more challenges. But who better than a bunch of crusty old miners and exploration geologists to withstand that?

Because we've seen this before. We've seen the epic, basically extinction horizon of 2000. You know, I've gone through five of these things. This is just another one added to the list. Every seven to ten years we go through this. But now we're seeing pulses of, of life. I mean, look what's happened with Eskay again. There's a reinvention of it.

So now you've got $750 million that just got pumped into a project. Derek White's done a great job with Ascot. He's poured dore there. So, the Golden Triangle for a geopolitical safe haven has got to count for something for some of the big producers in South America. And we're seeing the effects of that, and we're seeing the attempts of BHP trying to take out Anglo.

I mean, all these things we predicted, we predicted this a year ago. Any of my presentations I gave, this was absolutely foreseeable. Now the trickle down will happen right to mid-tier to junior to smaller markets. And you're seeing some of that already happening right in our neighborhood. So, let's just see what happens going forward. Often the predator becomes the prey.

Key Takeaways

1. **Tudor is an explorer whose main project is in the Golden Triangle of northwestern British Columbia**
2. **Doing exploratory work on a gold and copper project, working on PEA that will cover mining method, extraction process, and other details**
3. **Believes proximity to projects involving major players with strong balance sheets boosts prospects**

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James Russo
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Q. I'm glad you could join me. This has obviously been a pretty exciting time for the precious metals market, to say the least. When you look out there at what's going on, what are some of the key drivers that you think are behind the moves that we've seen in gold and silver these days?

A. Well, obviously the easy one is inflation. With what's going on, everyone sees that inflation is probably a big part of it. You have the central banks moving away from the dollar as the reserve currency. Out-of-control spending with the government, the national debt. And as far as personal experience, we have people that come into our shop, they're very concerned about their bank, their own individual bank. If one guy says it, okay, no big deal.

But many people have come in and they're worried about their bank and the safety of their money, the insecurity of their money. They have a hard time getting money out. The bank is always questioning what they do with their money, and it's their money. They don't have a problem taking it, but giving it out?

They question it. The other thing I'd have to say is the supply and demand features. The silver market right now, you have more demand than supply—about 200,000,000 ounces—and it has an effect on the cost. And obviously you see the price of crude oil.

That's one of the big factors getting silver out of the ground. That also drives up the price of precious metals. So, I'd put those as the key factors.

Q. Let's talk a little more about the feedback you get from investors because that's interesting to me. I've talked to strategists, mining company executives, things like that, for this report. But you're obviously dealing with the front line, with the customers coming in the door. What are some of their big issues? You talked about bank safety, but what else do they tell you about metals right now?

A. I have to say that they see that with the stock market, there's too much there. There's a lot of bad news, but the market keeps going up and it scares them. There's just so much bad news out there with the inflation. And their cost of living has exploded. They're having a hard time getting by.

They're not seeing the results that the government is talking about. They're seeing that they can't get by. And they're not making any money, and they're trying to survive, and they're not doing that well, and they're trying to find a place to put their money because it doesn't feel safe.

A lot of what we do is a hedge against inflation. And if you can protect your assets by putting them in gold and silver? That's why I think people have been coming in our door a lot and it's been repeat business. It's the same concerns. They're worried about the banks, the government, the national debt. What is it? About $35 trillion?

You know the word trillion? It doesn't get the respect it deserves. You know that is a very, very big number and there's no end in sight. I mean, the United States government right now, I think the government spends about $6 trillion.

We take in about $4 trillion in taxes. That's a $2 trillion deficit, okay? And that number, that $6 trillion number is expected to go to about $7 trillion. So, the national debt next year is going to be close to $38 trillion. That's a sizable number. So, people are worried about the buying power of the US dollar.

What's going to happen? Everyone talks about the cost of eggs. That's a kitchen table item. And when you have those items like that, people sitting down, not being able to buy enough food to get by...People get worried and they want to be able to hedge their investments and hedge their money.

Q. Jim, let me ask you about some of the things that you probably follow like the Fed and the upcoming election. Any thoughts on how that kind of stuff is going to factor in here for metals, for gold, for silver?

A. You know, the Fed's got a tricky job. I kind of feel bad for them to be honest with you. The Fed right now, they've stopped raising rates, but they raised rates dramatically in an effort to curb inflation. And when you're trying to curb inflation, what are you doing really? You're trying to restrict the supply of money out there, okay?

So, if you restrict the supply of money out there, you increase the price. You make it more valuable since you're constricting the supply of money. But on the other side of the street, you got the government, the US government, the Congress and the White House, spending money like it's going out of business.

And so you have one side raising rates, trying to fix a problem, and the other side creating one, or exacerbating the problem. How do you balance that? It's a tough job the Fed has. And then a lot of people, they talk about the Fed trying to stop inflation.

I don't know if people understand what that means. Let's just say the cost of eggs again. I bring up eggs a lot because it's a common item. Let's say they used to cost three bucks. And because of inflation, they've risen to $6. So now, the Fed says we've stopped inflation.

The cost of eggs now is $6. It's not going $6.01. It's not going to $6.02. We've curbed inflation, okay? But now the cost of eggs is $6. They've "tamed" inflation. But the price has doubled.

