



TDV Weekly Update Summary

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July 27, 2020

TDV's Premium Defensive Investors Long Term Stock Portfolio*

Company	Symbol	2020 Open	Last Price	YTD Return	2019 Return
Gold/Silver Majors (40%)				43.41%	32.69%
Agnico Eagle Mines	AEM	62.08	71.8	15.66%	52.20%
IAMGOLD Corp	NYSE:IAG	3.78	4.9	29.63%	1.36%
Yamana Gold	AUY	4.01	6.3	57.11%	66.67%
Newmont	NEM	43.55	66.75	53.27%	27.23%
Cameco	CCJ	8.9	11.91	33.82%	2.06%
Pan American Silver	PAAS	23.96	36.7	53.17%	42.48%
B2Gold	BTG	4.05	6.53	61.23%	36.86%
Junior Producers (45%)				38.08%	33.62%
Alacer Gold	ALIAF	5.35	7.6	42.06%	190.71%
Argonaut Gold	ARNGF	1.45	1.88	29.66%	31.86%
Endeavour Mining	EDVMF	19.19	25.33	32.00%	17.19%
McEwen Mining	MUX	1.31	1.34	2.29%	-30.60%
Fortuna Silver	FSM	4.12	6.53	58.50%	11.17%
Endeavour Silver	EXK	2.44	4.2	72.13%	-5.86%
Premier Gold Mines	TSE:PG	1.97	2.56	29.95%	20.86%
Explorers / Emerging Producers (15%)				48.92%	11.01%
Sabina Gold & Silver	TSE:SBB	1.94	2.17	11.86%	51.18%
Alexco Resource Corp	AXU	2.37	2.83	19.41%	34.88%
Cascadero Copper	CVE:CCD	0.02	0.04	100.00%	-33.33%
EMX Royalty	EMX	1.69	2.76	63.31%	43.48%
Mexican Gold	CVE:MEX	0.1	0.15	50.00%	-41.18%
Total Return				41.84%	29.86%

**Note: This is the flagship portfolio. We have also released three mini-portfolios focused on specific sub-sectors in the resource space; the TDV Select Silver Shares, TDV Uranium Portfolio & TDV Oil Tankers. You will find them listed on the website at <https://dollarvigilante.com/portfolios/#tdvportfolio>.*

ABOUT Our Weekly Summaries

This is the first of a kind. Our system has changed.

We have created a section of the site dedicated to the updating of the holdings in the portfolios designed for you. Every time we update a stock or asset in our allocation, or a swing trade, you should receive an email notification taking you to the profile page that we have created for that position. The page will include all of our previous updates so you may sift through them to understand how our analysis has evolved over time.

The page also includes a description, chart, and fundamentals data. Like so:

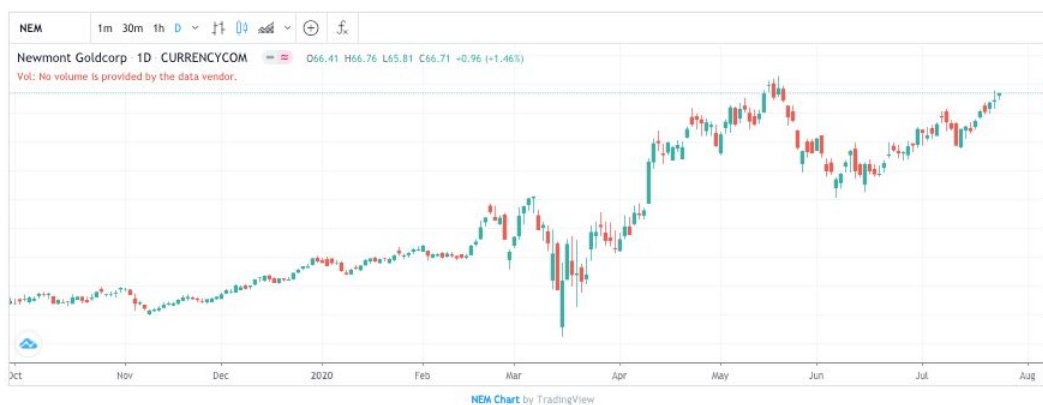
Newmont

DESCRIPTION

Newmont is the world's largest gold miner by market cap and the only gold mining company in the S&P 500 index. We added Newmont to the TDV portfolio once it completed its acquisition of Goldcorp in 2019. The company owns 14 mines across the Americas as well as in Ghana and Australia. The company is expected to produce 6 million gold ounces in 2020 at an AISC of \$1015/oz. Newmont is a well-managed stable, low-cost gold producer which should benefit from multiple expansion and higher gold prices as the gold bull market progresses. We picked up Newmont at a share price of \$34.15 back in April 2019 and are up over 80% on this position. Newmont has done a stellar job, doing what Goldcorp failed to do in terms of rationalizing assets and selling off non-core properties.

Stock Chart

The chart is scrollable left and right.



Operating History

OPERATING HISTORY	2013	2014	2015	2016	2017	2018	2019	2020E
Gold Production	5,065,000	4,845,000	5,035,000	5,243,000	5,654,000	5,479,000	6,392,000	7,800,000
AISC (\$/oz)	\$1,105	\$996	\$933	\$912	\$924	\$909	\$966	\$900
Revenue (\$ mn)	\$8,414	\$6,819	\$6,085	\$6,680	\$7,379	\$7,253	\$9,740	\$13,650
Net Profit (\$ mn)	-\$2,795	\$329	\$304	-\$943	-\$109	\$380	\$2,884	\$4,095
Operating Cash Flow (\$ mn)	\$1,561	\$1,423	\$1,588	\$1,917	\$2,139	\$1,837	\$2,876	\$6,630
LT Debt (\$ mn)	\$8,323	\$6,875	\$6,397	\$6,815	\$6,929	\$6,661	\$13,206	\$13,206
Shareholder's Equity (\$ mn)	\$9,993	\$10,274	\$11,350	\$10,721	\$10,609	\$10,502	\$21,420	\$25,401
Shares Outstanding (mil)	493.00	499.00	530.00	531.00	533.00	533.00	735.00	735.00

And below that table you will find our updates. Each week we will copy and paste all those real-time updates and put them into a summary like this in case you don't have time to stay on it each week and it is more convenient to look at them once a week even if that means getting the message a bit late. Or for those of you who may have missed the updates, this way we can make sure you don't miss anything. If you are not sure whether you missed any, just find your way to the "members area" of the website (following login), click on the button to access the "TDV PORTFOLIOS", scroll down to the main portfolio and check the last column.

TDV DEFENSIVE INVESTOR MINER PORTFOLIO

MAJOR PRODUCERS (40%)

TDV Portfolio	Primary Metal	Number Mines	Date Added	Last Update
Newmont Goldcorp	Gold	14	AUG 2010	January 6, 2020
Agnico Eagle Mines	Gold	7	AUG 2010	February 25, 2020
Pan American Silver Corp	Silver	10	AUG 2019	October 17, 2019
Cameco Corp	Uranium	2	AUG 2019	April 9, 2020
B2Gold	Gold	5	FEB 2011	February 25, 2020
IAMGOLD Corp	Gold	5	APR 2013	February 25, 2020
Yamana Gold	Gold	5	AUG 2013	June 10, 2020

I'm adding my latest market comment right now, followed by the updates we have issued that you may have missed. If you missed them it may be the fault of *our* system, as it is still a bit glitchy. But it is getting fixed.

July 27, 2020 Current Market Action



On July 15th, in an update, I said, *“Gold, silver and bitcoin prices may be on the verge of a straight-up trade. I have been watching the tape very closely on those trades, and on the major foreign currencies, especially the US dollar index. In the last newsletter, I pointed out that the US dollar is on the ropes, technically, as it fell to 96.5. This is driving the demand in gold, silver, and bitcoin in my opinion right now.”*

The TDV portfolios are killing it. Gold, silver, bitcoin, monero, and the other cryptos and equities, except for maybe a couple of laggards.

Even our shorts have been right on time, with our short on Intel already up 22% in just a week.

These moves are truly historic.

The USD price of gold hit a new all-time high, as I write, and silver nearly at \$25. And yes, we absolutely pounded the table to buy it and bitcoin and the others at their lows not just in March, but last summer, and before. Not only did we call the gold price correction at the top in 2016, when it fell back to \$1200 in 2017 and 2018 I dug my heels in and told you that the bottom had already occurred and we were simply waiting for confirmation from silver, from the stock market, and then from the US dollar's f/x rate.

