Gold Newsletter
Vol. XLVII May 2022

# Fed Cred

## While the Fed tries to establish its credibility as an inflation fighter, gold struggles to regain its role as an inflation hedge.

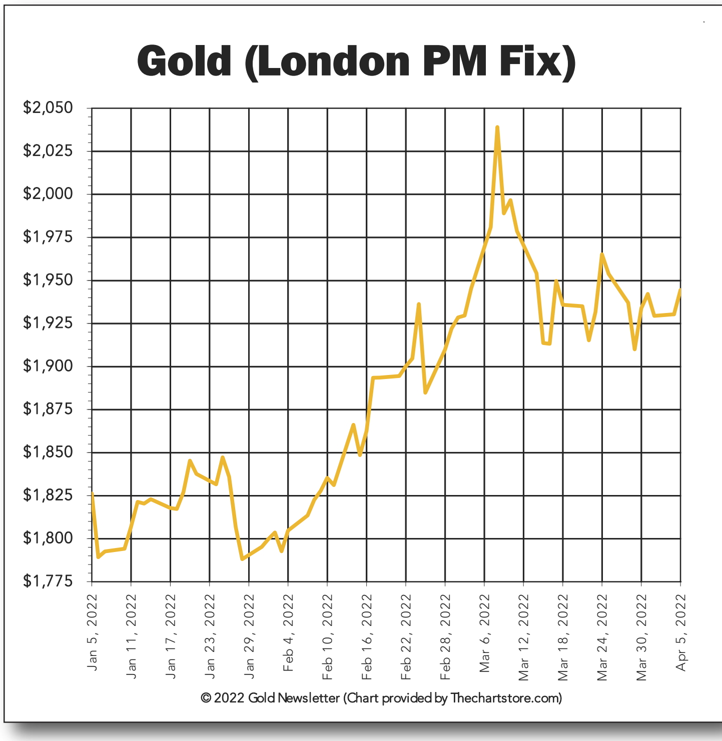
**By Brien Lundin**

There's a lot of credibility in question right now — and some may justifiably say the views of gold bugs should be lumped into those that need to be questioned at this point.

Last issue, I outlined all the reasons to be bullish on gold. Among these, I noted that high rates of inflation were baked into the cake...that rate hikes were historically bullish for gold...that the technicals were bullish long-term for gold (albeit neutral short-term)...and that the Fed was stuck in a trap and would be proven powerless to fight inflation.

Because of these factors, I counseled just a bit more patience from gold bulls, until these driving factors could take hold.

And I was right, as gold soared higher...for about two weeks.

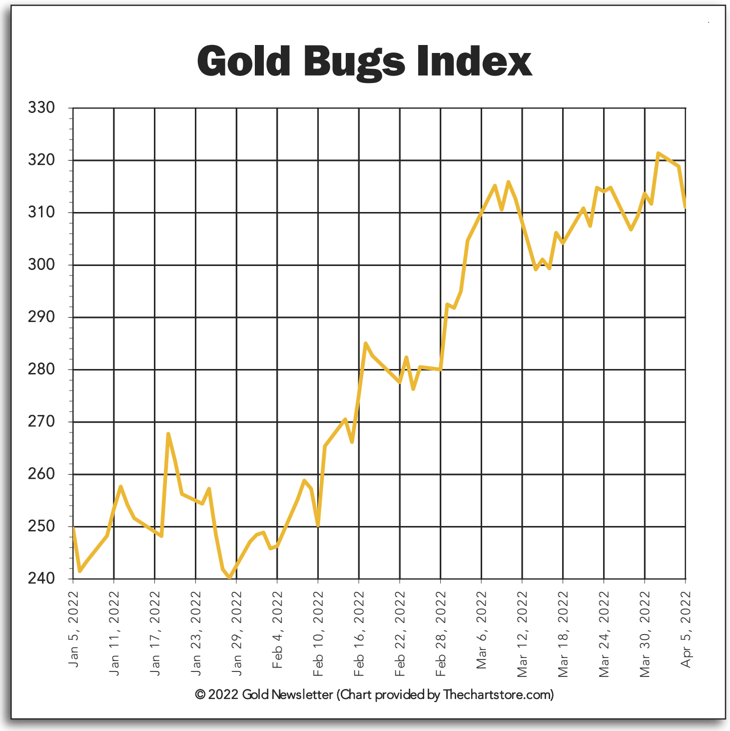



Then, as you can see from the accompanying chart, gold dropped off a cliff. From knocking on the door of $2,000, it quickly fell to nearly as low as the mid-$1800s. Along with the gold price, my credibility was also declining.

Still, I shouldered on. Maintaining my bullish outlook, I delivered a couple of charts to our *Gold Newsletter Alert* readers.

The first of these was a six-month chart of the gold price plotted with the occurrences of month ends and Fed meetings clearly marked.

**INSIDE:**




The point, as you can see from the updated chart nearby, is that it's not unexpected to see gold sell-off towards the end of a month as futures and options contracts near expiries. In other words, the gold and silver prices are shoved around mercilessly to keep the closing price away from key strike levels and the bears in the money.

It's happened over and over, and should no longer be a surprise.

Moreover, as the green lines show, gold tends to rise after a Fed meeting. The January meeting may seem to be an exception, but the effect was merely delayed: After a few days gold began its most impressive rally of the year.

Perhaps the most dramatic example of this effect came after the meeting of December 2015. As I've recounted in these pages, that meeting — wherein the Fed instituted its first rate hike after the 2008 financial crisis — launched a major, eight-month rally in gold.

This is why I expected a similar experience after the Fed's April meeting and the initial rate hike in this tightening cycle. And of course, we got that for a couple of weeks, and may be seeing a renewal of that move now. (More on this in a moment....)

The second chart I offered to our *Alert* readers was taken from Nick Laird's outstanding GoldChartsRUs.com site. As you can see, it shows the cumulative total of all the "physical" gold ETFs, trusts, etc., plotted against the gold price.

I noted that I was encouraged by "the fact that the physical gold ETFs and trusts (to whatever extent they really are physical) have generally been enjoying robust inflows even as the gold price has been declining. This is strong supporting evidence for the broader shift in portfolio allocations to gold that I've been discussing. It also supports the notion that what we've been seeing over the past week or so have been [merely] the typical Comex and other paper-gold-market games being played — especially as we approach month-end expiries."

Still, despite my stubbornly bullish stance, the gold price continued to fall. The great Richard Russell famously remarked that it's the job of a bull market to shake as many people out as possible...but that's little consolation when you see gold dropping $35 a session.

All this said, there was one last straw to grasp: The upcoming Fed meeting and the expected half-point rate hike it would present.

## Powell To The Rescue?

Yesterday's Fed meeting was forecast to be the most momentous and anticlimactic in history.

That's because a half-point rate hike would be the first since 2000, and yet everyone knew


they were going to do it.

And so they did, with the only mild surprise being an announcement of a timeline for quantitative tightening, with the run-down in the Fed's balance sheet beginning next month.

The reaction in the markets was initially muted, as virtually everything had been firmly priced in. Gold rose about $5, then dropped back to essentially flat, and the other asset classes hovered around unchanged. My hopes that the Fed meeting would re-launch the gold rally were being dashed.

Then Chairman Jerome Powell began to talk — and his words led to some remarkable aftershocks.

First, he essentially admitted (at least to my ears) that he and the other Fed officials were desperately playing the PR game. In saying they simply "Can't allow inflation expectations to become anchored.," he was confessing that primary goal was manipulating the public's beliefs and emotions.

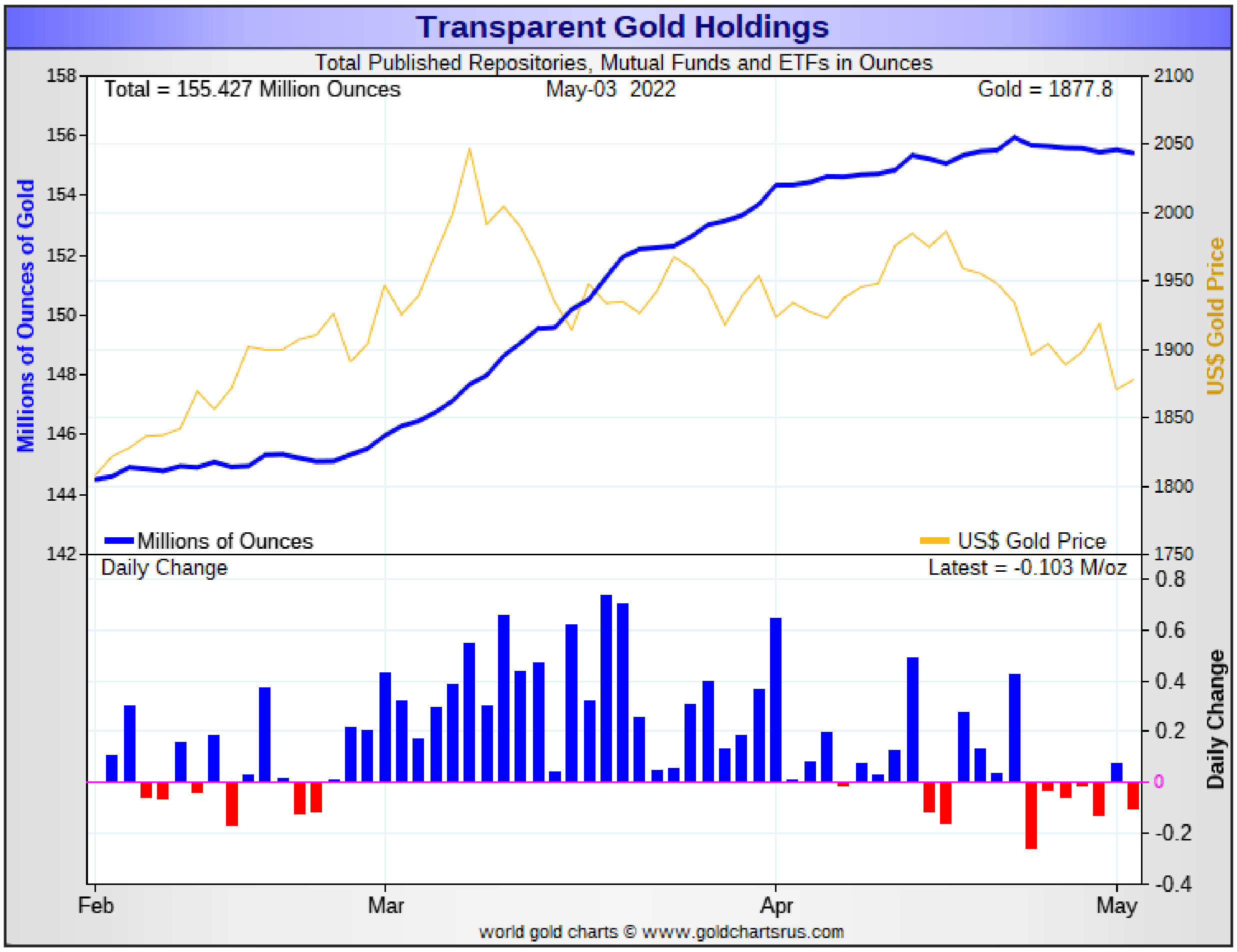
This is why they've employed their rhetorical tools so often in recent weeks.

But then he went on, noting that "Our tools don't work on supply shocks. Our tools work on demand." In other words, the only thing they can do is to dampen economic activity...which is precisely what they have been simultaneously assuring the public they won't do.

So, yes, we're headed for a dramatic slowdown...but at the same time, we're going to make it a soft landing so don't worry.

OK. As bond king Jeffrey Gundlach commented following the press conference, Powell was saying what he had to say, with the lone slip being his off-hand remark that the landing may be "softish." In short, expect a recession.

But these weren't the comments that woke up the markets. That came when Powell said that three-quarter-point (0.75%) rate hikes were something the central bank was not "actively considering."




Consider that the Treasury futures markets had already priced in 0.75% hikes, as early as June, as a 95% probability, and the reaction in the markets to Powell's comment is understandable.

They caught fire.

Gold immediately leaped $20 (before settling back to a $14.50 gain), silver jumped nearly 2%, and the major U.S. stock indices all soared about 3%. Interestingly, the 10-year Treasury yield fell back from the 3.0% threshold, while the Dollar Index plummeted nearly a full point.

