

Resource Maven

Independent Analysis of
the Resource Markets



GWEN
PRESTON

**IT'S ALL COMING
TOGETHER...**

BULLISH PREMISE

What do metals need to perform?

- **Strong demand**, ideally against weak supply ✓
- Help from a **weak USD** ✓
- **Negative real rates** for gold ✓
- A need for investors to diversify or seek yield ✓

 Financial Post

Copper inches higher as investors eye U.S. stimulus

HANOI — Copper prices edged up on Tuesday, as investors awaited cues to the prospects of a U.S. stimulus package proposed by President ...

3 days ago

 DailyFX

Copper Forecast: US Stimulus and Chinese Recovery Key Price Drivers

Copper, Chinese Economy, US Stimulus - Talking Points. Copper prices take hit on major US producer sales downgrade; China's 2020 copper ...

2 days ago



 MINING.com

Tesla hit by battery shortage amid rallying lithium, cobalt ...

Prices for lithium carbonate at the factory gate jumped by just under 13%, while ex-works cobalt sulphate and nickel sulphate increased by 3.2% ...

2 hours ago



 The Sierra Nevada Ally

Lithium miner, processor sees opportunity under Biden's green imperatives

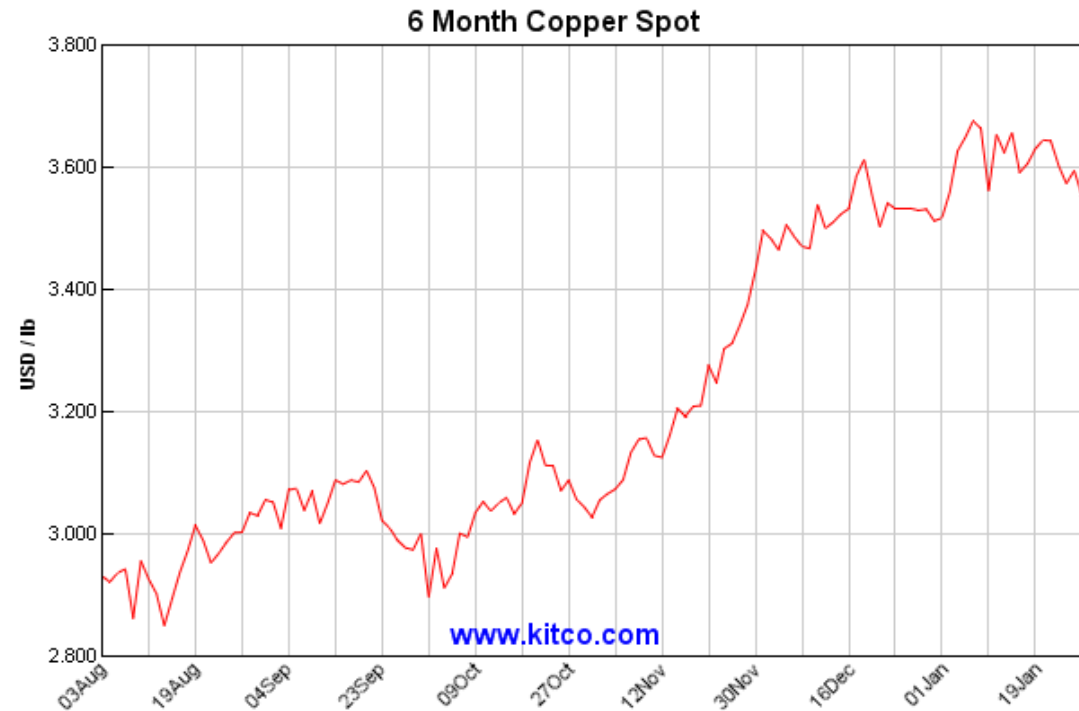
Last week, iioneer Ltd. announced its successful development of converting lithium carbonate into battery-grade lithium hydroxide at its Rhyolite ...

1 day ago



RECOVERY = METALS DEMAND

This is what drove copper up 25% in the last 5 months



We're still in the 'expectation' phase. There will be bumps on the road to reality but **massive stimulus to support global economic recovery/growth means demand for metals.**

Add in green tech/energy support in Biden US for copper, silver, nickel

USD DOWNTURN

Reasons to think USD bull run is ending

- Inflation (from growth or printing...)
- China working to reduce reliance on USD
- Reserve currency status slowly eroding
- Immense debt loads (govt & corporate)

