www.GoldStockNews.com

The Bull & Bear's

GOLD STOCK NEWS

Analysis of Gold Stocks and Precious Metals Trends • 1st Quarter 2022

INSIDE...

Gold, Silver and PGM Price Forecasts for 2022

Double-digit price gains were forecast for all precious metals in 2021 by 38 traders and analysts participating in the *2021 Precious Metals Forecast Survey* sponsored by the London Bullion Market Association (now known simply as LBMA).

Predictions from most commentators for the precious metals fell far short. Gold ended the year down by -3.6%, Platinum by -8.4%, Silver which was forecast to rise 38% on average in 2021 fell -11.7% and Palladium a massive -22.2%.

Keep in mind that forecasts are made at a specific point in time, and that there are any number of currently unpredictable geopolitical and geoeconomic events and circumstances which will likely affect the eventual outcome.

The comments and forecasts below are an edited version of an article by Lawrie Williams a noted gold authority and contributing editor at London-based Sharps Pixley bullion brokers.

"2022 is likely to be a positive year for all the major traded precious metals with the exception, perhaps, of palladium which, in my opinion, had risen too far too fast over much of the past couple of years. More of that later when we discuss the prospects for the metals themselves individually. Ironically that was very much my opinion of a year ago when I was proven very wrong in my assumptions, except perhaps for palladium which even under-performed my seemingly pessimistic-at-the-time end-2020 expectations.

Not all observers see things the same way though. For example The U.S.'s biggest bank, JP Morgan Chase, is forecasting gold to come off sharply in price towards the end of the year – to around a Q4 average of $1,520 due to an adverse reaction to potential Fed tightening measures.

Looking at the major metals in turn, my own reasoning for prices to advance is as follows:

Gold – here there will be a battle between the overall effects of rising and prolonged inflation and the world's central bank efforts to bring it under control – the

Continued on page 11

Expect Volatile Markets in 2022!

For 2021 the prices of all four metals were down for the year! Gold dropped 3.6%. Silver declined 11.7%. Platinum fell 8.4%. Palladium was down sharply, losing 22.2%, notes Patrick Heller, editor of *Liberty's Outlook*, a monthly newsletter published by Liberty Coin Service.

What happened?

The comments below are an edited and abridged synopsis of Patrick Heller's views on the performance of the precious metals in 2021 and Gold and Silver prospects in 2022.

The US government continued to sharply increase spending and budget deficits. It continued inflation of the money supply at a higher rate than in recent history, though not as dramatic as it did so in 2020. These factors would normally signal a lower value for the US dollar.

A falling dollar usually would indicate that gold and silver prices would increase.

In fact, a major reason for owning the two metals is for protection against the risk of a drop in the purchasing power of the US dollar.

The dollar certainly did fall in value against almost all metal and energy commodities in 2021 which sparked the highest annual increase in consumer prices in multiple decades. However, as poorly as the US currency performed against many commodities, other world currencies (as a whole) performed even worse.

Over the course of 2021, the US Dollar Index rose 6.43% from the end of 2020. This Index only compares the dollar against six other currencies (euro 57.6% weight in the Index, Japanese yen 13.6%, British pound 11.9%, Canadian dollar 9.1%, Swedish krona 4.2%, and Swiss franc 3.6%).

The price of gold actually rose in 2021 against the euro, yen, and krona. It also rose against most other currencies.

So, one part of the explanation of why precious metals prices fell against the US dollar in 2021 is that other currencies dropped in value to an even greater degree.

Government Manipulation of the Price of Gold

In Heller's judgment, a major reason for the decline in gold and silver prices in 2021 was that US government pulled out almost every strategy it could to ensure this result. The Treasury Department's Exchange Stabilization Fund is specifically authorized to engage in actions that manipulate the price of gold. Price suppression tactics could also be augmented by the 24 primary trading partners of the Federal Reserve Bank of New York, several of which have been convicted of felonies or signed consent agreements to avoids trial on charges of manipulating precious metals prices. Other factors that could help hold down gold and silver prices are the Bank for International Settlements, the International Monetary Fund, and allied central banks.

Why would the US government have an interest in holding down the prices of gold and silver? It is the greatest financial beneficiary of doing so. The prices of gold and silver are effectively report cards on the US dollar, US economy, and US government. If the prices of these metals are rising, that sends negative signals to the financial markets, which would have huge negative consequences to the US government.

For instance, investors would insist on being paid a higher interest rate to hold US Treasury debt. An increase of 1% in the interest rate paid by the federal government would add another $300 billion to the annual budget deficit. The US government also pays out trillions of dollars every year in Social Security and other programs where the payments are adjusted for an "inflation factor" that is heavily influenced by the relative strength or weakness of the dollar. A weak dollar would lead to larger increases in such payments than would occur if the US dollar held its value.

By the way, gold and silver prices tend to go up or down in tandem on a daily basis at least 70% of the time. Therefore, if the price of silver (a far smaller financial market than gold) can be held down, that signals that gold should not rise. It is for this reason that the US government has an incentive to hold down the price of silver as well as for gold.

Another reason why I think the US government has been manipulating gold and silver prices in recent years and probably continued to do so in 2021 is that all of the declassified documents released thus far confirm that the government has constantly rigged gold's price ever since the Exchange Stabilization Fund was created in 1934. Since the government had done it continuously for 70 years, why would it suddenly stop?

Gold And Silver Prospects In 2022

There are many reasons to expect higher gold and silver prices in 2022. Here are some of the factors to consider.

1. From February 2020, shortly before the onset of the COVID pandemic, to today, the total assets of the five major central banks (US Federal Reserve Bank, European Central Bank, Bank of Japan, People's Bank of China, and Bank of England) have grown from $20.4 trillion to $32.5 trillion. This is the result of massive inflation of the money supply. The US M2 money supply now has reached 90% of Gross Domestic Product (GDP), where it was only 44% of GDP at the end of 1999. As governments around the world are inflating their money supplies at the highest rate in history, fiat (paper) currency values are destined to fall. Gold and silver price increases have not yet risen sufficient to offset the scope of this inflation of the money supply over the past two years.

2. Although Americans are hearing that consumer prices over the past year are rising at a multi-decade high rate, they are still not being informed that the real price increases are far higher than the US government is admitting. For the 12 months ended December

Continued on page 4

Volatile Markets in 2022!

Continued from page 3

2021 as announced this morning, the official Consumer Price Index was up 7.0%. However, if the current CPI was calculated using the same methodology as formerly used by the US Bureau of Labor Statistics, the numbers are much higher. According to John Williams, www.shadowstats.com, if the current CPI increase for the year had been derived using the BLS methodology from 1990, the price hike would exceed 10%; or using the BLS 1980 methodology, the annual prices would be up about 15%.

As people around the globe realize the true extent to which their paper currencies are losing value that will spark a greater interest in owning "safe haven assets" such as gold and silver.

3. The recovery in US Gross Domestic Product (GDP) from the depths in the spring of 2020 was largely in response to the government's expansion of the money supply and credit as opposed to actual economic growth. A smaller part of the increase was as a result of higher wholesale and consumer prices. Once people realize what is actually occurring, this will translate into higher demand to own gold and silver.

4. Cryptocurrencies are simply another form of fiat currencies. Yet, because some have risen substantially in value, most people have not yet realized that they cannot permanently replace other paper (fiat) currencies as a relatively stable medium of exchange. Expect in 2022 that more people will come to understand that cryptocurrencies are not money, leading them to cash out to seek more stable safe haven assets.

5. On January 1, 2022 the expansion of Basel 3 requirements for major inter- national banks to maintain a net stable funding ratio will mean greater pressure for banks to either 1) hold more physical gold to cover their gold liabilities owed to customers, or else 2) for banks to reduce their willingness to sell gold short through derivatives contracts (effectively creating "paper" gold out of thin air). Some of this shift in banks' gold operations has already occurred, but it will become more extensive in 2022. To the extent that this results is a decline in gold short sales and/or an increase in demand for physical gold, look for higher prices to result.

Additionally, a side effect of the expansion of Basel 3 requirements for banks to maintain a net stable funding ratio to cover their liabilities is leading banks to trim their gold trading operations, which will likely increase the volatility of gold's price.

6. The fear of financial risk resulted in the US Treasury 10-Year Note interest rate rising from 0.93% at the end of 2020 to finish 2021 at 1.52%. Already in 2022, this rate is up significantly.

7. To the extent that interest rates rise further in 2022, as recently projected by the Federal Reserve, business profits will decline. This would put downward pressure on stock prices. As more investors seek to leave the stock market to reallocate into safe haven assets, look for increasing gold and silver demand, and therefore higher prices.

8. Even though interest rates are increasing, they are still well below the rate at which consumer prices are rising. That makes holding interest-bearing investments such as bonds, certificates of deposit, money market funds, and savings accounts a surefire losing proposition. As people shift away from owning such assets, almost certainly some of those funds will be used to purchase gold and silver.

9. On August 31, 2021, the Federal Reserve announced that it's Standing Repo Facility would make available to eligible counterparties (i.e. banks with at least $30 billion in assets or meeting other standards) overnight loans of as much as $500 billion. Simply the fact that the Fed is contemplating such a massive one-day liquidity squeeze could happen suggests that America's financial institutions are not solid and stable. In 2020, the Fed conducted two rounds of stress tests on the largest banks and pronounced the banking system as financially sound and stable. What has changed since then that the Fed is hiding from the public?

