

VRA SPECIAL REPORT

IT'S TIME TO "LOAD THE BOAT" ON MINING STOCKS

This Special Report marks the high level of confidence that I have in precious metals...but most certainly...in the miners. Make no mistake about it. As the research in this special report will clearly demonstrate, this is a **generationally undervalued asset class that should be a part of every serious investors portfolio. Enormous profits are already occurring...but this bull market is just now getting underway.**

THE MACRO STORY

I have written about (and recommended) gold and silver since 2003, when in my second issue of the VRA I recommended gold at less than \$300/oz and silver at less than \$5/oz. What followed was a record setting, 12-year bull market run that took gold to over \$1900/oz (533% return) and silver to nearly \$50/oz (900% return). **The 12-year bull market in gold and silver qualified as the longest bull market ever recorded for a specific asset class.**

Then....the bull market in precious metals stopped....and whether from government/shadow bank manipulation, technical selling/ shorting, or just plain profit taking, both gold and silver fell out of bed. Gold has dropped from \$1900 to just over \$1300 and silver has been hit hard, from near \$50 to nearly \$19.50 today. The question is, have the fundamentals that drive precious metals prices higher really changed?

Of course not...in fact, they are stronger today than ever. Since the onset of the 2008 financial crisis that (some would have us believe) took the planet right to the edge of fiscal collapse, we have seen the Central Banks of the world unite in what can only be called a fiat currency printing press euphoria. Governments of the world have also united in record levels of sovereign debt issuance. And no...none of these events are bearish for the price of precious metals...in fact, they are the most bullish events possible. And please, resist the temptation to listen to those that would tell you that deflation risk is our biggest concern. This is absolutely the biggest concern for banks, which must continue to see debt levels increase exponentially in order to keep their Ponzi scheme afloat, but for you and I...the people of planet earth...we know that the price of just about everything we are forced to purchase continues to rise in price. The real definition of inflation is "the printing of new fiat currency" ...which in and of itself, forces prices higher (as the existing currency becomes worth less and less).

Since 2008, a total of \$15 trillion in freshly printed fiat money has been forced into the global economy, with governments of the world touting fiscal responsibility and debt reduction. There's just one thing missing....the actual cuts! For example, the US is now \$20 trillion in debt, and while that number sounds terrible, it is nothing compared to the actual

debt levels that we face...well over \$120 trillion when factoring in all debts and US entitlement programs. And folks, this isn't a scare tactic number without the facts....these figures come straight from our own CBO (Congressional Budget Office).

Globally, the debt picture doesn't get any better. While most will remember the debt crisis that struck the countries of Iceland, Greece, Ireland, Portugal, Spain, Italy, etc., let's not forget that the third largest economy on the planet...Japan...is facing what can only be called an Economic Armageddon. With a debt to GDP ratio of 250%, Japan's finances are in complete shambles, and in taking a page from the US, Japan has embarked on a printing press mania that eerily resembles Weimer, Germany's strategy post WWI, which led to the highest level of hyperinflation ever known to mankind. In January 1919, one ounce of gold traded for 170 marks. By November 1923, that same ounce was worth 87 trillion marks!

The most disturbing question about Japan is actually "what happens next?" Their structural problems are seemingly endless; with birth rates at all time low levels (reproduction levels drop when depressed apparently) and the ratio of workers to retirees at all time lows as well.

Of course, the finances of the US and Japan represent just two of the potential black swan events that could send the prices of gold and silver screaming to all time highs and beyond. Globally, this central bank led Ponzi scheme can only end one way. Ultimately, we will witness the death of fiat money and the world will learn once more why gold has been the only true currency for more than 6000 years.

Overall, the mining industry has struggled mightily. Gold/silver miners are spending more and more cash but are finding less gold/silver. In addition, miners are also receiving a lower price for metals sold, despite rising costs.

The outlook for the industry is uncertain, but if costs keep rising and the price of gold keeps falling, miners will be in real trouble. **This is exactly why the blue chip miners will not only survive, but will in fact pick up the most valuable scraps from the miners that do not survive. In fact, I predict that we will see a major wave of mergers and acquisitions activity among the miners...and that in fact, it is already starting.** Attorneys are doing their work on acquisitions right now...something this author knows as fact. And yes, this is one of the rare cases where we find attorneys more attractive.