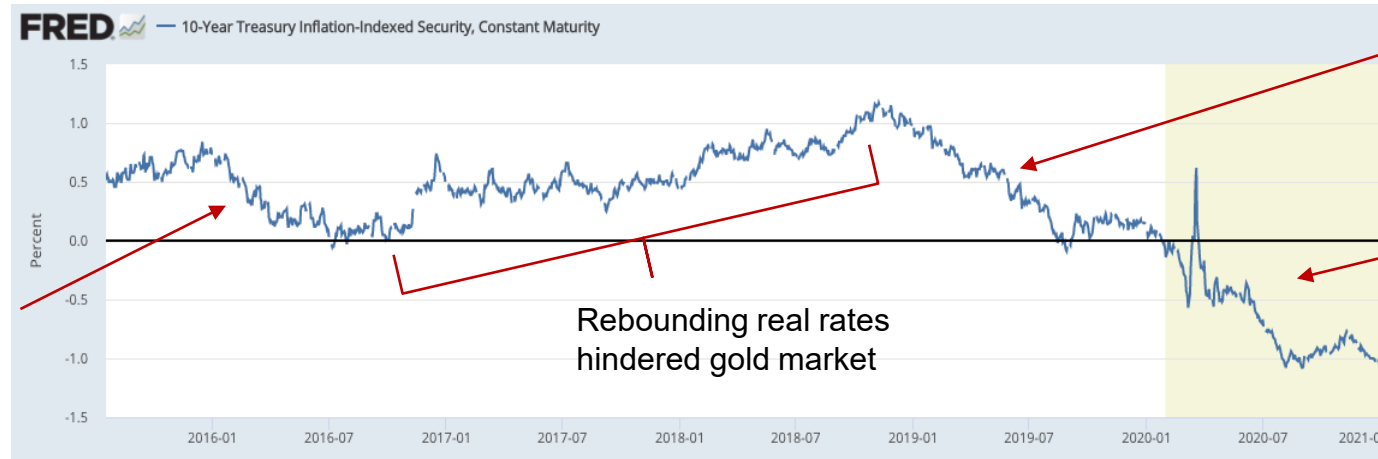


GOLDEN SETUP

Negative real rates are the most important bull force for gold

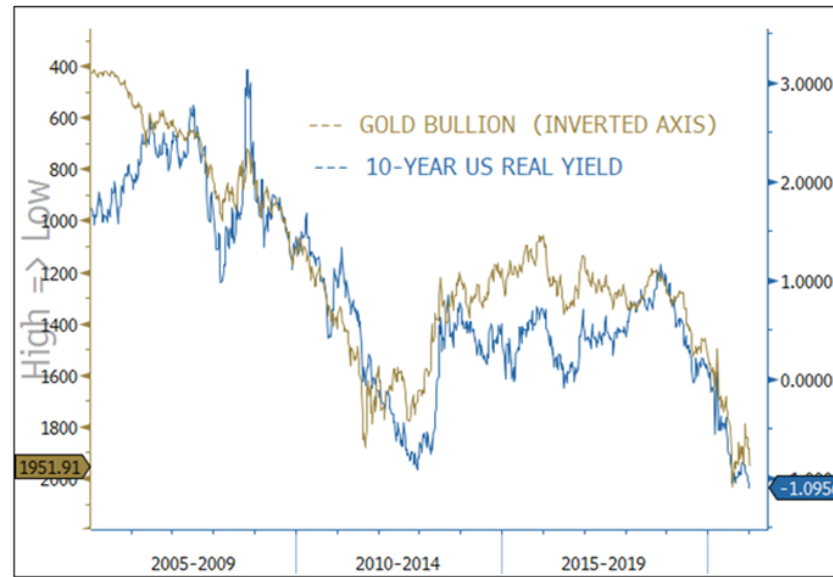
Rates will stay negative (go lower!) for years

Gold bull started when real rates fell sharply



Falling rates were helping gold bull phase II get started when COVID hit

Real rates suddenly very negative and set to remain so for years



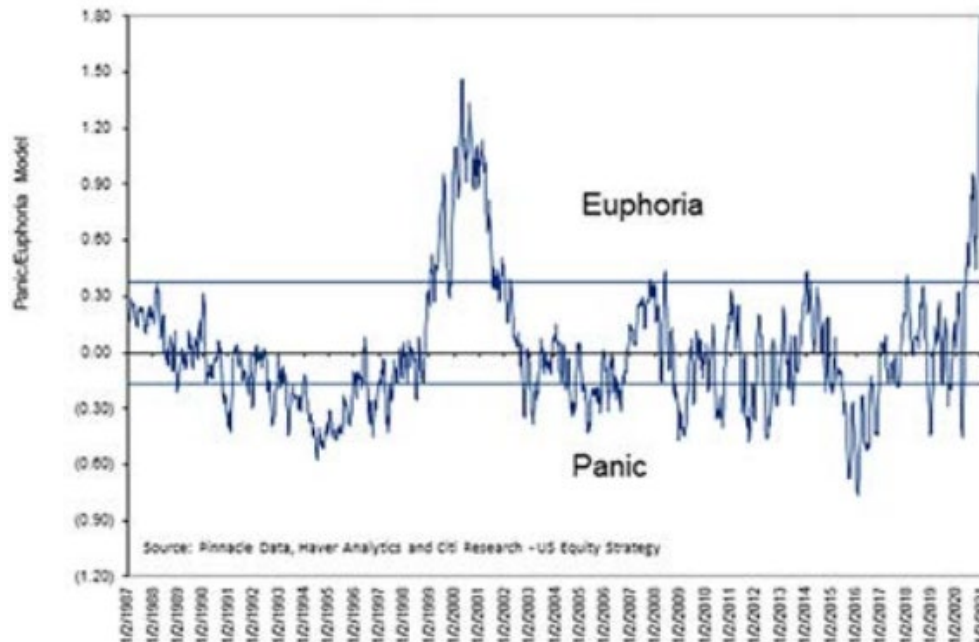
That's what I call correlation!

NEED TO DIVERSIFY?

Huge pools of low-risk capital that used to own bonds for yield now play stocks and bonds for price but they **MUST** hedge their exposure

Stock market strong & debt issuances popular...but risks are real (how long can reflexivity last???)

Wall of debt: from 2021-2025 38% of Triple B debt and 54% of High Yield debt matures...



Source: [Peter Boockvar](#)

Citi Research Euphoria index uses various sentiment and trading indicators to assess market mood.