10. The Archegos Capital Management collapse on March 26, 2021 led to at least $10 billion in losses at banks that had loaned it funds to enable it to acquire highly leveraged investments. Several stocks that Archegos had acquired are now trading lower by 80% or more than they were last March. There are a number of other aggressive investment entities around. There is always a possibility than another one or more could collapse at any time – especially if interest rates rise in 2022.

Continued on next page

Continued from previous page

11. The recent major protests in Kazakhstan, when coupled with the continuing protests in the former Soviet state of Belarus, and the Russian military buildup on the border of the former Soviet state of Ukraine, could signal a major attempt for Russia to reclaim these areas and their 72 million residents. Kazakhstan supplies 40% of the world's uranium and about 2% of global gold. Russia has hardened its government finances (including a huge increase in gold reserves over the past several years) to better resist international financial sanctions. With the acquiescence of the current American political leaders, Russia has also been able to put itself into being able to blackmail Ukraine and Western Europe by threatening to cut off energy supplies.

To the extent that there are any further encroachments by Russia into any of these three nations (Kazakhstan already has requested and received 3,000 Russian troops now stationed in the country), that could send investors scurrying out of paper assets into safe haven assets such as physical gold and silver.

12. The Federal Reserve has done everything it possibly could to avoid disclosing how much in repo loans (overnight, 14-day, and 43-day) it has granted to the 24 primary trading partners of the Federal Reserve Bank of New York to help with liquidity crunches. From mid-September 2019 to July 2020, the cumulative total of these loans was $11.23 trillion! The Fed has since changed how these funds are distributed to make it difficult to impossible to be forced to disclose such liquidity injections since July 2020.

The Fed has finally started to disclose these loans, with data only through the end of December 2019. However, the format of the data release makes it difficult to grasp who has received how much funds.

Overall, it appears that the largest beneficiary of these loans has been Deutsche Bank. Without these loans, this bank may have collapsed, destroying the value of the trillions of dollars of derivatives contracts it carries with other major private and central banks. Other major beneficiaries have been JPMorgan Chase, Citigroup, and Bank of America. If JPMorgan Chase really had the "fortress balance sheet" that it claims, why would it need tens to hundreds of billions of dollars of liquidity injections from the Federal Reserve?

This list is not exhaustive. Sadly, it may only take one or two of these developments to occur to spark massive gold and silver price increases.

What do you think are the odds that one or more of these catastrophes may erupt in 2022?

The obvious means to help protect your wealth against any or all of these calamities is to establish a "wealth insurance" position of bullion-priced physical gold and silver coins and bars as part of a total investment portfolio. This wealth insurance position is meant to be a permanent holding rather than a trading position. Plan for these assets to be passed down to your heirs.

How much should someone allocate to this wealth insurance? There is no one- size-fits-all answer. Factors such as age, the state of one's current finances, and tolerance for risk affect such decisions. A number of years ago, I considered owning 3-10% of one's investment portfolio or net worth in bullion-priced physical gold and silver coins and bars to be adequate for most people. Now, I have greater fears for the future of other assets, so have increased this suggested range to 10-25-33% of one's investment portfolio or net worth.

To summarize: I therefore anticipate a strong likelihood that gold and silver prices will perform well against the US dollar in 2022. As for platinum and palladium, I expect that vehicle manufacturers will continue their multi-year shift toward using less palladium and more platinum in catalytic converters. As a result, I expect platinum prices at the end of 2022 to be higher than at the end of 2021, while palladium prices will decline.

Editor's Note: Patrick A. Heller is editor of the award-winning *Liberty's Outlook*, newsletter, published by Liberty Coin Service, 400 Frandor Ave., Lansing, MI 48912, 1 year, 12 issues, $159. Liberty Coin Service is a buyer and seller of gold, silver, platinum and palladium bullion and quality rare coins. Shop the online store at www.libertycoinservice.com

GOLD STOCK NEWS

Publisher: The Bull & Bear Financial Report
Editor: David J. Robinson
P.O. Box 917179, Longwood, FL 32791
1 Year, 12 Issues, $89

Info@TheBullandBear.com
www.goldstocknews.com

Gold: It Is Not So Different This Time

This is an edited version of a Special Report prepared by John R. Ing. President and CEO, Maison Placements Canada Inc. The full version, "Gold: It Is Not So Different This Time is available at The Bull & Bear Financial Report.

For all the talk of high inflation, a cold war and rising debt, the stock market is a prime beneficiary of the decade of easy money which also stoked demand for corporate debt and real estate, driving up prices across all markets. The Standard & Poor's 500, the Russell 1000 and Nasdaq Composite Index are trading near record highs as ultralow rates and a combination of monetary and fiscal stimulus inflated bubble assets in everything from the Bruce Springsteen catalog, to bonds, to NFTs, to stocks, and to classic cars. Apple's market cap increased $1 trillion in 2020 but in less than a year added another $1 trillion to $3 trillion today. Cryptocurrencies have become a $3 trillion market and a new asset class. To date, global public offerings have outpaced their previous record last year at $600 billion and a product of too much cash chasing too few opportunities, often another signal that a bull market is coming to an end. Newly formed carmaker Rivian's market cap is $100 billion, more than the market cap of Ford Motors or GM despite producing only 100 cars.

Worrisome is that the animal spirits are back with stocks in expensive exuberance territory, a level that has presaged bad returns in the past. Having exhausted most of their conventional tools, central banks have adopted unconventional quantitative easing and MMT which has convinced investors that the economic situation can be managed. To date, the excess liquidity has protected us from COVID and its variants, the real estate collapse in China and soaring inflation. However, the consequence is record debt at a time of rising interest rates, and uncontrollable inflation. We believe the printing press has eroded America's position as the world's dominant currency at a time when capital is leaving, which will prompt lenders to demand more concessions to write more checks, either in higher rates or a downward currency adjustment. Gold history shows, is an alternative to the dollar.

And yet, despite all this, gold and gold stocks have been disappointing investments, contradictory at a time when inflation is at its highest level in nearly four decades. While gold briefly broke out of its trading range, flirting with $1,900 an ounce at the beginning of the year, gold retreated into its $1,650 - $1,800 ounce range. What happened? Is it different this time?

Part of the reason of gold's non-performance is that much of the fiscal stimulus flowed into stocks, bonds and other highly speculative assets. However, we think markets are poised to fall under the prospect of rising interest rates. Noteworthy is that in the 70s, rates went from 4.75% in 1977 to peak at 20% in 1998. During that same period, gold went from $38 an ounce to $850 an ounce. Today, little has changed. We believe that gold is a bet on the gradual destruction of the dollar as the Fed flooded the system with free money to finance a government which has become the biggest spender in American history.

In the full report (published at www.TheBullandBear.com) we have drawn parallels with the 70s when inflation was fuelled by deficit spending to finance government, two oil shocks, the Vietnam War and the stagflation economy. Gold's bull market began subsequently when under the weight of too much debt, President Nixon devalued the dollar by severing the dollar's linkage to gold in 1971. Gold jumped from $35 an ounce to a record high of $850 an ounce in 1980. Gold then sank back reaching a low in September 1999 at $250 an ounce before beginning its second bull market which peaked at $1,205 an ounce in the wake of the financial crisis. Gold's third bull market began when the world's central banks again bailed out their economies from the 2008 global crisis using experimental tools in the form of quantitative easing to resurrect the global economy. Subsequently Mr. Trump's spending and tax cuts widened the deficit. Gold was $700 an ounce in 2008 and peaked at $2,100 an ounce in August 2020. Today, we believe the fourth bull market has just begun which will see gold initially surpassing $2,200 an ounce. Of note, each peak has surpassed its previous peak.

The Never Normal

Consequently, we believe gold will retain its traditional safe-haven role, particularly when everything today seems so risky. We believe the biggest driver this era will be inflation and its effect

Continued on next page

Continued from previous page

on the dollar and interest rates. Billions, no trillions have poured into the markets, exchange traded funds (ETFs) and private equity funds who benefited from the cheap money. Higher rates will remove the main prop under equities. Cheap money will not last. Today gold looks particularly cheap in an overvalued world. Proliferating digital currencies and alternate payment platforms like Apple Pay or Alipay lessen the usage of the traditional dollar-based system. It is not different this time. As result, the world has too many dollars they do not want. The US has a serious problem with its deficits and overvalued dollar. When investors believe that the dollar is an overvalued currency and lack confidence in other currencies, the price of gold is a good index of currency fears.

The gold miners have pivoted from growth for growth sakes to pursuing free cash flow because investors want dividends and share buybacks. Both companies and investors have been haunted by acquisitions past where many overpaid. It is not so different this time. Today Argonaut Gold's Magino project in Ontario is overbudget and likely in need of more financing. IAMGOLD's billion-dollar Côté Lake too is overbudget and late. New Gold has yet to make a profit from Rainy River. Fundamentals then and now do matter. Meantime performance-minded investors have shunned the gold stocks in favour of the meme stocks and the more growth-oriented tech sector. Institutional fund managers too have avoided the group for some time resulting in an under-owned sector. Consequently, gold stocks are cheap.

