


TDV's Summary of Updates for April

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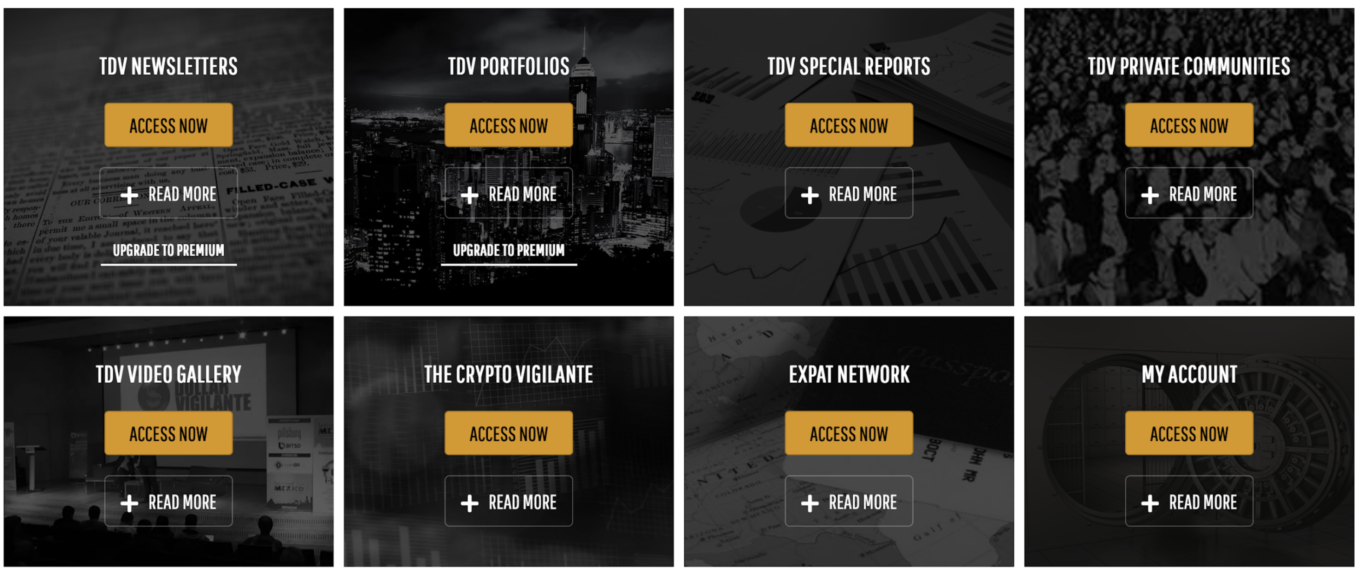
May 3, 2021

Important Reminder

This report consists of a recap of updates that have already been published (starting from pp. 4).

If you are new to the TDV Premium newsletter, first, thank you for subscribing. To get the most out of it here are some things you might want to know. You can access almost anything you need through the "member's area" of the website. If you scroll down a little you will see the following choices come up.



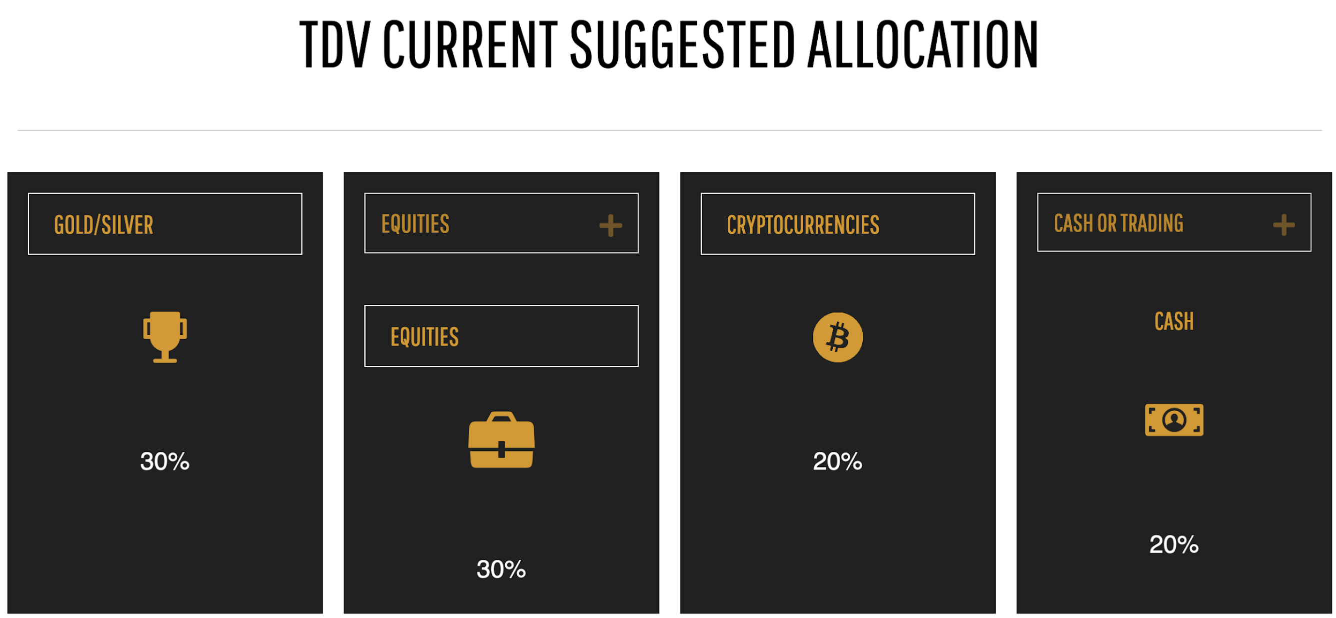
The first two boxes are where you will get almost everything that's published on a regular basis.

Let me explain the difference though.

The TDV Newsletters section takes you to a page that links to the latest (1) the monthly issue, (2) the dispatch, (3) trade alerts, and (4) any new special reports that we've created (working on a few right now).

The TDV Portfolios section will take you to the page that hosts our allocation and portfolio holdings.

The page looks like this:



That is just a generic investment strategy. Everyone will be different but if you are looking for some guidance that is how we would do it for most investors. Each of those boxes links to a separate profile page for that allocation or holding. When we have a quick update on gold and silver or bitcoin we will just add it to those pages, which triggers an email with a link that will take you straight to the profile page for that allocation or holding (assuming you have logged into the site already, otherwise you have to login first for it to work right).

Either way, you can access the updates any time through the site going in through the Portfolios page.

Just click on gold/silver to go to the goldsilver profile page and you will see a logo, a "description" which expands, a real-time chart, and below the chart, you will see something that looks like this,

Those boxes all just expand into the update without leaving the page.