Bottom line; while lower precious metals prices led many to sell their positions, these sellers are what we refer to as "weak hands"....those that should probably have never purchased gold and silver in the first place. The strong hands belong to China, Russia and the Middle East, along with the smart money shadow institutions that love it when you and I are panicked into selling our precious metals holdings. These groups have sat back and quietly purchased every ounce (and ton) of gold and silver that they can get their hands on since the correction in precious metals began.

In fact, for gold to be priced anywhere near close to appropriately (based on inflation), it would have to trade well north of \$2200/oz, or a full 70% higher than we find it today. In addition, silver's fundamentals are even stronger than gold's, with a massive (and

continuing) shortage from under-production that will one day soon result in the most dramatic move higher ever for the “poor man’s gold”.

The macro picture on precious metals simply could not be more bullish. I encourage all investors to ignore these day-to-day gyrations...the powers that be have long manipulated gold and silver lower (research G.A.T.A.’s decade plus most excellent work on this subject for the cold hard evidence)...and instead, focus on the long term fundamentals. In the not too distant future, I fully expect to see gold north of \$5000/oz and silver north of \$75/oz, if nothing else than to correct the excesses of our Frankenstein Fed. I find no asset class/currency more fundamentally positive than precious metals/miners today.

BUT HERE’S THE REAL WINNER – Mining Stocks

Gold and silver may be in correction territory, but what we are witnessing in the mining stock industry is nothing short of historic. In fact, you only see these kinds of mining stock valuations at the very end of bear markets. Even more incredibly, mining stocks today...right now....are trading very close to their most oversold valuations (to precious metals) in all of recorded history. Mining stocks will have to appreciate 5 times faster than the price of gold JUST TO GET BACK TO THEIR HISTORICAL TRADING RANGE!

Take a look at this long-term charts of GDX (miner ETF). Still 40% lower than it’s 2011 highs and flashing huge buy signals (based on VRA Trading and Investing System):



Folks, as I said earlier, in my more than 30 years as an investor and financial professional, this is the most oversold that I have ever seen one specific industry. And, while I may not be the biggest Warren Buffet fan around (with inside information gleaned from rubbing shoulders with the elite of the world, he had better be able to beat the markets, which frankly he still has difficulty with), I am a big believer in two of Buffet's investment truths; "buy your winter coats in the summer...and we should be "greedy when others are fearful, and fearful when others are greedy" This is the exact situation with precious metals mining stocks today. Everyone has appeared to give up on their future, which is exactly when we should buy them.

Bottom line point: even if gold and silver prices fall further from here, mining stocks are so incredibly undervalued that they will rise regardless. This marks a classic value proposition buy signal, and the very definition of the ultimate in investment advice...BUY LOW AND SELL HIGH.

Prior to revealing each of the VRA Action Alerts, please remember the history of success that the VRA has had in our previous recommendations of mining stocks.

The following are a few of our winners (with zero losses): Vista Gold (VGZ) initial recommendation: +230%, Vista Gold second recommendation: +380%, Vista Gold third recommendation: +240%, GDX (Mining ETF): +210%, Ivanhoe Mines (IVN) initial recommendation: +250%, Ivanhoe Mines second recommendation: +1300%.

This marks a total return for the VRA of more than 2,600%. From just from my mining stock recommendations!

I know this industry...and more importantly, I understand the timing required for making rather astounding returns in this industry (both on the buy side as well as the sell side of each recommendation). Now, let's review our three VRA Action Alerts.

ACTION ALERT ONE: BUY "NUGT" - LEVERAGE ON TOP OF LEVERAGE

The NYSE Arca Gold Miners Index (the "Gold Miners Index") is a modified market capitalization weighted index comprised of \$100 million in size (minimum) publicly traded companies involved primarily in the mining for gold/silver.

But I'm not recommending that you purchase the Arca Miners Index (which is tracked by the ETF "GDX"). INSTEAD, there is a much more powerful option, and it is the **Direxion Daily Gold Miners Bull 3X Leveraged Shares (Symbol: NUGT)**. As the name gives it away, NUGT is a 300% leveraged mining stock ETF, with the investment into the Arca Miners Index on steroids via the use of top mining stocks, derivatives and other gold/silver futures contracts.