The overriding dilemma for the mining industry is reserve replacement. Shunned by institutional fund managers, raising equity has been difficult for many juniors. Consequently, the seniors have been in a frenzied M&A activity since it is cheaper to buy ounces on Bay Street than explore. Last year alone, Agnico Eagle announced a merger with Kirkland Lake, establishing a major new senior player with Canada's largest footprint. AngloGold acquired Corus, Dundee Precious Metal bought IVN Metals for its Loma Larga project in southern Ecuador. Australia's Evolution acquired Battle North for its Red Lake mine. Earlier Agnico bought TMAC resources in Canada's North. Kinross recently joined the fray, paying a whopping $1.8 billion for Bear Lake which is a project without a NI 43-101 reserve report. Newcrest has acquired Pretium in BC for $3.5 billion in cash and shares, following Newcrest's purchase of the Red Chris Mine in BC for $800 million. Simply there's a game of musical chairs and not many empty chairs. The bottom line is that gold miners view reserves in the ground as cheap and thus we continue to expect the consolidation to continue, particularly because it remains cheaper to buy

ounces on Bay Street. As such we continue to recommend **Agnico** and **Barrick** among the senior producers. **B2Gold** is favoured and developers like **McEwen Mining** which boosted production by 40% and undervalued Dundee are liked for their development projects.

Recommendations

• **Agnico Eagle Mines Ltd.** (AEM) – Agnico Eagle posted a strong quarter in advance of the merger with Kirkland Lake Gold. The combined company will produce between 2.5 million and 3 million ounces from 12 mines with combined reserves of 48 million ounces. Significantly both companies are known for their exploration teams and the combined exploration budget could exceed $300 million. Agnico's future lies in the drill bit, particularly around their 12 mines. The combination will allow the acceleration of a number of promising development projects. A good example is Amaruq which will be brought into production taking advantage of Meadowbank's infrastructure in Nunavut. At Macassa the #4

Continued on page 8

Gold:

Continued from page 7

shaft's completion will allow an increase in tonnage. Agnico Eagle will have a large footprint in the Abitibi belt (27 million ounces), combined with Kirkland's Detour ground and Kirkland Lake's lands. The low-cost producer will be a cash machine. A $100 /oz increase in gold would add $350 million change in operating margins. We like the combination here.

• **Barrick Gold Corp.** (ABX) – Barrick will have a strong fourth quarter following the repair of the Goldstrike roaster and a strong contribution from the Nevada Gold Mines (NGM) joint venture as well as Barrick's copper assets due to higher grades at Lumwana. Barrick is the world's second-largest producer with operations in Nevada and South America. With a strong balance sheet, high quality assets and management, the company is expanding its Pueblo Viejo joint venture in the Dominican Republic which will be completed this year. Barrick returned $1.4 billion to its shareholders through dividends and return of capital payments. Ironically Barrick is under-invested in Canada and has been shopping for assets – but so far none have met its tough guidelines. We like the shares here.

• **B2Gold Corp.** (BTO) – B2Gold had a mixed quarter from its operating gold mines in Mali, Namibia and the Philippines. At joint venture Gramalote, the company plans a revised feasibility study by the second half following more drilling and engineering studies, which hopefully improves its IRR. At low-cost flagship Fekola in Mali, the company has begun hauling ore from nearby Anaconda which consists of two licences hosting several sulphide targets. Fekola keeps on growing and the Cardinal discovery is a potential satellite. Meantime the government of Mali has yet to grant an extension of its license for Menankoto which is a separate license for exploitation. B2Gold sold its West African mining project Kiaka in Burkina Faso in a deal similar to the sale of B2Gold's Nicaraguan assets to Calibre. B2Gold is one of the lowest cost gold producers in the world, has a debt free balance sheet of $540 million of cash. Producing a million ounces at a cash cost of under $550/oz, we like the shares here.

• **Centerra Gold Inc.** (CG) – Centerra's Kumtor mine was nationalized by the Kyrgyzstan government who decided to kill the golden goose instead of waiting for eggs, leaving Centerra with only two operating mines which produced 77,000 ounces at an all-in sustaining cost of $781/oz. Mount Milligan and Öksüt both generated free cash flow. Meantime there were dueling lawsuits with the Kyrgyz government and there is talk of an out of court settlement. While Centerra has a strong balance sheet and the financial wherewithal to outlast the expected series of court proceedings, the proposed settlement leaves Centerra cancelling the 26% stake held by the government and payment of back dividends. Hopefully as Kumtor's gold production dwindles, the government will realize that half of a loaf was better than no loaf. Nonetheless given the long history of disputes with the government, the shares are dead money. Sell.

• **Eldorado Gold Corp.** (ELD) – Eldorado has operations in Turkey, Canada and undervalued Greek assets. Eldorado's four mines generated free cash flow of almost $30 million and the balance sheet has about $439 million of cash against total debt of $493 million. Kisladag in Turkey did well and Lamaque's Triangle decline to exploit Omaque will be completed this year. Eldorado has proven and probable reserves of 17 million ounces. Little information however was given on the Greek assets other than Skouries which is in need of a joint venture partner because

Continued on page 9

Continued from page 8

of the huge capex. Nonetheless Skouries is attractive with IRR near 20%. Eldorado shares trade at a discount to its peers because of the Greek assets which are now protected under an agreement signed earlier last year. Hold.

• **IAMGOLD Corp.** (IMG) – It doesn't rain but it pours as bad news haunts IAMGOLD. Côté Gold is overbudget and delayed with costs increasing. Construction is only 36% complete and almost $900 million remains to be spent at the 70% owned project. In addition, IAMGOLD had a security problem at Essakane in Burkina Faso which hurt production. IAMGOLD's problems continue at Rosebel in Suriname and Westwood. Both operations are likely in need of a new mine plan and the company's big bet on Côté is too risky. Sell.

• **Kinross Gold Corp.** (K) – Kinross bid a whopping $1.8 billion in cash and shares for Great Bear's Dixie project located in the Red Lake area which has yet to publish a NI 43 – 101 resource estimate. Kinross' shares fell on that news. Kinross has a flatline production profile so the aggressive move looks like a desperation gambit for growth. Moreover, paying a healthy premium does not make sense when so many recent mergers of equal deals eliminate the accounting fluff and temptation to overpay. Meantime Tasiast expansion is targeted mid 23 and La Coipa late this year. Russia still contributes 20% plus of Kinross' production, which is geographically risky. Sell.

• **Lundin Gold Inc.** (LUG) – Lundin Gold had a strong quarter at Fruta del Norte (FDN) gold project in Ecuador. Fruta del Norte is the world's highest-grade project and the company generated free cash flow of $52 million in the latest quarter. Lundin also began an exploration program looking for satellite deposits. The South Ventilation Raise should be completed early this year as part of the mine plan which will improve output. The company's regional drill program has been expanded to 11 km. Lundin will produce between 380,000 and 420,000 ounces at an all-in cost of around $800 an ounce. We like the shares here.

• **Newmont Corp.** (NGT) –

Continued on page 10

Continued from page 9

Newmont had a disappointing quarter and lowered guidance. Still the company is a cash machine generating $400 million for every $100 increase per ounce in the price of gold above $1,200. Newmont's Yanacocha sulphides price tag ($2.1 billion) went up because of inflation and the project won't be built for years (2027). Boddington's production in Australia was also a problem with production shortfalls partially because of heavy rainfalls affecting the ramp-up of the first and maybe last, autonomous haulage fleet. As a result, Newmont lowered production guidance to about 6 million ounces for the year and continues to work out problems in restructuring its portfolio from Coffee to Pamour to the Penasquito layback, inherited from the Goldcorp acquisition. We have long suspected that execution will be important and that it would take time for Newmont to work out the problems. Nothing to date has changed our view. Nonetheless free cash flow of more than $1.7 billion will allow the company to digest Goldcorp and spend $300 million on exploration. We prefer Barrick here.

• **New Gold Inc.** (NGD) – New Gold sold its Blackwater gold stream to Wheaton Precious Metal for $300 million. The sale price was attractive and salvages something following the sale of Blackwater to Artemis Gold. The transaction helps New Gold's balance sheet loaded with long term debt of almost $500 million. The company is still working out problem-prone Rainy River in Northwestern Ontario. Total cash costs remain high at a gold equivalence basis at $1,400/oz. Frankly every ounce that New Gold produces at Rainy River is a loss. At New Afton, the new mine plan's all-in costs are around $1,300/oz. On a positive note, the company did report positive cash flow in the quarter and looking ahead, New Gold hopes to optimize its underground mine plan for Rainy River where measured and indicated resource is 1.8 million ounces. Cash on hand is $180 million, allowing New Gold to make a handful of small exploration bets. We view New Gold as a source of funds.

• **Yamana Gold Inc.** (YRI) – In the latest quarter, Yamana's costs increased despite stronger production from El Peñón in Chile and joint venture Canadian Malartic. Cerro Moro in Argentina had a better quarter due to better grades. Yamana received the permit to expand flagship Jacobina to increase 10,000 tonnes per day. The permit will allow Jacobina to increase throughput boosting ounces after a 10% increase in production this year. On a positive note, a feasibility study on the MARA project is expected next year. Yamana is a Canadian gold producer but its shares have lagged its peers due to a debt load of almost $800 million. We prefer B2Gold here.

Editor's Note: Commentary and opinions expressed in this *Special Report* are those of John Ing, President and CEO. Maison Placements Inc., an independent investment banking firm headquartered in Toronto, Canada.