By clicking on Equities, you will get taken to a table that hosts our portfolio and looks like this.

TDV DEFENSIVE INVESTOR MINER PORTFOLIO

MAJOR PRODUCERS (40%)

TDV Portfolio	Primary Metal	Number Mines	Date Added	Last Update
Newmont Goldcorp	Gold	14	APR 2019	March 9, 2021
Agnico Eagle Mines	Gold	7	AUG 2010	August 4, 2020
Pan American Silver Corp	Silver	10	AUG 2019	October 17, 2019
Cameco Corp	Uranium	1	AUG 2019	March 18, 2021
B2Gold	Gold	5	FEB 2011	March 31, 2021
Yamana Gold	Gold	5	AUG 2013	June 10, 2020

JUNIOR PRODUCERS (45%)

TDV Portfolio	Primary Metal	Number Mines	Date Added	Last Update
SSR Mining	Gold/Silver	4	DEC 2020	December 24, 2020
Argonaut Gold	Gold	3	AUG 2013	February 19, 2021
Endeavour Silver Corp	Silver	2	AUG 2019	March 25, 2021
Fortuna Silver	Gold/Silver	3	AUG 2013	March 11, 2021

EXPLORERS / EMERGING PRODUCERS (15%)

TDV Portfolio	Primary Metal	Asset Stage	Date Added	Last Update
Sabina Gold & Silver	Gold	Emerging	AUG 2010	February 1, 2021
Cascadero Copper	Gold	Development	APR 2016	March 22, 2021
Alexco Resource Corp	Silver	Emerging	AUG 2019	February 4, 2021
EMX Royalty	Gold-Copper	Royalty	AUG 2010	March 7, 2021
Mexican Gold	Gold	Exploration	NOV 2017	February 25, 2020

Each of those companies has its own profile page with all of our updates on them there. None of this shows up in the regular newsletters. It is an add-on service. And it is also where you get our TA and market action updates on bitcoin, gold, and silver in real-time. This report is a monthly publication that essentially copies and pastes all of those updates into a single report and puts it in the “newsletters” section in case you missed them.

Basically just an added convenience.

Argonaut Gold - April 29, 2021

Argonaut (ARNGF) announced that it has received the modified Air Quality permit, and all other necessary regulatory approvals, allowing it to go ahead with the installation of a new conveying and stacking system at its Florida Canyon mine in Nevada. Management will have breathed a sigh of relief on receiving what is usually considered a routine permit. You see, Biden signed an executive order that requires all modifications, however minor, to be approved by one of four positions located in Washington, D.C.

Such a power grab has no doubt left quite a few open-pit miners in consternation, especially after seeing the measures this administration took to clamp down on the oil & gas industry. The new conveying and stacking system, which will operate on grid power, is expected to lower operating costs by eliminating the use of diesel-powered haul trucks to transport ore from the crushing circuit to the leach pads. The haul trucks can then be re-routed to hauling more ore from the mine to the mill, potentially increasing the production rate at the mine. The mine is expected to produce 50-60,000 GEOs at cash costs of $1200-$1300/oz in 2021.

We should have an update on the capital costs for this project with the release of Q1 results on May 4.

But this was a big step and shareholders should be happy to see it out of the way.

Keep buying Argonaut.

Cryptocurrencies - April 27, 2021

BTC/USD	SHORT TERM 0-3 WKS	INTERMEDIATE 1-6 MO	PRIMARY 6 MO +
TA TRENDS	BULLISH	NEUTRAL-BULLISH	BULLISH
MY OUTLOOK	NEUTRAL	NEUTRAL	BULLISH

XMR/USD	SHORT TERM 0-3 WKS	INTERMEDIATE 1-6 MO	PRIMARY 6 MO +
TA TRENDS	BULLISH	BULLISH	BULLISH
MY OUTLOOK	BULLISH	BULLISH	BULLISH

XMR/BTC	SHORT TERM 0-3 WKS	INTERMEDIATE 1-6 MO	PRIMARY 6 MO +
TA TRENDS	BULLISH	NEUTRAL	BEARISH
MY OUTLOOK	BULLISH	BULLISH	BULLISH

I made some changes to our tables above. I find that when I talk about crypto, short-term is not the 3-month trends that I talk about when I refer to the short-term in equities or traditional financial instruments.

Things happen faster, moves are more pronounced, time frames for how fast the fundamentals are changing are also different. In equities, for example, bull markets can last from 3 to 7 years, sometimes longer.

But in crypto, bull markets are lucky if they last 3 years. So short-term trends in crypto are those that are most obvious in the 5 minute and hourly charts, whereas for equities it could be hourly but would most likely be daily. It used to be that short-term trends were those on the daily charts spanning about 6 months, intermediate trends were those that stood out on the weekly charts spanning up to three years, and primary trends were those that you could spot on monthly charts spanning a decade or two.

There's a lot of news so I will leave that to the team at TCV, they're covering the space great.

The altcoins have had a correction and might continue to blow off, demarking somewhat of a later stage of the cycle, or at least for bitcoin. As was expected when users started running up against higher fees, some analysts, including our own, have turned negative on bitcoin. And the discovery of a new privacy coin has engendered a renewed fervor in privacy coins, like Monero, which is the lead coin in that segment.

I can't mention the new coin in this letter. I continue to recommend a 20% allocation to cryptocurrencies because I am very bullish about their long-term prospects and although I am trying to help us navigate the currents, I also recognize that it is a bit of a fool's game to try to outguess the market.

I may have a good batting average but not 100%, and we make up for the risk of being wrong in other ways, usually by buying hedges that don't work out because the things we are hedging are still doing great.

Enough babble. The short-term bitcoin USD price trend reversed this weekend when a lower low to the mid $40k's didn't last an hour before the bulls rammed the price back up through Friday's highs, and several resistance markers between $50.6k and $54k. They are currently pushing up to $55k. But volumes are light, and they have not rejected the Feb-Apr rising wedge failure, which is still a few thousand points away.

One possible catalyst for the bulls' move this weekend was news that both Goldman and JP Morgan are getting closer to offering a bitcoin pool to their wealthy clients, I think Goldman is closer. Some analysts noted that there was a net inflow of tether to crypto exchanges last week, which could be hinting at that.

Not all indicators are positive but that's the one the market is focusing on today.

I still see the risk of a financial shock impacting bitcoin, and I also see the altcoin rally as a sign that we are in the latter stages of the bull market cycle for bitcoin. I am still bullish. My first 2021 target was reached early, and I still have my higher $120k target. I think a correction lasting a few months here would be healthy.

After that, a run to $100k would be a piece of cake in the fourth quarter.