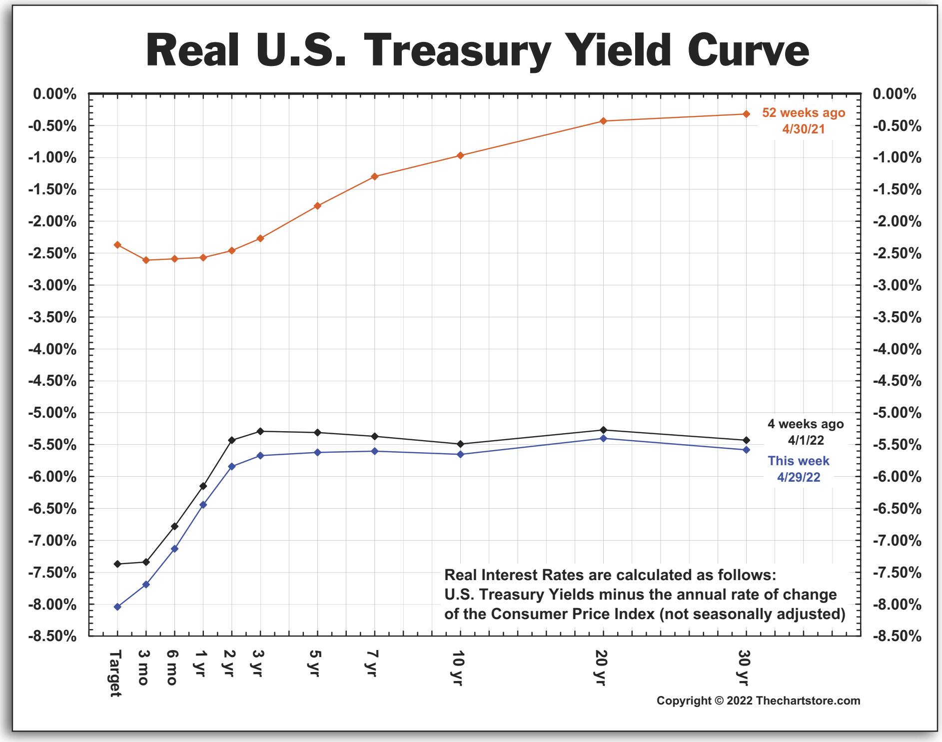
One day does not make a trend, however, and the next day the U.S. stock indices all fell off a cliff, with the Dow falling another 1,000 points, the S&P dropping over 3% and the Nasdaq plummeting nearly 5%. The 10-year yield rose back over 3.5% and the Dollar Index jumped back over 103.

Given all this, one would have expected gold to also give up its post-Fed gains, but instead the price jumped another $15. However, as the sell-off in equities progressed through the trading session, gold couldn't resist the resulting liquidity vacuum and gave up its gains. At press time gold was down $7, which in itself was an encouraging performance given the headwinds.

The future will tell if the metals can mount a new rally, but it's important to remember that the aforementioned fundamentals are still firmly in their favor. And even as the Fed continues its aggressive rate hike plans, real rates across the Treasury yield curve remain near their multi-decade lows (as the nearby chart shows).

Plus, as I've mentioned a time or two, the Fed simply can't raise rates much more without sending the costs of servicing the federal debt through the ceiling. The predictions of a fed funds rate approaching 4% next year are nothing short of fantasy.

Unlike last month, however, this bright picture on the fundamental front is contrasted by a gloomy one in the technicals.

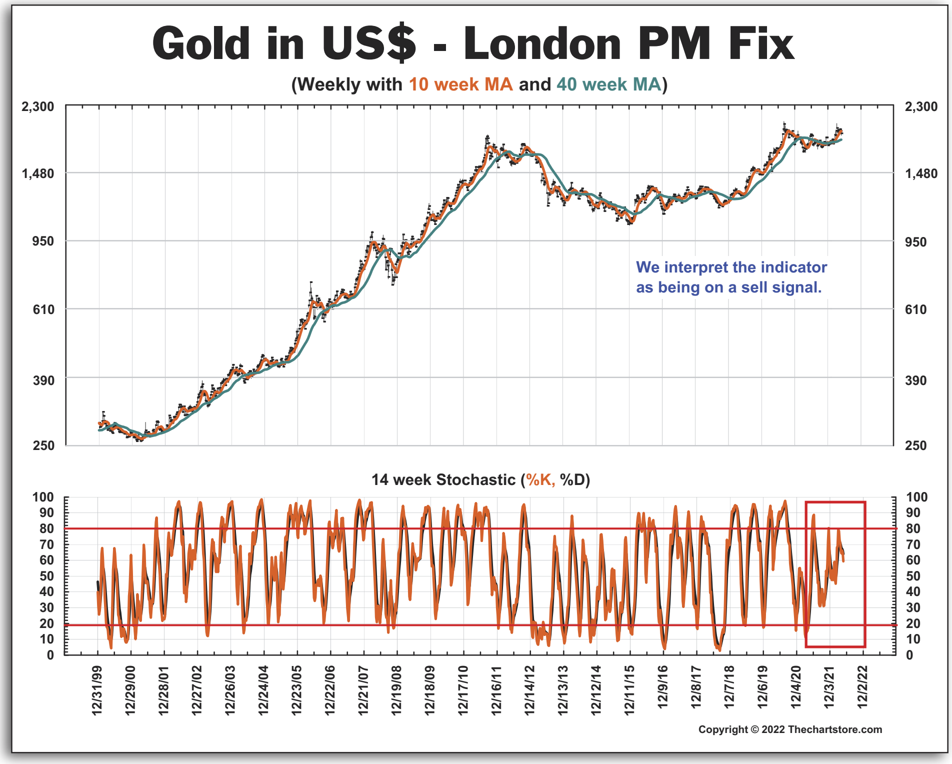



## Technically Speaking

We don't have to look too deep to see the damage that the price decline in the second half of April wrought on the gold and silver charts.

As you can see from the 14-week stochastic charts (courtesy of Ron Griess and [TheChart-Store.com](TheChartStore.com), as always), these indicators have switched from neutral as of last month to sell signals this month.

These don't move quickly, so we'll need gold to not only begin its recovery but sustain it for some time to get this indicator back in the buy zone.




The lone good news comes from the chart accompanying MACD chart for gold, which is at least neutral for now. The reason I'm featuring this chart, however, has to do with the now-famous "cup-and-handle" formation, in which the handle has now supplied us with a second cup-and-handle.

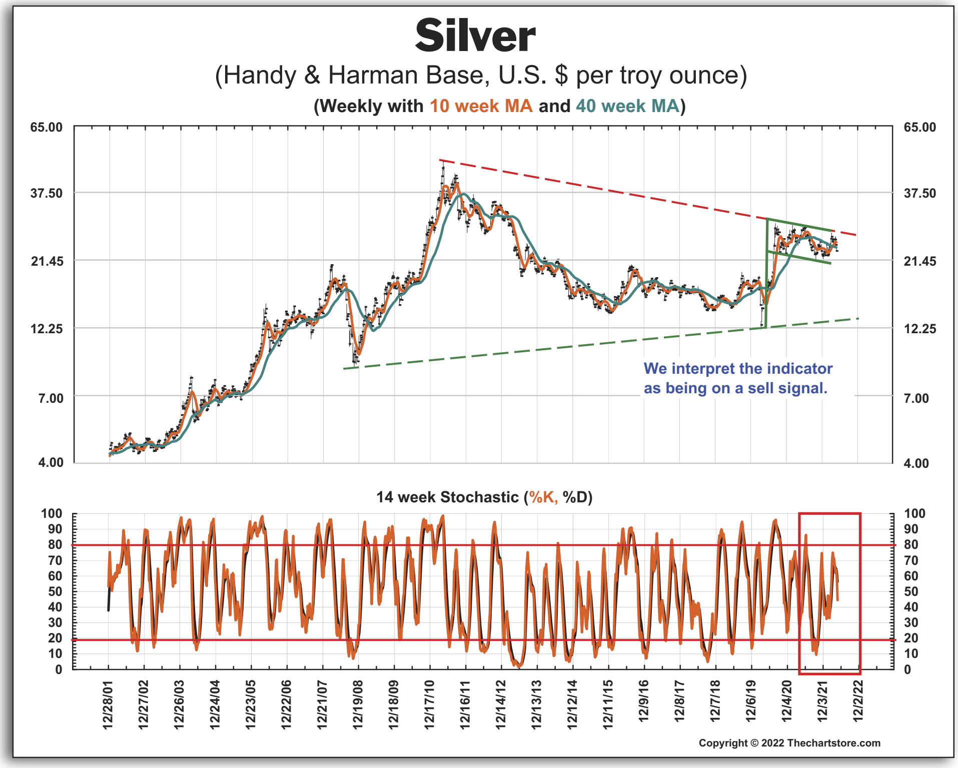
As I've remarked before, this formation

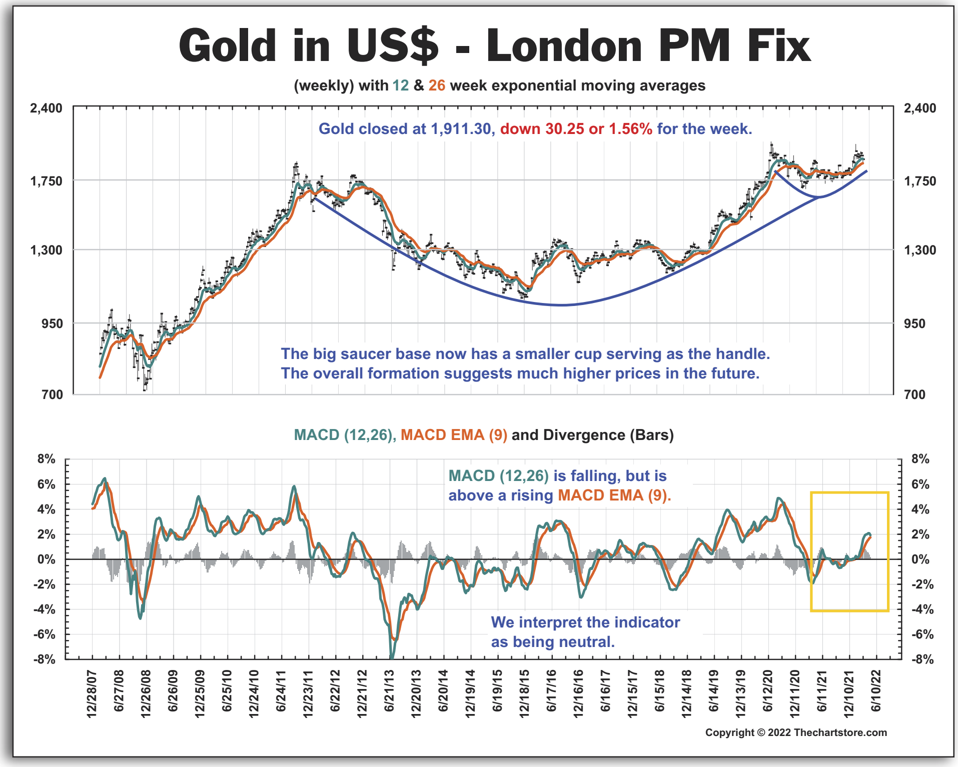
is very powerful and points toward a gold price exceeding $2,500. Let's hope it bears out, because as rewarding as that move in gold would be, the leveraged reactions in the junior mining stocks would yield fortunes.

Such fortunes are proving elusive for now, though, as our following review of the junior mining sector will show. I will note that behind the generally disappointing price charts, many of our companies are making important news.

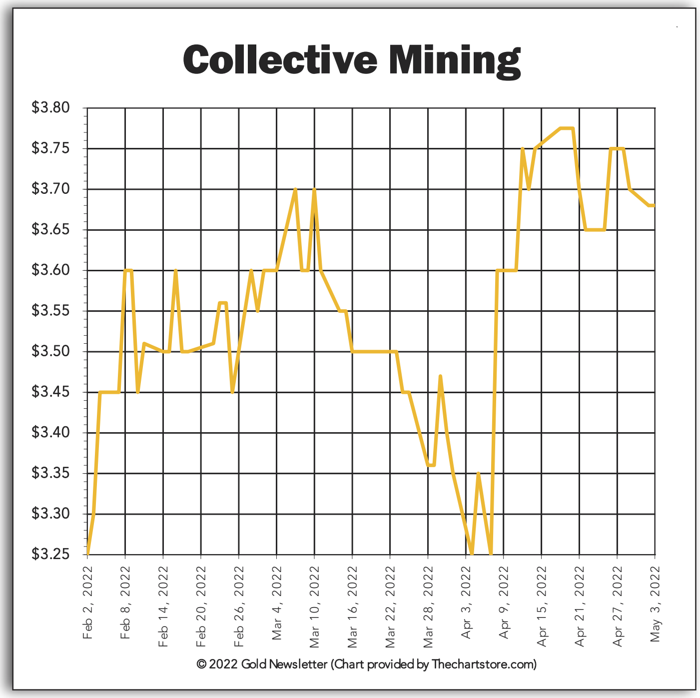
I'm encouraged by these developments, and attracted by the bargain-basement price points we're seeing right now. I've got a number of companies in the buy zone because of this, but I remain cautious about jumping head-first back into the sector just now.