The 300% leveraged return means that if the mining stocks in the Arca Miners Index increase by 100% in price, NUGT will actually increase in price by 300% (and vice versa of course....the risk/reward in leveraged funds works both ways). Important point: NUGT is not an investment for the risk adverse investor. Plainly put, NUGT is best used by the

aggressive investor that wishes to maximize their return possibilities in the precious metals mining sector.

What makes NUGT an even more interesting investment is what I have recently discovered in my research. The average finding cost for the mining companies held in the portfolio of the Arca Mining Index (remember, this is where 80% of NUGT is invested) is incredibly low at just over \$700/oz. With an industry average finding cost (also referred to as cash cost) currently north of \$950/oz, NUGT's portfolio is extremely well positioned.

What makes this even more impressive is the fact that over the last year, the average finding cost for established producers has risen by almost \$100/oz, as increases in global inflation have hit the mining industry as well (thanks once again to the Central Bank fiat currency printing press). Of course, the 3X leverage provided by NUGT allows us to buy GDX at a deep discount as well, but for me, the discovery of the lower cash cost was a very nice surprise (and one that I believe few are actually aware of).

ACTION ALERT TWO: BUY VISTA GOLD (VGZ)

VRA ALERT: NEW BUY REC – VISTA GOLD (VGZ)

With the second-ever VRA Update, published more than a decade ago (2003), I recommended gold and silver to VRA Subscribers. We know what transpired next, as the longest running bull market of a single asset class in history (precious metals) was underway, and would last for an astounding 12 years.

From that second VRA update, gold would increase in value from \$300/oz to a high of more than \$1900/oz, and silver would skyrocket from \$5/oz to almost \$50/oz.

These 500% to 900% moves higher were incredible to be sure, but even larger gains would be had in the shares of mining stocks.

Leverage Produces Dramatic Outperformance

Whether we're talking about oil vs. oil stocks, or precious metals vs. mining stocks, this is always where the real leverage is...in the shares of the companies that drill for the commodity, rather than in the commodity itself.

The VRA took great advantage of this fact over the years, as I recommended a slew of mining stocks that delivered great returns, time and again. From companies like Silver Standard to Newmont Mining to Vista Gold and Ivanhoe Mines (now Turquoise Resources), to specific mining ETF's that also provided diversification for investors, tremendous, market-beating returns were there to be had.

DISASTER STRIKES

Then...in September 2011...THE...BOTTOM...FELL...OUT...(with great emphasis). It was as if an alarm bell sounded, almost exactly at the 10-year anniversary of the most horrific day in US history, and just like that, a major change in direction was on the way.

Now, for the last 3.5 years, precious metals and mining stocks have remained slumped in a frustrating, painful, shocking, god-awful, debilitating...and yes, even mean-spirited...bear market of bear markets. Precious metals admirers and “real money” believers the entire world over simply could not believe what our eyes have been witnessing. Here we have an ongoing orgy of funny money creation and Frankenstein-style financial engineering by our central banking, newly self-appointed masters of the universe, yet precious metals are on their backs like Julia Roberts in *Pretty Woman*.

Today, mining stocks are more deeply oversold (versus the commodity itself) than at any point in history. That’s right, mining stocks have NEVER been this cheap, and the entire industry is fighting to remain relevant and in business. I speak with countless industry insiders, and they all tell the same story. Production costs continue to rise, thanks to core inflation and onerous environmental regulatory burdens. In addition, the industries majors are terrified about spending their remaining capital, either on exploration or acquisitions. Break-even costs for mining companies are at all-time highs, while gold and silver prices continue to languish at 3.5 year lows. The industry is witnessing extreme levels of mine closures, and even bankruptcies...it’s been beyond brutal just to remain in business, much less to try and grow it.

But all of that appears to be changing...and it’s changing just as the demand for precious metals soars to record levels. Central banks, countries and the wealthiest 1% are purchasing gold in massive amounts (I reference these facts frequently in the VRA). As always, the smart money acts first...just before the next major bull market begins.

Bottom line: the vast majority of “easy gold” has been found, and Peak Gold research (which I have outlined in previous updates) tell us that 90% of all discoverable gold will have been mined in the next 20 years. We are witnessing a perfect storm for skyrocketing gold/silver prices; huge levels of demand while supply levels continue to collapse.

