iGold Advisor

Independent Analysis of the Precious Metals Markets

Precious Metals Intelligence - Monthly Update

Issue 054 – February 27, 2017

Dear Subscriber,

Let us be clear: gold is back to within $45 of the most important technical level we have been watching since 2011: the primary declining trend shown in magenta on the 10-year chart below. The downtrend in question now comes in squarely at $1,300 – so a new test of the trendline could come as soon as this week:

The breaking of this downtrend – whether it happens this week or perhaps later in the year – will be one of the strong technical confirmations of a new bull market for gold.

We saw the strength of the sellers on no less than four separate occasions last year, appearing each time the downtrend was tested: first at $1,378 in July, then $1,372 in August, then again just above $1,350 in September, and finally at $1,338 in November.

Although the next series of breakout attempts will be occurring at lower prices, the significance of the breakout -- when it occurs -- will be no less significant: it will indicate an exhaustion of the last determined sellers who are disposing of their gold following the decline of 2011.

When the trend is finally broken, we calculate a target of a $330 added to the breakout point, within approximately 12 months. For example, should the trend break later in 2017 at $1,250, the target for the post-breakout surge would be $1,580. Should the breakout occur this week at $1,300, our primary target would be $1,630. The expected gain is derived from the amplitude of the consolidation off of the 2015 bottom.

This move should be a strong sustained advance similar to the early 2016 rise from $1,045 to above $1,375.

However, this calculation is for the future – let us not get ahead of ourselves.

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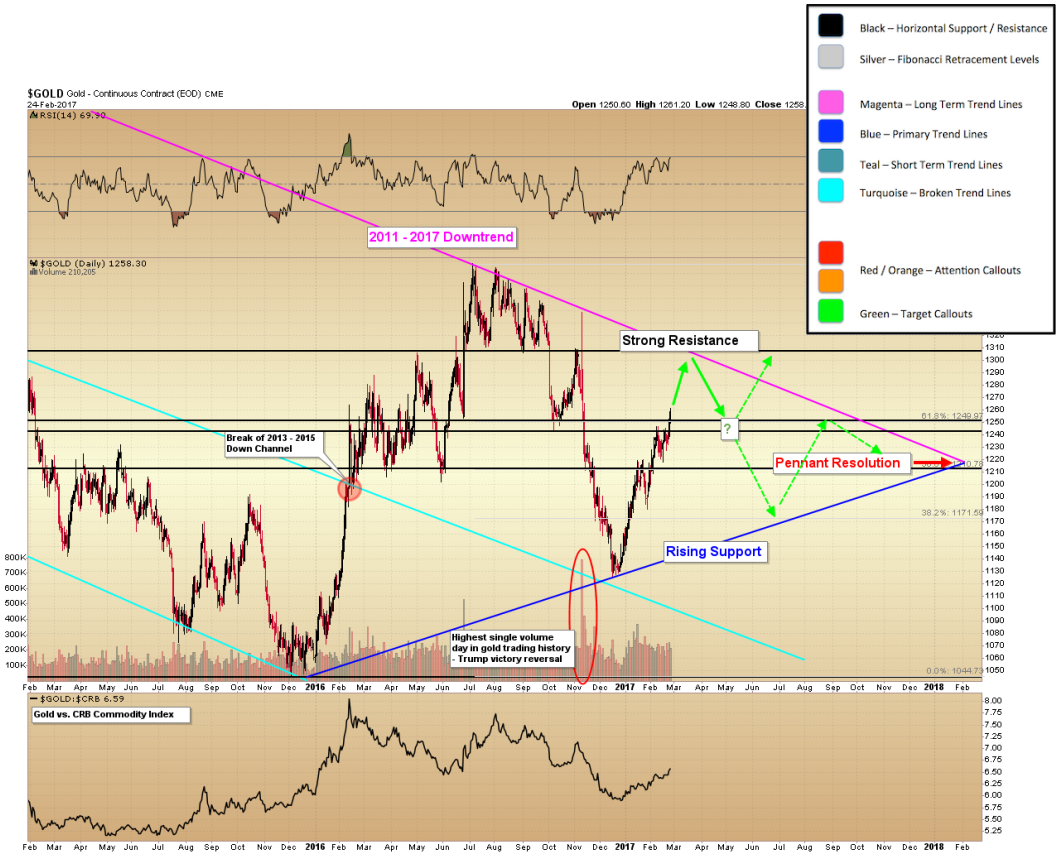
Gold Short-Term

For the week, gold rose $19 or 1.5%. The final trade on the New York COMEX on Friday was $1,258.

As discussed last week, the odds of gold breaking above $1,300 immediately (the zone labeled "Strong Resistance" on the chart) are low, due to the confluence of resistance levels that appear in this region, and the extraordinary volume of sellers who are likely to exit at break-even after holding futures contracts since the night of Trump's victory.