We're now above dot-com euphoria levels

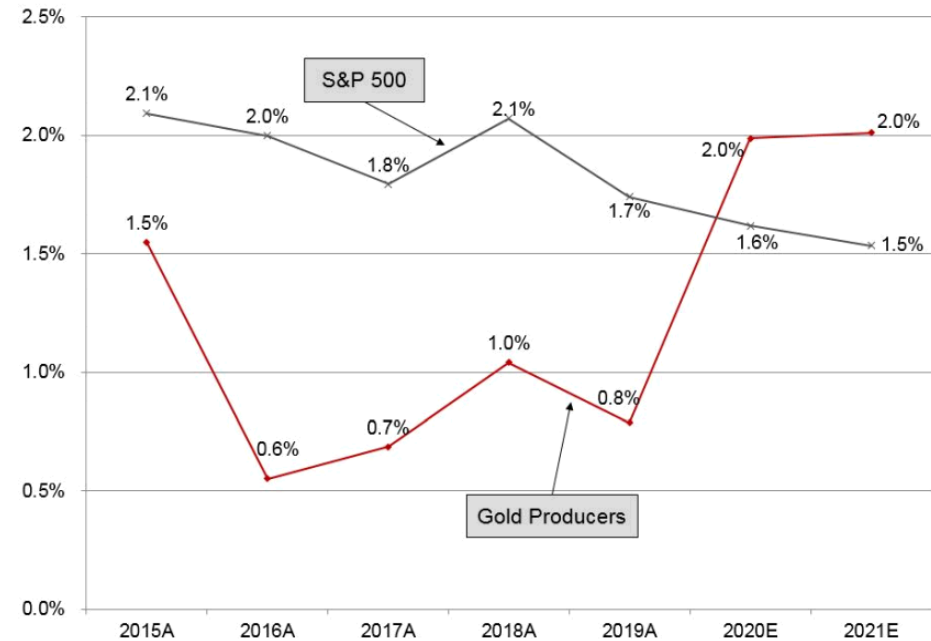
THE ANSWER

Miners stand out across equities for balance sheet strength, free cash flows, and dividend yields

ScotiaBank: midtier & major gold miners average 2% dividend yield

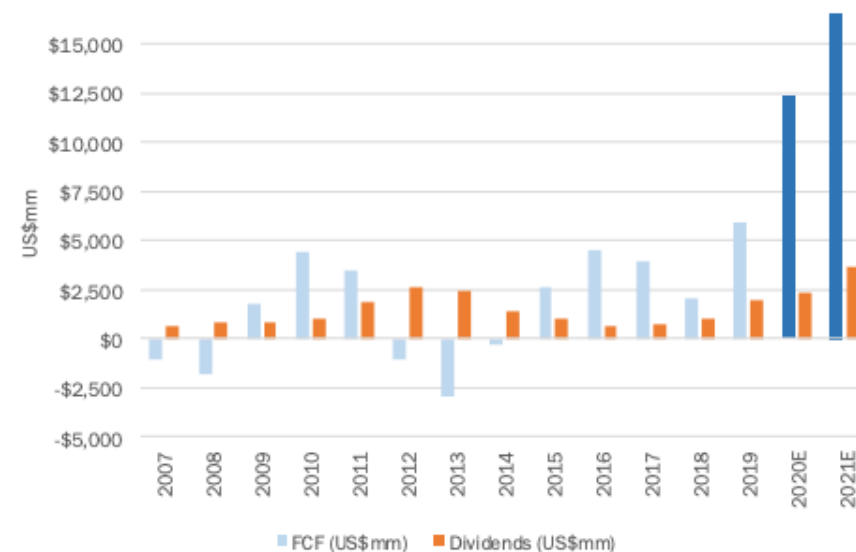
- Well above S&P 500's average yield of 1.6%
- Set to keep rising (Ex NEM: fixed to incremental free cash flow)

Exhibit 3: Dividend Yield History & Outlook - Gold Producers vs S&P 500



S&P 500 dividend estimates based on trading price of dividend futures. Gold Producers' 2020E based on current yield;

Figure 3: Precious metals FCF vs. dividends (US\$mm)