My fair value targets for gold are between \$1900 and \$2500, and for silver around \$30 today.

My 3-5 year targets - because I think we are well into a very big bull market - are much higher. I think more than \$5k on gold and approaching \$200 on silver, or higher for both, would not be unexpected this decade.

Likewise, I'm bullish on the cryptocurrency space for even bigger gains, but with the higher attendant risk.



You're going to read a bunch of nonsense about what is driving all this in the coming days and weeks and months even. But what is happening is that there is absolutely no sign of the PPT in the forex market to defend the US dollar. It keeps sinking through key levels in various important crosses.

In the chart on the left, the spike up to 104 was the reaction to the oil price crisis that has since faded away. Note that it saved the dollar from reversing its trend then, back in March, but the path of least

resistance continues to be down for this currency.

A lot of people have overestimated the US dollar, I believe, thinking, correctly, that most of the other central banks and capital markets overseas are way less sound. This is true as far as it has always gone. But it ignores the inevitable structural erosion of the currency from its gradual death in its role as a reserve currency.

Its share of reserves in global central bank vaults has been slowly falling over the decades. But there is much more still to go. In any case, whether you agree or not, the empirical fact remains, i.e., that the US dollar is breaking down in the chart and the bullion and bitcoin markets are focused on THAT story. In other words,

that's what is driving them here. The bad news is that this kind of momentum, at least in gold and silver, isn't sustainable. I don't know where the correction starts from, but the sooner the better. Corrections are healthy.

In our trade alert last week I recommended taking profits on your silver shares ***if you owned them for a swing trade from our suggestion last August***, or if you bought the March bottom for a "trade".

If you are holding them for the long run, rather than trying to sell some here and buy back lower, it is better either to buy some insurance using an option strategy, or not do anything rather than risk getting bucked off of a historic bull market too soon. I've seen people do a lot of work in 1998, 1999, 2000, and 2001 to get their clients into gold at \$300 only to sell out at \$350 or \$450 a few later on its first pop. They never returned.

They missed the boat. If you thought the boat was going to \$2k on gold and \$25 silver, then ya, you missed it. However, if you are in it for the long haul, the river has a long way to go. Unfortunately, nothing goes straight up.

We are approaching a dollar crisis. As I have pointed out, there is no sign of support in the market, at least so far. So there is a bit of a melt-up in the dollar price of some of the relatively sound and especially cheap assets.

So if you are investing for the long haul and don't own any gold or silver (or bitcoin) yet, or the stocks that I've recommended, do not try to time it. Dollar-cost average. Or you will never get in. If you didn't do it when they were weak and you don't do it when they are strong, you'll never do it. If you want to wait a bit for a correction that might be the right move. I do think one is close. But until it starts these markets want to keep going higher. So outside of some rebalancing of the gains and taking profits in the trading account, it is best to sit tight and ride the bull. Please see our investment strategy to understand it. But basically, if you are more of a buy and hold type of investor and you don't have any of these things, unless you are an experienced trader, don't second guess the market too much, just act. Starting wading (averaging) in. But leave enough liquidity for when the popular sentiment dries up again, and traders leave the sector for the next hot trade.

POSITION UPDATES

July 14-27, 2020

Gold & Silver - July 23, 2020

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

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

As the price of gold approaches its September 2011 high at \$1923.70 per ounce in the continuous EOD price (which approximates the spot price) my only question is whether it will under or overshoot that high. It appears to me the bulls are intent on taking it out, which worries me slightly as a bull because it means they are fixated on technical parameters instead of the fundamentals. My shadow gold price indicator, which is a fundamentals-based valuation indicator, puts my estimate of gold's fair market value at \$1913 today. I will elaborate on that in an upcoming newsletter issue. Suffice it to say that it is part of a range of values that starts at the low end at \$1308 using the 1945 base year for the price of gold (based on its Bretton Woods fixity), the 1913 base year puts the gold price at \$2500 (adjusted for changes in money supply and gold production), and the 1981 base year puts it at \$4k. My fair value estimate is an average between the first two (1913 and 1945).