That continues to be my outlook. What may change it is if this current run-up to $55k continues to push higher to reject the rising wedge formation (would have to rally past $60k) at a minimum. The current retracement rally while encouraging for the bulls on the trend is not that convincing in terms of volume.

One fundamental it has going for it is that the US dollar is losing ground again.

I'll cover that in the gold/silver update.

But while my short and intermediate outlook on bitcoin has turned more neutral and uncertain, my outlook for Monero couldn't be more bullish across all the time frames. There is a shift underway. There are better and potentially sounder coins out there than bitcoin. But whether they take it or not is another matter.

Right now, some are taking.

The one I can talk about for TDV is Monero because we recommend equal weighting in Monero as we do in Bitcoin. Monero is up 150 percent YTD and since I said it would triple back in February. Bitcoin has been our main gainer in previous years - 2019 and 2020 - but this year it is tracking behind many other coins.

The TCV portfolio is up 290% excluding bitcoin's ~90% YTD return on a weighted basis but the average return in the portfolio is 542% (YTD) thanks to one coin up almost 5000% this year at the time of writing.

Still, the distribution of returns is strong. Even without that coin, the average return was 269%.

I'm promoting TCV but I'm using it to point out what's happening outside of bitcoin.

For now, Monero is in a parabola of its own, and unless the dreaded financial shock interrupts it, appears poised to challenge its 2017 highs between $450 and $475. A break out from the current congestion in dollar terms is pointing at least at about $600. I do see risks on the fundamentals side but not for at least a year out.

How high should Monero go?

That's a good question.

I have resigned to accept that bitcoin will continue to get the popular vote as long as the fees can be brought down again, and as long as it has such a lead on the other coins in terms of user infrastructure and choice.

Like its dozens or maybe hundreds of wallets compared to Monero's two or three or so.

There is a trade-off between convenience and privacy. Users opting for privacy give up conveniences. And I think most people will not want to give those up as much as privacy advocates wish they would. At least not for many years. Not until people learn the hard way to value their privacy more. More of those lessons are required to overcome the propaganda that is going to be aimed at privacy coins in the coming years.

So for now, it's not likely that Monero is going to replace bitcoin, even though ultimately, as privacy comes into vogue again, it will. However, a rerating of the Monero/Bitcoin ratio is probably overdue.

Here is how that ratio looks like right now. You could use it as an indicator of the public's valuation of privacy. It has been trending down in line with our perceptions of the public's priorities and wants.

For now, the short-term trend is strongly bullish.

The market cap of bitcoin is about 150 times as big as Monero's. What is the right ratio if there is a relative re-rating in privacy between the coins? How far will the current trend go? We're bullish and for now, I will adopt the hopeful idea that we are going to return at least to the 2017 ratio which was more like 30-40 times.

That means Monero could rally to $1600, $1800, even $2k as Jeff has predicted - without any further gains in bitcoin at all. In fact, in the last cycle in 2017, its biggest moves also occurred in the late stages of the cycle, when bitcoin first made its thrust to $20k. These are all speculative targets, but reasonable for the situation.

I'm not yet looking for higher highs in bitcoin, and would prefer to see it continue to consolidate in the next month or so while I see continued momentum in Monero and the altcoin market at least until the next financial shock comes along, which is any time now, could be days or weeks, but probably not months.

And when it comes, if you have not participated in this space yet, do not hesitate to back up the truck.

It might be your last chance to buy the best of the best of these coins cheaply.

Fortuna Silver - April 26, 2021

Fortuna Silver (FSM) announced its intent to acquire West African gold producer **Roxgold (ROXG.TO)** for C$1.1 billion, representing a 42.1% premium to Roxgold's Friday closing price. This is primarily going to be a share swap, with Fortuna issuing 0.283 shares and paying C$0.001 in cash for each Roxgold share.

Fortuna shareholders will own 64.3% of the combined entity. The deal is subject to approval by a two-thirds majority of Roxgold shareholders and a simple majority (>50%) of Fortuna shareholders. Appian Natural Resources Fund, which owns 13.2% of Roxgold, has agreed to vote in favour of the deal.

At the time of writing, Fortuna shares are down 18% while Roxgold's are up 15%. Roxgold operates its flagship ~1 million ounce Yaramoko gold mine in Burkina Faso, and is advancing both the ~900k ounce Séguéla gold development project in Côte d'Ivoire and the Boussoura exploration project in Burkina Faso 180 km south of Yaramoko. Yaramoko is expected to produce 125,000 ounces at an AISC of $940/oz in 2021. The mine has a calculated NPV (5%) of ~$450 million assuming a $2000 gold price and reserve life of 5.68 years.

Based on a just-published Feasibility Study, at $1800 gold, the Séguéla development project has an after-tax NPV (5%) of $478 million and after-tax IRR of 58% on initial Capex of $142.2 million, for a combined value of nearly US$600 million (C$750 million CAD). The Séguéla project is close to a construction decision, with production expected to commence by 2023. Fortuna intends to use its treasury - boosted by the free cash flow expected to be generated by its Lindero gold project going forward - to fund construction there.

Closing this deal could be a big win for Fortuna. The consideration offered is fair, in line with our valuation estimate on Roxgold's assets. The diversification mitigates some of the geopolitical risks faced by Fortuna.

In Argentina, where Lindero is headed to commercial production, the company is going to face difficulty repatriating capital due to the strict capital controls while soaring inflation is going to result in forex losses on its peso holdings sooner or later. In Peru, where Fortuna operates the Caylloma mine, business conditions could drastically change for the worse based on the outcome of national elections being held in June. The lead candidate Pedro Castillo, who leads a Marxist party and aims to emulate the economic policies of Cuba and Venezuela, is advocating for expropriating all foreign miners and expanding state control over industry.

In the conference call to discuss the deal, Roxgold's management mentioned that they had discussed an acquisition with several prominent miners in the West African region (our guess is Endeavour Mining, Anglogold, B2Gold, Barrick) before accepting Fortuna's offer. There is, therefore, still a likelihood of a higher bid, or even a no vote from shareholders of either company. The share price response today makes it obvious that Fortuna shareholders don't approve of the deal. Roxgold shareholders may not approve the deal either.

That risk aside, the premium is healthy, and they should accept it. In fact, it's so healthy that's probably what Fortuna's shareholders aren't happy about, although I've seen complaints from Roxgold shareholders about Fortuna's shares being overly expensive. Either way, the bid is not excessive. It's just not an opportunistic takeover, at least not on the surface. Moreover, drilling down into Roxgold's exploration portfolio reveals a few potential discoveries on the Hounde greenstone belt, a proliferating mining region, which are hidden gems. The street has been discounting assets in West Africa lately but we still see value in that region.

The downside is that Fortuna is becoming more of a gold company and less of a silver company, which may also explain the sell-off in its price today since silver producers have been commanding a premium. In that sense, Fortuna's management team made the right decision to use their strong currency to diversify into gold.