Founded in 1955, Maison's success has been built on providing unique advisory services. As a leading independent investment bank the firm has arranged private placements, equity underwritings, rights issues and advised on asset purchases. The firm provides independent advice, with an emphasis on long-term relationships and finding innovative solutions. For more information on Maison Placements Canada, visit www.maisonplacements.com.

Gold, Silver and PGM Price Forecasts for 2022

Continued from page 1

latter affected by the impact of the coronavirus and its effect on the global, and individual, country economies over the full year. We feel that the overall effect on the metal price will be positive, and that gold may touch the $2,000 level again by the year end. This would mean a rise of 10 or 11% after a tiny decline in 2021.

Interest rates and inflation are probably key here. Gold tends to do better in a negative interest rate environment when investors are totally unconcerned about buying a non-interest generating asset. Some well-respected commentators see negative interest rates persisting for some years yet as inflation levels look likely to remain higher than bank interest rates, and this has to be positive for the gold price. Global geopolitical and geo-economic concerns will also likely keep the safe haven aspects of gold at the forefront of investment decisions too.

Silver: Forecasters continue to predict great things ahead for silver, but we fail to agree. Like gold we foresee a rise of around 10-11% only over the course of the year, although a probably short-lived peak to say $28 looks to be possible given the metal's price volatility.

Silver does have some very interesting industrial demand attributes which should cause it to rise substantially in the longer term, but probably not consistently for two or three years yet. It still seems to follow ups and downs in the gold price but unlike gold, when prices peak, silver investors are more likely to liquidate their holdings, while gold investors tend to hold on. This puts a natural brake on excessive silver price rises, but does not preclude occasional high price peaks. We feel the long term potential for silver remains strong because its industrial demand is predominantly in growth sectors.

PGMs: ***Platinum*** and ***Palladium*** are very much industrial demand driven nowadays, with any monetary attributes largely having faded away over the years. Currently both are mostly demand-dependent on their usage as catalysts in internal combustion engine exhaust-cleaning systems and while palladium has tended to dominate in the much larger gasoline-powered light vehicle market, its big price premium over platinum has made real, or predicted, substitution issues bring the metal prices closer together. In the longer term the rise in uptake of battery electric, or hydrogen fuel cell-powered non polluting vehicles will put a huge dent in demand for palladium in particular, probably leading to price parity between the two sister metals emerging within the next fewyears.

Palladium prices had been riding particularly high due to a huge supply deficit, but this has largely fallen away, while a platinum supply surplus has also diminished, perhaps to zero. Consequently we see platinum prices rising over the next year, and palladium being the only major precious metal where we see the price continuing to fall. While price parity between platinum and palladium looks like occurring sooner rather than later with the former's price rising and the latter's falling, we now don't see that happening in 2022, but it will likely come about before end 2023."

Precious Metals Price Forecasts for End-2022

Lawrie Wliiams price forecast for the four major precious metals for the year ahead are as follows: Gold at end-2022 is $2,000 (+10% y-o-y change), Silver $25.50 (+10%), Platinum $1100 (+16%), Palladium $1,350 (27%).

"Overall it should be a positive year for all, apart from palladium, which we see as continuing its sharp price reversal in 2022 perhaps declining at a similar pace to that we have seen in 2021."

Editor's Note: Lawrie Williams is a well known London-based writer and commentator on financial and political subjects, but specialising in precious metals news and commentary. His commentary is featured on the Sharps Pixley website. Sharps Pixley is the one stop gold shop in London where you can buy, sell, test and store gold and silver bullion. Wholly-owned by the Degussa group, one of the largest sellers of retail physical gold in Europe. Visit https://www.sharpspixley.com.

Heraeus Precious Metals Forecast 2022

Gold and Silver Should Benefit from Inflation Concerns

The price of **gold** could reach a record high in 2022, according to Heraeus Precious Metals, the world's largest precious metals service provider. "Gold remains a safe haven and an insurance against geopolitical risks, and the risk of persistently high inflation is also positive for gold," said André Christl, CEO of Heraeus Precious Metals.

Gold Could Reach New Highs

With a slow and steady outlook for rate rises in the US, real interest rates will remain firmly negative. Even as some base effects reduce year-on-year inflation comparisons, ongoing supply chain issues mean inflation is likely to remain well above the Fed's 2% target. Therefore, real interest rates should remain negative which is usually an environment in which gold performs well.

Dollar strength may fade, supporting a higher gold price. Speculative positions in currencies vs. the dollar are marginally net short the dollar and close to becoming net long. This usually precedes a change in trend. Near term, the dollar could strengthen further but the trend looks likely to change in 2022.

Central banks are likely to continue adding gold to their reserves. In 2021, more than 400 t of gold was added to reserves, a significant increase over a very low 2020 total. However, purchases in 2022 may not be as high because around half of that gain appeared to be large, one-off purchases from Brazil, Hungary and Thailand.

Jewellery demand is expected to improve somewhat, following a substantial recovery in 2021. Chinese jewellery demand more or less recovered to pre-pandemic levels last year, but economic growth is predicted to slow this year and that could impact consumer spending. The outlook is brighter for India. Indian jewellery demand did not recover fully last year but could do so this year as strong economic growth is anticipated as the impact of the pandemic recedes.

Total supply is forecast to edge higher this year. Mine output is expected to have hit a new record in 2021, but that gain was mostly offset by a drop in recycled gold owing to the lower price. A marginal new record could be possible for mine production this year and with robust prices expected in 2022, recycling is likely to be somewhat higher.

Investment demand will need to pick up to lift the gold price. Concerns about inflation, geopolitics or the overvaluation and potential volatility of other assets could see safe-haven demand for gold increase. Stock markets in the US and Europe are at, or near, all-time highs and valuations are very high compared to history. On top of which, bond yields are still very low, so it would require only a small increase in yields to inflict capital losses on bond holders. In real terms, inflation is already causing losses.

Negative real interest rates and a weaker dollar are expected to support the gold price. The Heraeus experts see a range of \$2,120 and \$1,700 per fine ounce of gold. Gold marked its previous record high in August 2020 at around \$2,072.

Continued on next page

Continued from previous page

Silver Likely to Outperform Gold

Heraeus expects industrial demand for **silver** to grow. Double-digit growth in the installation of solar photovoltaic systems is forecast for 2022. At the same time, silver demand from electronics will benefit this year from an increase in global smartphone sales, as well as from the continued rollout of 5G and the falling cost of 5G devices.

In 2022, 5G smartphone production is forecast to reach 660 million units, a share of 47.5% in the overall smartphone market. In China, 5G smartphone penetration is estimated to have now surpassed 80%, so manufacturers are expected to be shifting their focus to other regional market, such as the U.S. and Europe.

In terms of demand for silver jewelry and silverware, Heraeus expects a return to pre-pandemic levels. With India's economy forecast to grow strongly this year as the impact of the pandemic lessens, further recovery is anticipated for jewellery and silverware demand.

Silver mine supply is predicted to slip in 2022 and return to the downward trend that was temporarily reversed by a post-Covid rebound last year. Mine production has been declining since 2016 and despite rising demand and high prices, there is limited opportunity for new supply as the majority of silver is mined as a by-product (of gold and base metals). Production levels could also be impacted by ongoing geopolitical risks in South America during 2022. Incentivised by high prices, secondary silver supply is expected to grow again this year, making up the supply shortfall that would exist from mined production alone.

If inflation and the weak dollar do indeed support the gold price, silver should outperform gold in these waters. Speculative positioning in silver in the futures market has fallen back, leaving the potential for more upside if traders move back into silver. Heraeus expects silver to trade between $32 and $20 per troy ounce.

Platinum Group Metals

Platinum group metals are still stabilizing after last year's supply and demand side shocks from, for example, mine flooding in Russia, plant maintenance in South Africa, and lower automotive production from chip shortages. The Corona pandemic remains a factor. However, the impact should begin to fade. After all, vaccines are widely available. In addition, the new Covid variants appear to be less dangerous. This should allow a gradual return to normalcy.

Platinum Surplus of 1moz

The industrial **platinum** market is predicted to have a surplus of over 1 moz once again in 2022. However, that is lower than in 2021 as the trend has now shifted to a narrowing surplus with demand growing faster than supply.

Overall investment demand had a relatively poor year in 2021, as a fall in ETF holdings offset much of the gain from bar and coin sales. Stronger investment in ETFs will be needed to help lift the price this year. Platinum remains cheap compared to gold and, with inflation running hot, real assets such as platinum may benefit from renewed investor interest.

Primary platinum supply is expected to increase by 4% to 6.4 moz in 2022. In South Africa, refined output is forecast to be slightly higher than in 2021 and is again boosted by the refining of some stock that built up owing to earlier processing problems. There has been some recent M&A activity amongst South African PGM miners, but this is not likely to influence PGM production this year.

Secondary platinum supply is projected to be slightly higher this year than last year as jewellery recycling is forecast to be moderately higher.

Platinum, which is used primarily in diesel exhaust catalytic converters, is still favorably valued compared to gold and palladium. However, a high inflation rate could make tangible assets such as platinum attractive to investors again. The broad industrial use of platinum and its partial substitution in the automotive industry will make the metal more interesting again in the long term. According to Heraeus, platinum is forecast to trade between $1,300 and $850 per troy ounce. Platinum remains cheap compared to gold and palladium and if the gold price rallies as anticipated, then the platinum price is expected to move higher too.