So it is a bit arbitrary but I have found that, over the long term, the USD gold price tends to regress around that mean. The driving force behind the bull market in gold and silver (and bitcoin) is the demise of the US dollar (f/x), and I will be putting out a report soon that will destroy the dollar short arguments out there.

Definitely there is still lots of upside in gold and silver but they have been running hot for a while so I'm a bit worried about how healthy the current leg is, even though the fundamentals are way on our side. The two risks I see, however, is that (1) they are both still ahead of the US dollar reversal, and (2) they are overbought in the short term. They can continue to be overbought. These are strange times and as I said the fair value range for gold is pretty wide, i.e., from \$1300 up to \$4200 in my model, and it is still far from being expensive.

Nevertheless, I sense froth and the b-line for the old \$1925 high may be a touch unhealthy, at least if it occurs before the US dollar breakdown. So beware of that. It will also be an indicator of sorts about the underlying strength of the market to see if the correction starts from below or above that level. I'd like to see it overshoot, and my target high is \$2050 this year. If it happens now then we could see a correction in the second half.

However, silver could continue after a brief correction to our \$30 high in the fourth quarter, along with a recovery in the rest of the commodity complex once the breakdown in the dollar is chart confirmed.

That means falling through 93.5 with force. So far the USD index is failing its intermediate uptrend, but if it falls through 93.5 it will start to turn down in the primary bull market sequence, which is ten years old.

Most people don't expect this. It will likely affect Treasuries and stocks, and commodities. It will validate my forecast for the dollar and the moves in gold, silver and bitcoin, even if these things all correct when it finally happens. It will definitely be somewhat of a starters' pistol. But the plunge protection team knows this, and we should be on guard for a sign in the market that they either do or don't care about the dollar at this point.

Bitcoin - July 23, 2020

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

The crypto vigilante put out some nice TA on bitcoin, monero, BSV, and ZRX earlier. That publication is finding its groove and I highly recommend it, I think it will give you a giant leap ahead of other investors when these things start flying again. And we are approaching take off. My short term outlook is slightly more bullish on bitcoin for a number of reasons, however, that I will add here. First, it is important to observe that the bulls have properly rejected Wyckoff. What does that mean? Richard Wyckoff (1873-1934) was one of Wall Street's first technicians, and one of the few that became wealthy as a technician. If you want to learn more about the pattern, click on the link underlining this sentence. There are a few variations on this but the basics are outlined in the graph below on the right. Note that before the reversal occurs there is a new high - following the "Distribution" phase - and then the break down through the last highest low (denoted by the green line underlining the top). When bitcoin popped up over \$10.2k to hit \$10.5k, and then fell back below \$10.2k, I saw a lot of analysts come out and start predicting Wyckoff. I thought to myself that it was a bit disingenuous and impetuous, i.e., early. My interpretation back then was that the bulls needed to hit \$10.5k to put in a horizontal neckline on the longer-term chart. They did that. I interpreted it as a bullish indication.



Now, it may still happen that we will fall back to 7500, especially if we get a liquidity event like we did back in March. I have however warned that this may occur from a higher level and that the path of least resistance in bitcoin is higher for now. In addition to denying Wyckoff by remaining above ~8600, the market has instead developed into a neutral triangle. The lows have continued to be higher. And on top of that, there has been a pretty significant pick up in volumes in the hourly chart on the break out of the triangle that I have drawn.



Again, I concede the risk of interruption by way of a liquidity event, but I also want to emphasize that there are forces at work that are in the bulls' camp for now. In particular the macro forces. With silver reversing a 10-year bear, gold aiming for new all-time highs, and the US dollar index ratio about to roll over on the forex market, I recently called for a straight-up trade in bitcoin along with gold and silver. And that's exactly what's happening so far. If bitcoin is breaking out of that triangle above it argues for a move to at least \$10.5k in the next few days. But if the gold and silver run continues without a stock market liquidity event, I'd say we could be up at 12.5k or higher in a matter of weeks. However, a whole lot depends on whether the USD will break down in the chart now and confirm the gold/silver moves or whether it will bounce and end them for now.