As a confirming indicator, relative weakness has been noted in the gold mining complex compared to bullion over the past two weeks.

In essence, the gold mining complex is "sniffing out" the pending short-term top that we are expecting in gold.

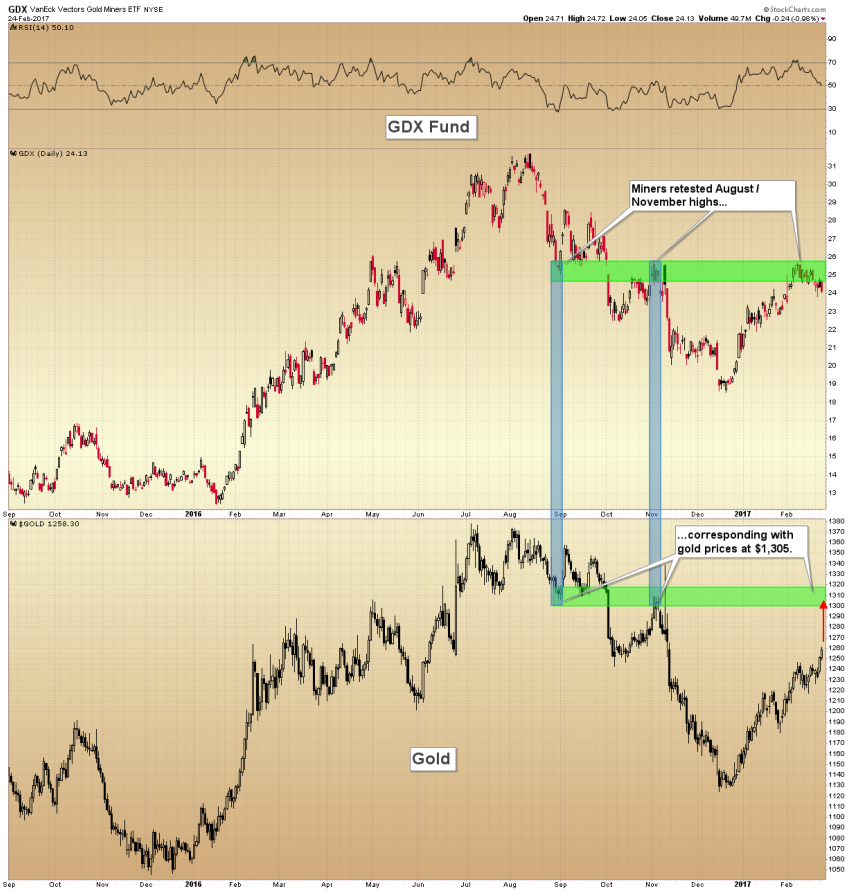
Evidence can be seen at right with the relative comparison of the GDX mining fund on top, and the GLD (gold proxy) fund on bottom. Note how since the February 8 peak, the miners have declined 5.8% amidst a gold price rise of 1.2%. The miners are showing relative weakness at this juncture in anticipation of a short-term reversal in gold at some point in the near future.

We do not believe that this short-term negative divergence is reason to question the longer-term thesis. Perspective is critical.

Relative weakness in the mining complex over the short-term is to be expected, due to the relative strength that the miners had shown over the previous two months.

At right we update the chart from a week prior, again noting that the miners had already priced in $1,300 gold as of February 8.

Gold is now playing catch up and the miners are digesting recent gains.



Possible Short-Term Trade Setup

We may use a possible negation of the $1,300 region in gold as an opportunity for a short-term trade. We anticipate the trade will be to short the metal itself.

For those so inclined, we will send out a notice of the trade opportunity via a Flash Update. We anticipate using ETFs to initiate the trade, although the short can be accomplished via futures or options if one desires greater leverage.