Palladium: Record Demand From Automotive Industry

The **palladium** market will settle at a lower level after a historic high price last year. Supply will also recover here after the disruptions. Heraeus expects a minimal supply surplus.

Continued on page 14

Precious Metals Forecast 2022

Continued from page 13

Primary palladium production is forecast to increase by 7% this year. Russian production has recovered following the mine flooding incident that impacted output last year. However, scheduled smelter maintenance is expected to restrict refined output to around 2.7 moz. South Africa, Zimbabwe and North America are all predicted to increase production this year.

Palladium demand in the automotive industry is expected to reach a record 8.5 million ounces this year. The industry is the strongest consumer, accounting for around 90 percent – palladium is used in exhaust catalytic converters for gasoline engines. However, industrial demand (outside the automotive sector) is expected to fall by six percent this year, cushioning the price pressure from high demand from the automotive industry. Heraeus forecasts the trading range for palladium to be between $2,250 and $1,400 per ounce.

Rhodium: Balanced Year

Rhodium, which is also very dependent on demand from the automotive industry, could be characterized by high price fluctuations. Heraeus forecasts the rhodium market to be balanced this year as recovering automotive demand is set to rise more than supply. Even small shifts in supply or demand can strongly influence the price. Supply risks could arise from insufficient recycling volumes or from strike risks, as the three largest South African PGM mining companies are facing wage negotiations with the mining unions this year. The rhodium price is estimated to return to a high range of between $22,000 and $7,500 per troy ounce in 2022.

Ruthenium: Lower Prices

For **ruthenium**, the return to lower price levels is likely to continue. The metal, which is used primarily in the electronics industry, is expected to show a surplus this year. Supply is expected to increase by about two percent as production problems in Russia and disruptions due to maintenance work in South Africa have been overcome. At the same time, additional stockpiles are being processed in South Africa, which can cover the growth in demand. Heraeus forecasts the ruthenium price to trade between $600 and $250 per troy ounce.

Iridium: Surplus Anticipated

A larger supply should calm the **iridium** market. Last year, the price had reached an extraordinary record high as processing problems in South Africa, which provides about 80 percent of the world's iridium supply, limited metal availability. Once these were resolved and market liquidity improved, the price began to fall again. With a surplus market anticipated this year, the iridium price is likely to return to a high level between $5,000 and $2,500 per troy ounce.

Editor's Note: Heraeus Precious Metals headquartered in Hanau, Germany is a leading provider of precious metals services and products. This unit combines all activities in the precious metals cycle, from trading to precious metals production to recycling. Heraeus is one of the world's largest refiners of platinum group metals (PGMs) and a leading name in industrial precious metals trading. For more information on the products and solutions offered by Hereaus visit www.Hereaus.com.

Gold: Presidential Midterm Years and Years Ending in Two are Generally Positive

“We may have to hunker down, get defensive. But with the potential for stagflation gold may shine irrespective of looming major cycle lows over the next few years,” is David Chapman’s, Chief Strategist, of Enriched Investing Inc. message for 2022. Chapman a highly regarded gold analyst gives his analysis for gold in 2022:

“Our monthly chart of gold since 2000 still shows a possible cup and handle pattern that has been forming since the peak in 2011. We have noted some of the major cycles on the chart. The longest is the 23.5-year cycle which is ideally due during 2020–2027. The last one was seen with the double bottom in 1999 and 2001. Its subdivision is the 7.83-year cycle last seen in 2015. Its next is due October 2023 +/- 8 months Feb 2023–June 2024. Both cycles overlap. The 7.83-year cycle subdivision is the 31.2-month sub-cycle. So far, that was seen in March 2021 which came 31 months after the August 2018 low. The 31.3-month cycle is next due in October 2023. As one can see, the three cycles overlap, raising the potential for 2023 to be our final low.

The question is the peak of the current 31.3-month cycle. Will its peak take out the August 2020 high at $2,089? Failure to do so would set up the collapse into the 23.5-year/7.83-year cycle lows. If the cup and handle is correct, we have the potential to rise to $2,300/$2,700. If instead we fail and break down, then the decline could take us to $1,200/$1,400 for the important long-term cycle lows. The breakout point for the cup and handle is above $1,900, but to confirm we’d need to see new highs above $2,089. This next rally for gold needs some staying power or it will fail. Volume on the rise would be important.

All of this suggests that 2022 for gold could be quite important. Our table below shows the 10-year gold cycle. We note that years ending in two are generally positive, with 4 up and only one down since gold became free trading in the 1970s. This included a 49% gain in 1972 and a 25% gain in 2002. As to gold’s performance in presidential midterm years, we note that since the late 1960s gold’s record is 7 up years and 5 down years. The up years have all been quite strong, including a 61% gain in 1974, while the down years have generally been weak. The worst was 1970 when gold fell about 9%.

There are a number of positive signs suggesting gold could enjoy a good up year in 2022 against the background of potential stagflation and political unrest. The caveat rests on gold rising in 2022 and taking out the August 2020 high. Failure to do that would tell us we are going down to make the larger cycle lows.”

Editor’s Note: Noted Bay Street veteran, David Chapman has worked in the financial industry for over 40 years including large financial corporations, banks, and investment dealers. His weekly newsletter, the *Technical Scoop*, has generated a loyal international following for more than 21 years and is now distributed by Enriched Investing Inc.

Enriched Investing Incorporated is an independent Investment Counsel firm with expertise in customized portfolio management solutions and retirement planning for institutional and private client investors. For more information on services provided, visit www.enrichedinvesting.com.

Years Ending in Two are Generally Positive

CLICK HERE TO OPEN LARGER IMAGE IN NEW WINDOW

10-Year Gold Cycle
Annual % Change in Gold
Year of Decade

Decades	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
1961–70							-0.5	10.7	6.2	-8.9
1971–80	16.5	48.9	75.6	60.6	-23.3	-3.8	23.4	36.5	134.8	10.9
1981–90	-32.5	12.7	-14.4	-20.0	6.9	23.1	20.1	-15.7	-1.8	-1.6
1991–00	-10.6	-5.9	17.6	-1.9	1.0	-4.9	-21.5	-0.2	0.1	-6.0
2001–10	2.6	24.8	flat	25.6	18.2	22.8	31.4	5.8	23.9	29.8
2011–20	10.2	7.0	-28.2	-1.5	-10.4	8.6	13.7	-2.1	18.9	24.4
2021–30	-4.8*									
	3 up 3 dn	4 up 1 dn	2 up 2 dn	2 up 3 dn	3 up 2 dn	3 up 2 dn	4 up 2 dn	3 up 3 dn	5 up 1 dn	3 up 3 dn

* To date

Source: www.stockcharts.com

Gold Stock News STRATEGIES

U.S. Global Investors INVESTOR ALERT
7900 Callaghan Rd., San Antonio, TX 78229.
www.usfunds.com.

Real assets like gold are poised to benefit from Fed tightening

Investors are positioning for a new Fed tightening cycle as well as sticky inflation. Many are rotating into real assets, including gold and real estate, which have inherent value outside of the traditional financial system, notes Frank Holmes, CEO and chief investment officer of U.S. Global Investors (Nasdaq: GROW).

Staring Down $31 Trillion in Central Bank Assets

"I believe real estate's key appeal right now is that it's a real asset, the same as commodities, metals, gold and other materials, which also saw positive flows in the last two weeks of 2021. You may not know this, but the U.S. is shockingly financialized, with financial assets at roughly six times the size of the economy.

The size of the Fed's balance sheet, as I said, has ballooned to an unheard-of $9 trillion, and if you include the assets of the central banks of the European Union (EU), China and Japan, you're looking at a combined $31 trillion as of the end of 2021.

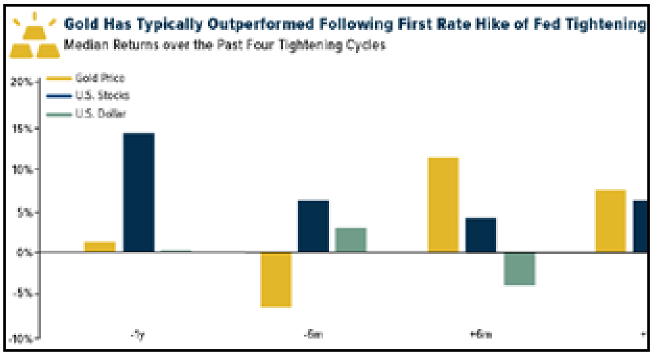
Taking all of this into account, I think it's only prudent to have some exposure to real assets, which have inherent value outside of the traditional financial system. That's especially the case now on the eve of rate hikes.

Gold Has Performed Well In Times of High Inflation and Rising Rates

In full disclosure, commodities experienced net outflows of $4.2 billion during calendar year 2021. Among the biggest asset-losing ETFs of the year were the bullion-backed *SPDR Gold Trust* (GLD), which lost $10.8 billion, and the *United States Oil Fund LP* (USO), which lost $2.8 billion.

But with inflation looking a lot stickier than expected, and with infrastructure projects around the country set to begin thanks to the $1.2 trillion Bipartisan Infrastructure Law, I believe 2022 will bring a reversal of fortune for commodity and metals funds. If it's any indication, investors last Friday moved $1.63 billion into GLD, marking the ETF's biggest one-day haul in its approximately 18-year history.