Let's give gold a chance to show us a bit more first.



# Mining Share Update




## Collective Mining

CNL.V; CNLMF.OTC
416-451-2727
collectivemining.com

Drilling at Collective Mining's Guayabales project in Colombia has been focused on an area of copper-moly mineralization called Apollo.

To date the company has drilled its first hole at Apollo to 438.7 meters and is in the process of drilling a wedge hole from 213 meters downhole. We haven't gotten assays yet from the original hole or the wedge hole, but visual evidence of porphyry-related hydrothermal breccia mineralization has been observed.

The wedge hole has advanced 85 meters and drilling will continue until it has exited breccia mineralization. Collective's geologists estimate the breccia matrix at Apollo consists of 4%-5% pyrite and 1%-1.5% chalcopyrite with an overprinting of carbonate base metals.

Based on the mineralization observed in both holes, Collective has decided to build two additional drill pads at Apollo. The rig drilling the wedge hole at Pad 1 will move to Pad 2 and a second diamond rig will be brought in to drill from Pad 3.

These new pads will allow Collective to test the soil anomalies of high-grade copper and moly at depth, as the initial holes' mineralization did not coincide with those anomalies.

All this is some definite smoke to go with the fire on Guayabales' Olympus Central target. As I reported to you last month, the three holes from that target produced two hits, including 302 meters of 1.11 g/t gold equivalent.

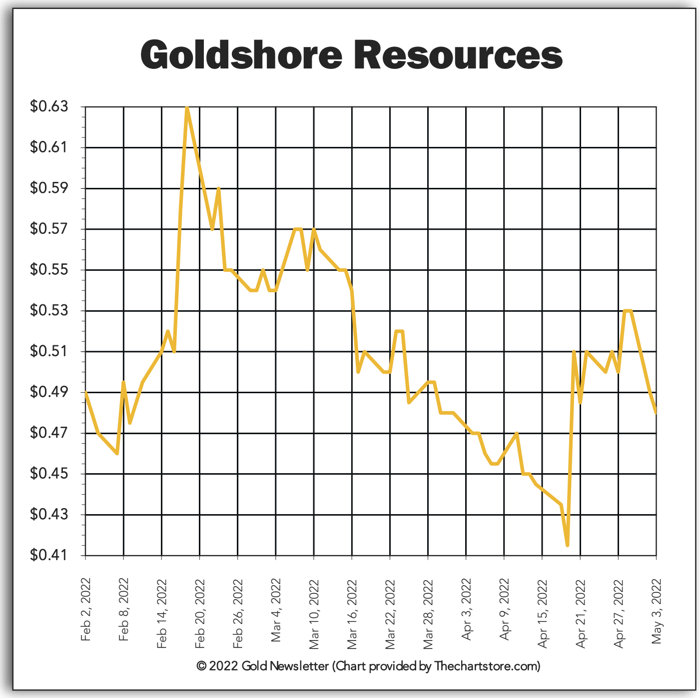
To date, none of what Collective has turned up in the past two months at Guayabales is enough to give us the market-moving hit we were hoping for when we added to our list in the March issue.

Still, this is an aggressive drill program that will test a variety of targets at Guayabales this year. Given this team's track record turning Continental Gold into a C$2 billion takeout and its C$25 million cash hoard, Collective has the resources to put its best foot forward here.

Pending some more exciting results from the drilling at Guayabales, we'll keep Collective Mining a hold for now.

**Collective Mining Ltd.**

| | |
|---|---|
| Recent Share Price: | C$3.70 |
| Shares Outstanding: | 47.3 million |
| Market Cap: | C$175.0 million |
| Shares Outstanding Fully Diluted: | 51.1 million |
| Market Cap Fully Diluted: | C$189.1 million |




## Goldshore Resources

GSHR.V; GSHRF.OTC
604-288-4416
goldshoreresources.com

Goldshore Resources announced more results from its massive, 100,000-meter drill program on the Moss Lake project in Ontario.

The goal of the recent drilling has been to define and expand high-grade zones in the very large, but generally low-grade, Moss Lake deposit. The highlights of the recent results include:

13.0 meters at 1.25 g/t gold from 192.0 meters in Hole 11

29.75 meters at 1.03 g/t gold from 33.0 meters in Hole 12A

13.0 meters at 1.02 g/t gold from 238.0 meters in Hole 13

Drilling continues to intersect new mineralized structures parallel to the main body of mineralization, within a 100-meter corridor along the northern hanging wall side of the Main zone.

Sampling of previously unsampled drill core has found visible gold confirming the belief that historic exploration missed parallel zones of mineralization. All assays from historic core remain pending.

Goldshore is ramping up its spring and summer drilling program at Moss Lake. Management plans to have 8-10 rigs turning on the project in the near future.

The increased workload will focus on expanding Moss Lake and testing a variety of targets identified by a 2021 VTEM survey.

With almost C$20 million in the bank, Goldshore is well-positioned to grow this project's resources aggressively with the drill bit. The share price has come back a bit, and at these levels it remains a buy.

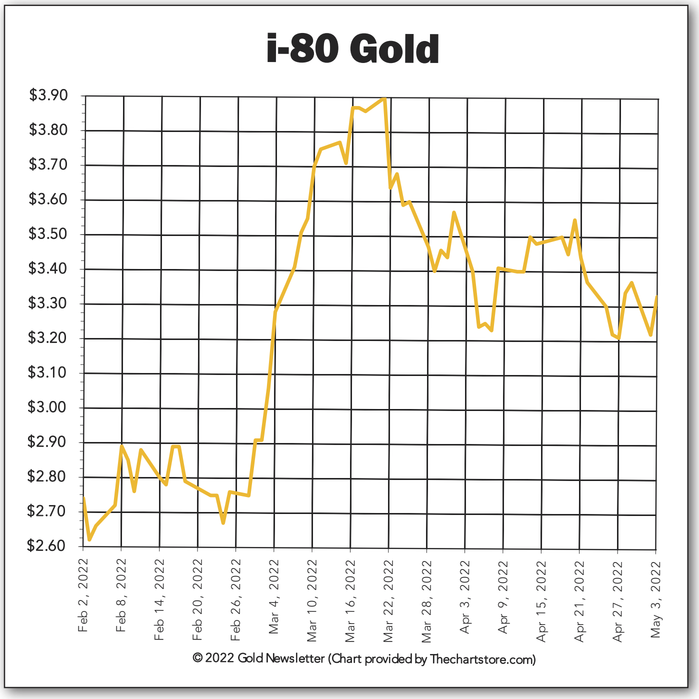
**Goldshore Resources Inc.**

| | |
|---|---|
| Recent Share Price: | C$0.47 |
| Shares Outstanding: | 100.0 million |
| Market Cap: | C$47.0 million |

Shares Outstanding
Fully Diluted: .................................107.6 million
Market Cap
Fully Diluted: ..............................C$50.6 million

## i-80 Gold

IAU.TO; IAUCF.OTC
866-525-6450
i80gold.com




With high-grade results from the Range Front, Adam Peak and Otto fault horizons in underground drilling, i-80 Gold is making progress on its Granite Creek project in Nevada.

Drilled from Level 4790, the highlights from this program include 25.4 g/t over 3.9 meters (Hole 27), 12.6 g/t over 3.0 meters (Hole 28), 10.8 g/t over 1.2 meters (Hole 29) and 13.4 g/t over 1.1 meters (Hole 30). In addition, Hole 31 (14.7 g/t over 1.5 meters, 10.2 over 3.5 meters and 7.5 g/t over 6.1 meters) and Hole 32 (19.3 g/t over 1.1 meters, 8.0 g/t over 3.0 meters and 9.4 g/t over 2.9 meters) each hit multiple high-grade intervals.

i-80 Gold also had some great high-grade hits from drilling on Granite Creek's South Pacific zone.

The zone lies immediately north of underground workings at Granite Creek and has been defined for 600 meters along strike and down dip for 250 meters.

Hole 18, released this week, was the best hole of the bunch, cutting 15.7 meters of 16.3 g/t gold and 3.7 meters of 33.7 g/t gold.

Other recent highlights from South Pacific included Hole 16 (13.8 g/t over 2.1 meters and 25.2 g/t over 2.2 meters), Hole 17 (6.1 g/t over 2.9 meters and 9.9 g/t over 2.5 meters), Hole 19 (9.7 g/t over 4.0 meters, 10.0 g/t over 10.2 meters, 13.7 g/t over 5.6 meters and 15.3 g/t over 10.5 meters) and Hole 20 (13.6 g/t over 4.7 meters and 17.6 over 3.0 meters).

Those are all terrific grades and widths, and so it's easy to understand why i-80 has expanded its 2022 drill program to 30,000 meters. The goal of the combination surface and underground program is to prove up production-ready ounces that it can truck to NGM's Twin Creeks facility for processing.

Twin Creeks will be i-80's go-to processor for its refractory ore until it gets its Lone Tree processing facility operational.

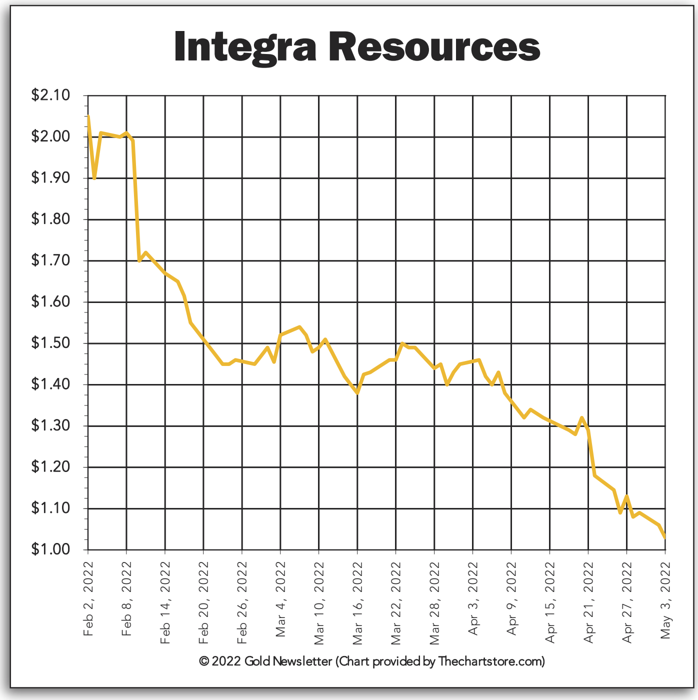
On that front, i-80 just closed on its previously announced gold prepay and silver purchase agreements to help fund the work at Lone Tree.

The agreements will see Orion pay $45 million in a gold prepay deal and $30 million on the purchase and sale of the silver production from Granite Creek and the Ruby Hill project. There's an accordion feature on each deal that could see i-80 raise another $100 million from Orion.

With these deals in place, i-80 has the capital access it needs to make its aspirations to be a mid-tier player in Nevada gold production a reality. i-80 Gold remains a buy.

**i-80 Gold Corp.**

Recent Share Price:..................................C$3.62
Shares Outstanding:........................238.7 million
Market Cap: ..............................C$864.1 million
Shares Outstanding
Fully Diluted:.................................266.0 million
Market Cap
Fully Diluted: ............................C$962.9 million




## Integra Resources

ITRG.NYSE-A; ITR.V
604-416-0576
integraresources.com

After producing a prefeasibility study earlier this year that posited a heap leach and mill operation at DeLamar, Integra Resources has decided to pursue a heap-leach-only strategy for the time being.

While the move reduces the mine life for the heap leach operation to eight years, by scrapping the mill (for now), it lowers AISC from $955/oz to $814/oz on a co-product basis. It also eliminates the $235 million cost of the mill from the life-of-mine capital.

Under this new strategy, Integra will use the initial cash flow from the heap leach operation to reduce the payback period of the project, rather than funding the mill, as originally planned.

In addition, Integra notes that the elimination of the mill will reduce land disturbance and permitting risk. It will also reduce the amount of waste-rock from the overall operation.

As a piece of this strategic pivot, the company will now focus on areas of the project where it can expand the available oxide and mixed resources for the heap leach operation. The most promising targets for this expansion are Florida Mountain West, BlackSheep and historic stockpiles at the DeLamar pit.