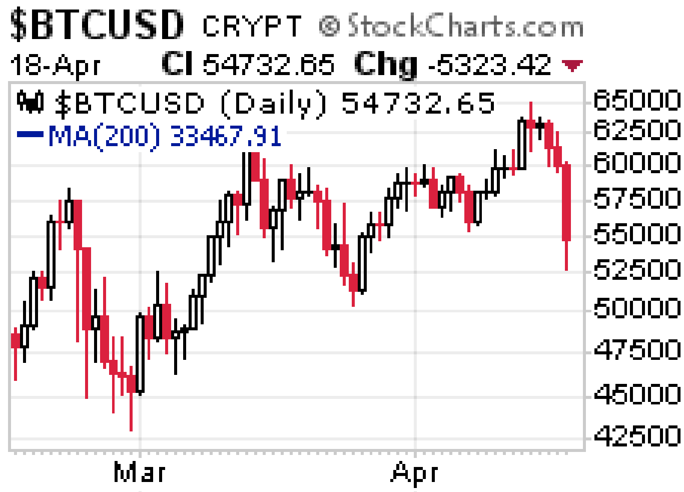
Bitcoin - April 18, 2021

BTCUSD	SHORT TERM 0-3 MO	INTERMEDIATE 3-18 MO	PRIMARY 18 MO +
TA TRENDS	NEUTRAL-BULLISH	BULLISH	BULLISH
MY OUTLOOK	BEARISH	NEUTRAL	BULLISH

Two quick changes to the situation. A liquidation in bitcoin markets overnight has put in question the short-term uptrend, which is still somewhat bullish, but the bias of waning momentum has strengthened.

The second change is I reverted my short-term outlook back to bearish, as it seems that my original hunches about a rising wedge may be proving correct. When you see bullish breakouts fail, it's not usually a good sign, and the behavior confirms my previous concern about the market's reaction to the news. Sure, the rising wedge is supposed to represent a petering out of interest, and my view of that seems to rely on which side of the bed I got up on, but it could still be true. The fact that everyone jumped on the altcoin bandwagon could just be the proof of the pudding in that regard.

The drop below $55k is technically a breakdown, although previously I put that at $50k before the new high in front of the Coinbase IPO. More on that in the letter but the market's reaction to that just seemed like more of the same. It turned into a *sell-the-news* event, which I should have expected, but I got fooled by the push to a new all-time high because it was happening too soon. I didn't realize the IPO was going to come out a day earlier than advertised (April 14th rather than the 15th) on the NASDAQ. Either way, now the hangover.



A degree of FUD has re-entered the market, not necessarily a healthy dose. It is related to a potential cyberattack, which Jeff has been covering, and the coming crypto bans in Turkey, as well as Russia and India - maybe. The verdict is still out on the latter two. But it should be evident that we have seen a lot of froth in this market, as well as the larger equity market, and those bubbles are in danger of popping on increasing price and interest rate pressures. That is probably a more certain outcome. If I am going to be right about the CPI surprise this spring-summer in their own data, the timing for a hiccup in the stock market has to be close.

And remember, these markets are correlated right now, for better or worse.

I know it feels like a fool's game to try to second guess these bull markets. It is very difficult to do. But nothing goes straight up. Sentiment is as bullish on stocks and traditional assets as ever. See the newsletter for my analysis of what the Fed and the banks are doing to the money and credit machine but suffice it to say there is nothing all that *brrrrr* about it, lately. The bulls are finding comfort in Fed officials' promises that they won't reverse the current monetary policy any time soon. Earnings and valuations are not even important enough to discuss. The mechanisms for making them worth considering have been disabled. As long as a boat can float, the rising tsunami will lift the thing, and vice versa. The things that are not yet seen in metrics like the GDP and industrial activity, or jobs, are more subtle but sure from an economic point of view. The dictates imposed on retail is going to consolidate the industry and continue to add to unemployment regardless of the vaccines. It is apparent no one expects things to get back to normal. The effects of the disruption in many of the supply chains are just being felt now. Lumber prices have tripled over the last year. Many of the foods and commodity groups are following. The economic policies being pursued are so obviously destroying capital and the currency that I can't see how we aren't already moving into a stagflationary period for the economy.

However, I think we are close, within a year we will see those cracks.

I only mention it quickly here as a premise for the crack and subsequent bear market in stock prices that I see coming and that I think is going to be inevitable despite the monetary policy, just as was the case in the thirties and the seventies. Contrary to what you hear, the thirties was not generally a period of deflation - not after 1933 when FDR confiscated Americans' gold. From then until the late thirties where they raised reserve requirements, the money supply expanded and prices rose. The stock market peaked in 1929 and it took more than 20 years to recover those highs even though there was plenty of inflation throughout the war and after.

The next major peak in stock prices didn't occur until the sixties.

Although the history of the NYSE and S&P 500 show them peaking in 1973, the DJIA, by far the leading average of the day, peaked in 1966. It wasn't until 1983 that new highs were made in all the US averages.

Likewise, it took the NASDAQ 14 years to recover its 1999 highs, *throughout an inflationary cycle*.

From present valuations, there is no reason to believe that stagflation is going to be bullish for stocks, especially considering its likely effects on inflation sentiment and interest rates, much of which is probably deliberate. At this point, I think they want to inflate the debt away so the Fed would likely tolerate a revival in inflation fears and some dollar weakness on the forex market. And all that appears to be around the corner.

Correction time is nigh!

I don't have a downside prediction but if it is an intermediate cycle correction it will test your bullish conviction before it is over - much as what we saw happen during the gold correction since last summer.

However, I don't think it'll even do that, not quite. It would take a fall to below $30k to test my conviction, which is a very low probability event in my outlook. It could happen. The financial shock will be deflationary, which in this system is a very temporary but violent event. The best things will reverse strongest afterward, and continue off to new highs after bucking the weaker hands out of the saddle. If this is an intermediate correction, I'd expect it to last a few months and bottom-out above $33k, plus or minus. I have a hard time seeing too great a fall though, so my intermediate outlook has to stay more neutral than bearish. Maybe it'll all happen even quicker than I expect. We could fall to the low $40k's really quick here, and then onwards and upwards. But my worry about a correction comes from essentially two things that I see happening.

One is a bit of fatigue in the underlying bitcoin bull trend. The second is an orchestrated bear raid by the banksters in a last-ditch effort to get their best clients on board even though the train has already left the station. By orchestrated I mean things like the crypto ban news they throw at the market from time to time through conventional media channels, which should have less and less impact as time goes on anyway.

I don't know where the correction will end or if it has already ended but I believe we are due for one, and it would be good for the trend longer term to have a normal correction occasionally on the way up.