It's a smart move. Gold has historically performed well in times of not only higher inflation but also rising rates, according to the World Gold Council (WGC). If we look at the past four Fed tightening cycles, between February 1994 and December 2015, the yellow metal underperformed in the months leading up to the Fed's first rate hike but then outperformed U.S. stocks and the dollar six months and one year following liftoff.



The reason for this? The WGC believes a weaker greenback may have given a boost to gold, for one. And two, U.S. stock returns were not as strong as they were before the rate hike, which may have also favored gold as a safe haven.

This would suggest that the time to buy may be now, potentially less than two months before the Fed says it will take action. As always, I recommend a 10% weighting in gold, with 5% in physical bullion and 5% in high-quality gold mining stocks, mutual funds and ETFs. I also think an allocation of around 2% in Bitcoin, or "digital gold," also makes sense, especially now with its price still significantly discounted from its all-time high."

Editor's Note: U.S. Global Investors, Inc. is an innovative investment management firm specializing in actively managed equity and bond strategies, and has a longstanding history of expertise in gold and precious metals, natural resources and emerging markets. The company offers eight no-load mutual funds and two exchange-traded funds (ETFs), in a variety of niche global industries.

****

24/7 WALL ST.
PO Box 287437, New York, NY 10128.
www.247wallst.com.

5 Buy-Rated Dividend Gold Stocks May Be the Best Protection Now Against Spiraling Inflation

Lee Jackson has been anticipating the recent sell-off in the markets for some time. "Investors that got used to a market that kept going up despite minor sell-offs could be in for some pain," Jackson said. The setup for stocks going forward in the near term looks negative, cautions Jackson.

"There are two reasons for the recent intense selling. First, stocks are, and have remained, horribly overbought and have been trading at absurd multiples for months. Second, inflation is out of control and the

Federal Reserve has to raise rates and raise them fast. Some think the Fed could raise them very soon, but most think the start will be in March.

The question for investors is what to do now. One of the best ideas always has been to seek positions in commodities. The best area there for investors to look at is the top gold miners and royalty companies. We screened the BofA Securities research universe looking for the top stocks and found five that look like great ideas for worried investors now.

It is important to remember that no single analyst report should be used as a sole basis for any buying or selling decision.

Agnico Eagle Mines

This is one of Wall Street's most preferred North American gold producers. **Agnico Eagle Mines Ltd.** (NYSE: AEM) is a senior Canadian gold-mining company that has produced precious metals since 1957. Its eight mines are located in Canada, Finland and Mexico, with exploration and development activities in each of these regions, as well as in the United States and Sweden.

The company and its shareholders have full exposure to gold prices due to its long-standing policy of no forward gold sales. Agnico Eagle has declared a cash dividend every year since 1983. The stock was crushed as gold sold well off the January highs, and with an inflation surge you can bet many savvy portfolio managers are ready to add back top companies like this.

Shareholders receive a 2.75% dividend. The BofA Securities price target on Agnico Eagle Mines stock is $68.50. The consensus target is up at $94.39.

Barrick Gold

This is another top gold stock, and it still offers a solid entry point. **Barrick Gold Corp.** (NYSE: GOLD) and *Randgold Resources* completed their merger on January 1, 2019. This created the world's largest gold company in terms of production, reserves and market capitalization.

The company holds a 50% interest in the Veladero mine located in the San Juan Province of Argentina; 50% interest in the KCGM, a gold mine located in Australia; 95% interest in Porgera, a gold mine located in Papua New Guinea; 50% interest in the Zaldavar, a copper mine located in Chile; and 50% interest in the Jabal Sayid, a copper mine located in Saudi Arabia.

Barrick also owns gold mines and exploration properties in Africa and gold projects located in South America and North America. It also has a strategic cooperation agreement with Shandong Gold Group.

Barrick Gold stock investors receive a 1.86% dividend yield. BofA Securities has a $27 price target, while the consensus target is $28.41.

B2Gold

This is a small-cap gold stock for aggressive investors looking for sector exposure. **B2Gold Corp.** (NYSE: BTG) is a global, growth-oriented mid-tier gold producer whose primary assets include gold mines located in Nicaragua (La Libertad and El Limon), the Philippines (Masbate) and Namibia (Otjikoto) and Mali (Fekola).

During the third quarter, the company recorded consolidated gold production of 295,723 ounces, up 19% year over year on solid performance across three of its operating mines. B2Gold increased throughput at the Fekola mill and completed the significant waste stripping campaigns at both Fekola and Otjikoto mines. Those mines achieved record quarterly gold production in the third quarter of 2021.

Investors receive a 4.34% dividend. The $5.85 BofA Securities price target compares with a $6.20 consensus target for B2Gold stock.

Kinross Gold

Investors who are more aggressive may want to consider this smaller cap mining company. **Kinross Gold Corp.** (NYSE: KGC) engages in the acquisition, exploration and development of gold properties principally in Canada, the United States, the Russian Federation, Brazil, Chile, Ghana and Mauritania.

The company also is involved in the extraction and processing of gold-containing ores, reclamation of gold-mining properties and the production and sale of silver. The company posted quarterly earnings that were much lower than a year ago but topped the consensus estimates, offering an earnings surprise of 40%.

Shareholders receive a 2.12% dividend. BofA Securities has its price target at $8.85. The consensus target is $9.75.

Wheaton Precious Metals

This precious metals royalty stock makes good sense for more conservative investors who are looking to have exposure to the sector. **Wheaton Precious Metals Corp.** (NYSE: WPM) is a Canadian precious metals streaming company with approximately 60% of its revenues from the sale of silver and 40% from gold.

Under the terms of long-term contracts, the company purchases silver and gold from a variety of mines, including Goldcorp's Penasquito mine in Mexico, Vale's Salobo mine in Brazil, the Lundin Mining Zinkgruvan mine in Sweden, and Glencore's Antamina and Yauliyacu mines in Peru, and then sells the silver and gold into the open market.

Shareholders receive a 1.47% dividend. The BofA Securities price target is $56. The Wheaton Precious Metals stock consensus target is $55.24.

The **SPDR Gold Shares ETF** (NYSEARCA: GLD) is perhaps one of the best pure plays on gold for investors. The trust that is the sponsor of the fund holds physical gold bullion as well as some cash. Each share represents one-tenth of an ounce of the price of gold. It should be noted that the fund does not pay a dividend.

Proper asset allocation should always include at least a single-digit percentage holding of precious metals like gold and silver. Not only do they hedge inflation (which could be huge now and over the long term), but they can really help if the market does go into correction or bear market mode, as they tend to trade inversely to markets."

Editor's Note: Lee Jackson is Senior Editor at 24/7 Wall St., LLC a Delaware corporation which runs a financial news and opinion company with content delivered over the Internet. The company publishes over 30 articles per day. To view the wide array of articles visit www.247wallst.com.

NATE'S NOTES
P.O. Box 667, Healdsburg, CA 95448.
1 year, 12 issues, $289.
www.NotWallStreet.com.

All our commodities are 'Top Picks'

Nate Pile: "Since commodity prices remain in an uptrend (with all signs pointing towards the likelihood of it continuing into the foreseeable future), these four stocks/ETFs are also once again being tagged as "Top Picks: **Cleveland-Cliffs** (CLF), **PowerShares DB Agriculture** (DBA), **PowerShares DB Commodities** (DBC), and **SPDR Gold Trust** (GLD).

We still have a very solid position in Cleveland-Cliffs. CLF is a strong buy under $20 and a buy under $24. PowerShares DB Agriculture is a buy under $21. PowerShares DB Commodities is a buy under $23. I am once again adding small pieces of both of these ETFs to our already sizable positions in both Portfolios.

SPDR Gold Trust is a buy under $175. While there is a lot of chatter these days about cryptocurrencies replacing gold (and there is no doubt that some of the money that might otherwise flow into the gold market will flow into cryptocurrencies instead as time goes by), I believe the day that such a transition takes place on a large enough scale to prevent gold from rising is still a long ways off, and I would still rather see you own gold instead (but feel free to trade your cryptos too)."

Editor's Note: *Nate's Notes*, one of the top performing newsletters in the country, is focused on growing wealth for his subscribers via a sensible, long-term approach to investing. Nate Pile's two portfolios (the Model and Aggressive) have produced stellar returns vs. the Nasdaq and the DJIA for his subscribers over the 27 years of publishing.

****

J. Taylor's GOLD, ENERGY & TECH STOCKS
Box 780555, Maspeth, NY 11378.
Monthly, Email, 1 year, $298. Weekly Hotline
www.miningstocks.com.

Note to Fed: The Laws of Math Still Apply

Jay Taylor hosts the web-based radio show "*Turning Hard Times into_Good Times*." In a recent segment Jay's recent guests included John Rubino who runs the popular financial website DollarCollapse.com, Patrick Highsmith, Chairman of FireFox Gold Corp. and Chen Lin publisher of *What is Chen Buying? What is Chen Selling?* newsletter.

"The big Keynesian fantasy that a country can forever become wealthy by consuming more than it produces has seemed believable to Americans because we have owned the world's fiat reserve currency. That meant for the past number of decades that the Federal Reserve could create fiat money out of thin air to enable Americans to buy foreign goods rather than Americans earning income through export sales to pay for their consumption. But alas, the Federal Reserve and America cannot defy the law of mathematics because money isn't actually created out of thin air at all. Fiat money is manufactured with debt. So, as decade after decade, America continued to consume more than it produced, its debt relative to income has risen to the point where the U.S. is now insolvent.