Considering the hit Integra's share price has taken since it release of the PFS with the mixed-use plan, I think this is a step in the right direction for the company. While it will leave a portion of DeLamar's sulphide resources on the table, pursuing a heap leach operation here will vastly simplify the permitting process and decrease capital costs.

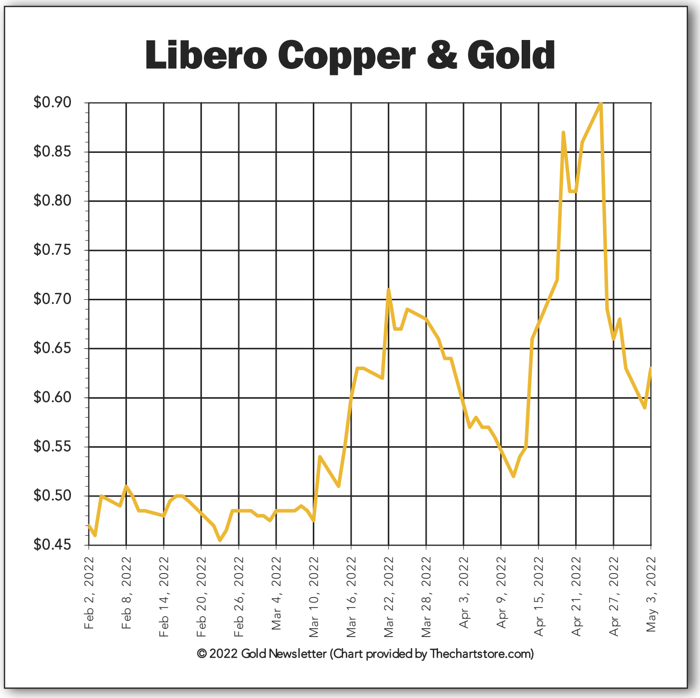
In an ideal scenario, the gold and silver markets will be so ebullient over the next few years that building the mill and processing that sulphide ore will make sense. For now, though, Integra has made a prudent decision to move the project forward as a lower-cost heap leach operation.

It's still an open question how the market will value this strategic pivot, so we'll keep Integra Resources a hold for now.

**Integra Resources Corp.**
Recent Share Price: ...............................US$1.08
Shares Outstanding:..........................54.8 million
Market Cap:...............................US$59.2 million
Shares Outstanding
Fully Diluted:...................................60.0 million
Market Cap
Fully Diluted: ............................US$64.8 million

## Libero Copper & Gold

LBC.V; LBCMF.OTC
604-638-2545
liberocopper.com




I've been pounding the table on Libero Copper & Gold lately, especially after the company's recent news release announcing very encouraging visuals from over 1,200 meters of core on its first new hole on the Mocoa copper-moly project in Colombia.

I expected good results, and we weren't disappointed with the company's announcement of assays from the first 450 meters of this first, 1,235-meter hole.

The highlight was 251 meters of 1.13% copper-equivalent (0.75% copper and 0.114% molybdenum) from 139 meters to 390 meters. But nearly the entire hole was mineralized, with 443 meters of 0.74% copper-equivalent from 7 meters to 450 meters. Notably, that intersection includes the relatively low-grade leached cap that extends to 108 meters in depth.

A week after the release of the first 450 metres of the hole, we got the results from the rest of the full 1,236-meter hole.

The longest interval (1,229 meters) graded 0.58% copper-equivalent from 7 meters to 1,236 meters. That included 840 meters of 0.72% copper-equivalent from 108 to 948 meters, 557 meters of 0.89% copper-equivalent from 108 to 665 meters, 251 meters of 1.12% copper-equivalent from 139 to 390 meters and 180 meters of 1.00% copper-equivalent from 485 to 665 meters.

The copper grades are being helped by decent molybdenum credits. For example, the 251-meter intersection of 1.12% copper-equivalent was composed of 0.74% copper and 0.114% moly. That's still a robust copper grade when taken alone, and the moly certainly helps, but note that we'll have to watch moly recoveries going forward.

The bottom line is that these intervals are either in line with or better than the average grade of the current, sizable resource. To refresh, Mocoa currently boasts a pit-constrained inferred resource of 636 million tonnes of 0.45% copper-equivalent (0.33% Cu and 0.036% Mo), generated using $3/lb copper and $10/lb molybdenum, containing 4.6 billion pounds of copper and 511 million pounds of moly.

The company's shares fell C$0.21 post-news on April 26, which was perhaps a sign that the market was hoping for grades as good or better in the lower 785 meters of the hole. However, it would have taken amazing results indeed to counter the fact that stocks of every stripe were in free-fall that particular day.

Libero is still up this month, based on the big run its shares took on the results from the first 450 meters of this hole. From my vantage point, I think these are exceptional results when taken as a whole, and more news from drilling will continue to paint a picture of a robust, world-class mineralized system capable of growth.

To give an idea of what the upside potential is, consider Solaris Resources' Warintza deposit. It carries similar grades as Mocoa, but is currently about three times the resource size as Mocoa. Still, on the back of that resource, Solaris is valued about 30 times the current market cap of Libero.

I don't think Solaris is overvalued by any means. In fact, I believe the price of copper is going to double over the next few years, and companies with significant copper resources are going to multiply those gains.

Subsequent to releasing the assay results from the rest of its initial hole, Libero announced interpretations from a major, 87-square-kilometer magnetic and radiometric survey surrounding the existing Mocoa deposit.

Essentially, the survey points to the potential for a number of additional discoveries on the project, including nine new high-priority targets areas. In particular, the survey identified a new large (2.5 kilometers by 1.5 kilometers), high-sulfidation gold-silver target three kilometers southeast of the Mocoa deposit.

So there's more — potentially much more — to come from Mocoa.

Given where it currently lies along the value creation curve, Libero is a buy and a strong buy on any price weakness.

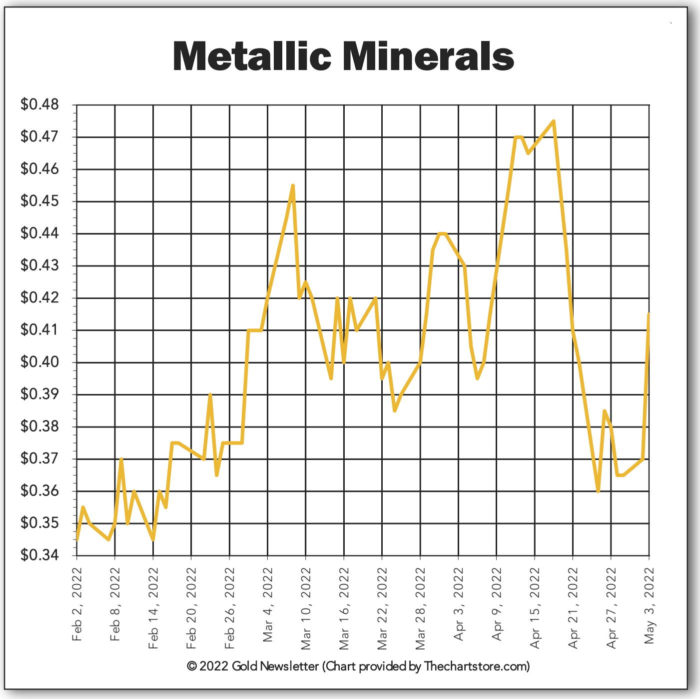
**Libero Copper & Gold Corp.**

Recent Share Price: ..............................C$0.63
Shares Outstanding: ......................43.4 million
Market Cap: .............................C$27.3 million
Shares Outstanding
Fully Diluted: ...............................67.5 million
Market Cap
Fully Diluted: ...........................C$42.5 million

## Metallic Minerals

MMG.V; MMNGF.OTC
888-570-4420
metallic-minerals.com

Metallic Minerals made news on a couple of fronts this month, announcing solid drilling results from its Keno silver project in the Yukon and releasing a resource estimate for its La Plata copper-sil-



ver project in Colorado.

At Keno, drilling expanded mineralization on the East Keno target down dip and along trend. The company hit silver on 10 of 12 holes drilled on East Keno, with sample grades up to 1,049 g/t silver equivalent. Fully 24 intervals returned grades in excess of 100 g/t silver equivalent.

Moreover, seven of the 12 holes at East Keno cut intervals of 15 meters or longer. That included Hole 71 (112.8 meters of 36.6 g/t silver equivalent) and Hole 72 (88.4 meters of 28 g/t silver equivalent).

Metallic is looking forward to the 2022 field season, as it will allow the company to incorporate a new understanding of the area developed by mapping. That understanding highlights the interplay of regional-scale structures with the new broader and lower grade mineralization encountered at East Keno.

Metallic plans to focus on East Keno's UKHM, Fox and Zone 2 targets in the 2022 drilling, with the goal of expanding them significantly.

At La Plata, meanwhile, Metallic has put out an inaugural resource estimate based on recent drilling and past data. The report shows a resource consisting of 115.7 million tonnes a 0.39% copper equivalent on the Allard deposit.

That translates into 889 million pounds of copper and 15.0 million ounces of silver. It comes from a porphyry intrusive-hosted sulphide system that has been defined for a kilometer along strike, 400 meters in width and to a kilometer in depth. It remains open in all directions.

Adding more upside are 16 untested potential porphyry centers that have been outlined at La Plata.

The grades obviously aren't super-high at La Plata, but between the scale of that project and the good work it is doing on Keno, Metallic Minerals is a good bet on rising silver (and copper) prices and a continued buy at current levels.

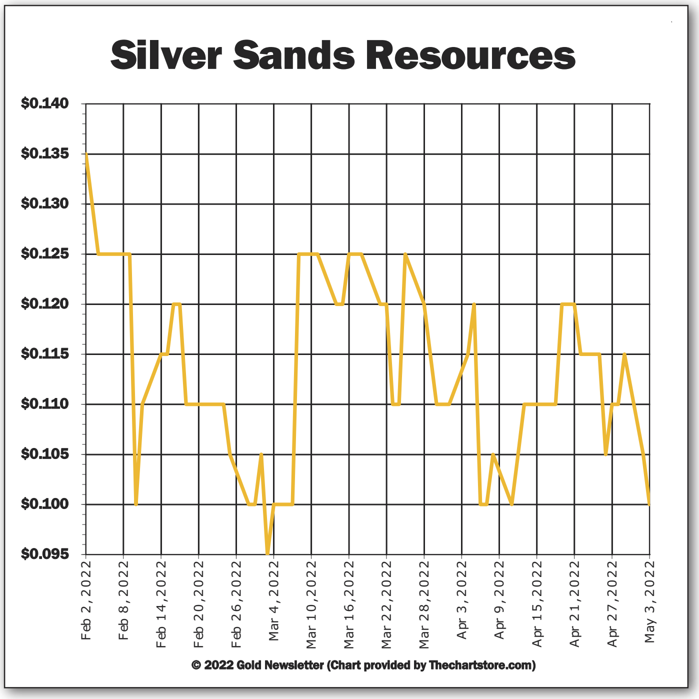
**Metallic Minerals Corp.**

Recent Share Price: ............................C$0.46
Shares Outstanding: ....................83.5 million
Market Cap: ............................C$38.4 million
Shares Outstanding
Fully Diluted: ..............................96.7 million
Market Cap
Fully Diluted:..........................C$44.5 million

## Silver Sands Resources

SAND.CN; SSRSF.OTC
604-786-7774
silversandscorp.com

With a Phase IV exploration program on its Virginia project now begun, Silver Sands is seeking to build on the 11.9 million ounces of indicated silver and 3.1 million ounces of inferred silver already



defined on the project.

The 1,500-meter program will seek to expand the Ely Central and Ely North Extension targets. Past highlights from those targets include 639 g/t silver over 9.6 meters, 625 g/t silver over 10.8 meters and 476 g/t silver over 4.0 meters.

The effort will also focus on expanding the Phase III Margarita discovery, highlighted by 1,456 g/t over 2.65 meters. It will seek to build additional ounces on the Martina NW, SW and SE targets, where prior drilling hit 242 g/t silver over 4.75 meters and 199 g/t silver over 33.5 meters.

The program will also pursue vein-hosted mineralization on the newly outlined Daniela and Patricia veins, which lie 2 kilometers north of the known veins at Virginia. Trenching at Daniela hit 29,016 g/t silver over 0.4 meters and 1,907 g/t over 2.3 meters. Trenching at Patricia hit 7,378 g/t silver over 1.6 meters and 4,584 g/t over 2.6 meters.

Finally, the drills will test the Santa Rita East vein down dip. With this drilling program will come prospecting for targets highlighted by IP work in exploration Phases II and III.