Source: Company Reports, Canaccord Genuity estimates

Resource Maven Presents

SILVER STOCK INVESTOR

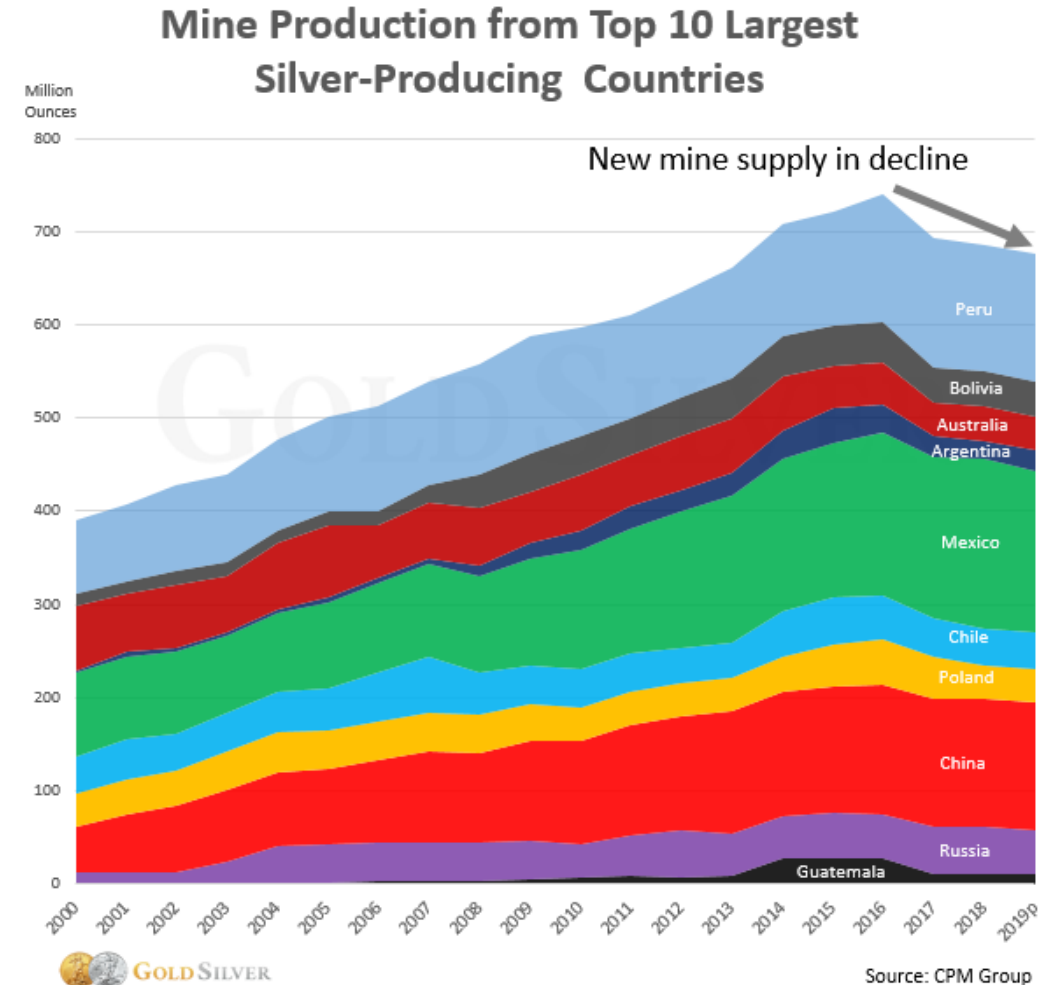
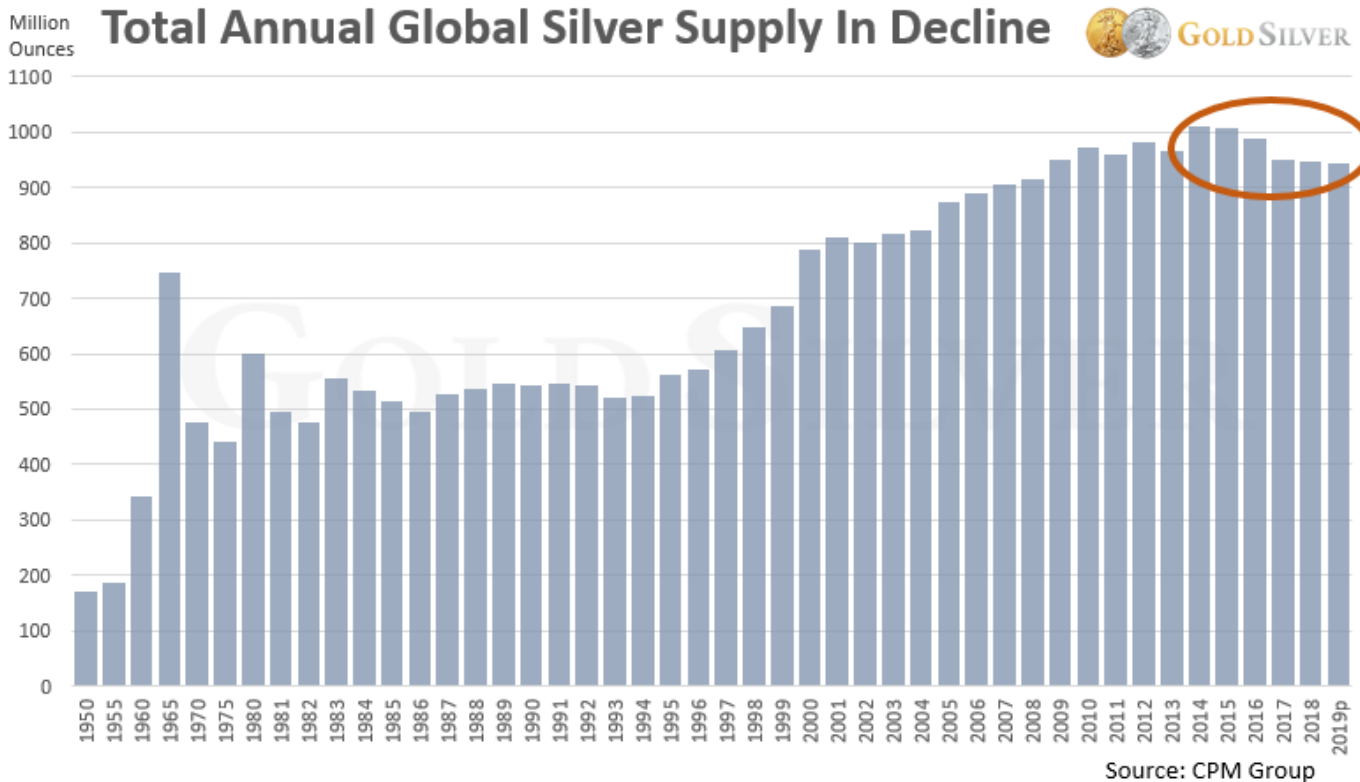
By PETER KRAUTH

The Case for investing in Silver and Silver Stocks

Silver Supply Seriously Challenged

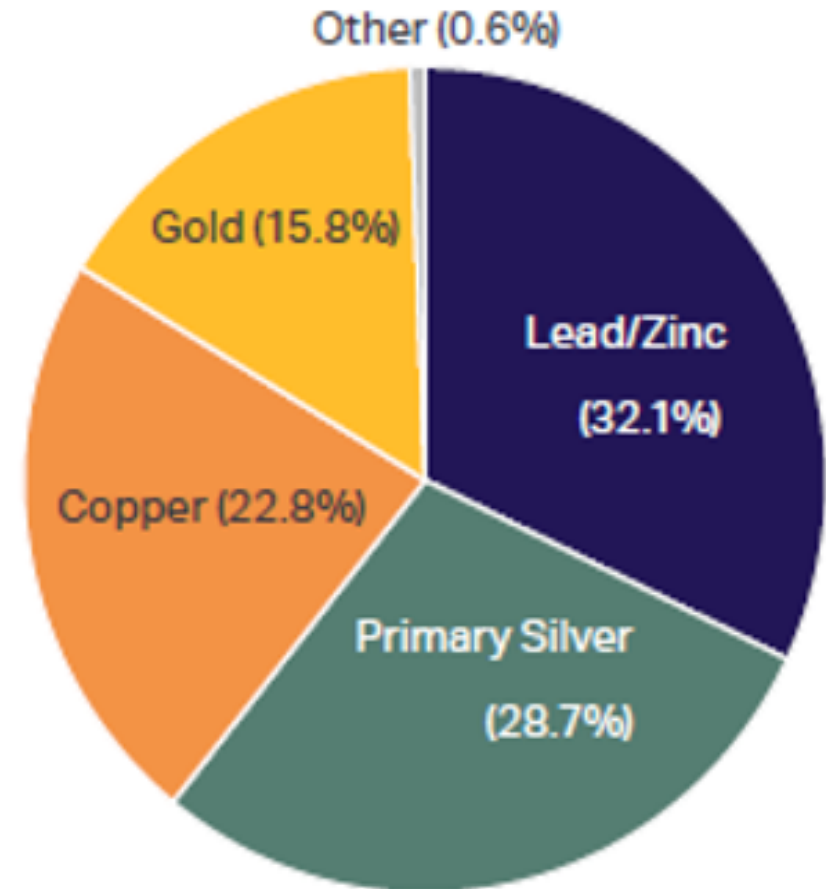
Silver Mine Supply peaked in 2015, declining for last 5 years, worse with Covid Shutdowns