B2Gold - April 17, 2021

B2Gold reported solid production numbers in the first quarter pushing the stock up some 25% off its month-end US$4.16 low, staging a potential Wyckoff reversal in the process. Support for this hypothesis lies at the US$4.65-$4.85 level on any retracement in case resistance at the current level near US$5.15 slows it down.

The company said that gold production in the first quarter came in above forecasts at 220,644 ounces, giving it a revenue of $362 million on gold sales of 202,330 ounces at an average price of $1,791 per ounce.

Although better than expected, it is lower than its year-ago Q1 revenue of $380 million on gold sales of 239,500 ounces. We won't know the rest, including costs, until they release the full set of financial results on May 4th. But the company reiterated its 2021 guidance of 1 million gold ounces at an AISC of ~$890/oz, and expects to generate $630 million in operating cash flow this year assuming $1800 gold price.

This forecast assumes Fekola contributes 530-560,000 oz, which is likely *conservative*. B2gold was able to expand mill capacity from 6 million tonnes per annum (Mtpa) to 7.5 Mtpa at Fekola last year. But with the addition of saprolite (softer) ore, the throughput can be further increased beyond 8 Mtpa. Production at Masbate and Otjikoto exceeded budget by 14% and 11% respectively, driven by higher grades and recoveries.

Operations

Mine-by-mine gold production in the first quarter of 2021 (including the Company's estimated 33% share of Calibre's production) was as follows:

Mine	Q1 2021 Gold Production (ounces)	First-Half 2021 Forecast Gold Production (ounces)	Second-Half 2021 Forecast Gold Production (ounces)	Full-year 2021 Forecast Gold Production (ounces)
Fekola	125,088	220,000-230,000	310,000-330,000	530,000-560,000
Masbate	57,513	100,000-105,000	100,000-105,000	200,000-210,000
Otjikoto	23,042	45,000-50,000	145,000-150,000	190,000-200,000
B2Gold Consolidated (1)	205,643	365,000-385,000	555,000-585,000	920,000-970,000
Equity interest in Calibre (2)	15,001	25,000-30,000	25,000-30,000	50,000-60,000
Total	220,644	390,000-415,000	580,000-615,000	970,000-1,030,000

(1)"B2Gold Consolidated" - gold production is presented on a 100% basis, as B2Gold fully consolidates the results of its Fekola, Masbate and Otjikoto mines in its consolidated financial statements (even though it does not own 100% of these operations).

(2)"Equity interest in Calibre" - represents the Company's approximate 33% indirect share of the operations of Calibre's El Limon and La Libertad mines. B2Gold applies the equity method of accounting for its 33% ownership interest in Calibre.

This management group likes to exceed its own guidance and has a solid track record of growth behind it.

It has grown gold production every year since it began operations in around 2009.

Our gold price target for 2021 is higher than B2Gold's. We are still looking for an average $2250 gold price this year, so our cash flow forecast for 2021 approaches $1.1 billion for this group or close to $1 per share.

The company's stock is trading at just 5-10 times these forecasts.

I firmly believe it'll be a $20-$25 stock in the next few years.

Definitely still worth owning, as it is my very favorite midcap gold producer, and still very cheap.

Sabina Gold & Silver - April 14, 2021

Sabina Gold & Silver (SBB.TO, MCap $619.2M) was down 13.3% on 5.4 million shares in yesterday's trading session. The action prompted management to issue a press release claiming they were unaware of any material news. The stock has been weak since its addition to the GDXJ (ETF) in December. Since our last update, Sabina updated its feasibility study on the Goose project resulting in a base case after-tax NPV (5%) of C$1.1 billion and after-tax IRR of 27.7% (at $1600 gold), rising to C$2.1 billion and 42.2% at $2200 gold, on initial Capex of C$610 million.

FEASIBILITY STUDY FEATURES	
Annual gold production (Years 1-5)	287,000 gold ounces
Life of mine average annual gold production	223,000 gold ounces
Mine life	15 years
Total gold production	3,345,000 gold ounces
Recovery rate	93.4%
Processing rate (tonnes per day; tpd)	3000 tpd, rising to 4000 tpd at the end of year 2
Strip ratio	10:1

The feasibility study fell short of some of our expectations, and maybe the market's.

We expected the company to go with the 6000 tpd scenario that they had outlined in their last FS in 2015, assuming the gold price environment would support the higher Capex requirement. Instead, the company chose the 3000 tpd scenario, ramping up to 4000 tpd at the end of year 2. For comparison, Agnico's Meadowbank mine in Nunavut, built-in 2010, supported a throughput rate of 8500 tpd initially for a life of mine (LOM) annual production of 350,000 gold ounces over 9 years. Sabina's total expected gold output of 3.3 million ounces also falls short of the 5 million ounces majors look for when contemplating acquisitions.

These could be some of the reasons behind the weakness in Sabina's shares.

Management went with the smaller mine plan likely because of the size of initial capital required for the project in an area with very little local infrastructure already built out. The larger plan likely would have been prohibitively dilutive. Either way, the project still sports robust economics. If we assume the project will be debt-financed rather than equity there is more upside. If we assume equity-financed then there will be less upside on this project other than gold price sensitivities and in realizing the value of its other assets.

At our 2021 gold price target ($2250 average with a $2500 high) the project is worth twice as much and argues for a triple or quadruple if we are right on gold. That's excluding the takeover premium that seems to have deflated yesterday a bit. This is a very conservative feasibility study and the costs are speculative, but it demonstrates value in the shares, and I'm still liking the project's exploration and growth potential.

Bitcoin - April 13, 2021

BTCUSD	SHORT TERM 0-3 MO	INTERMEDIATE 3-18 MO	PRIMARY 18 MO +
TA TRENDS	BULLISH	BULLISH	BULLISH
MY OUTLOOK	BULLISH	NEUTRAL	BULLISH

I had to upgrade the short term trend from neutral-bullish to bullish, and my short term outlook to bullish, because as I was watching developments in prices, it was obvious that the rising wedge hypothesis had to be wrong, at least as a topping indication. The reason is that the pattern indicates a petering out of interest, and clearly there is none of that happening in crypto today. I interpreted the market's fading momentum and its reaction to news incorrectly. And the news flow has just gotten more bullish in the meanwhile. We just heard that Binance was going to tokenize Tesla shares and offer them up for trading on its platform. The Binance coin has been murdering its smart contract competitors — Ethereum and Cardano — and it definitely has some advantages over them. It did occur to me recently that it would be something to see a crypto exchange take over a stock exchange. But again, these are very bullish thoughts, reminding me to be vigilant. Every time I feel excited I remind myself that these markets are not immune to the boom-bust sequence that finance is to a large extent engrossed in regardless of the asset's potential. And hell, those rising bond yields make me very leery about the next financial bust on Wall Street. In fact, where bitcoin and Monero (and pirate chain, which I didn't buy enough) threaten to disrupt the Fed's monopoly on the money supply, decentralized finance has been developing nicely and not only threatens to undermine market shares of traditional lending posts, like the banks, but also the government's bonds, which they keep unethically declaring to be risk-free securities.