For a smallish meterage amount it's an ambitious campaign, one that could add ounces to the existing resource at Virginia.

As the company progresses with work on this Argentina project, it has just announced a flow-through financing to advance its Corner Pocket project in Newfoundland. The financing will raise up to C$300,000 by issuing up to 2 million units priced at C$0.15. Each unit comes with a common share and a two-year half warrant redeemable on a whole warrant basis for C$0.25.

Corner Pocket lies adjacent to York Harbour Metals' York Harbour project, which has yielded high-grade intercepts of copper, zinc and cobalt that also contain a bit of silver and gold.

Corner Pocket is an earlier stage play than Virginia, but its location might lend itself to finding more high-grade base metal on its property.

For now, we'll keep Silver Sand a hold while we wait to see what the drills turn up at Virginia.

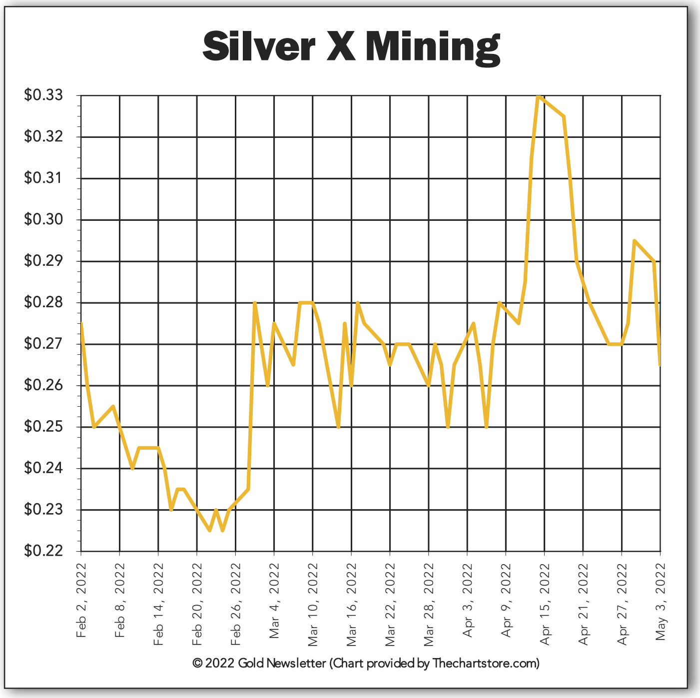
**Silver Sands Resources Corp.**

Recent Share Price: ............................C$0.10
Shares Outstanding: ....................54.3 million
Market Cap: .............................C$5.4 million
Shares Outstanding
Fully Diluted: .............................79.8 million
Market Cap
Fully Diluted: ..........................C$8.0 million

## Silver X Mining

AGX.V; WRPSF.OTC
604-638-8063
silverx-mining.com

With an upgraded plant at Nueva Recuperada, Silver X would appear to be on the way to increased cash flows in Q2 2022 and beyond.



The company received the needed environmental permits for the upgrade in late 2021 and commenced to source the needed equipment. The upgrade includes a new crushing circuit and flotation cells, and an upgrade of the griding circuit.

Total processing capacity has increased from 600 tonnes per day ("tpd") to 720 tpd. In addition, mining on Tangana appears to be going smoothly. The recent deliveries from Tangana to the plant have included good gold grades.

The gold at Tangana was discovered in Q4 2021 with channel sampling and verified by underground development drilling. It's a sign of successful exploration on the project and one reason management is sanguine about production over the balance of the year.

In other news, Silver X has cleaned up its debt situation converting the US$4 million in debt held by Baker Steel to shares. The settlement totals US$4.2 million in shares and will be made by issuing 17.6 million shares priced a C$0.30 a share.

While obviously dilutive, it's good to see Silver X cleaning up its balance sheet just as production looks set to ramp up at Nueva Recuperada.

Silver X retains its spot as a compelling silver lever on our list. In addition to being one of the few silver producers in the junior sector, it is also a great exploration story, as the drills have shown that Silver X has the ability to grow Nueva Recuperada's resources from here.

The company's shares have headed down with the broader market, but to my eyes, this creates a buying opportunity, as I expect silver to rebound sharply later this year. Silver X Mining is thus a buy at current levels.

**Silver X Mining Corp.**

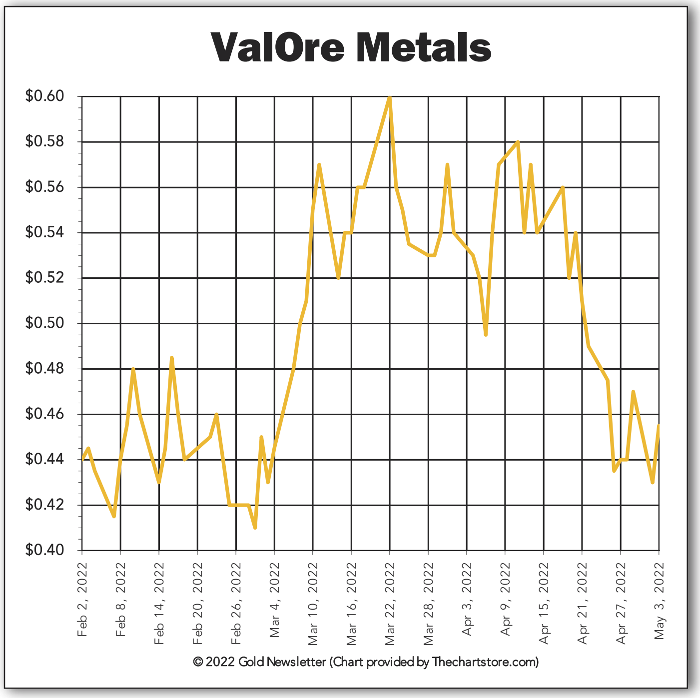
Recent Share Price: ............................C$0.26
Shares Outstanding: ..................114.9 million
Market Cap: ............................C$29.9 million
Shares Outstanding
Fully Diluted: ............................125.2 million
Market Cap
Fully Diluted:..........................C$32.6 million

## ValOre Metals

VO.V; KVLQF.OTC
604-653-9464
valoremetals.com

ValOre Metals has enlisted Canaccord Genuity to help it with a strategic review of the company's assets.

The motivation for doing so is clear: ValOre has two great (but disparate) assets, and the market is not giving the company full value for them. The goal of the strategic review is to find an avenue — be it a sale, a spin out or a business combination — that allows ValOre to begin to realize full value for both its Angilak uranium



project and its Pedra Branca PGE project.

Both are worthy of being flagship assets within their own company.

Angilak boasts the Lac 50 uranium deposit, a near surface uranium deposit containing 43.3 million pounds of $U_3O_8$. Moreover, as the current C$11 million exploration program at Angilak makes clear, there is plenty of room for growth.

Pedra Branca, meanwhile, has seen its in situ resource double with just 11,500 meters of resource expansion drilling. The current resource stands at 2.2 million ounces of inferred palladium, platinum and gold.

Better still, ValOre has a system dialed in for identifying new deposits at Pedra Branca that involves sampling, Trado® drilling and trenching. That system has allowed ValOre to expand existing deposits at Pedra Branca and to discover new ones, like the recently outlined Ipueiras, Troia and Galante East targets.

The fact is uranium companies and PGE companies attract different sorts of investors. An investor interested in a palladium story driven by catalytic convertor demand and the embargo on all things Russia is not necessarily the same as the investor interested in leveraging a uranium market being driven higher by industry and geopolitical forces.

By considering the possibility of separating Angilak and Pedra Branca, ValOre is set on unlocking the value of both projects.

It also sets up a potential special situation where owning ValOre now will give you a free piece of whatever gets spun out of the company. And all this could be happening as ValOre continues to stay aggressive exploring both projects.

Add it all up, and ValOre is a buy, both for those who don't own it already and for current shareholders who want to bump their take from a spinout or merger.

**ValOre Metals Corp.**

Recent Share Price:..................................C$0.44
Shares Outstanding:........................140.2 million
Market Cap: ................................C$61.7 million
Shares Outstanding
Fully Diluted:.................................173.6 million
Market Cap
Fully Diluted: ..............................C$76.4 million

## New Recommendations

## Avino Silver & Gold Mines

ASM.NYSE-A; ASM.TO
604-682-3701
avino.com

Avino Silver & Gold Mines is a long-time favorite of our readers, and has spent a good portion of its long history on our buy list. It has been off our list for some time, but — thanks to its silver producer status, its exploration upside and its recent acquisition from Coeur of the La Preciosa deposit — has now earned its way back into our portfolio.

The company's current active mine is the Avino mine, a project that has been producing sil-


ver for over 500 years, and which Avino has owned for 54 years.

In the most recent quarter, the Avino Mine produced 457,798 silver equivalent ounces, based on 164,358 ounces of silver, 1.2 million pounds of copper and 801 ounces of gold. The silver and copper numbers were up on a year-over-year basis. However, the overall silver equivalent number was down slightly (15%) due to decreased in gold production.

In addition to the established resource at the Avino mine itself, the project also has an oxide tailing project left over from past production that looks like it might contribute to output in the near future. The company just released solid results from a 110-hole program on the tailings.

Simply put, Avino has done a stellar job adding resource areas and production circuits in each area and has restarted the Avino mine for a very low AISC per ounce of silver.

And with the acquisition of La Preciosa, which lies just to the southwest of Avino, the company has effectively doubled its in situ resources. Between Avino and La Preciosa, those resources now stand at an eye-popping 291 million silver equivalent ounces.

Coeur spent C$382.2 million in 2013 to acquire the project and in 2014 produced a feasibility study showing an open-pit operation could produce 10.3 million ounces silver and 12,000 ounces gold annually over an 11-year mine life.

The problem was Coeur would have had to spend hundreds of millions building a plant to process the ore from La Preciosa. Avino can potentially forego those costs by shipping the ore directly to its facilities at the Avino Mine.

Avino paid Coeur an upfront C$30 million (cash, shares and warrants) for the project. It will owe another C$5.0 million in a year, another C$8.8 million contingent on production and up to C$50 million contingent on discovery of a new mineral reserve.

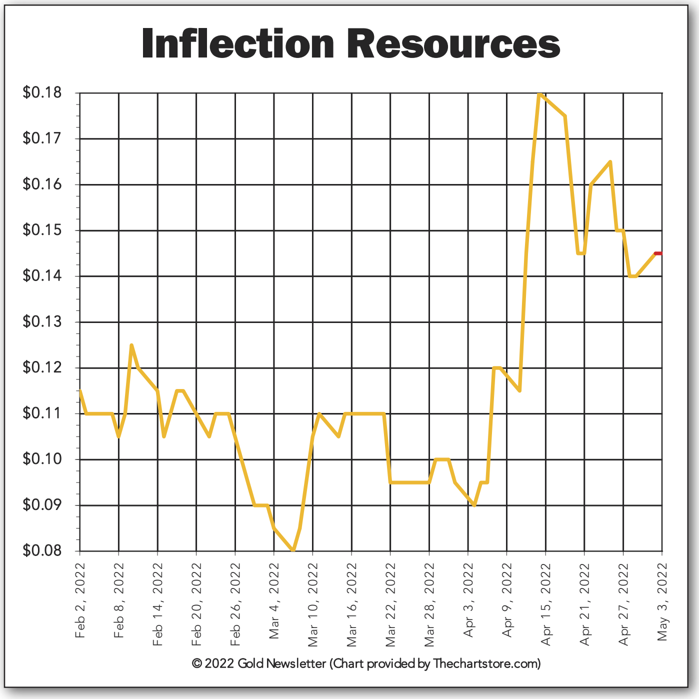
It's a good deal for Avino, and it puts the company at a low EV/resources relative to its peers. With the rally I see coming for silver (and gold), Avino Silver & Gold Mines looks in prime shape to leverage higher prices. It's a strong buy at current levels.

**Avino Silver & Gold Mines Ltd.**

Recent Share Price:..................................C$0.74
Shares Outstanding:........................116.2 million
Market Cap: ................................C$86.0 million
Shares Outstanding
Fully Diluted:................................129.5 million
Market Cap
Fully Diluted: ..............................C$95.8 million

## Inflection Resources

AUCU.CN; AUCUF.OTC
604-681-9100
inflectionresources.com




Inflection Resources has taken on the project of finding Australia's next big copper-gold mine.

In doing so, it has put together one of the largest land positions in New South Wales and put together an all-star geological team to make a big discovery.

Inflection's land package in New South Wales is vast, covering 500,000 hectares over the northern end of the Macquarie Arc, Australia's foremost copper-gold porphyry belt.

The southern portion of the Macquarie Arc is elephant country, hosting a number of huge mines.