Industry-wide issue: falling across world's 10 largest silver-producing countries



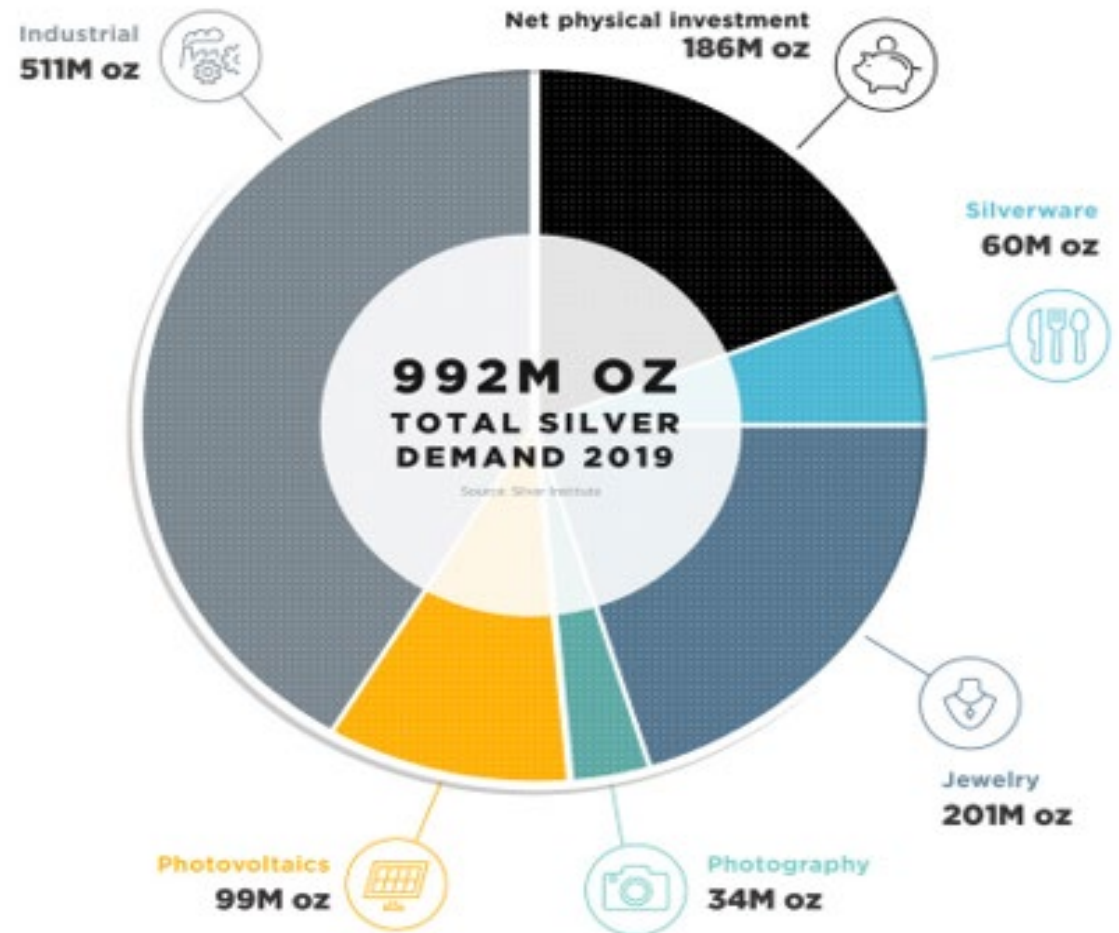
Under 30% Silver from Primary Silver Mines

- 70% silver produced as by-product of gold, lead, zinc, copper
- Even if Silver Prices rise, miners don't necessarily produce more
- Silver Supply is inelastic
- Low supply + growing demand = even higher prices