TDV Silver Stars - July 22, 2020

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

Company	Symbol	2020 Open	Last Price	YTD Return	2019 Return
Pan American Silver	PAAS	23.96	36.7	53.17%	42.28%
Endeavour Silver	EXK	2.44	4.2	72.13%	-5.86%
Alexco Resource Corp	AXU	2.37	2.83	19.41%	34.88%
Average Return				48.24%	23.77%

As predicted in our July 15th gold/silver update, with gold hovering above \$1800 and silver approaching \$20, "Gold, silver and bitcoin prices may be on the verge of a straight-up trade." Gold hit a high of \$1866 a few hours ago and silver peaked at almost \$23. Those are year to date gains of around 20% and year over year gains of around 30%. For silver, however, it is practically a double from the March low of around \$12.

The technical significance is that it finally confirms a primary trend reversal in the long term chart, as well as gold's reversal in 2016, a long-overdue event, with the gold/silver ratio hitting a RECORD high of about 130 during the March collapse. Who predicted that. Nobody. It is down to a more normal 84x at the moment, and I expect it to fall towards the 25x level by the time gold gets to \$5k or so. That's a \$200 potential target price.

My 2020 targets for gold and silver have just about been reached. I expected a high of \$25-30 in silver, and a peak high of maybe around \$2050 for gold, with my forecast for the average gold price in 2020 being \$1750.

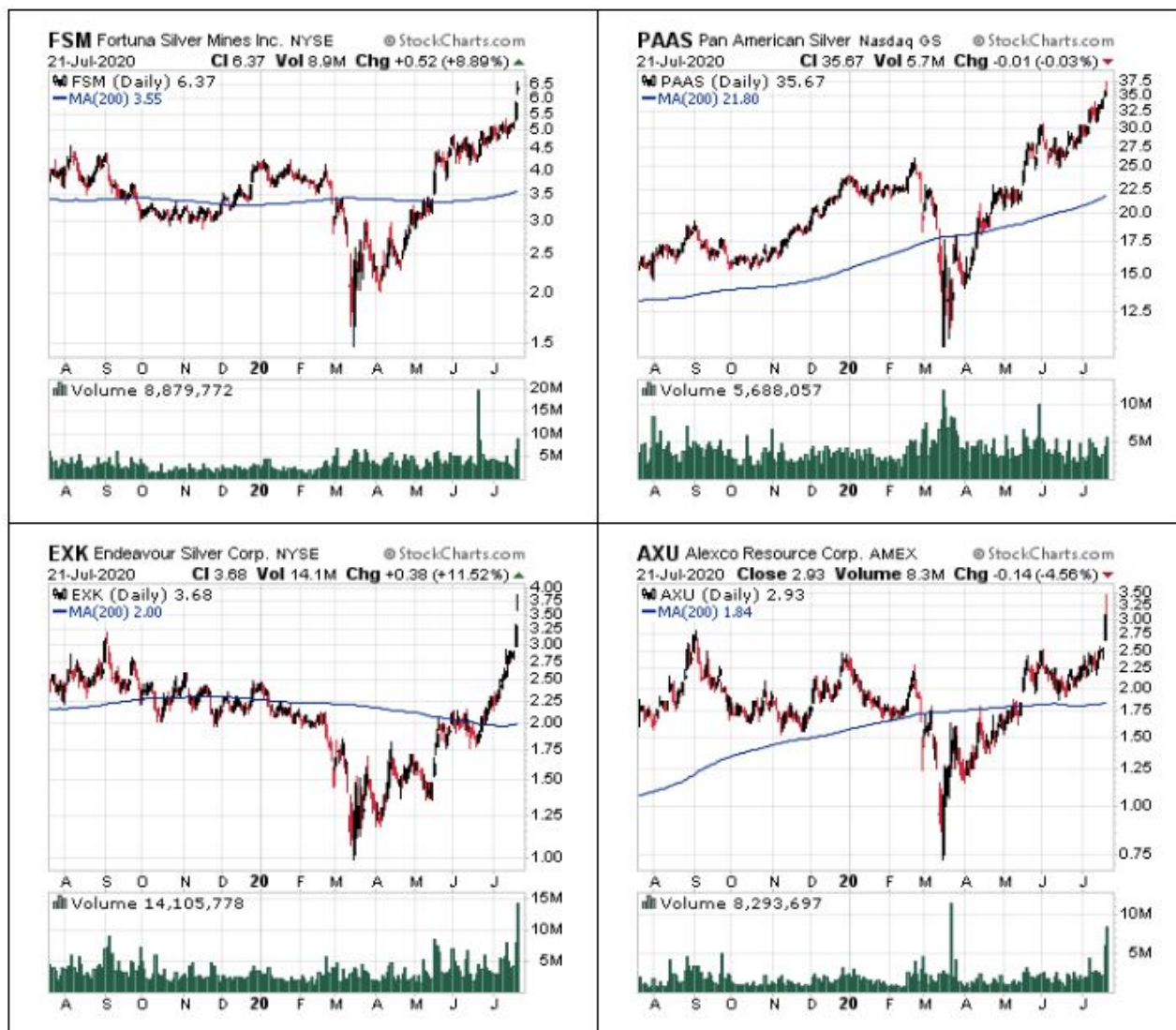
The silver stars is a mini portfolio I created for those of you who wanted to speculate on silver but wanted to do it in something with more leverage. The portfolio includes **Pan American (PAAS, MCap \$7.71B, 210M SO)**, **Endeavour Silver (EXK, MCap \$604.12M, 143.84M SO)**, and **Alexco (AXU, MCap \$382.17M, 135.7M SO)**. We created it as they were coming off a 10-year bottom about 1 year ago today.