If that's the case those treasury yields aren't just going to be rising because of price inflation, the public debt, or competition for liquidity from stocks and cryptocurrencies, but also, due to competition from new trustless lending algorithms and solutions offered through Defi. Who wants to earn 2% on a 30 year Treasury security when they can earn many times as much on a collateralized loan executed through a smart contract.

The US dollar can't find any traction. The only thing going for it is that global investors still have to buy dollars to get access to stocks, and the authorities have promised several crypto-related equity offerings in coming weeks and months, including Coinbase (despite having the worst security and burdensome kyc of all of them) and various ETF's, plus the fact that many companies have been stocking up on bitcoin (instead of dollars) in their own corporate treasuries. The crypto bull market won't let up. Time Magazine just partnered up with Grayscale to ensure the people are educated, and it will also be loading up on bitcoin, it announced.

We are heading into the irrational stages of this bull, which is the stage I have the most difficulty with because the things that happen don't make a lot of sense. In some ways, I think the market is definitely a little ahead of the development of these coins. There is more speculative froth in the market than anything else right now, and more than will be healthy for price stability going forward. It has been spilling over from the tech bull market in equities for some months, and thanks to the Fed's easy money policy.

This is the fun part. It is also the first time that the TCV portfolio excluding bitcoin has outperformed bitcoin since we launched it in 2019. The YTD return for the whole portfolio is 155% (169% excluding bitcoin) while bitcoin and Monero are up just 121% and 99% respectively in 2021 so far. I can't divulge the names of the coins here, but several coins in the portfolio are up from 200 to 1000%, much of that happening just in the last few weeks to be sure. This is a straight upmarket. I am sticking with my call for an intermediate correction so my intermediate outlook is neutral, which means that whatever happens in the next few weeks or months, chances are good that you will be able to buy bitcoin here or lower again in that time frame, even though it is exploding higher right now.

The only thing I will say as far as action goes is that even if you're a newcomer it still makes sense to put 20% of your investment or financial allocation in cryptocurrencies. I say that realizing that by this time that seems like a pretty small and conservative commitment. However, that is conditioned by the gains that the market is making you accustomed to having, which is not sustainable. These gains are not sustainable. If bitcoin makes it to the high side of my target range for the year ($120k) too early I will be forced to reduce my allocation by a token amount. I stand behind my recommendation to make sure you rebalance into gold and silver if your crypto gains have inflated your crypto weightings to ridiculous levels. If you're 80% in crypto at the moment, for example, in my view, that will be a mistake. But maybe 20% is too small too. All I'm saying is that if you're new, get your 20%, and if you are sitting on big gains, diversify; don't let greed talk you into too much risk.

Otherwise, have fun. This bull market is real as it goes. We have it by the tail. Don't let go of it. But stay financially prudent. If we get a steep 50% correction you want to be in a place where it is no sweat to take it.

Bitcoin - April 11, 2021

BTCUSD	SHORT TERM 0-3 MO	INTERMEDIATE 3-18 MO	PRIMARY 18 MO +
TA TRENDS	NEUTRAL-BULLISH	BULLISH	BULLISH
MY OUTLOOK	BEARISH	NEUTRAL	BULLISH

The small upturn in the short-term trend over the weekend changed my assessment of the short-term trend from "neutral" to "neutral-bullish" but my outlooks on the bottom row of that table remain unchanged.

A couple of points to remember about these updates. I typically discuss the fundamentals or macro aspects of crypto in the newsletter or in separate reports issued to TDV subs and linked at the main newsletters page by date. It is searchable as well but you have to know a phrase or something unique for the database to identify.

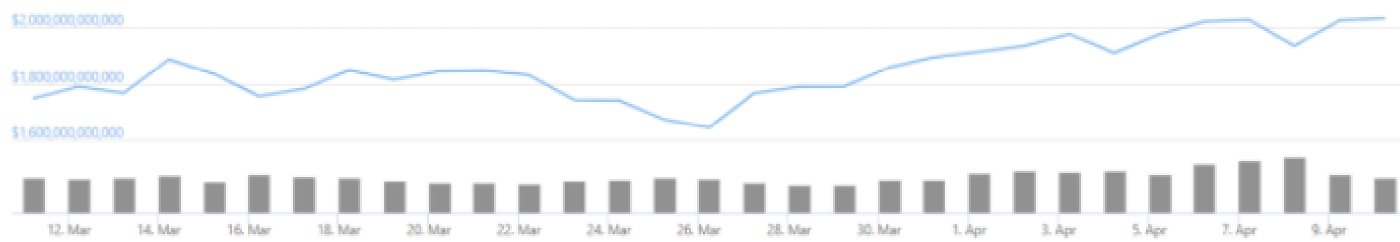
In these updates, I try to stick strictly to the action and trading aspects, which often includes a more technical analysis and approach. Sometimes it makes sense to allude to a fundamental if it is relevant to the action of the moment. But those are typically more opinion, than is the analysis that I try to offer in the newsletter.

Second, this page is not supposed to be just for bitcoin. I have to remind myself that it is our view on either the cryptocurrency space in general, or at a minimum, on bitcoin and Monero, since we own so much of both.