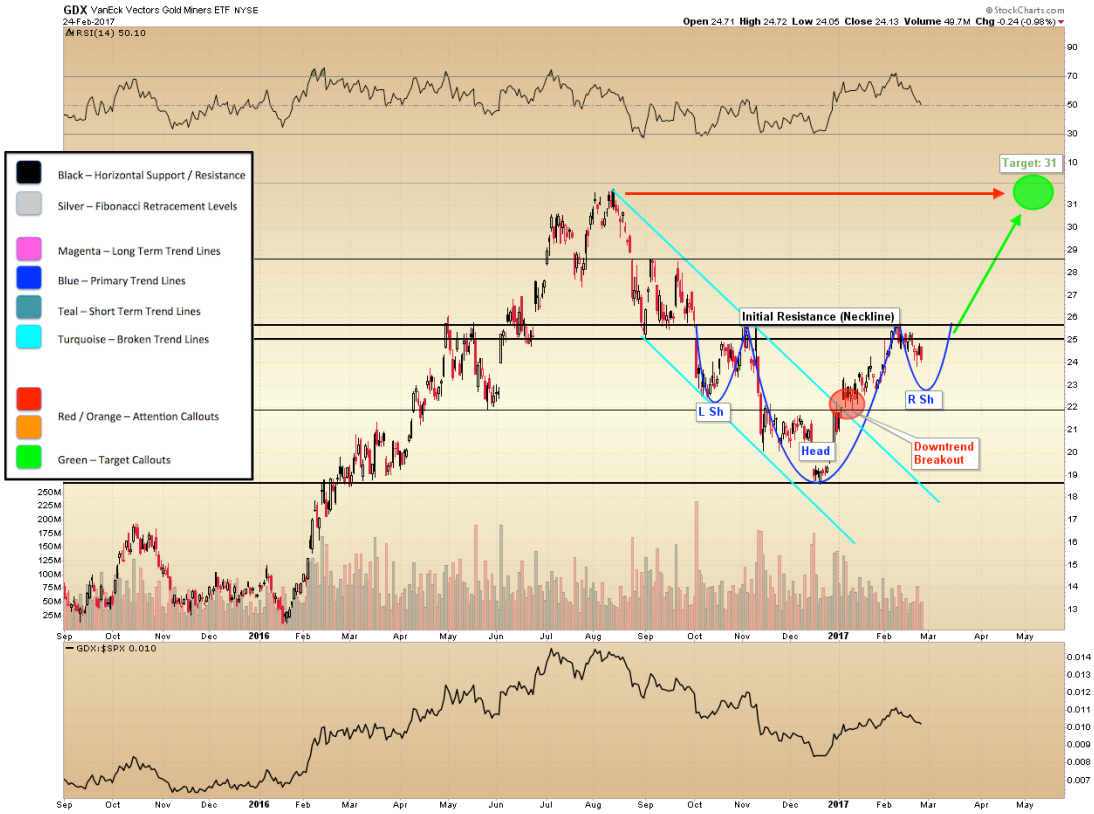
The goal of a short trade will be to gain a modest profit from any decline in gold upon a reversal near the $1,300 region. Any profits gained could then be funneled back into the purchase of physical metal or additional shares in long-term mining investments.

We do not anticipate selling any of our recently-opened mining equities, as they are intended to capture the larger moves in the sector that should be materializing within the next 12-24 months. We would, however, consider selling the positions if gold were to violate more important primary support levels, namely the rising support line (blue line, gold chart – page 2), which currently comes in near $1,150. A violation of this support would open up the possibility of a deeper and more protracted correction across the entire sector.

For now, we will monitor the action as gold approaches $1,300 for the possibility of a short-term trade, with the backdrop that the more powerful move will result from a breaking of either the long-term downtrend or the rising support lines later this year.

Mining Sector Analysis

Turning to the gold and silver miners themselves, as mentioned above relative weakness appeared across the sector last week, such that despite the gains seen in both gold and silver, the GDX large-cap fund fell 2.6%. The final print on the sector average was 24.13.



Even so, the pullback looks healthy from the standpoint of both the primary pattern we are monitoring and the associated volume.

Note that the pullback is occurring within the confines of what our initial assessment suggested is an Inverse Head & Shoulders pattern forming, shown above in blue. The Inverse Head & Shoulders is a bottoming pattern, and upon successful break of the 25 – 26 resistance, would target 31 – 32, which coincides with the August 2016 former highs.

For this pattern to manifest, we will want to see any decline stay above the 22 support level on the GDX (thin black line). Closing at 24.13 this week, the GDX could thus see further weakness to the extent of nearly 9% from current levels while still maintaining the integrity of the pattern.

Although the miners have underperformed the metal for the last two weeks, **we are seeing textbook perfect volume patterns which support the notion that the pullback does indeed represent the right shoulder of the Inverse Head & Shoulders pattern**. Below is the exact same 1.5-year GDX chart, but with the time bars switched to weekly candlesticks instead of daily candlesticks. This allows us to observe weekly volume patterns with more precision:

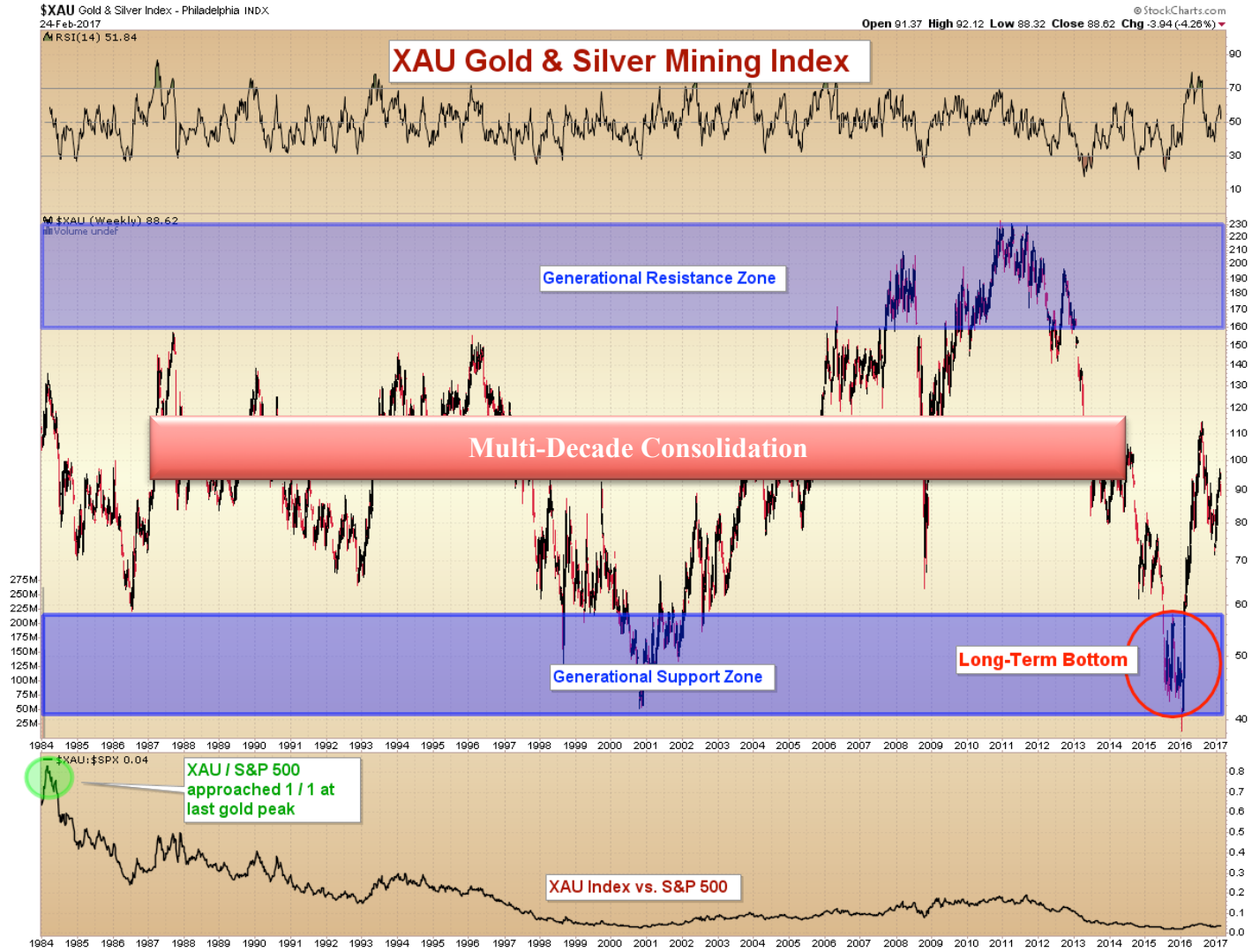
In an Inverse Head & Shoulders pattern, the final right shoulder pullback *should* feature relatively lighter volume than either the left shoulder or the deep head.

This is exactly what has occurred over the last two weeks. **Note that the pullback has featured the lightest two-week volume in the mining sector since late 2015**. The pullback looks very healthy at this juncture.

Mining Sector Long-Term Perspective

We now switch from the GDX to the XAU gold and silver mining index, which has a similar makeup of large-cap equities but has data dating back several decades further.

The important point to keep in mind is that all of the price action seen in the sector since the 2015 bottom takes place within the context of a generational-timeframe consolidation. Defined roughly by the blue support and resistance bands shown below, at nearly 40 years **this is one of the longest running consolidations we have ever observed within any sector of the capital markets.**



Despite the fact that many fortunes have been gained and lost within the confines of these volatile gyrations since the late 1970's, from a technical basis we must consider this entire process to be nothing more than one giant multi-decade consolidation.