Pan American and Alexco have nearly doubled over the past year and if you doubled down when we screamed at you to do so in March you would be up even more. The silver portfolio may also include **Fortuna Silver**

Mines (FSM, MCap \$1.2B, 183.8M SO), which is up 70% in the past year. We have had it for longer though and it has just diluted its silver production with a large gold mine that it is starting up. I wouldn't be surprised to see the move cool off a bit now with the US dollar potentially bouncing instead of breaking down right away and gold and silver a bit overextended.

However, if we get our gold and silver targets this year, Pan American, for example, stands to make as much as \$4 per share in net profit (on a \$25 average silver price) this year. But that means it is trading at just 10x this year's earnings. That's half the multiple of the average stock in the S&P 500. And as you know, the gold and silver miners have a much better short- to medium-term outlook than most businesses. If you have not bought these shares yet, this is probably not the best time to jump in. I would wait for a better opportunity.

As far as our swing trade is concerned, we are going to lock in our profits now, after holding them for about 12 months in the trading portion of the allocation. If you bought them for a trade, this is a good time to take profits. Maybe early. But still good. If you bought them for a trade and for the long term, consider selling the portion you bought for the trade, and hold on to the others for the long term move over the next few years.



Gold & Silver - July 15, 2020

Gold, silver and bitcoin prices may be on the verge of a straight-up trade. I have been watching the tape very closely on those trades, and on the major foreign currencies, especially the US dollar index. In the last newsletter, I pointed out that the US dollar is on the ropes, technically, as it fell to 96.5. This is driving the demand in gold, silver, and bitcoin in my opinion right now. The situation is approaching resolution.

Whoever or whatever is painting the tape, they got me to start hedging last night by pushing gold and bitcoin to a lower low on the hourly chart while at the same time putting in a higher low on the USD index, making me think they were going to come in to defend the dollar when the stock market opened, or that the stock market would drop and that might generate short term dollar demand. However, that didn't happen. The US dollar bounce from 96.5 didn't happen. It failed, went off to a lower low, while stocks rallied a bit on Monday.

That all could be nothing.

My worry is that every time the US dollar approaches a critical point in the chart, there is something that happens. However, I'm also speculating that they have surrendered defending the dollar in any big way.