Silver: Industrial and Monetary Metal

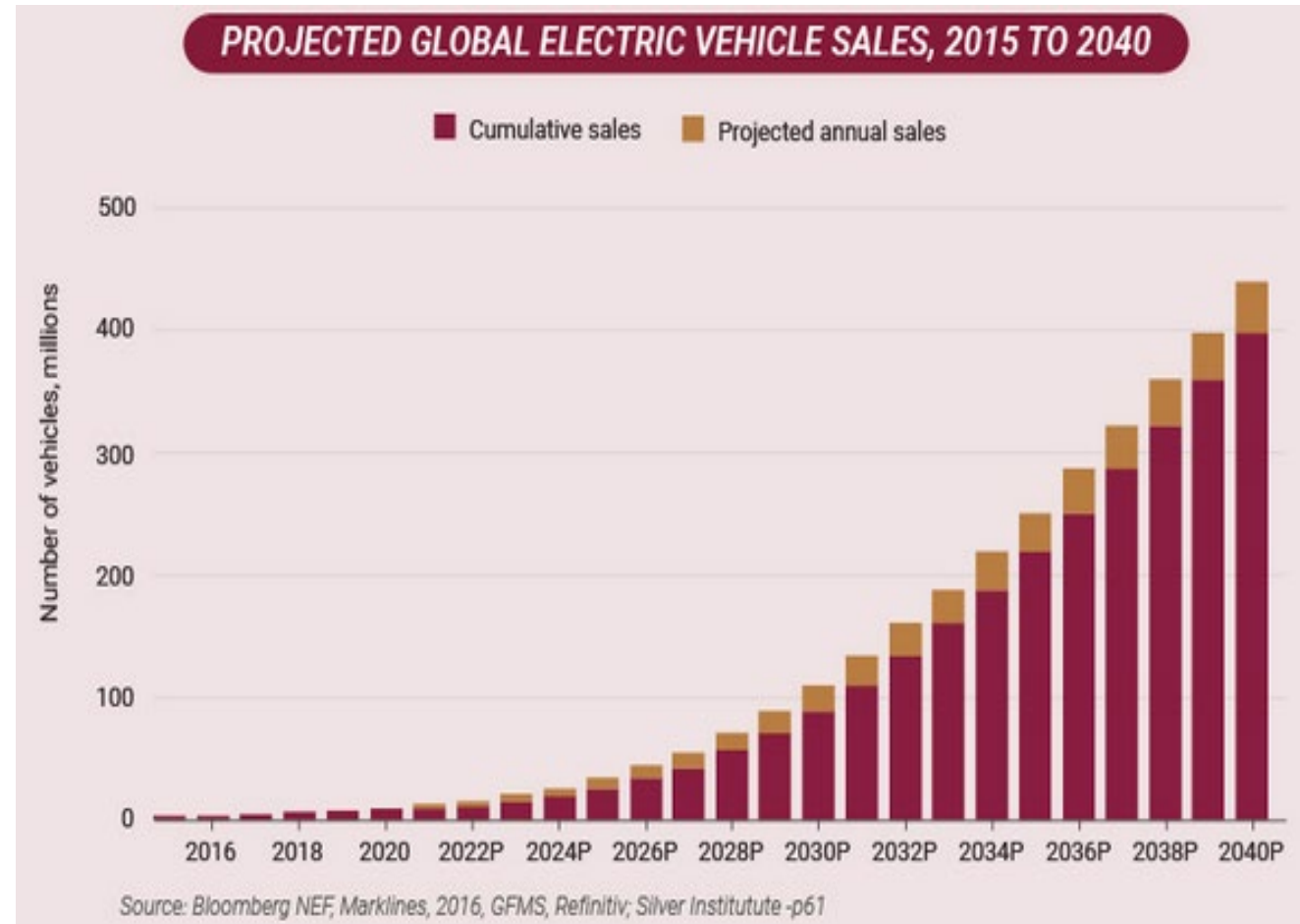
- 50% demand from Industrial (including Solar + EVs)
- 20% demand from Investment (ETFs + coins + bars), historical
- Investment Demand Exploding



Source: Visual Capitalist, Silver Institute

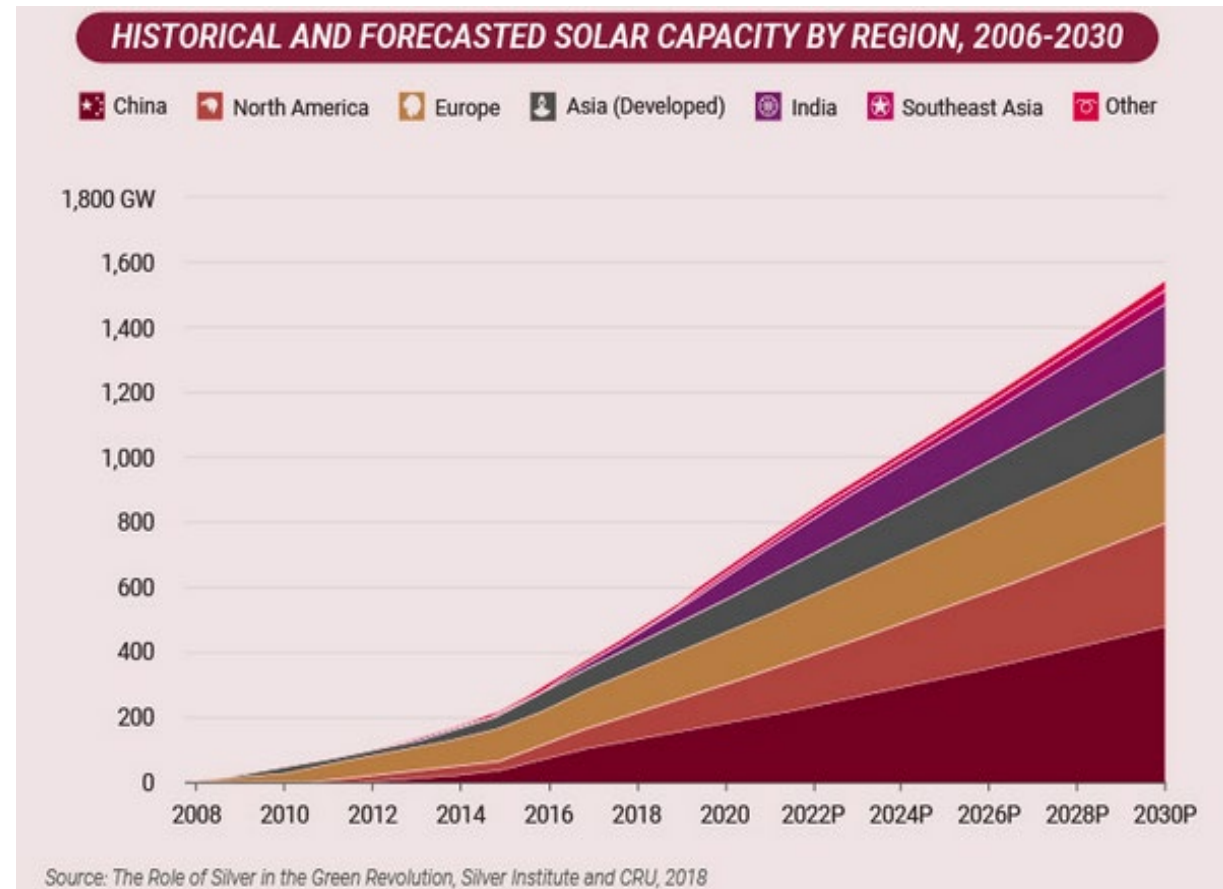
Vehicle Demand: Soaring

- Silver in navigation, infotainment, power steering, safety features, auto-braking, driver alertness systems
- ICEs: 15-28 grams
- Hybrids: 18-38 grams
- EVs: 25-50 grams
- Silver Auto demand to jump 50%, 60Moz. > 90Moz. by 2025
- Also EV infrastructure: Charging Stations