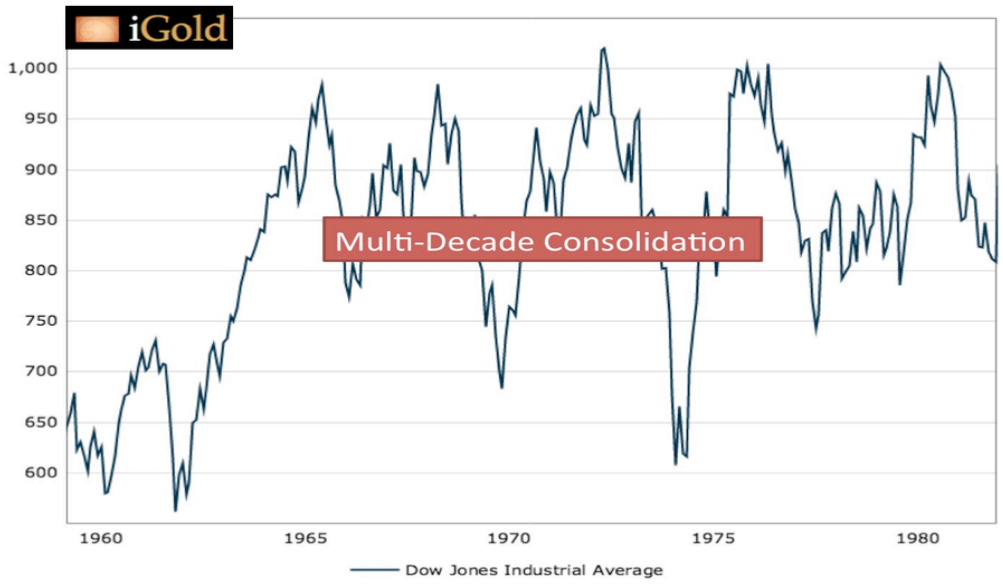
Multi-Decade Consolidations

There is an old investment adage that says: "The longer the consolidation… the bigger the move."

Multi-decade consolidations are rare in world equity markets. Once broken, historically these patterns have featured advances of many multiples the previous high.

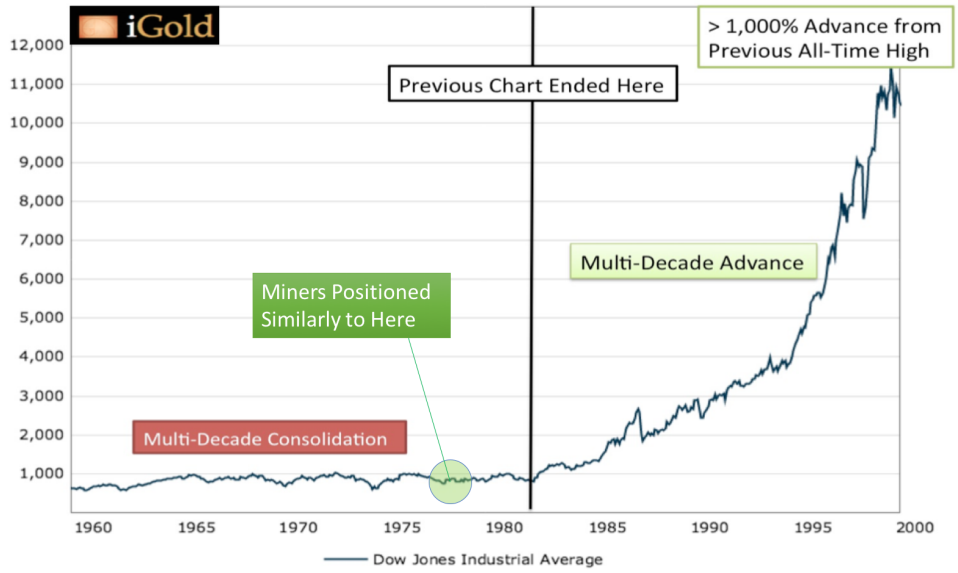
For example, from 1959 to 1982, the well-known Dow Jones Industrial Average consolidated between roughly 550 and just over 1,000. It was a choppy, back and forth consolidation, but with a clearly defined resistance zone in the 950 to 1,000 range and support in the 550 – 600 zone.

For 23 years, no one with a buy and hold strategy in the broad stock market made much money, and many investors gave up hope.



Yet all consolidations eventually break – and as we will observe: the longer the consolidation, the bigger the move.

In the case of the Dow, the 23-year consolidation led to an 18-year bull market through the year 2000, which featured **greater than a 1,000% advance above the previous all-time high.**



Although it may be difficult to fathom, we expect that, when viewed within the proper context some years from now, the ultimate high of the XAU gold & silver miners index will be many multiples of the blue Generational Resistance Zone labeled on the XAU chart above (page 6).

On a relative basis, we believe the gold and silver miners are positioned similarly to where the Dow was in the late 1970's, as shown by the green circle above.

As the XAU has been consolidating for longer than the Dow did in this example, it is possible that the ultimate high may feature a greater percentage gain than was seen in the Dow from 1982 – 2000.

The point of revisiting this long-term perspective is so that we do not miss the forest for the trees.