Because of excessive unearned money creation by the Fed, America is now facing double-digit levels of inflation akin to 1980. But unlike 1980, when a 20% Fed Funds interest rate was required to break the back of a double-digit inflation rate, America's debt load is so large that not even a ¼ of 1% Fed Funds rate, or a 2% 10-year Treasury rate, can occur without triggering the next stock market crash and U.S. recession.

With the entire American economy now dependent on rising stock prices rather than rising GDP, the only likely option for the Fed is to continue with the money-creating Keynesian fantasy leading to hyperinflation and very possibly a global currency reset."

In this segment, John Rubino will opine on America's precarious economic state and how we should prepare for what is to come. Patrick Highsmith updates the exciting prospects for Firefox Gold's exploration project in Finland and Chen Lin will share his thoughts on the emerging precious metals markets and his top biotech ideas.

Listen to the Broadcast Now

****

THE NATIONAL INVESTOR
P.O. Box 1257, Saint Augustine, FL 32085.
Monthly, 1 year, $275.
Includes Special Reports and Email Alerts.
www.nationalinvestor.com.

Soma Gold rated a Buy

Chris Temple added **Soma Gold** (TSX.V: SOMA; OTCQB: SMAGF) to his Growth-oriented recommendations as an immediate BUY due to the overwhelmingly strong factor of its present and growing cash flow/earnings.

Technically, the behavior of SOMA's shares in the recent past has not been unlike many small precious metals-related stocks. The plunge everything experienced early in 2020 was quickly reversed. But then as the PM's space bogged down and much more "fun" was to be had elsewhere, the share price settled into a narrowing, lethargic range.

Yet what Soma as a company has been achieving in recent months is worthy of *way* more than this. Indeed, this company is one of the more extreme poster children I've ever seen pertaining to a theme I have written about many a time over the years: "Gold companies are companies, too!"

That a company with a market cap as of last week of C$27 million logged about C$6 million of profit last year...and has a clear pathway to increase that notably this year and for years to come...is remarkable.

More so, what's finally lit a fire under me was realizing more fully that (as one can tell) pretty much *nobody* is covering this story. So this is another South

American "sleeper" *we* are going to be getting pretty much in on the ground floor on."

Temple will feature a full report on Soma Gold in an upcoming issue of his newsletter.

Soma Gold Corp. is a mining company focused on gold production and exploration. The Company owns two adjacent mining properties in Antioquia, Colombia with a combined milling capacity of 675 tpd. (permitted for 1,400 tpd). The El Bagre Mill is currently operating and producing. Internally generated funds are being used to finance a regional exploration program.

The Company also owns an exploration and development property near Tucuma, Para State, Brazil.

****

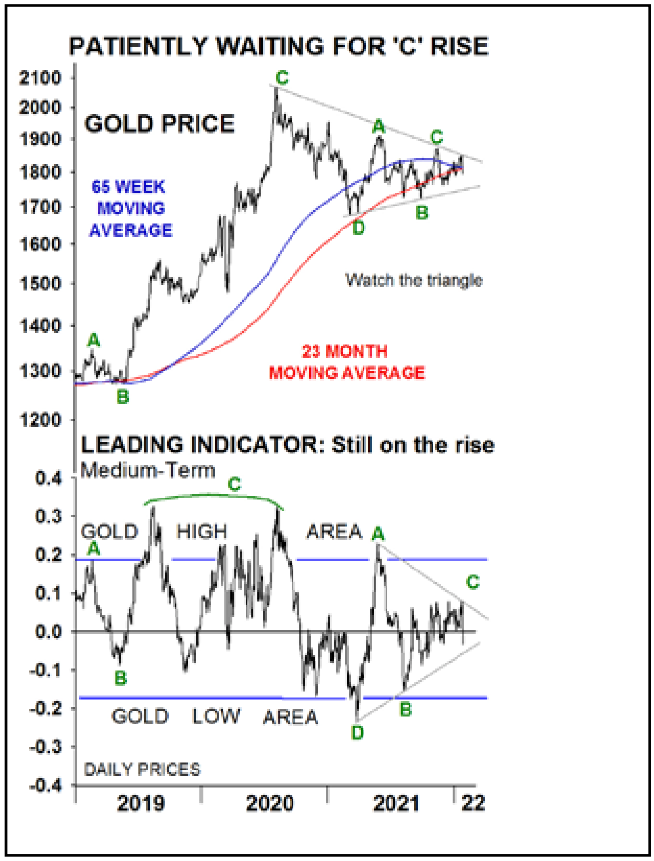
THE ADEN FORECAST
P.O. Box 790260, St. Louis, MO 63179.
Monthly, 1 year, $250.
Includes Weekly Updates and Alerts.
www.adenforecast.com.

A Fed dependent market

Mary Anne and Pam Aden: "The markets sold off when Fed head Jerome Powell said interest rates could rise further. The already volatile and vulnerable stock market fell once again on the news. The Dollar jumped up to a 16 month high (see chart) as it prepares for higher faster rate hikes. This is a breakout rise which means we could see another leg up in the dollar. Let's keep an eye on 96 as the dollar will remain very strong above it! It's strong anyway above 95. The currencies are falling, some more than others. The British Pound and the Canadian dollar are holding better than the others.

Gold and silver fell back but they're not out. Crude oil brushed up near $90 while some of the resource sector rose as well.

The strong dollar is putting pressure on gold, silver and the miners. Interestingly, while this is a setback and it hits our patience level, the C rise is not over. Gold is still in a firm gray area called a triangle. Note on the chart, gold's been in this triangle for over a year now but it's the trend that will tell us the next direction. Keep an eye on $1850 on the upside, and $1785 and $1760 on the downside. Silver is similar. It's strong support remains at $21.50 and $22. Platinum is holding up better above $1000, and palladium is soaring upward. It's close to turning bullish, and especially if it stays above $2350. The miners have support at 235 on the HUI index. Keep your gold and silver positions.



Uranium has great potential over the next five years as a shift to nuclear energy is inevitable. It was one of the hottest commodities in 2021, hitting a nine year high. The resource and energy sectors are correcting and firm. We could see some corrections and we recommend buying the following companies on weakness: **Freeport McMoRan** (FCX), **Ivanhoe Mines Ltd** (IVPAF), and **Caterpillar** (CAT). Otherwise keep previously recommended positions. They are all poised to rise further this year."

Editor's Note: Mary Anne and Pamela Aden are co-editors of the *Aden Forecast* now in its 41st year. *The Aden Forecast* specializes in the U.S. and international stock markets, precious metals, bonds and currencies. It has consistently produced double digit gains in the major investment markets. For a Special Introductory Offer visit www.adenforecast.com.

COMMON STOCK WARRANTS.
An exclusive database of all stock-warrants trading in the U.S. and Canada. Warrant database only, 1 year, $479. Dudley's Personal Portfolio, 1 year, $995. SPAC Warrant Index, 1 year, $2,500. CommonStockWarrants.com.

Is speculation dead?

Dudley Pierce Baker: "Investors in many sectors, including mining and SPACs, are asking the question, 'what the heck is going on'? We are caught up in a 'risk-on, risk-off' environment and everyone is hanging on every word out of the Federal Reserve with respect to interest rates. Inflation talks are now a reality and we should know soon (3 to 6 months maximum) as to the continuing direction of rates and the effects of inflation on our investments.

I am seeing the SPAC warrants performing similarly to the mining shares and the warrants trading thereon. The mining shares are very sensitive to this 'risk-on, risk-off' environment and have been struggling here to find a bottom in many of the companies that we follow. Of course, the mining shares/warrants are tied closely to the price of the underlying commodity, i.e. gold, silver, nickel, or copper. While gold continues to hold around the $1800 level and silver around $23, the appetite to buy the shares or warrants is not there for the average investor. I continue to be very bullish on the precious metals sector and believe that 2022 could be our breakout year.

The SPAC warrants are currently reaching undervalued levels that we have not seen since we began our aggressive coverage of this sector in September of 2020. From a charting perspective, the lows of many of the then trading warrants on SPACs was in March of 2020 at the tip of the COVID crisis. As new variants come along, the Delta and now Omicron we see continuing weakness. We have reached ridiculous levels of undervaluation in the SPAC warrants. While it is always risky to call the timing for a bottom in any market, I believe we are there or very close."

Editor's Note: Dudley Pierce Baker, founder/editor of *Common Stock Warrants*, is considered an expert in the field by many of the biggest names in the financial arena. The service includes all stock warrants trading in the U.S. and Canada and for all industries and sectors. Sign up for Dudley's *free* email and you will receive a *free* copy of *The Stock Warrant Handbook – Your Personal Guide to Trading Stock Warrants,* visit www.commonstockwarrants.com.

****

THE MORGAN REPORT
621 Mallon, Ste., 422, Spokane, WA 99201.
Monthly, 1 year, $997 (Premium Membership).
In Depth Research, Video Updates
24/7 website access, Special Bonus Reports
480-325-0230, www.themorganreport.com.

Silver to have a good year in 2022

David Morgan: "Silver should outperform gold once the bottom is achieved. At present the $21.50 level seems to be holding and over the past week almost 9 million ounces has left the Registered category (Dealer's stock) into the Eligible stocks (physical holders long term) and we highly suspect this is to get physical for fabrication, most likely silver coinage for the beginning of the new year. With all the green energy push, 5G phones, more solar, and more Electric Vehicles, we see silver having a good year in 2022. The wild card, as always, is investment demand.