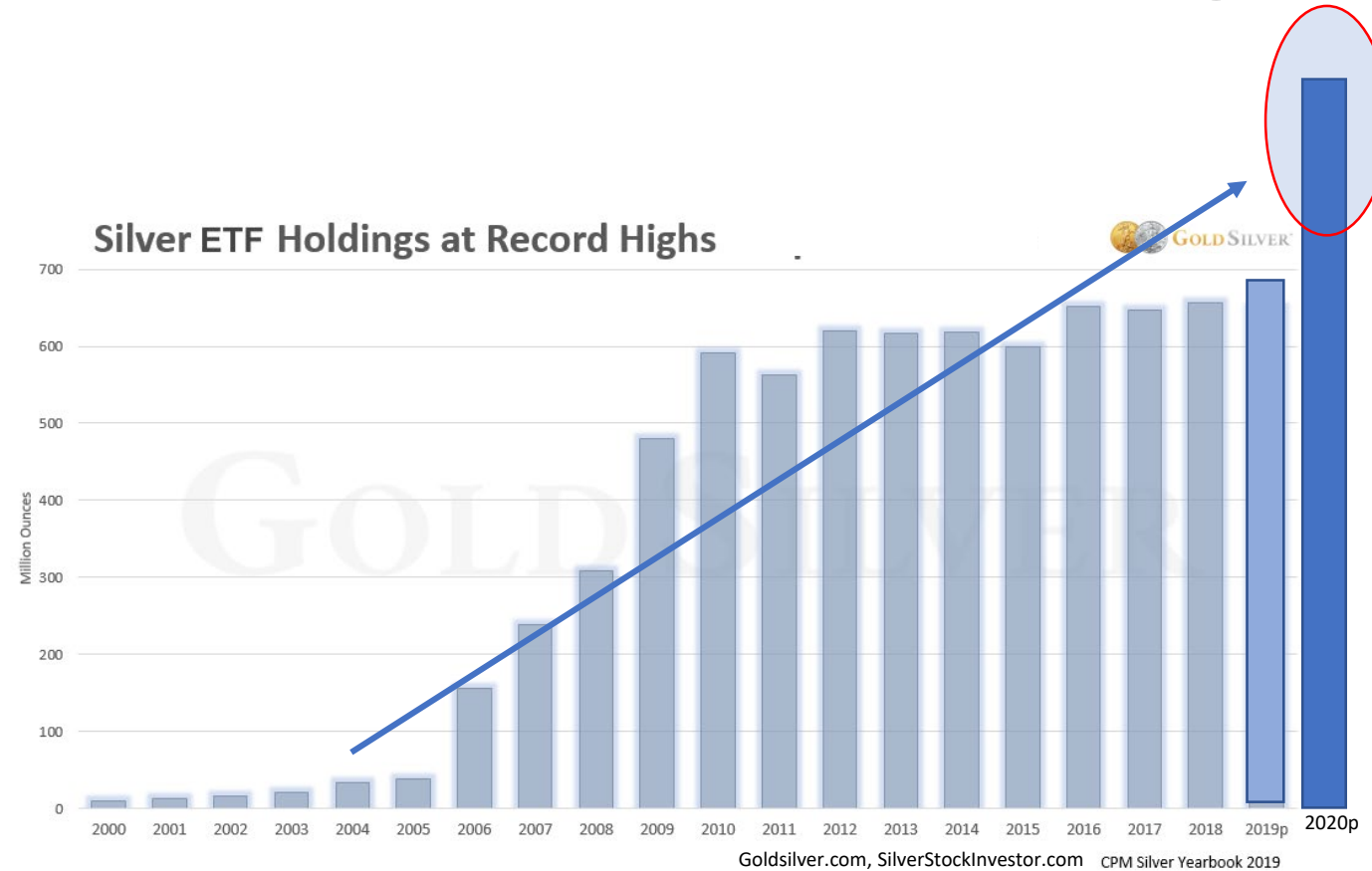
Photovoltaic Demand: Strong Growth

- Largest Industrial Application
- Almost 100Moz. In 2020
- Average solar panel 20 grams
- Unit consumption falling due to efficiencies
- But Green Energy programs likely to overcome + increase demand



Silver Investment Demand: Exploding

- Increasing steadily since 2015
- Global ETF holdings up massively, 1 billion ozs. end Oct.
- Equivalent to entire annual supply
- WallStreetBets silver squeeze, now massive attention to silver