Those include Newcrest's Cadia (Australia's largest gold mine and one of the biggest in the world), Evolution Mining's Cowal (which produced more than 260,000 ounces of gold in its fiscal year 2020), and the Sumitomo and China Molybdenum JV's Northparkes (a massive copper, gold and silver mine that has been in operation for 25 years).

Inflection was able to build such a large position in this storied region because its portion of the Macquarie Arc lies under post-mineral sedimentary cover. That layer adds a layer of challenge to finding the prospective volcanic rocks that lie below, but it has also created the opportunity for Inflection to acquire its massive property position and drill it inexpensively.

They start with RC drilling to get through the sediment overburden, then drill diamond tails as deep as needed when they're seeing mineralization. Each hole takes about a week to drill and costs about A$40,000.

Of 36 targets, they have drilled 22 so far. They've been hitting alteration just as predicted. They've just been unlucky in not tagging a deposit yet. But this "drill and kill" approach is being validated by the work.

I considered recommending Inflection when it began this process, because I really liked the plan. However, the company seemed a bit too highly valued at the time, considering the conceptual nature of the model.

Now the combination of a general market malaise and the company's lack of a big discovery has brought the market value down to earth, just when it's begun drilling a very promising set of targets. The Trangie target, in particular, looks very good — with none other than the Cadia project as the operative analog.

Other targets that will see drilling include the Duck Creek and Fairholme zones, both of which are very large. They also will follow up at Marra, where they hit zirconium/REEs. Inflection received a drill grant for that one, so it won't cost anything to drill it.

Inflection keeps its data room open to the majors and would welcome any sort of JV. The goal would be a takeout by a BHP, Newcrest, Rio Tinto, etc.

This company is not something to bet the farm on. But it's something we want to have exposure to, given the huge upside here and the current rock-bottom company valuation. Thus, I'm presenting Inflection as a speculative buy in advance of drill results from the next batch of targets.

**Inflection Resources Ltd.**

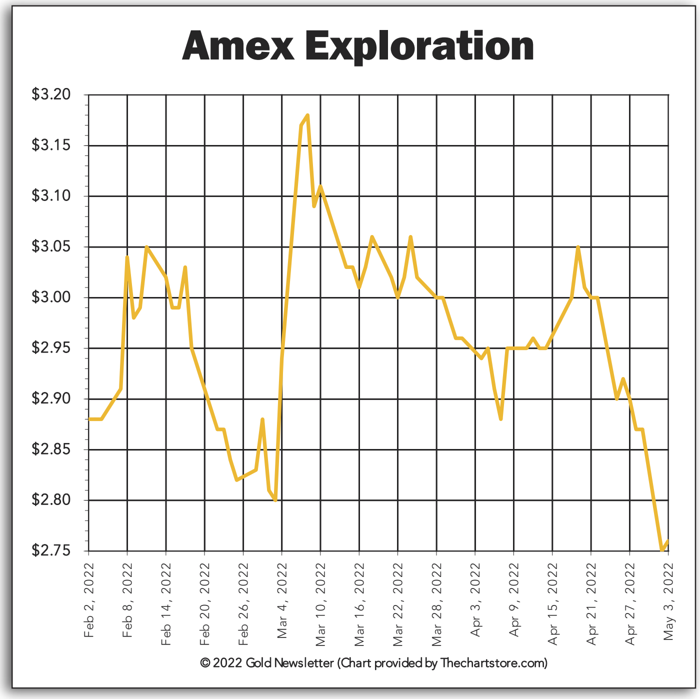
Recent Share Price:..................................C$0.14
Shares Outstanding:..........................71.3 million
Market Cap: ................................C$10.0 million
Shares Outstanding
Fully Diluted:.................................100.7 million
Market Cap
Fully Diluted: .............................C$14.1 million

## Brief Notes

• **Aftermath Silver** (AAG.V; AAGFF.OTC; C$0.30) reported the first drill results from diamond drilling on its Berenguela silver-copper-manganese project in Peru. They were impressive, highlighted by Hole 5 with 53.25 meters cutting 256 g/t silver, 1.29% copper and 12.4% manganese, including 9.00 meters of 781 g/t silver, 1.26% copper and 21.1% manganese.

Kudos to company management for resisting the urge to report these intersections in "silver-equivalent" grades, as they would have been quite impressive. Their more-conservative reporting is an acknowledgement that significant metallurgy questions remain to be answered. Indeed, the current drilling program is designed to provide representative samples for metallurgical studies, in addition to verifying historical drilling.

After discussions with management, I'm confident that metallurgy won't be a stumbling block for this impressive resource.




On that note, the company is planning a new resource estimate for later this year, and I expect it to be conservatively reported yet still impressive. Aftermath remains a buy.

• **Amex Exploration** (AMX.V; AMXEF.OTC; C$2.80) released assays for 27 holes drilled on the Eastern gold zone's Denise zone at the Perron project in Quebec.

Collectively, the holes allowed Amex to extend the mineralization on the Denise zone to 950 meters, with a significant addition on the eastern end of Denise. The western end of Denise returned also promising drill results, indicating that further definition drilling there may allow it to outline high-grade gold at depth.

> **"Past drilling yielded results that would stun the market today, so I'm excited to see what the drill program, when it begins, turns up for Anacortes."**

The Denise zone is large enough and near enough to the surface to potentially be open-pittable. That provides some nice optionality to go with the high-grade, vein-hosted gold Amex has outlined at depth on the nearby High Grade zone.

Amex's share price has been holding its own in the recent volatility. It continues to trade at more than a three-bagger gain from our August 2019 entry price. That said, a gold project with this much upside makes for a compelling lever on the robust gold environment I see ahead.

Amex Exploration remains a buy.

• **Anacortes Mining** (XYZ.V; XYZFF.OTC; C$1.17) is experiencing a slight delay in the permitting process to begin drilling at its Tres Cruces project in Peru.

The Peruvian Ministry of Energy and Mines has requested additional information from Anacortes as it reviews its application to drill the project. Currently, management expects to receive its exploration permit by mid- to late-May.

Once begun, this program will follow up on holes that showed promise, but that prior operator Barrick never bothered to test at depth.

Past drilling yielded results that would stun the market today, so I'm excited to see what the drill program, when it begins, turns up for Anacortes. The company's share price has trailed downward along with the broader market, and at current levels it's still a strong buy.

• **Blackrock Silver** (BRC.V; BKRRF.OTC; C$0.90) announced its initial resource estimate for its Tonopah West project in Nevada. The inferred resource came to 19.9 million ounces of silver and 238,000 ounces of gold or 42.6 million ounces silver equivalent.

The size of the resource was disappointing, as I'd expected at least 50% more in terms of ounces. The good news is that it appears to have been very conservatively calculated, and there's much more to come just from the identified veins. Unfortunately, the news also came out in the midst of a general metals and mining sell-off, so that didn't help either.

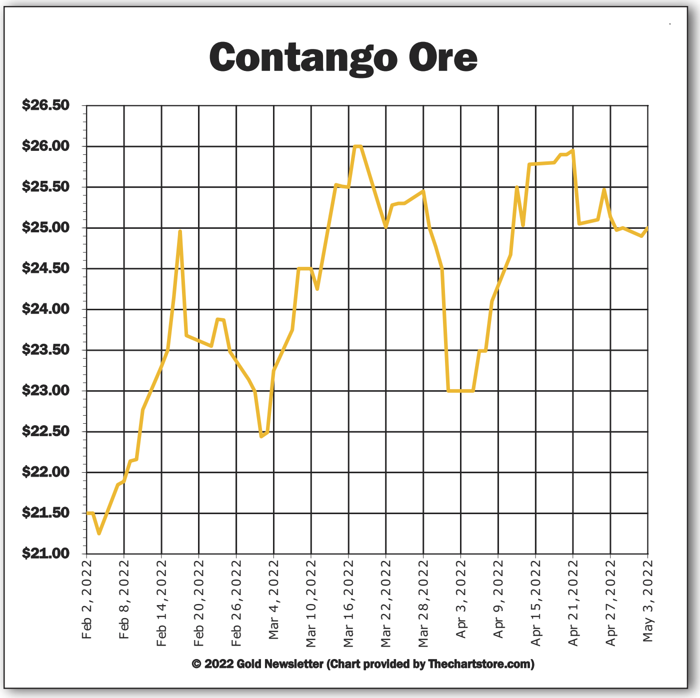
At this point the market has stabilized and the company's value seems good in relation to the current resource and the potential, but we'll revert it to a hold as we evaluate the next plans.

• **Canagold Resources** (CCM.TO; CRCUF.OTC; C$0.38) announced results for six more holes from infill drilling on New Polaris's C-West Main zone.

The assays were in line with previous holes from C-West Main and continue to demonstrate good widths of high-grade gold. Highlights included 42.5 g/t over 2.0 meters, 19.3 g/t over 4.3 meters, 10.4 g/t over 5.8 meters and 10.5 g/t over 4.9 meters.

As infill holes, these don't necessarily expand the resource, but they should go a long way toward upgrading the current inferred resource at New Polaris into higher categories.

The lion's share of results from last year's 47-hole, 24,000-meter program have hit the market. The company also has assays from six holes outstanding on 6,000 meters of drilling conducted in January and February.




Canagold's drilling plans for 2022 are on hold right now as it waits for the spring thaw to end. We should see a robust drill campaign in the summer, making now a good time to keep Canagold a hold in our portfolio.

• **Coast Copper** (COCO.V; C$0.10) has added a project that it hopes can build on the good work Westhaven Gold is doing on its Shovelnose project.

Westhaven has been generating uber-high-grade results from Shovelnose of late, which makes Coast Copper's decision to stake the Shovelnose South property a nice complement to its work on the Empire Mine on Vancouver Island.

Shovelnose South is located in the Spences Bridge gold belt in south-central British Columbia and sits 45 meters southeast of Westhaven's project. Its addition adds some area play momentum to the story it has been telling at Empire.

Based on the potential of Empire alone, much less this new acquisition, Coast Copper continues to rate as a "buy" on our list.

• **Contango Ore** (CTGO.NYSE-A; US$24.75) has closed on an unsecured, convertible debenture with Queen's Road Capital. The deal has added $20 million to Contango's treasury.

Queen's Road will receive interest of 8% on the four-year debenture, with 6% paid in cash and 2% paid in shares. In addition, Queen's Road will have the right to convert the debenture at any time for $30.50 a share. A variety of stipulations apply to the conversion, and I refer you to the company's site for more detail.

The upshot is that Contango now has the money it needs to fund its portion of the feasibility study underway at Manh Choh and the drilling it's about to begin at Lucky Shot.

The company's high share price and uber-tight share structure makes this a deal that's only mildly dilutive, even if Queen's Road elects to convert the debenture completely into equity shares.

With near-term cash flow a real possibility at Manh Choh, Contango Ore is a smart-money play at current levels and a continued buy.

• **Electric Royalties** (ELEC.V; ELECF.OTC; C$0.30) has been enjoying increased cash flow from its 25% interest in the zinc royalty it holds on the Middle Tennessee zinc mine.

Zinc prices have increased 41% from their levels when Electric acquired the royalty last summer. The company has realized C$395,000 in cash flow since it purchased the royalty.

Combined with steady progress on some of its longer-term royalty projects, this enhanced cash flow from the Middle Tennessee Mine gives Electric Royalties some momentum as the clean energy trend continues to play out. The company remains a buy at current levels.

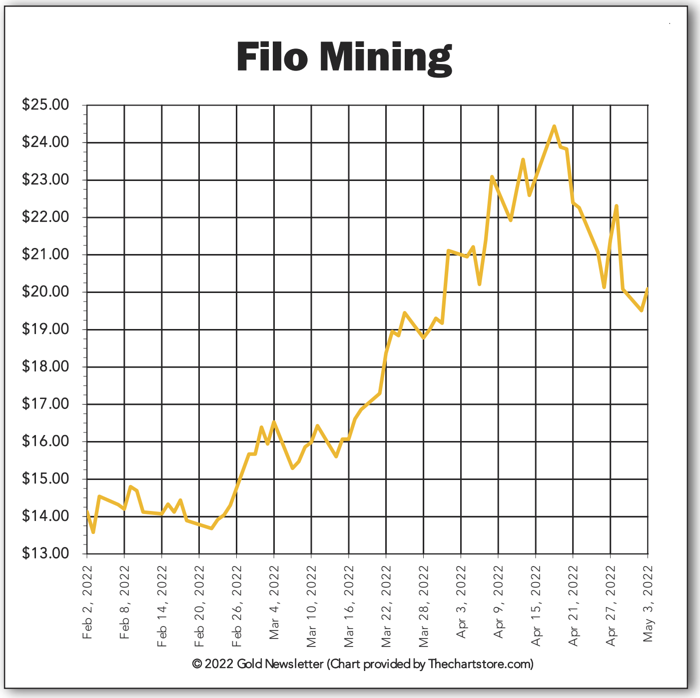
• **Erdene Resource Development** (ERD.TO; ERDCF.OTC; C$0.46) has begun a Phase 1 2022 drilling program on its Khundii project in southwest Mongolia.