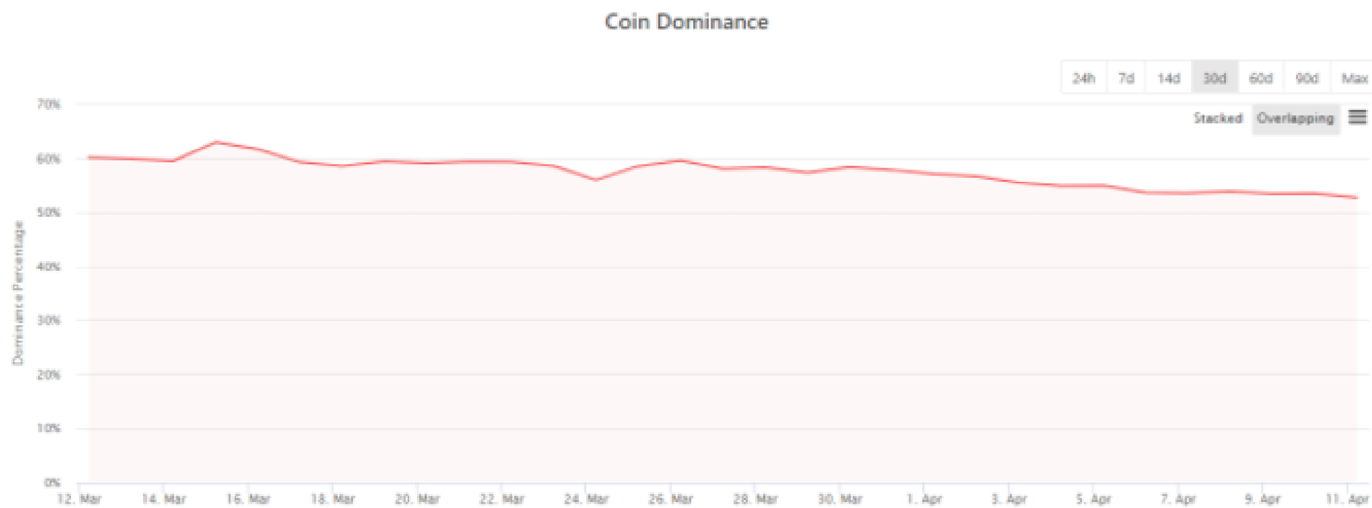
I just often assume that everyone already understands that bitcoin is the core macro trend and centric to the whole cryptoworld. Whether that changes in the future or not it can't be denied at present. Sort of like when I talk about the Dow, I kind of assume everyone knows I mean pretty much most stock market averages, and sometimes even globally. Or like when I talk about gold I assume everyone understands I also mean silver.

But sometimes there is reason to talk about them separately. The altcoin market is in my framework still the tail wagged by the dog, and bitcoin is the dog. But sometimes the dog can't help it if his damned tail wags.

As I worry about whether bitcoin is going to make and sustain a higher high at this point before embarking on an intermediate correction lasting through the summer months, the tail my friends, is wagging heavily.



Total crypto market cap

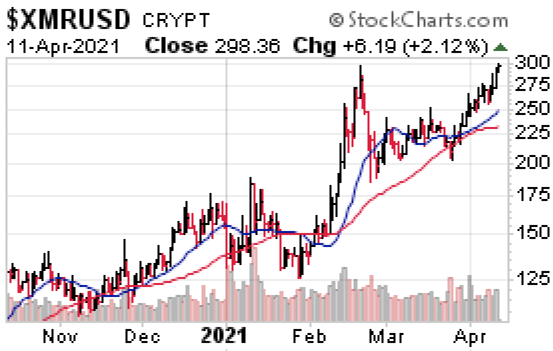


In the universe of cryptos that I am watching, I'm seeing the banker drones triple just on the first 10 days of the month - both Tron and Ripple approaching their 2017 highs for example - and many other promising coins. The new all-time highs in Ethereum and Binance Coin keep rocking the smart-contract alternatives, the NFT's are making millionaires out of teenagers, even Litecoin is encroaching on its old 2017 highs. Or should I say, even Monero has been inching up again and approaching its ~$470 (2017) high. Will these cryptos all break past those highs in coming weeks, or is this just more confirmation that bitcoin is peaking and the altcoin market is blowing off? It happened pretty much the same times in 2017 but BTC (bitcoin) has not been participating in the altcoin rally this month so far. In my last update, I noted that the bitcoin trend had begun to look tired, as did the NASDAQ and stock market trends, and unfortunately, it seems to be tied to that today.

On the bullish side for bitcoin in the short term is that the fundamentals and news flow are very bullish, even the fees have come back down. The market's favorite indicator on HODL'rs, balances on exchanges, continues lower. On the bearish side is that its tone and momentum in its dollar price have been fading. In other words, as if the market is yawning at the good news. There is plenty of long term upside and I'm totally bullish on the intermediate and long-run trends but have been thinking lately that it would not necessarily be such a bad thing to get a correction out of the way, if only to keep the trend healthy and strong enough to buck the bear raids that appear to be designed to shake the weak hands out, but tend to often do more damage than good.

I can't see how the crypto market will be able to avoid a deflationary financial shock given the level of froth and confidence that's apparent now. And I can't see how the stock market can postpone a downturn for much longer with CPI inflation and bond yields on their way higher whether the Fed prints another dollar, or not.

So for now I am holding onto the bitcoin call I made last day. The matrix above reflects my bearish short-term outlook. I may have to recant this call if new all-time highs in bitcoin lie ahead and convince me that I have the wrong interpretation about it being tired. The latter part is important. It is not conditional just on the ATH, but on me believing it. So you will have to wait for an alert from me. The tricky thing is that as that outlook stands, I would accept the possibility of a new high that runs to the high $60k's before this correction starts. In other words, a new all-time high wouldn't prove my outlook or conviction higher, not in and of itself.



But it might. And if it does, I will update it here. For now, the excitement has rolled over into the altcoin market.

Since telling you that Monero is ready to triple (back in February I think), it doubled within days to hit $300, and then it went to sleep again. It is now retesting and looks poised to make a higher high, and in my view, that means for now aiming at the 2017 high $400's. I love Monero absolutely but its day for the kind of gains we are seeing in bitcoin or the altcoins today is probably a bit further out.

However, the chances for you to buy it cheaply are declining. If I happen to be underestimating this leg of the bull market, and Monero was simply to match its 2017 ratio with bitcoin - which means not just recovering its 2017 high in dollar terms - in dollar terms that means a potential target of $2k. In bitcoin, it peaked at 0.035.

I don't know what the right ratio is but I think it's higher.

Similar to how I see the silver/gold ratio evolving going forward, higher.

Final comment. I don't know what I will say about bitcoin's short-term trends in the coming days but it is a characteristic mark of tops that they distract us from looking at the averages and indexes eventually.

It's when we get caught up in the huge gains in the micro caps, disregarding the paltry gains in the blue chips, when the surprises happen. And I can see these altcoins blowing off to their 2017 highs doing exactly that.

So beware. This is not a danger alert. I'm not reducing allocations. I'm just keeping you abreast of how we see the trends changing so that you can figure out your buying or trading, or investment, strategies.