Additionally, the OTC (over the counter) derivatives market in silver shown recently was quite revealing in that JP Morgan has lowered their short exposure significantly and Bank of America now seems to be holding the largest short position in silver.

The main issue with silver, more than with gold, is lack of promotion. If more people knew about the merits of silver there would be more interest. The Wall Street silver group that began early in the year has certainly added to the base of understanding and it continues to grow. Further, the majority seem to have conviction and patience.

The key could be the adoption of silver and gold into the blockchain, because, as stated earlier, much of the potential investment that might have gone into precious metals is now in the blockchain. If/when the crypto world sells off, investors will look for alternatives, and having a silver- and gold-backed crypto may just be the perfect investment at the perfect time. The gold and silver story are not over and they have now adapted to the new digital environment. I can hear an elite banker now saying, "What?? You can buy physical gold and silver on the blockchain? How did that happen??"

Editor's Note: David Morgan is a widely recognized analyst in the precious metals industry and consults for hedge funds, high net worth investors, mining companies, depositories, and bullion dealers. He is the publisher of *The Morgan Report*, a world-class publication designed to build and secure wealth. He is the author of "*The Silver Manifesto*" and a featured speaker at investment conferences worldwide.

For more information on *The Morgan Report* or to sign up to receive David Morgan's FREE e-Newsletter and receive recent news, interviews, and market analysis, visit www.TheMorganReport.com.

GOLD: Observations, Forecasts and News

The following are observations and forecasts for gold in 2022 compiled by the editors at Gold Stock News.

• **Gold imports by India** accelerated to the highest level in a decade last year as jewelry sales almost doubled, with the demand outlook remaining bright, according to the World Gold Council. Demand revived after two bleak years as Indians once again flocked to jewelry stores in 2021 as fears of the pandemic eased. Weddings and celebrations picked up in full swing in the three months through December, more than doubling full-year imports to about 925 tons, the highest since 2011, according to the council data.

• **Endeavour Mining** provided formal 2022 production guidance of 1,450,000 ounces, ahead of 1,410,000-ounce consensus. Fourth-quarter production was 398,000 ounces, a beat versus the 370,000-ounce consensus. Full-year 2021 production was 1,536,000 ounces, above the top end of guidance (1,495,000 ounces).

• **Bank of America is bullish** on uranium, aluminum, nickel, silver, and gold for 2022. Cost inflation for the miners in 2022 is real. However, Bank of America finds those with volume growth tend to be shielded from cost inflation, in that per-unit costs are expected to decline despite higher absolute costs, thus protecting margins. Free cash flow (FCF) for the group's coverage is forecast to rise 69% to $12.3 billion in 2022.

• **Goldman Sachs Group** has raised its 12-month price target for the yellow metal on expectations of slower growth, a rebound in emerging markets, and higher inflation. The group's expectations are now $2,150 an ounce versus $2,000. Contrary to conventional opinion, gold prices tend to go up when the Fed is raising interest rates.

• **The end of an easy-money era** should normally spell bad news for gold, explains Bloomberg. But right now, fund managers are keeping their holdings. At a time when equities and Bitcoin – often touted as digital gold – are sinking as loose monetary policy draws to a close, bullion exchange-traded fund holdings are proving resilient. Despite expectations for multiple U.S. interest-rate hikes this year, bets for real rates to stay negative and demand for an inflation hedge are supporting the appeal of the time-honored haven, the article continues – Frank Holmes, CEO and chief investment officer of U.S. Global Investors.

• **K92 Mining Inc** was named Top Pick for conservative investors in 2022 by Ralph Aldis, portfolio manager, at U.S. Global Investors in the annual *MoneyShow Top Picks* report. K92 owns the high-grade Kainantu Gold Mine in Papua New Guinea. The Company achieved record annual production of 98,872 oz AuEq or 95,109 oz gold, 1,853,078 lbs copper and 36,067 oz silver, representing year-over-year AuEq production growth of 20%.

• **$10,000 Bitcoin** – Bitcoin is showing a completed head and shoulders top with a neckline at $40,000 and a head at $69,000. Typically, a "head and shoulder top" declines the distance between the head and the neckline, which would be $11,000 in our case. The problem is that the latest head and shoulders top is actually the second peak of a monster double top, which gets completed on a decline below $28,000. If $28,000 gets violated as support, which I think it will, chances are we will see bitcoin trade under $10,000 in 2022 – Louis Navellier, president of Navellier & Associates.

• **Metals and Mining: Will 2022 be the year of rebalance.** If 2021 was the year of the rebound for metals and mined commodities, then 2022 could be shaping up to be the year of rebalance. From aluminium to zinc, Wood Mackenzie corporate and commodity experts share predictions for the coming year. Wood Mackenzie's *Outlook 2022* includes Gold: 5 Things to look for in 2022, Battery Raw Materials, Copper, Nickel and much more.

Download 2022 Outlook

• **Lower gold price in 2022.** Georgette Boele, Senior FX & Precious Metals Strategist at ABN AMRO expects lower gold prices in 2022 and 2023. "Our forecast for the end of 2022 stands at USD 1,500 per ounce and end 2023 at 1,300 per ounce. There are several reasons for our bearish gold price outlook. First, monetary policy will tighten globally going forward. The Fed, the Bank of England, Bank of Canada, the ECB, the Bank of Japan, the Reserve Bank of Australia, the Riksbank

Continued on page 22

Continued from page 21

and the Swiss National Bank are poised to hike rates, but the direction is towards tightening and not easing. Tighter monetary policy is in general negative for gold prices, also because yields on government bonds have a tendency to rise.

We expect the 2yr US treasury yield to rise a bit more than what markets are now expecting, inflationary pressures will ease and that will weigh on gold prices going forward. We expect the US dollar to rally further, especially versus currencies where central banks start the tightening process later. A higher US dollar is generally negative for gold prices."

• **Why 2022 Will be a Golden Year for Gold** – Matterhorn Asset Management advisor and Incrementum, AG Managing Partner, Ronald Stoeferle, shares his 2022 outlook for gold in the downloadable report. Stoeferle specifically addresses legitimate concerns regarding gold's relatively tame/disappointing price action in 2021 despite an otherwise gold-favorable setting of declining real rates and rising inflation. Ultimately, he sees the recent sideways movement in the gold price as a sign of strength rather than weakness and makes the case for a "golden year for gold" in 2022.

Download Report

• **Gold Price Forecasts 2022** – The gold price in 2022 has a number of key drivers to look out for, from monetary policy, the pandemic, and geopolitical issues. The direction the gold price could move is dependant on the outcomes of many of these issues and the combined effect they have, explains *BullionByPost* gold and silver news service.

Gold price predictions for 2022 are quite varied on the lowest end of the scale is Australia and New Zealand's ANZ Bank alongside Singapore's OCBC Bank, who believe that the strength of the recovery will see gold fall to $1,500 - $1,600 per ounce as tapering begins and interest rates rise.

BMO Capital Markets, UBS Global Wealth Management, and Reuters, all predict the gold price in 2022 will average between $1,700 - $1,800 per ounce.

Other analysts, such as Trading Economics, see gold averaging $1,963 per ounce, while Goldman Sachs still feel $2,000 per ounce will be reached by the end of 2021 alone. There are signs the global economic recovery is already running out of steam, while others also argue that inflationary pressures will not be transitory, and could be far more difficult to bring down than the Fed and others realise.

Gold's status as a safe haven and inflation hedge still has plenty of factors therefore offering support in 2022. Gold price predictions for 2022 are likely to fluctuate significantly, reflecting the upheaval caused over the past 18 months by the Covid pandemic. As always, caution needs to be taken with any price predictions, as the price will be in flux and could rise or fall quickly as events unfold, and that an average price forecast may not represent the peaks and troughs that the gold price could see in 2022.

• **Gold's behaviour will depend on which factors tip the scale** – Gold will likely face two key headwinds during 2022: 1) higher nominal interest rates, 2) a potentially stronger dollar, notes the World Gold Council.

However, the negative effect from these two drivers may be offset by other supporting factors, including: 1) high, persistent inflation, 2) market volatility linked to COVID, geopolitics, etc., 3) robust demand from other sectors such as central banks and jewellery.

Against this backdrop, gold's performance during 2022 will ultimately be determined by which factors tip the scale. Yet, gold's relevance as a risk hedge will be particularly relevant for investors this year.

• **Russia reveals record high stockpiles of gold** – Russia's international reserves surged $1.4 billion in a week, hitting a new historical maximum of $639.6 billion as of January 21, data from the Bank of Russia shows, as reported by www.rt.com.

The regulator says reserves rose 0.2% as a result of foreign exchange purchases under the fiscal rule that requires surplus revenue to be spent on forex but were partly offset by a negative market revaluation.

Russia's international reserves, which are highly liquid foreign assets held by the Bank of Russia and the country's government, consist of foreign currency funds, special drawing rights in the International Monetary Fund (IMF), and monetary gold.

The Central Bank has a target level for international reserves of $500 billion. Russia first surpassed this threshold first back in 2008 with $598 billion. In the following years, reserves plunged on several occasions, including to as low as $356 billion in 2015 following the 2014 oil price crisis, but have nearly doubled since then.