The program will consist of 10,000 meters of diamond drilling and 3,000 meters of rotary air blast drilling. The work will focus on expanding the mineralization outlined at Dark Horse and Ulaan, testing the continuity of the mineralization on the Altan Nar project, and assessing a variety of near-surface targets for oxide gold.

The exploration upside at Khundii complements the burgeoning production story at the Bayan Khundii deposit. That work is taking longer than expected because of China's COVID lockdowns.

We'll keep Erdene a hold while we wait to see what the drills turn up and what progress the company can make on the production front.

• Drilling on **Filo Mining's** (FIL.TO; FLMMF.OTC; C$19.49) Filo del Sol project continues to produce long intervals of mineable grade copper equivalent material.




The best hole from the latest batch of assays hit 1,251.1 meters of 0.91% copper-equivalent that included 310 meters of 1.40% copper equivalent. The hole was collared 160 meters to the northeast of Hole 48 and ended in mineralization. It is outside the resource shell at Filo del Sol below a depth of 380 meters.

It's good to see this program continuing to deliver strong results to the market, and more assays from drilling are on the way. If you bought into Filo on my initial recommendation in July 2020, you've enjoyed more than a 12-bagger gain.

Hopefully, you've taken some profits off the table by now, but be sure to keep a stake in Filo Mining. It's a strong hold in our portfolio going forward.

• **GoldMining Inc.** (GLDG.NYSE-A; GOLD.TO; US$1.32) has slid along with the broader market in the past few weeks. As an in-situ gold bank designed specifically to leverage the yellow metal, such lockstep movement with gold makes sense.

The good news is that the longer-term picture for gold remains bright, and GoldMining continues to offer a great deal of leverage to the upside when prices rise.

The company has begun a drill program to expand the resource on its La Mina deposit in Colombia. Given the size of GoldMining's resource-hosting portfolio, it would take some pretty spectacular hits for this program to move GoldMining's share price on its own.

That said, the current weakness in the company's share price looks like a good entry point for those who haven't already added GoldMining to their portfolios and for those looking to bulk out their positions of this gold lever. It is a buy at current levels.

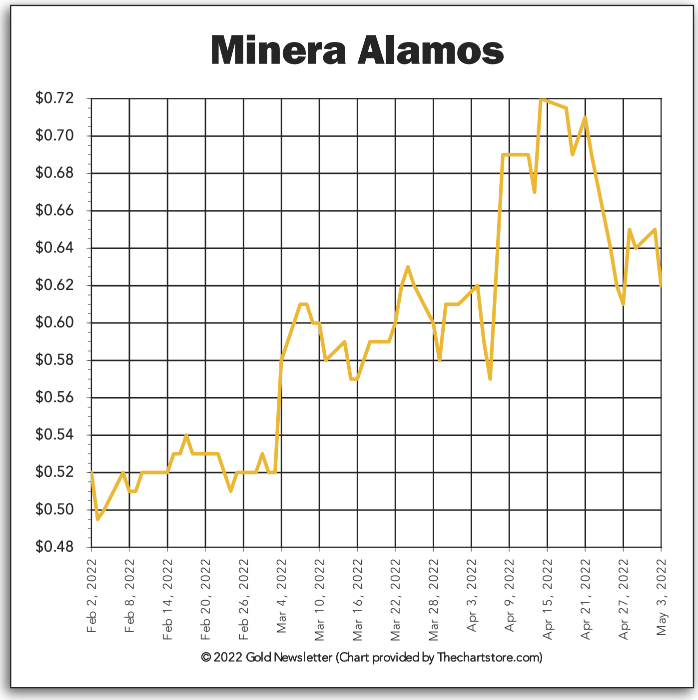
• **GR Silver Mining** (GRSL.V; GRSLF.OTC; C$0.25) announced results from infill drilling on its Plomosas project. The holes assayed focused on the un-sampled or under-sampled portions of the silver-rich, upper portion of the Plomosas Mine.

The company is drilling the area on 50-meter to 100-meter intervals to improve the resource block model at the mine. The high-grade silver hits reported in this release give GR Silver hope that it can improve of the average grade of the target when it delivers its next resource estimate for Plomosas.

The company's share price has drifted lower over the past several months, the victim of an uncertain precious metals market and the lack of blockbuster drill results from either Plomosas or San Marcial.

Still, this company's large global in situ silver equivalent resource and its control of the majority of the Rosario mining district make it a long-term play on stronger silver prices down the road.

Current trading levels looks like a good buy for a turnaround story later in the year driven by a rebound in the broader market.




• **Minera Alamos** (MAI.V; MAIFF.OTC; C$0.65) gave an update on first quarter operational results from its Santana heap leach operation in Mexico.

The company had shut down the mine near year-end to assess the data from initial operations. Santana started back up in late January and has seen improved results since the re-start.

Management anticipates a cash-flow-neutral operation for the first half of the year and a move to cash flow positivity once it begins mining the Nicho Main zone later in Q2 2022.

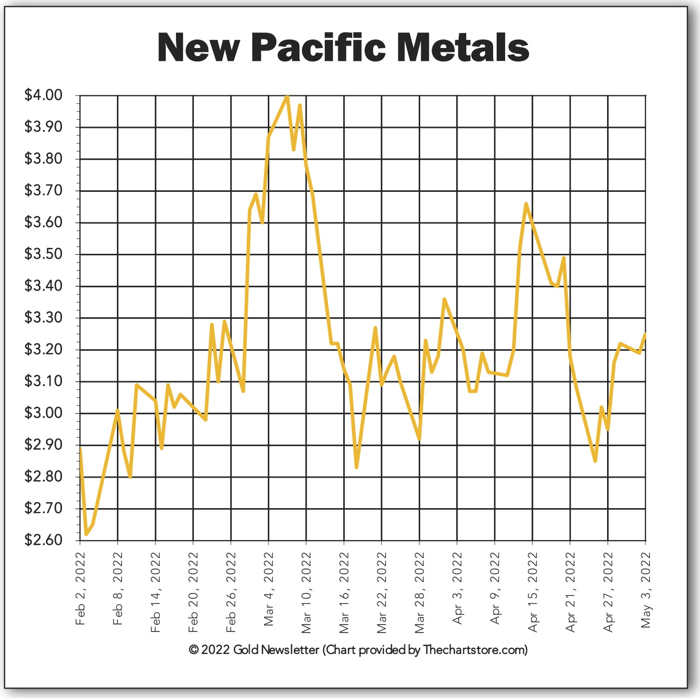
In spite of the troubles Minera has encountered with ramp-up at Santana, Minera Alamos is still posting almost a six-bagger gain from our January 2019 entry price. Still, current trading levels could look cheap if production continues to improve at Santana and the gold market rebounds as I expect.

Thus, Minera Alamos remains a buy.

• **New Pacific Metals** (NEWP.NYSE-A; NUAG.TO; US$3.52) released a big batch of assays from drilling on its flagship Silver Sand project in Bolivia.

The assays included some nice hits from infill holes and a few nice intervals from step out drilling on the property. As this is already a large resource (155.9 million measured and indicated silver ounces and 35.6 million inferred silver ounces) it would take quite a lot of step-out drilling to significantly grow this deposit.

As it stands, Silver Sand gives New Pacific an enviable in situ silver bank on which to leverage rising silver prices. Its share price has declined in recent months, though it continues to trade at close to a three-bagger gain from our initial entry price.




The large resource at Silver Sand makes New Pacific a good value and a buy at current levels, especially if you share my optimistic take on silver.

- **North Arrow Minerals** (NAR.V; NHAWF.OTC; C$0.12) released initial results this week from the bulk sample it took on its Naujaat diamond project in Nunavut.

The results were for the first 70% of the sample and included 268 diamonds greater than +9 DTC weighing 117.98 carats. The sample grade of 9.0 carats per hundred tonnes equated well with a 2014 sample taken on the same area.

Intriguingly, around 20% of the diamonds from this portion of the sample classify as fancy color. 58% of those diamonds were either "intense" or "vivid" and 91% were orange, which is the rarest of the fancy colors.

Modeling will continue on the sample with a goal of producing an updated diamond price estimate.

There is a lot that goes into an economic diamond deposit, and we're still relatively early days at Naujaat, but this is a promising start, even though market reaction was muted.

I'm enthused enough about these initial results though that I'm looking forward to the upcoming price estimate. North Arrow is still a buy at current levels.

- **Ophir Gold** (OPHR.V; KPZIF.OTC; C$0.09) plans a small, 1,000-meter drill program to follow up on the better holes from its 2021 program at Breccia in Idaho.

The priority will be testing the high-grade silver interval encountered at the bottom of last year's Hole 5 (6,940 g/t silver over 9.5 meters). It will also follow up on last year's Hole 4, which cut 7.4 meters of 13.0 g/t gold and 46.6 g/t silver.

These are good targets for Ophir, although the program is a little light on meterage to make a big impact. Hopefully, what holes they will drill this year at Breccia will produce follow-up assays that make the market take notice.

We'll keep Ophir a hold while we wait to see what the drills turn up here.

- **PureGold Mining** (PGM.V; LRTNF.OTC; C$0.20) announced management changes and a liquidity boost of $6 million from Sprott Resource Lending. It expects its operation at the Pure Gold Mine to become cash flow positive by Q3 2022.

Between the management turnover PureGold has experienced and the failure of the mine to get on track in terms of positive cash flow, I'm going to cease coverage on Pure Gold Mining. I think they could eventually right the ship here, but there are just too many other faster horses out there to stick with Pure Gold through this transitional period.

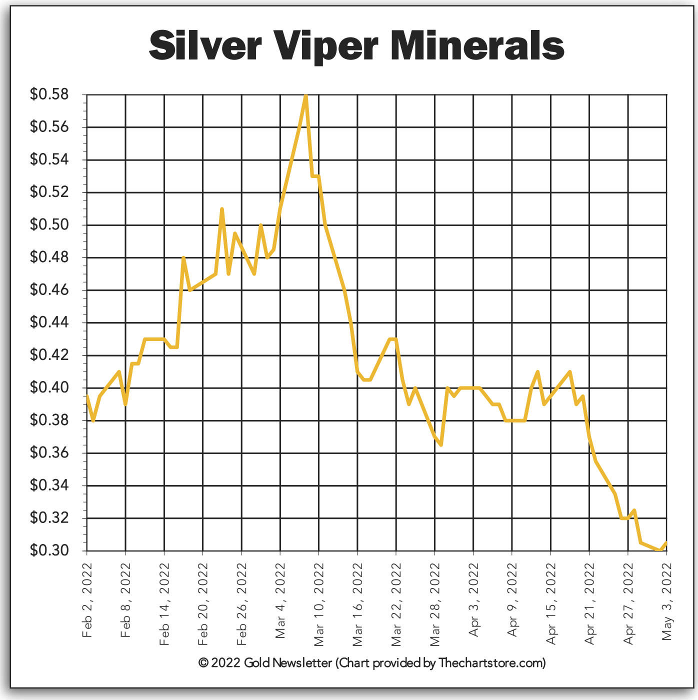
- **Ridgeline Minerals** (RDG.V; RDGMF.OTC; C$0.34) announced results from the single hole drilled by JV partner Nevada Gold Mines on its Swift project.

While the hole hit some mineralization near surface (9.1 meters of 0.51 g/t gold beginning at 8.5 meters downhole), it failed to hit significant mineralization in the target Lower Plate rocks at depth.

NGM and Ridgeline believe the mineralization at Swift may vector to the west. Next up will be a series of framework holes, spaced roughly one kilometer apart, to test this possibility and to continue to pursue a significant deposit at depth.

The odds that the partners would hit on their first hole were never high, and I'm encouraged that they see enough potential from what this first hole delivered to engage in a second program.

This is work that will take time to develop into something of significance, but if the partners hit here, it could be big. While we wait to see what the new program brings and what Ridgeline turns up in drilling at Selena, we'll keep the company a hold.




- **Silver Viper Minerals** (VIPR.V; VIPRF.OTC; C$0.30) has completed a magnetotelluric geophysical survey on its La Virginia property. So far it seems to have outlined new targets not previously identified on the property.