They can't do anything to bring those prices back down. So, people are still now paying double, much more for their items. And the Fed is saying "No, inflation is coming down." Well, that's not what I hear, okay? Because the prices are still very high. That's a tough spot.

Q. Let's talk about what kind of advice you have when people come in the door. Or they call you guys up and they may be interested in gold or precious metals for the first time. What kind of advice do you have for them these days?

A. Well, my biggest thing is, I would tell them not to buy numismatic metals. Numismatic metals are metals that are worth more than the actual value of silver. For example, if you have a coin, a silver coin, silver is trading around $30 right now. You could have a numismatic coin that could be worth 80 bucks, a hundred bucks, 2,000 bucks, 20,000.

And people buy these coins in hopes that they will go up in value. And you really got to be good at that market. You got to be an expert in that market to get involved. And a lot of people take these coins, they put them in their IRAs over their approved coins, and they have a huge premium on them.

Yeah, I would stay away from that, okay? You're not an expert in that. It takes a long time to get good in that field. I would buy metal that is as close to spot as possible. Even the Silver Eagles right now, I'll give an example. Silver Eagles right now, the market is at 30 bucks, Silver Eagles are costing about $36, $37.

You're talking $6 or $7 over spot. A generic round costs $33. You're paying an extra three bucks for that coin instead of a round. A coin is backed, an Eagle is backed. It's a coin backed by the United States government. The Maples are backed by the Canadian government. That's what a coin is. A generic round is just a round.

But they still have the same amount of silver content in them. You're paying an extra three bucks for that Silver Eagle. So now, the market's got to go up that much more in order for you to break even. That's not worth the risk. So, if you're a new timer, if you're a new customer, or new into the business, buy metal that's as close to spot as possible.

So, if the market is at $30, $32, $33, if you can get one-ounce rounds, that's what I would do.

Q. What about the difference between, say, somebody buying a gold or silver ETF versus buying actual physical metal? What do you see as the advantages of doing what you're talking about versus that?

A. I'm not a fan of the ETFs at all. I remember when the first one came out and I read the prospectus. You can't take delivery of it. Yeah? That scares me a little bit. That just lets me know that there's something else going on behind the scenes that they're backing these things up with. Not with the actual physical bullion, but with futures or some sort of derivative.

Hold the physical. Hold the tangible in your hand. Put it in a depository or storage account. The actual physical bullion. Anything else, you got to worry about third parties doing something that you're not aware of. Very scary, those GLDs. You got to be careful when you buy those things. I would just stick with the physicals.

Q. Okay, last question before we wrap up. Talk a little bit about what it is Metals Mint, your company, does. What can you do for people that are interested in getting involved in the metals market?

A. Well, we're a local broker and we also have an online platform. So, we encompass both worlds and our motto here, Mike, is concierge service with great prices. What we try and do is we try and cater to that individual and what his needs are. So, you can give us a call.

Or go to our website and schedule an appointment. If you're local, you can come in to our shop. We can sit down and talk to you about what you need. If you want to put physical metal into your IRA, we can do that. If you want to buy just physical and have it drop-shipped to your house, we can do that.

Storage accounts. We can open up a storage account for you so you can just have your metal shipped right there. The thing I like about IRAs is, we actually put physical bullion in your IRA. So, when you have to do a distribution—they're called required minimum distributions as you're older, you have to take metal out of your IRA or money out of your IRA — you can actually take delivery of metal instead of cash. Which is kind of interesting. So, you're always having the ability to have your metal.

And the other thing is, when people come into our place or they stop by and you develop that relationship with them, they get to know who you are. Whether it's a phone call, whether it's a sit down—and obviously, sit down is a little more intimate — you get to know what they want and what they need.

Most of our business has been repeat business. They come in. They'll drop a check down. Say buy when you think. That's a lot. And that's because they get to know us.

Key Takeaways

1. Recommends buying metal priced as close to spot as possible—including generic "rounds" versus minted coins

2. Does not like numismatic metals given the premiums involved and the need to be an expert to get fairer pricing

3. Prefers physical metals to ETFs like GLD, SLV given concerns about how they're structured

My Final Bit of Advice?
It's a Golden Age—Profit From It!

Mike Larson here again. I have always made a key point about myself when speaking on precious metals at conferences—or to everyday investors on the street. I am NOT a traditional "gold bug." There are times when I love the metal as an investment. Times when I don't. And times when I don't focus much on it at all because there are more promising opportunities elsewhere.

But since the second half of 2018, I have been a staunch bull on gold and silver. And I am even more of one today given the three powerful forces covered in this report. That means you should strongly consider...

1. **Buying physical metals and/or coins as investments**
2. **Using "paper gold" and/or ETFs as vehicles for trading around core positions**
3. **Target both senior miners and junior miners and explorers as profit vehicles**
4. **Futures, options, and other even more-highly leveraged investments, provided you are comfortable with the risks and mechanics involved**

In the end, the only thing you should NOT do is let this "Golden Era" pass you by completely. There's a reason gold, silver, and more recently, mining shares, have performed so well. And I have every reason to believe they will continue to do so in the rest of 2024 and beyond!

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