Maybe to position square or put it off a bit or something but I do believe that Wall Street and the banks have resigned to give up on the dollar. The defenses are weak in terms of the fundamentals. It is obvious that the cheapest way out of all the debt they have piled up because of easy money policies over the decades is to hyperinflate it away. I have great conviction that the dollar is headed for trouble, at least a bear market, and that the stock markets are headed lower for a little while. The difficult part is (a) how the market will come down, and (b) when, exactly. I'm encouraged that sentiment is not that bearish mostly because of the Fed's policies. But that just inspires more confidence in my bearish outlook for paper assets. People keep repeating the mantra to go with the Fed, but they don't know their market history. The Fed is always fighting bear markets on the way down. Eventually, they find a bottom because of the Fed, true, but they still play out to some extent first. The more and more we move to hyperinflation the shorter the bear markets will become but they will still happen. Anyway, if the next down leg is another crash then it will likely produce a liquidity event that will take down all the markets, including gold, silver, and bitcoin. But the trick is this. It is not easy to know if the next downturn will be a crash, or just a series of steep but relatively orderly sell-offs. If it is the latter that isn't necessarily going to take down the precious metals or generate any real dollar demand.

In fact, it would probably generate more dollar supply. The more of a shock it is the more it could produce that liquidity event. So that's the trick. Do we hedge or not? My models are neutral-bullish in the short term (but bullish medium and long term) on gold, silver, and BTC. They are more neutral than bullish. They are under accumulation. But that won't make them immune to a temporary hit because of a systemic blow to the larger financial markets. What makes deciding to hedge even trickier is that if the event doesn't happen for a week or two, we could see the straight-up move in gold, silver and bitcoin first, and then the crunch from higher levels, like maybe from \$14k BTC or \$2500 in gold or \$25 in silver. It is really difficult to know when and how the downturn in stocks and the dollar will occur even though we are pretty sure they will occur.

Cascadero Copper - July 15, 2020



It has been a while since I've updated Cascadero Corp (CCD.V, MCap \$7.77M, 194.3M SO).

It is still a buy.

Anything in this portfolio is a buy.

But not necessarily of the same intensity.

We are constantly upgrading this service so in future I will work toward various rankings, including timeliness, to guide you in our view of such things. For now, in designing a sound pm

stock portfolio, we recommend an 85% allocation to the “producer” segments and only a 15% allocation to the “exploration and development” segments. This has been the case for years actually. Cascadero belongs in this latter segment as a company with many advanced-stage exploration targets, worthy enough to deserve to be developed. But that takes capital. We offered them capital in 2014 and 2016. I took the company under my wing. With our help, the company raised over \$1 million and was funded to get to some of its early goals.

But, it didn't make it. Drill results from the Cesium target came in subpar causing initial fractures in management, as they didn't agree on how to proceed, with one faction wanting to change the company's investment focus to its gold assets while the other wanted to continue developing its cesium asset in 2017.

Differences over that evolved into a power struggle between Mr. McWilliam (CEO, Chairman, and Founder) and his loving wife, Judith Harder, both of whom have passed now, over how to expand the board of directors. Both of them were my friends. I tried to bring them together. I failed. McWilliam outlived Judith, and stayed in control of the company until just a few months ago when we learned that he too had passed.

While the company fell into the void, its shares slid to almost nothing, to the point where they might have been worth more as a tax loss than anything else. And yet, I couldn't pull the trigger on mine. I still own 80% of my shares. Heavens knows, I need the tax losses. I even tried to buy more at 2 cents a few months back, but the tax authorities raided my stock account before I could do it. Even Argentina itself is a wild card.

Who knows what can happen there. But the assets are very good and they have a lot of interested parties on the sidelines, people with whom Bill could have made a deal with in the past but didn't because he was always too far from reality. McWilliam's passing has given Judith's brother, Lorne Harder, an opportunity to move the company in a direction without resistance from McWilliam. In a series of moves starting late May, Mr. Harder acquired control of enough of the company's shares to oust McWilliam's board and replace it with his own. The company has a lot of projects. I like one of its gold assets and its cesium asset the most. The gold target is a very interesting story in itself as it involves a property that First Quantum may have to acquire if it wants to start up its Taca Taca mine in Argentina. I'm leaving out the details because you can find them in the

thread below. I have covered it for many years. I formally began coverage in the spring of 2016 with a buy at 5 cents. It ran up to 17 cents as things were getting going and then back to zero when they fell apart. I don't know exactly what the plan is at the moment. I have maintained a distance so far, but with interest. Lorne Harder is joined by George Gale (a geologist), Greg Andrews, and Christopher Ecclestone on the board.

I don't know much about Ecclestone.