Still, the upside at La Virginia is a question mark at this point, and we have other companies in our portfolio (and on my recommendation short list) that have stronger near-term potential. We'll cease coverage on Silver Viper with an eye to adding it back if subsequent exploration proves fruitful.

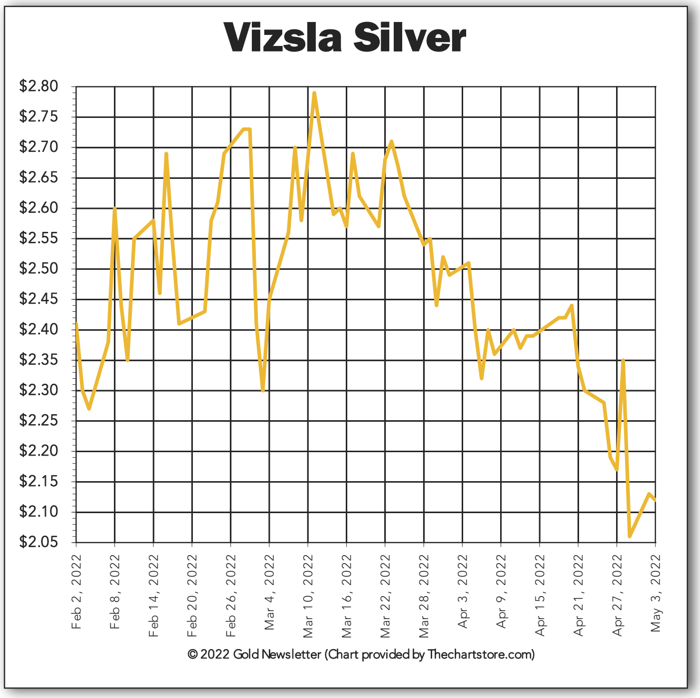
- **Trigon Metals** (TM.V; PNTZF.OTC; C$0.25) has secured a C$5.5 million convertible facility with Lind Partners and a US$2.5 million, 180-day loan from Sprott Mining.

The funds will be used for general working capital and to pay off a prior credit facility with IXM S.A. The deal is complex, and I refer you to the restated news release from this Monday for details.

The cash infusion will resolve a capital crunch that has kept Trigon from achieving full production at its Kombat mine in Namibia. The company's stock has suffered from the delay, so hopefully this fresh infusion of capital will be the push Trigon needs to begin reversing its slide.

On the belief that the smart money is betting on a good outcome at Kombat and that copper production in the current price regime could be lucrative, we'll keep Trigon a buy.

• **Vizsla Silver** (VZLA.NYSE-A; VZLA.V; US$1.79) announced good results from targets within Panuco's Animas vein corridor.




The Rosarito zone had already contributed an indicated resource of 719,000 ounces silver equivalent and an inferred resources of 553,000 ounces silver equivalent. The latest batch of assays included a post-estimate hit at Rosarito grading 652 g/t silver equivalent over 4.71 meters.

The Cuevillas zone, which is perpendicular to Rosarito, and which was not included in the recent resource estimate, returned 1,088 g/t silver equivalent over 1.26 meters and 261 g/t silver equivalent over 5.66 meters. Vizsla considers Cuevillas to be a new discovery.

More important than the individual results from these targets is the fact that Vizsla has 120,000 meters in drilling dedicated to Panuco in 2022. Given the high hit rate drills have enjoyed to date, the chances are excellent that Vizsla will continue to grow Panuco's already large resource.

Vizsla remains a buy at current levels.

• **Vox Royalty Corp.** (VOX.V; C$3.47) announced quarterly revenue that not only set a record, but also surprised management.

The company reported revenue of C$1.862 million (US$1.471 million) for the three-month period ending March 31, a total that exceeded the management team's guidance for all of last year. In other words, Vox is growing at an accelerated pace. It remains a buy.

• **Zacapa Resources** (ZACA.V; ZACAF.OTC; C$0.55) announced visual results for the first four holes drilled at its Red Top project in Arizona. Those results show the holes have cut porphyry-style mineralization that included intervals with visible copper minerals. A 1,200-meter fifth hole is underway to test the depth potential at Red Top.

Visual indications aren't the same as assays, but it's good to see the first four holes at Red Top consistently delivering strong signs of mineralization.

Plus, remember that Zacapa has a portfolio of projects to build on, including its South Bullfrog gold project. Recent IP surveying of that project returned multiple anomalies from which to generate drill targets.

South Bullfrog's location in the active Beatty District of Nevada's Walker Lane Trend gives it an area play angle to go with legitimate discovery potential. While we wait to see the assays from the drilling at Red Top, Zacapa Resource remains a buy.

# Potpourri

Miscellaneous notes and observations

By Brien Lundin

## Inflation isn't going away

A couple of the smartest analysts in the industry — Peter Boockvar and Jeffrey Gundlach — were just on CNBC giving their views on the future of inflation.

They're views jibe with mine: We have likely reached "peak inflation" for this cycle, but rates will remain very high.

Gundlach noted that he'd be surprised if the rate of inflation fell below 6% by the fall, levels that he noted would still remain well above interest rates. In other words, we'll still have deeply negative real rates, and condition that's extremely supportive of commodities in general and precious metals in particular.

For his part, Peter had been warning that the rate of change in inflation was already nearing a peak before Russia's invasion of Urkraine, thanks to the year-over-year comps getting less dramatic. But the supply-chain issues and soaring energy prices that resulted from that conflict turbocharged inflation once again.

While Peter also believes the rate of change has peaked, he's also warning that in the many earnings calls he attends he's hearing that companies will be recapturing their margins through price hikes well into next year.

So again, inflation isn't going away.

I've been saying that one danger for gold is that expectations had been, pardon the pun, "inflated" for inflation. Thus, any decline in the rate could spark a short-term sell-off. Now it seems to me that expectations have been lowered, and that the market actually expects the rate to tail off, while remaining high.

Thus, the monthly CPI release may have transformed from a risk factor to a potential reward.

We'll get some idea with tomorrow's number for April.

## Helping diabetics in Ukraine

If you're like me, you've watched the tragedy unfolding in Ukraine and wondered what you could do to help.

A friend of mine in the resource industry has come up with one way — and it not only addresses an urgent need, but puts our hard-earned dollars directly to work.

You see, the war in Ukraine has cut off supplies of nearly every kind of product, and one that is in acute need right now is insulin for the 2.5 million diabetics in the country.

Many of these are Type 1 diabetics who need multiple daily injections of insulin to survive — and supplies of insulin are limited or even unavailable in many areas of Ukraine right now.

> **"The macro-economic factors that are now powerfully bullish for gold and silver are equally positive for tangible assets in general, including real estate."**

A coalition of companies is working to address this need right now, and could use our help.

The group is being brought together by my friend Arlen Hansen, himself a diabetic, who is the founder of investor relations firm Kin Communications. Among his clients are a number of companies in not only the resource sector, but also technology and health services.

Arlen has enlisted the help of NuGen M.D., Draganfly Inc., and Coldchain Technology Services, working together with Revived Soldiers Ukraine (RSU), to deliver NuGen's needle-free injection systems and insulin to areas affected by the conflict in Ukraine via Draganfly's Medical Response drones.

The insulin itself has been sourced at a significantly reduced cost through Coldchain Technology Services, LLC, and delivery on the ground will be coordinated by RSU.

It's an amazing coalition, and it's all been brought together in record time to address this urgent need.

How can you help?

Arlen and his team have created a GoFundMe page with a goal of raising at least the $250,000 they feel they need to effectively begin delivering insulin to those in desperate need.

I've already donated, and I urge you to seriously consider helping them with this worthy cause. Just CLICK HERE to learn more.

## A wonderful primer on going overseas

The macro-economic factors that are now powerfully bullish for gold and silver are equally positive for tangible assets in general, including real estate.

That's why more and more of our readers and New Orleans Conference attendees have been asking us to include opportunities and speakers in real estate to our agendas and coverage.

In response to this, I also asked a long-time colleague in the industry, Mike Cobb of ECI Development, to join me in a "Going Offshore 101" webinar outlining not just the reasons to consider investing in offshore real estate, but also the first steps to take.

We just held that webinar and I can tell you that Mike did a wonderful job of explaining how to get started.

I found it interesting that the first thing one should do is *not* to ask anyone — not friends or self-described experts — any questions. No, you should ask the first questions of yourself.

Essentially, it's a fascinating process that involves a good bit of self-discovery, but the rewards could be achieving the lifestyle of your dreams while avoiding nightmares that many others have run into.

I could go on, but I'd rather guide you to the recording of the webinar, and the free, comprehensive resource guide that Mike and ECI provide. Just CLICK HERE to view the webinar and get all the details.

## Announcing New Orleans 2022!

I saved the best for last: *We've just announced the opening of registrations for this year's New Orleans Investment Conference.*

I'm excited to say that it may be the most eagerly awaited event in our 48-year history, for a number of reasons.

**First,** we'll finally be "back" after a three-year absence due to the Covid pandemic.

Yes, we hosted our first in-person event last year, but many of our exhibiting companies and friends from around the world weren't able to travel and join us due to lingering concerns over Covid. Still, it was an extraordinary gathering, seeping with intellectual energy from our attendees and value from our elite speakers.

But now that *everyone* will be able to join us, we're going to absolutely blow the doors off with this year's New Orleans Conference.

Already, our phones have been ringing and our email inboxes bursting with inquiries from across the globe, a sign that this event is not to be missed.

**Second,** the fundamentals and technicals are lined up perfectly for the precious metals, commodity and mining stock opportunities that the New Orleans Conference is renowned for offering.

- Inflation has surged to 1970s levels…real rates are more negative than at any time since the 1940s…sending investors flocking to metals, commodities, real estate and other tangible investments.
- The Fed is dead-set on the most aggressive monetary tightening in decades — with enormous implications for every investment sector.
- But with an enormous federal debt and massive bubbles in the stock market, bonds and real estate, the Fed is absolutely powerless to fight inflation.
- The next big development: When the Fed is forced to retreat from its rate hikes.
- The stock market is already throwing a hissy fit and telling Powell & Co. to lay off. When the Fed wavers, specific investment sectors are going to explode higher.

What does it all mean?

It means you're now facing tremendous risks and opportunities…and you have to be prepared for what's coming.

**Third,** we've already lined up an extraordinary roster of speakers…drawing heavily on the wildly popular experts from last year…with many more still to come.

Consider who's told us they're coming to talk to you so far:

**James Grant**...**Jim Rickards…** **George Gammon**...**Danielle DiMartino Booth**...**Tavi Costa**...**Peter Boockvar**...**Jim Iuorio**...**Dave Collum**...**Brent Johnson**...**Lawrence**

**"The stock market is already throwing a hissy fit and telling Powell & Co. to lay off. When the Fed wavers, specific investment sectors are going to explode higher."**

**Lepard…Doug Casey...Jon Najarian & Marc LoPresti…Dominic Frisby...Adam Taggart...Bob Prechter...Nick Hodge...Adrian Day...Mark Skousen...Mary Anne & Pam Aden...Steven Hochberg...The Real Estate Guys…Brent Cook...Thom Calandra...Chris Powell...Dana Samuelson...Gary Alexander...Albert Lu...**

...and, of course, yours truly.

Again, there's much more to come — we're still in the early stages of planning this year's event, and I've got some big surprises in store.

But even at this early date, one thing seems certain: This year's New Orleans Conference is going to be a blockbuster.

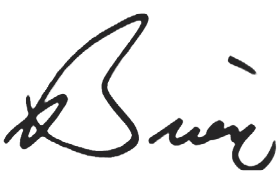
So I urge you to be among the first to secure your place.

Frankly, I don't think I remember an investment event as eagerly awaited as this one. Everything — the years spent mired in the pandemic…the macro-economic set-up…the geopolitical uncertainty…the teetering stock markets…soaring inflation…commodities taking off…and the Fed's upcoming retreat on monetary tightening — make New Orleans 2022 a must-attend event.

I fully expect our entire hotel room block to sell out this year, so you'll have to act soon to make sure you'll get in.

By registering now, you'll not only save up to $500 from the full registration fee, you'll also guarantee your place.

Just CLICK HERE now to save hundreds of dollars, secure your spot in our convenient host hotel and get positioned for one of the most enjoyable and rewarding investment events you've ever attended!





**Remember:** Use your e-mail address and Password to log into the "Subscribers Only" section of the Gold Newsletter site (goldnewsletter.com).

This allows you access to the current and archived issues of Gold Newsletter, the Gold Newsletter portfolio and special offers and products. You'll also be able to view your account and profile, and make any necessary modifications.