Now, the technical trading picture is vastly improved as well. Clearly, the markets are waking up to the precious metals story...this is exactly how bull markets are formed.

Fiat Currencies Kryptonite

We know the fundamental story for precious metals and mining stocks, and if there’s a better macro story on the planet, I am not aware of it. As countries and central banks print fiat currency like their hair is on fire, and follow the printing presses with the issuance of untold trillions in unpayable Weimer Germany and Zimbabwe-style sovereign debt bankruptcies-to-be, one undeniable fact has become crystal clear...the oldest and most reliable “true currency” is more valuable today than its been in the 5000 years it has served as the kryptonite to man-made money. Governments can print all of the fiat money that they want to...but governments cannot print gold or silver.

The Time Has Come to Act

It's been several years since the VRA has recommended a specific mining stock for the Core Portfolio. The last time was following the onset of financial panic in 2008, when the VRA recommended a basket of mining stocks. Included in this list was Ivanhoe Mines, which the VRA recommended while everyone else was panic-selling their entire mining stock positions. Ivanhoe alone produced gains for us of more than 1300% over the next 11 months, not including the 500% + from other mining stock rec's, before we took profits and said "thank you very much".

We know what happened next...PM's and mining stocks headed into a 3.5-year bear market.

I believe that we are now witnessing the birth of what will be the greatest bull market in PM's and mining stock history. All of the ingredients are present...huge levels of smart money demand, falling production, increasing geopolitical uncertainty, an incredibly bullish macro environment for PM's, with mining stocks trading at all-time bargain basement prices. As Warren Buffet says "the time to buy your winter coats is in the summer".

NEW VRA RECOMMENDATION - BUY VISTA GOLD (VGZ)

Last Trade: .32/share

Being the first individual mining stock recommendation for the VRA in years, I could have taken the easy path and recommended a major mining company, like Newmont (NEM) or Barrick Gold (ABX). Without question, these fine companies will outperform the overall market going forward as well, with gains of several hundred percent plus in the years to come. However, my goal with the VRA has always been to introduce you to opportunities that have the ability to dramatically outperform other investments...opportunities that can build massive wealth...and this is the case with Vista Gold.

First...while we have to admit that VGZ is a penny stock (technically, anything trading below \$3/share is referred to this way), I cannot find most of the other elements that penny stocks typically share.

When is a Penny Stock NOT a Penny Stock?

As always, you...my VRA Subscribers...will be the final arbiter as to whether or not my arguments hold water...so here goes.

Vista Gold - Does this Look Like a Penny Stock to you?

Vista Gold Fundamentals

- In business since 1983
- Seasoned, highly respected mgt team and board of directors, led by CEO Fred Earnest
- ZERO Debt, with tremendous financial flexibility
- No need for dilutive activity

- \$20 million in cash/receivables (including \$8 million cash, \$7-10 million in equipment, and \$4 million in options payments due)
- Market cap of \$26 million, with just 83 million shares outstanding (rather small amount for penny stocks)
- .20/share in cash/liquid assets

With more than \$20 million in cash/liquid assets, VGZ is incredibly well positioned to not only ride out the storm, but to potentially make bargain basement acquisitions as well.

And yes, \$20 million liquid means that VGZ has more than .20/share on the books. With a stock price of just .32/share, the company is being valued at just 38% higher than liquidation value. This ratio will not remain the case for long...especially with the macro scenario that I predict for gold prices.

I've saved the best for last: Vista Gold's Mt. Todd - 7.4 million ounce, World Class Gold Project - Australia

Vista's 100% owned Mt Todd gold project is located in Northern Territory, Australia. Mt Todd contains more than 7.4 million ounces gold (measured and indicated categories) with significant exploration and district expansion potential across the projects more than 140,227 hectares (350,000 acres) of exploration licenses and mineral leases.

Mt Todd is a world class gold property ready to go...all that's needed, per VGZ's well thought-out business plan execution, is a "slightly" higher gold price. The project has significant existing infrastructure, including paved access from the major transportation corridor, a natural gas pipeline to site for future power generation, medium-tension power lines for present power needs, a fresh water reservoir, water treatment facility, and readily available labor and technical personnel.