We have a significant opportunity in front of us – but false-starts and scary corrections will be part of the process.

Silver Analysis

Silver has continued to perform strongly, up 2.1% for the week or $0.38 cents, to close at $18.41 as of the final trade in New York on Friday.

Gold's cousin is now zeroing in on the target we have maintained since late January: $18.75.

Importantly, **silver has now decisively broken the primary (blue) downtrend which has defined the correction since the July 2016 highs.** It has now clearly exceeded both the best-fit trendline and the absolute-highs trendline of the primary declining channel (see PMI #051, Silver Analysis for trendlines discussion).

Silver Sets New Record

Having risen for a 9th consecutive week, silver has now set a record for the most consecutive number of positive weeks in a row, dating back to our record keeping in 1980.

Such relentless buying after an important intermediate-term bottom (December at $15.75) is indicative of significant short-covering, primarily by those trapped in short positions below $17.25.

While the length of the advance may gain some headlines, we must place the price action into context.

The previous record for consecutive weekly gains was 8 weeks, set in 2008.

Yet in 2008 silver rose 50% over this short span, from $14 to over $21 per ounce prior to the collapse of Lehman Brothers and the subprime crisis.

Further, in breaking $21 in 2008, silver reached a new multi-decade high dating back to 1980.

This time, silver's advance has amounted to only a 17% increase over these nine weeks, and the metal is nowhere near a multi-decade high. So although record-breaking advances should generally raise caution amongst value buyers, silver is not overbought on a long-term technical basis.

Silver Going Forward

As we get closer to the intermediate $18.75 target for silver, we must be on alert for some level of retracement.

On any correction, we should look for initial support to emerge on a retest of the broken upper (blue) trendlines which defined the primary down channel since July 2016. As we were monitoring two trendlines for resistance (best-fit and absolute highs), the price zone (blue shaded area) between the two trendlines should act as support on any correction. This support level would be $17.25 - $17.75.

Furthermore, $17.25 represents additional support as the broken resistance which held silver down from November through early February. This broken resistance should see second-chance buyers emerge should prices fall that far.

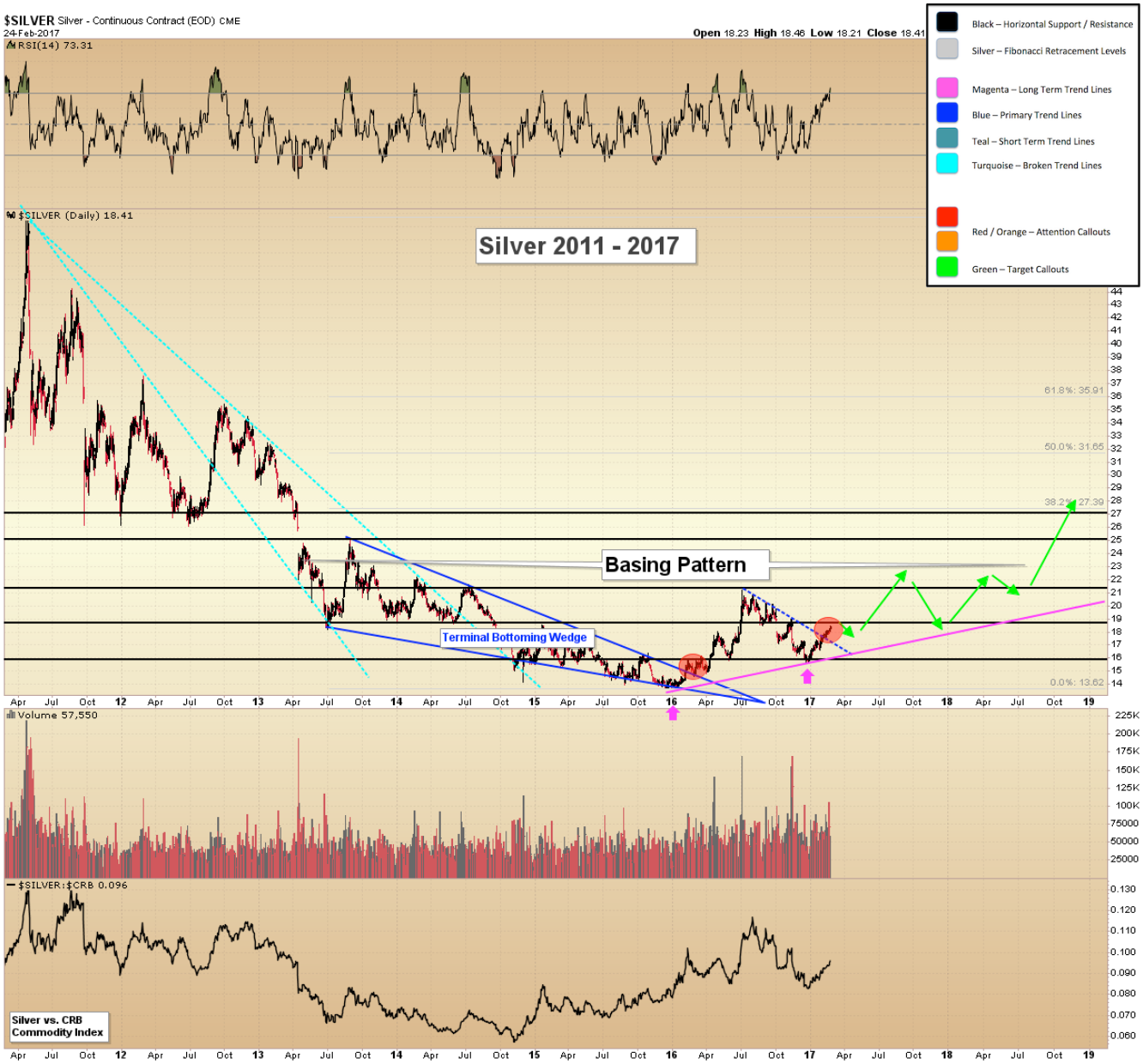
We would view any retracement into the low $17's as solid entry points for second chance buying, in anticipation of a two-steps forward, one-step backward rising trend that now looks to be in the initial stages of developing through the remainder of 2017.