I think he is a mining analyst like me but out of the UK, but I've never read his work. All I can tell you is that he is excited about the Cesium prospect and the recent hype about its utility in the development of 5G.

Andrews comes over from Search Minerals, a small industrial metals explorer that has been acquired over the years by the group who wants to develop Cascadero's Cesium prospect. I have beat the drums for years about how many new uses are being developed for this metal and how there is a total supply crisis.

In a recent article by oilprice.com, a news aggregator in the energy area, Cesium was identified as the "most critical metal in the 5G revolution". The author notes, "one of these metals is so critical, and so rare, that it's very hard to put a price on it. That metal is cesium, and it's essential to America's quest to win the 5G race--the No. 1 most important global competition so far this century." Rare it is indeed. I covered the death of the last real mine. There are a lot of small Cesium mines in North America and China, and other parts of the world, normally as a byproduct, but there is no mine that offers a long term solution to satiate demand.

Cascadero's cesium project is in an early stage of development but it is potentially huge. The drilling done so far barely covered its extent. The known grades have been on the low side but the target is so huge that they could easily find a high-grade pod that is several times as large as any of those little pods being mined in China. Indeed, my bet is that Lorne is going to do a deal with someone soon to develop this deposit.

Hopefully, they take it to where it deserves to go. I'm a buyer. There are many negatives but that is not saying anything. If there weren't, let's put it this way, it wouldn't be 2 or 3 cents. But I see things on the mend again, and we are going into a precious metals led commodity bull market. And Cascadero is one of the few companies that has a Cesium target of this size in the world. It is about to regain its relevance.

But try not to chase it too far above 5 cents in the short term, because there really still are risks.

That said, if they pull it off, this could be one of those stocks that shoots up to the moon when you least expect on a drill hole and on the kind of hype that sometimes grips investors over rare or RE metals.

Just keep in mind our allocation to this segment is low. It is a high risk/reward situation.

Argonaut Gold - July 14, 2020

Argonaut (**ARNGF**, **MCap \$447.48M**, **238.31M SO**) closed its merger with Alio Gold on July 3rd and subsequently announced a \$110 million bought deal financing (43.1 million shares at \$2.55/share).

Alio Gold owns the 1.7Moz Florida Canyon gold mine in Nevada, and the development stage 1.3Moz Ana Paula PF stage gold project in Mexico (expected to produce 116kozpa for 7.5 years at a very low \$524 AISC per ounce of gold sold). Upon closing, Argonaut updated the Florida Canyon mine plan.

The new plan calls for average annual production of 77,000 gold ounces at an AISC of \$1050/oz over a 9.5-year mine life, generating an NPV₅ of \$232 million at \$1700 gold (LOM capex of \$108 million).



Following the failure of the San Antonio EIA in 2019 and a few other hiccups, the shares ended up plunging during the coronavirus scare in March to under a buck from nearly \$3 per share in August when the price of gold was still below \$1600 per ounce. The stock has since rallied back up to the mid \$2's. The company reported Q2 2020 production hit 31,531 GEOs, and that it expects to produce 186-206,000 total GEOs this year at an AISC of \$1225-\$1350/oz. As its lower-cost projects come online this latter number is expected to fall in coming years with production growing to 300,000 over the next couple years, and 500,000 ultimately during the coming bull market cycle.

The company initiated construction of a leach pad expansion at both the El Castillo Complex and La

Colorada mines to expand mine life. At the Magino project in Ontario, Argonaut completed the Schedule 2 process relating to effluent discharge and expects to obtain the remaining project approvals and capex financing by year-end. The company also recently entered into a 50/50 JV with **UrbanGold (UGM.V)** for the Bullseye property located 17 km south of the former producing Troilus Gold-Copper mine in Quebec.

I like this company because I have followed this management team for decades (from a distance) and they know how to create value. They maintained a sound balance sheet and share structure through the bear cycle, despite the hard knocks at their original hopes, and have a strong following, so capital is not an obstacle.

Their mines generally have long lives in politically low-risk regions, and their skill at replacing ore is proven.

I expect Argonaut to be a \$10-20 stock over the next few years if they are able to achieve their growth and cost goals. I'm betting they will. Good trading!

Ed & Kashyap

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