Since acquiring the project in 2006, Vista has drilled nearly 50,000 meters, conducted extensive metallurgical and technical programs resulting in a simplified flow sheet, and completed a positive preliminary feasibility study (PFS) in May 2013 with proven and probable reserves of 5.9 million ounces.

With the successful completion of the Environmental Impact Statement (EIS) approval process, Vista Gold's Mt. Todd is sitting on a gold platter...just waiting for the right timing (or business partner) to be developed.

If you've done some quick math, you already know that 7 million ounces of gold x \$1200/oz, totals more than \$8.4 billion in total value.

Of course, we have to take into account the expenses of getting the gold out of the ground, but here's what we know:

Once gold breaks \$1400/oz, which is the company's internal minimum target, VGZ will be in a position to do one of two things:

- 1) Develop Mt. Todd on their own, pocketing more than \$500/oz in profits.
- 2) Strike a deal with a large mining company...and develop the \$750,000,000 (expense) project together.

I've recently had the opportunity to speak at length with VGZ's CEO, Fred Earnest, having first met him at an investment conference more than 4 years ago. Remember, the VRA has recommended (and profited greatly) from VGZ in the past, netting total profits of more than 500%. Following our talks, I am convinced that the best is yet to come from VGZ.

Vista Gold Potential - VRA Subscribers

When I spoke with Earnest last week, he made an interesting statement that stuck with me. He said "Vista is as directly leveraged to the price of gold as any company that I know...". What Earnest meant by this was clear to me; as gold prices rise, the fact that VGZ is a "pure play" on gold, means that VGZ will rise dramatically as well.

If you take a look at the rise and fall of gold prices over the last several years, you will find Earnest's point to be spot-on.

For example, the last time gold was \$1400/oz. (August 2013), VGZ was trading at .80/share...or a full 87% higher than today's .32/share price. This tells us that with just a \$200/oz increase in the price of gold, we can expect VGZ to almost triple in price...and that's just getting started.

Here's a long-term (10 year) chart of VGZ:

As you can see, towards the end of 2008, VGZ was trading at roughly \$7.50/share. The reason for the stock price decline? Along the way, VGZ mgt has spun off other assets directly to shareholders, making holders very happy and leaving VGZ today "primarily" with a single play...the world-class Mt. Todd gold project...a project that is HIGHLY leveraged to the rising price of gold!

And folks, once the announcement is made that VGZ is ready to put Mt. Todd into production, either on their own or along with a senior and well-healed partner, I fully expect the world to quickly learn all about Vista Gold. In fact, there are more than 10 fund managers actively following VGZ today, with 35 institutions that already have an investment position in the company, and 2 Wall Street brokerage firms that both rate the stock a "Buy". Combined, insiders, mutual funds and institutions hold roughly 30% of all VGZ shares.

BUY VISTA GOLD – 1000% TO 2300% PROFITS

The VRA is adding VGZ to the Core Portfolio today, April 6, 2015. At minimum, I expect a move to \$3.50/share as the story becomes more widely known and precious metals continue to rise in price. Again, mining stocks are obscenely oversold, and VGZ could easily trade at \$2/share today, yet still be undervalued.

Longer term, a move in VGZ to \$7.50/share would give us a gain of more than 2300%. For this to happen, gold will need to trade back to \$1800/oz (or 50% higher than today), along with production of the Mt/ Todd project. I look for both of these scenarios to be in place within 24 to 36 months (unless the company is acquired first).

Vista Gold should be a top performing VRA recommendation for many months to come. The timing for this undervalued, "high class penny stock" seems perfect...just as Ivanhoe Mines was in late 2008.

ACTION ALERT THREE: BUY TURQUOISE MINES (TRQ)

VRA BUY RECOMMENDATION

BUY: TURQUOISE HILL RESOURCES

(Symbol, U.S.: TRQ Toronto: TRQ.TO)

Today's markets are being gripped, once again, by global fears of an economic/financial system that is close to reaching "systemic" downside risks.

The VRA has seen this coming for some time, and since just January, we have gains of more than 750% in two mining stock recommendations (NUGT, up 510% and VGZ, up 240%). While I highly recommend that everyone take a position in today's new buy rec, I also highly recommend that you build a diversified portfolio, from VRA recommended stocks.