Silver Long-Term

With the break of the most recent primary decline, we can now place a more important weight on the recent intermediate low of $15.75 in December 2016.

With the backdrop that silver has begun a process of regaining the losses incurred from 2011-2015, a new rising trend can be outlined, comprising the $13.75 low in December 2015, and the $15.75 low in December 2016. This is highlighted below in the magenta color.

Breakouts from primary declines are highlighted in red.



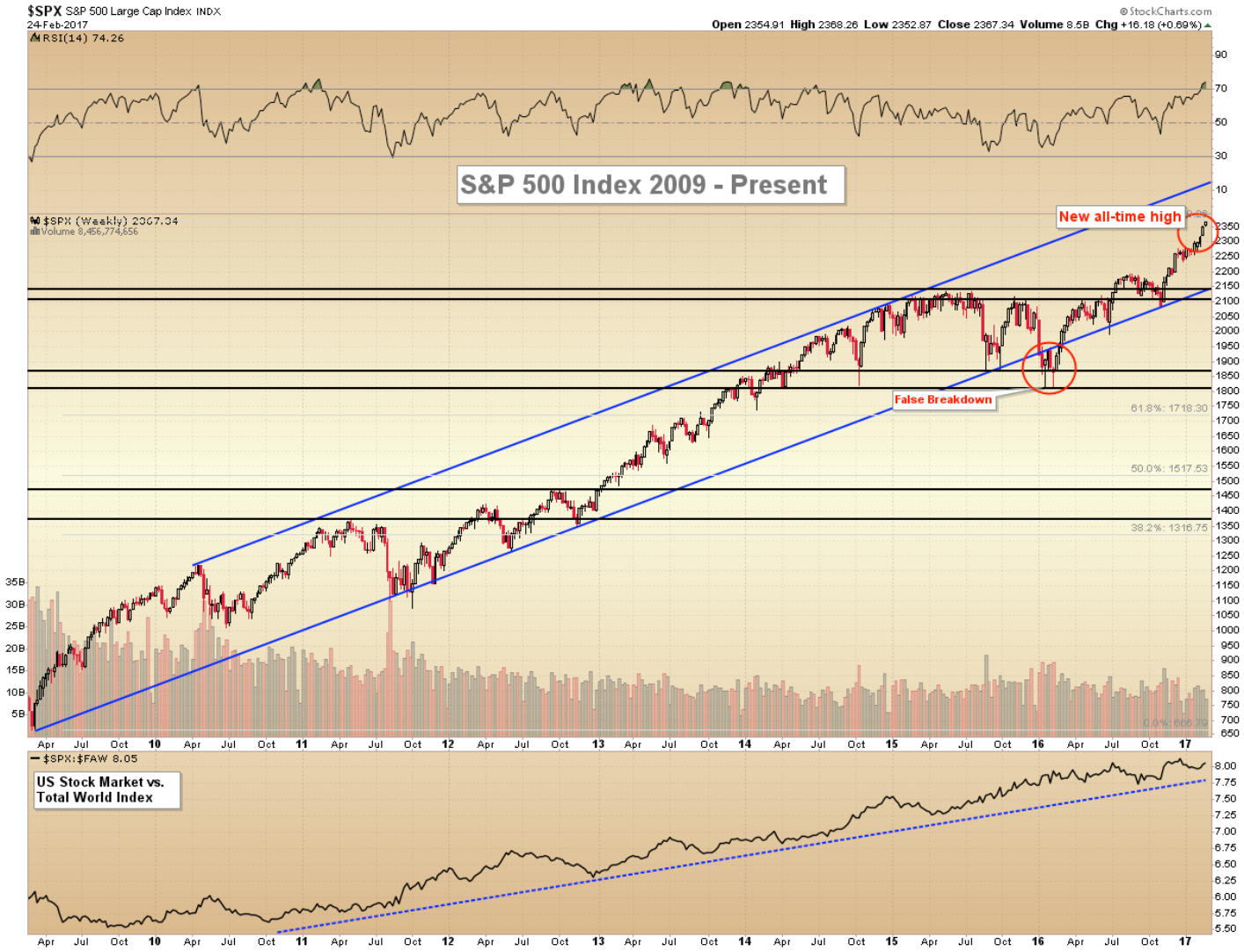
From a multi-year perspective, the price action in silver is forming what is thus far a very healthy 5-6 year basing pattern. $25 per ounce is clearly visible resistance of multi-year significance. The basing pattern should be defined by price action underneath this key $25 level.