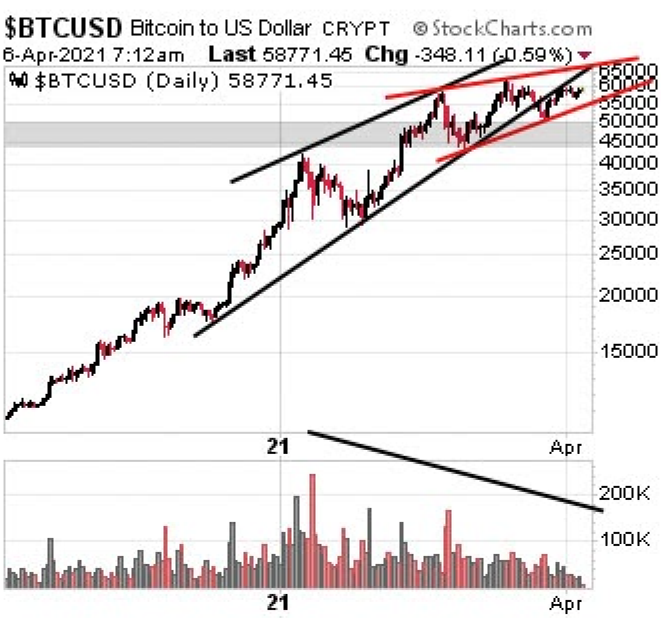
Argonaut Gold - April 9, 2021

Kitco Interviews Argonaut CEO Peter Dougherty

In this short interview (17 mins), Peter covers the background to the Magino construction contract and financing deal with Ausenco, takes us through his thinking on the company's portfolio of assets, comments on the attractiveness of Mexico as a mining jurisdiction, and provides his outlook for the gold mining sector.

Bitcoin - April 6, 2021

BTCUSD	SHORT TERM 0-3 MO	INTERMEDIATE 3-18 MO	PRIMARY 18 MO +
TA TRENDS	NEUTRAL	BULLISH	BULLISH
MY OUTLOOK	BEARISH	NEUTRAL	BULLISH



The BTC price and volume trends are looking more like a rising wedge than I'm comfortable admitting.

Stockcharts writes, "*The rising wedge usually forms over a 3-6 month period and can mark an intermediate or long-term trend reversal. Sometimes the current trend is totally contained within the rising wedge; other times the pattern will form after an extended advance.*"

This is a log graph to boot, which just means it is more helpful for drawing straight lines over time.

Short-term trends turned neutral again over recent days as the POST-April fool's break-out attempt failed to follow through on its telegraphed promise.

It didn't even really get back up into the rising wedge demarcated within black lines, although it is possible that the real rising wedge is actually the second smaller wedge that I drew, demarcated by the red lines.

Unfortunately, with technical analysis, it is only acceptable to claim that it is a known pattern once it is confirmed by history, i.e., when it falls through the shaded region in the chart above.

The upper bound of the shaded region is equal to the last test of $50k on March 25th. That's also where the red wedge is confirmed if it falls through $50k. The lower bound of the shaded region is at the $42-43k level, or the late February low to be precise, and is the support point for both, the larger wedge in black as well as the entire intermediate trend going back to October's break through the 2019 high and the 2-year triangle.

The ultimate target of that triangle is still in play and so is our fundamental target. But when there is a lull in momentum in momentum plays you want to be careful, there are a lot of traders that swing off of that indicator alone, i.e., a change in momentum. And there are a lot of weak hands in the market that are not used to the volatility as it has been historically. We may find out that has changed, or not, I don't know, but it is looking like sooner than later. Sometimes these patterns can be tricky. They can be continuation patterns as well. But usually that is earlier in a trend. What we're seeing here is a classic textbook case rising wedge.

I don't know if it will produce a bad result. It might. Watch for the confirmation points. Sometimes the charts are trying to fool you, and I'm mulling that right now. Is it a bear trap or is the trend exhausting itself a bit.

The bias contradicts the news flow, and the pause in momentum is perhaps understandable in light of the massive IPO's ahead. The Coinbase IPO. The Exodus listing. And the coming ETF approvals. These are trades of a decade for many. Goldman just announced it wants to offer bitcoin to its wealth clients. The thing is that those clients aren't dumb. They're watching as traders keep front running them. Maybe Goldman will ***create*** (or is *privy* to) an opportunity for them to come on board. Maybe they have something up their sleeve for a bear raid. Or maybe the decline in volumes suggests they are holding back their buying now to buy the ETF's.

I'm just hypothesizing possibilities. There are many. I am not a big seller. But I'd be dumb to ignore the chalk marks in the tape. So I am turning my forecast bearish <u>on the short-term trend</u> while remaining bullish on the longer-term trend. The intermediate trend turns bearish below $42k, and the primary trend stays bullish as long as it stays above the $20-30k region I will say, roughly, if you want parameters. But my gut says it'll hold above the $30k level, and maybe even above $40k. I'd be surprised if we fell all the way back to the $30k but who knows. At any rate, a $10-20k correction is possible. This outlook is subject to change, but I will notify you if I do change it. One way to reject my correction hypothesis would be for the market to make new highs.

If it happens, especially on volumes, I will send out a new update asap.

For now, be on watch for the correction. We are not changing our 20% allocation. But I stress diversification and avoid leverage in your strategy. If you have been looking for a time to buy and you see a correction, buy.

I like to rebalance here and there. My allocation is higher than 20% personally but I have reduced it a bit in recent days and have been purchasing gold. I highly recommend a strategy of reinvesting your speculative profits into the precious metals, at least some. This goes for stocks too. If our exploration stocks or option trades or whatever go up a lot, stuff a lot of the profits into gold or silver, unless it's the other way around - i.e., in situations where gold and silver are expensive, maybe it makes sense to stuff your profits into bitcoin.

That is the opposite of how I see it today.

But please do not lose your entire position. Stay long. The bull might just be feigning a rollover. I personally don't like it when a pattern is too obvious. And the upside in the years to come is too much to miss out on.

So take measures to protect your profits - not all have to include going back into fiat but even that can be an okay thing in the short term when dealing with assets that have tremendous fiat-related volatility.

Argonaut Gold - April 2, 2021

Argonaut completed a private placement with Ausenco this week, selling 4.25 million shares at C$2.35 per share, for gross proceeds of C$10 million, the funds to be used to advance construction at its 5Moz (~1 gpt) Magino open-pit gold project in Ontario. The C$2.35 share price represented an 8.3% premium to the previous day's closing price. Ausenco is the engineering, procurement, and construction management (EPCM) contractor working on Magino construction. It is rare that a contractor takes an equity stake in a client firm, especially through a direct cash infusion. Perhaps Ausenco executives are reading TDV and realized that the NPV of Magino alone is higher than Argonaut's entire market cap, as we pointed out in the previous update!

Meanwhile, the sale of its 100% owned Ana Paula skarn-related gold deposit (Alio Gold's asset) in Mexico fell through, as the buyer didn't come up with the cash. Ana Paula hosts a million gold ounces in reserves at a relatively high open pittable grade of 2.36 g/t. The company is working on a PFS, due in the current quarter, to demonstrate the economics of an open pit operation with future underground potential. The study should help shop the project around, especially if they can show there to be potential for extending mine life too.

Argonaut is doing everything right. It is only a matter of time before the share price responds.

Good trading!

Ed & Kashyap

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