Hey, if you're a gun slinger and only choose to buy one stock, more power to you...Babe Ruth hit lots of home runs...but he also struck out more than anyone. Know the risks...know the rewards.

Also, know this. As I type this morning, gold is up big again today, slicing through \$1300/oz (last trade \$1308/oz), with silver up big as well (last trade \$17.72/oz). As you'll read next, central bank policy failures are, once again, causing global economic worries. Of course, fears of Brexit aren't helping matters either...but all of these worries are highly bullish for PM's and mining stocks.

This mornings VRA Update will feature our newest addition to the VRA Core Portfolio; Turquoise Hill Resources (TRQ).

Long time VRA Subscribers may not recognize the name, but I can assure you, you know this company. Prior to changing their name in 2012, TRQ was (for a very long while) known as "Ivanhoe Mines". The VRA recommended Ivanhoe to Subscribers at the lows, following the 2008 financial crisis (October, 2008). What followed over the next 12-14 months was off-the-charts exciting, as the VRA banked profits in Ivanhoe Mines of more than 1300% for our Subscribers.

(insert chart)

As you can see in the chart above, the VRA recommended Ivanhoe (now Turquoise) at \$1.75/share in late 2008. Roughly one year later, we were taking profits at prices from \$22-24/share, turning a \$10,000 investment (for those that acted) into \$130,000...all in roughly one year's time.

IT'S TIME TO BUY IVANHOE/TURQUOISE...AGAIN

Everyone reading this should know the following: 1) I have a (fairly) long history with this company, and 2) this is a very fluid situation...corporate/industry developments are happening left and right (including fresh/substantiated buyout rumors, from just this week).

The amount of knowledge, experience and detailed information that I have on TRQ is enough to fill up a decent sized book. To begin with, I first met Ivanhoe Mines founder, Robert Friedland, at an investment conference in late 2007. I remember his detailed presentation on Ivanhoe (again, Turquoise Hill/TRQ today) vividly, even today.

At the time, I remember thinking, "this guys either bonkers, a hype artist or...he's started what could well be a monster of a gold/copper/silver mining company...and in a short period of time." Only later at the conference did I learn that Friedland was not only the real deal, but by the time I met him, he had already established his reputation as a gun slinging, precious metals/mining legend in the making, in his home country of Canada.

I'll skip most of the boring details on my original due diligence, except to add the following; I knew pretty much immediately...just after meeting him and hearing his presentation, that there was something special about Bob Friedland. More than the swagger, it was the way that industry heavyweights hung on his every word...along with the fact they all wanted to do very serious business with him.

MACRO REASONS TO BUY PRECIOUS METALS AND MINING STOCKS...NOW

- 1) Precious Metals and Mining Stocks are red hot, once again. Since January 20th of this year, GDX (mining ETF) is up 110%, with gold and silver up 15-20% (in bull markets, mining stocks appreciate (roughly) 3-5 x faster than the underlying commodity itself). Still, the worlds investing public holds less than 1% of gold/silver in their portfolios. As a contrarian...aka, the "smart money" ...now is the time to act.
- 2) All of my research, and my 31 years of experience, tell me that we have now entered what will soon become the most explosive bull market for precious metals/miners...in all of history (in the interest of time and space, please review my archived VRA Updates, going back to 2005, available here in the Members section of the VRA Site).
- 3) Central bank monetary insanity is in the process of destroying the worlds banking, financial, investment, currency and debt markets. The timing is anyone's guess, but in my 2012 book "CrashProof Prosperity, Becoming Wealthy in the Age of Risk", I laid out the reasons clearly for the coming devastation that will be laid directly at the feet of today's central bankers. No, at the time, I did not believe that the FED's financial Frankenstein could possibly survive into 2016. Honestly, who would have ever believed that combined, these highly educated dumb people would print more than \$25 trillion in fresh fiat currency...money backed by nothing...since

the 2008 financial crisis kicked off. In addition, central bank QE (direct monetization of debt) now totals more than \$15 trillion globally, which is forcing up to 1/3 of the worlds sovereign debt interest rates into negative territory. No...I never would have believed that our planets monetary/financial/banking "experts" would stoop to this level of bizarre, misplaced, and highly dangerous desperation.