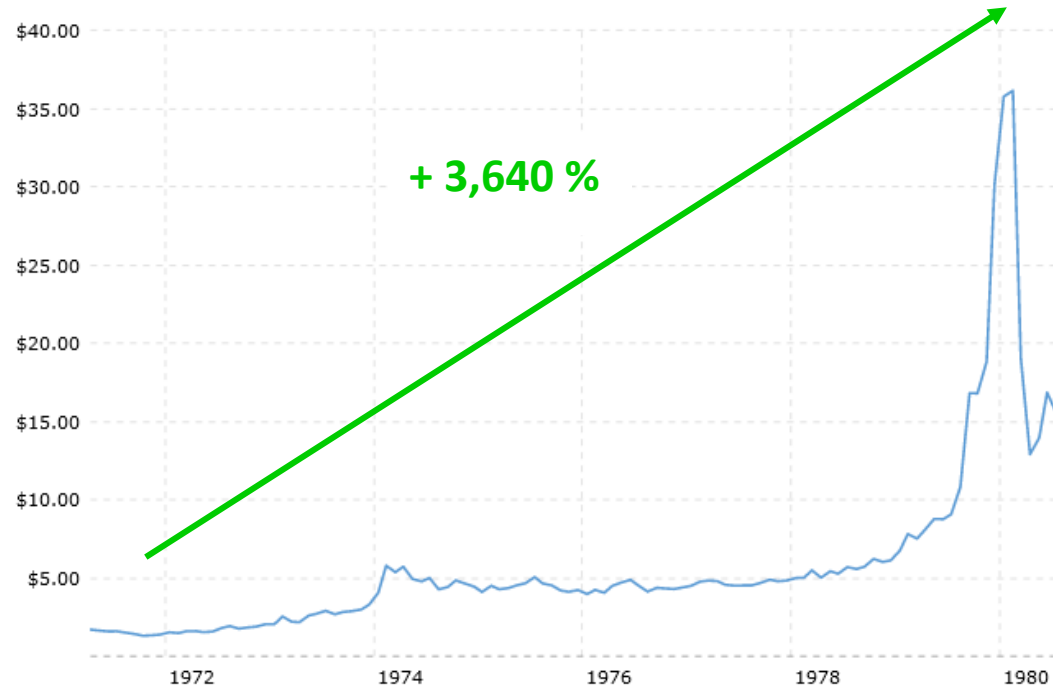
Gold:Silver Ratio

- # silver ozs. To buy 1 gold oz.
- Peaked at all-time high 125 in March
- likely heading to 55
- \$2,000 Gold would imply \$37 Silver
- +40% higher



Previous Silver Bull Markets

1970s



2001-2011

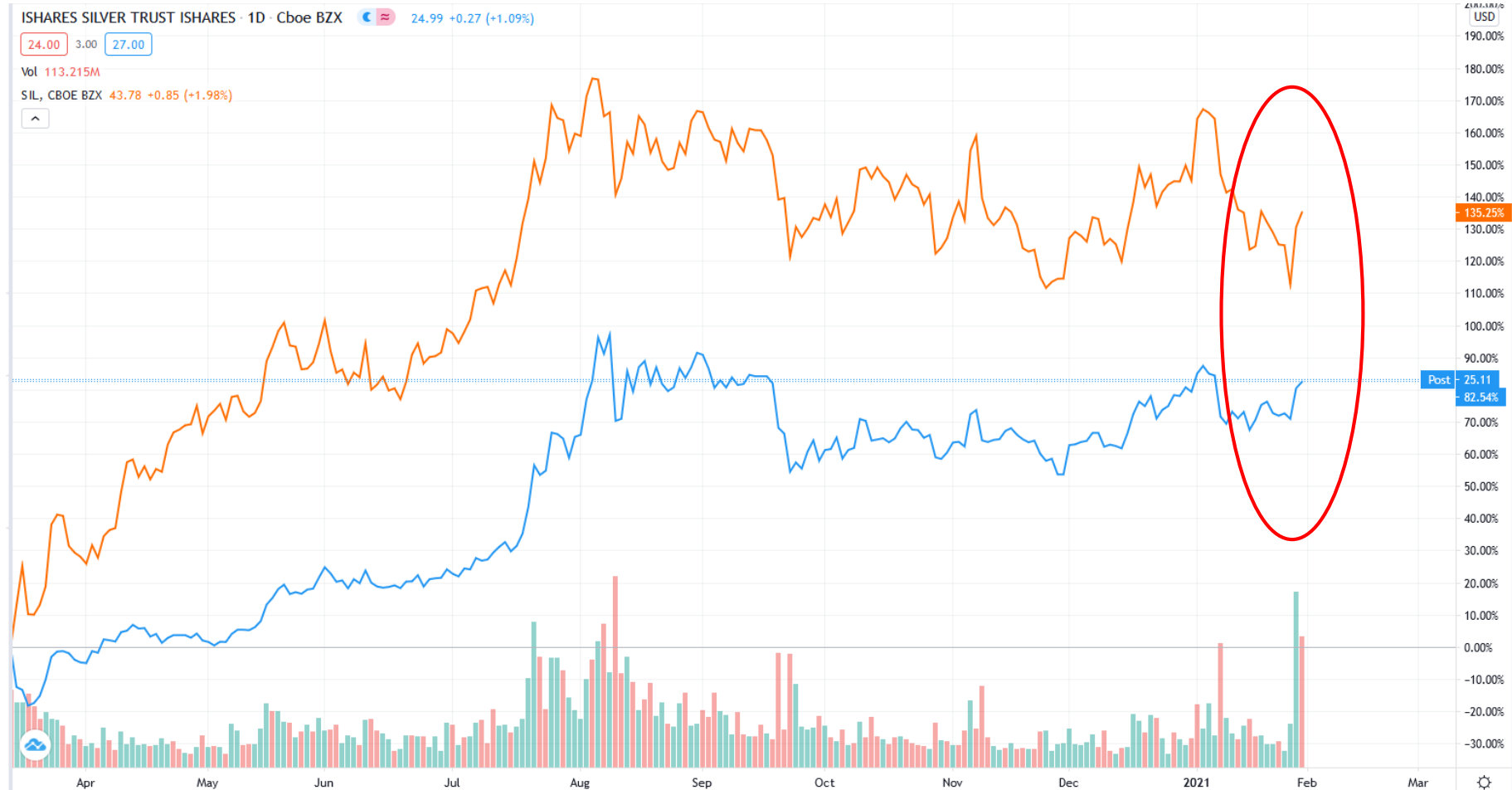


2016: Silver Stocks 5x Leverage to Silver



Since March: Silver +100% Silver Stocks +135%

- **Opportunity:**
Leverage Gap
- **Silver Stocks likely to head much higher based on historic leverage**



Resource Maven Presents

SILVER STOCK INVESTOR

By PETER KRAUTH

- **Silver-Focused Newsletter**
- **Full risk spectrum: Silver ETFs, Large Producers, Royalties, Growing Producers, Developers, Optionality Plays, Junior Silver Explorers**
- **Aimed at new + experienced investors, low – high risk stocks**

Resource Maven Presents

SILVER STOCK INVESTOR

By PETER KRAUTH

www.SilverStockInvestor.com

SILVER's in a Bull Market, Ride it!