Only beginning in late 2013 did their reasons become clear to me; central bankers are in absolute panic mode. If their financial engineering experiments fail, "debt deflation" (this is the actual deflation they are worried about) will quickly evolve into a global debt, death spiral. And there will be no coming back from it. Once a death spiral begins in our debt markets, the world will go from deflation...to inflation...to hyperinflation, all in lightning quick speed. And folks, this is when gold, silver and mining stocks go absolutely parabolic. I believe we have entered this cycle today...soon, the rest of the world will begin to enter panic mode, and our precious metals holdings will surge higher.

My long term target for gold is \$10,000/oz...has been since 2012. My long term target for silver is \$175...also, since 2012.

REASONS TO BUY TRQ...NOW

- 1) TRQ (through Friedland's founding of Ivanhoe) has discovered one of the worlds top 3 copper/gold/silver mines, located in Mongolia (bordering China). The concession is enormous, featuring a series of 26-mile long, contiguous veins. A number of independent mining experts/geologists, have stated that this may well be the single best copper/gold pure plays on the planet.
- 2) In 2009, TRQ brought in Rio Tinto (RIO), one of the largest, most successful mining conglomerates in the industry, as TRQ's partner and mine operator. Today, TRQ owns 66% of Oyu Tolgoi, while RIO owns 51% of TRQ (the rest is owned by the Mongolian government). The operation employs 2600 people, and the mine life (above and below ground drilling) is estimated to be greater than 100 years.
- 3) The Oyu Tolgoi is now fully funded (final financing announced just this week), with fresh rumors of a potential buyout that's already in the works. Britain's Sunday Times reported on Monday that RIO has hired Goldman Sachs to explore ways to acquire or possibly take TRQ private, making the timing of this VRA Buy Rec even more important.
- 4) TRQ is positioned incredibly well financially, already profitable with no debt and more than \$1.4 billion in cash, following 2015's \$1.6 billion in Oyu Tolgoi revenues. The company also features a book value of \$4.29/share and an enterprise value of \$7.13/share (all figures according to Capital IQ), with up to 40% of all freely trading stock in the hands of institutional investors and company insiders.
- 5) TRQ's stock price is up 90% in 2016, however its stock price is still 90% lower from it's 2011 highs. The reason? Copper prices have been absolutely destroyed over the past 3-4 years, as the worlds largest buyer/consumer of

copper...China...has seen their growth engine of an economy slow from it's 10-12% breakneck pace to "maybe" 7% growth. I believe the coming move higher in copper...and it's already underway...may well be one of the major reasons for TRQ's stock price skyrocketing, in the days/weeks/months to come. Few seem to have caught coppers 10% move higher in 2016...but the VRA has noticed it. Copper is still hated by the investment community, but again, as contrarians, we act when everyone else is looking the other way. Importantly, TRQ will ramp higher either way...their long term gold reserves are absolutely enormous...but if copper continues to recover as well, the end result will see TRQ moving higher, as if on steroids.

6) Finally, the VRA Trading & Investing System continues to flash precious metals and mining stocks as a very strong buy. Yes, they are a bit overbought in the short term, but we could easily begin to see \$100/oz up-days in gold, in reaction to ongoing global financial turmoil. We look to be only in the early innings of what I predict will be an historic precious metals bull market. Stay diversified...but stay very long PM's and mining stocks as well.

ACTION TO TAKE

Buy TRQ anywhere near current prices (closed at \$3.25/share yesterday). My price target for TRQ is for a minimum move to \$14/share (in a buyout). If not acquired, TRQ will soar far higher, as gold, copper and silver prices ramp higher. The most significant and profitable bull market in precious metals history is underway right now. We will make a fortune in our favorite VRA Buy Rec's.

Until next time, thanks again for reading...stay frosty.

Kip

Without question, the precious metals mining sector is the most undervalued sector that I have seen in at least a decade, and quite possibly, in my entire career. The purchase of NUGT, VGZ and TRQ represents the most attractive investment opportunity that the VRA has discovered...in order to take advantage of the coming surge in precious metals prices, and in particular, the massive move higher in mining stocks.

Gains of several thousand percent await...this will be the most explosive bull market in the history of precious metals.

**Kip Herriage
VRA Founder/Publisher (2003)**