We expect this type of jagged trading action with bias to the upside will continue through 2017 and perhaps into mid/late 2018, with an acceleration to occur once silver finally breaches the $25 resistance.

US Stock Market

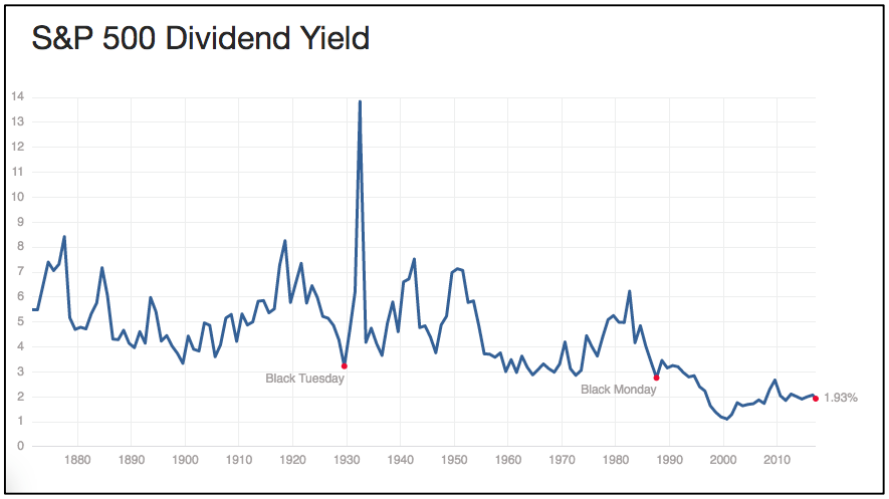
The US stock market continues to be amongst the best performers in the world, and has hit a new all-time high as measured by the S&P 500 Index this week.

Closing at 2367, the US market has set new all-time records for 11 weeks in a row, the longest such streak since 1987. [While the US market did experience the "Crash of '87" that year, losing 22.6% in one day, it recovered within 18 months and continued in a bull market for another 12 years after the event (see page 8)].



The US market's price action continues to be defined by an orderly rising channel (blue) which formed out of the 2009 crash lows. Minus the false breakdown which occurred in early 2016 (red callout), the advance has been steady, well-defined, and generally without extreme volatility.

US market dividend yields continue to remain depressed, at levels which have coincided with long-term market tops over the last 140 years. However, yields have remained depressed since the early 1990's – and it appears that stock investors no longer care about yield for their investments.



It is tempting to speculate that the US market has reached a new paradigm where businesses are valued purely for growth prospects and no longer for their profits and cash flow -- except that to do so would require us to utter the four most dangerous words in investing: "This time is different." And so we will not utter them.

Instead, we continue to remain passive observers of broad US stocks. There are certainly sectors of the economy which stand to benefit over the years ahead, such as infrastructure, energy, biotech and technology (and perhaps the cannabis industry as a speculation) – however, we see very poor risk-to-reward setup in broad index funds.

US Bonds

We continue to suspect that a generational-timeframe top has been put in on long-dated US bonds. Shown below is the price of the US 30-year bond. Recall that the price of bonds moves opposite to yields, and so a record-high price equates to record-low yields.

From a technical standpoint, tops after long-term advances tend to be characterized by an orderly advance which then becomes disorderly.

In the case of US bonds, we had observed an unprecedented 36-year advance in price, defined by an orderly (magenta color) rising channel from 1980 – 2016. The advance in bonds then became disorderly, taking on characteristics of a parabolic blow-off, and breaking the upper trend boundary (shown in blue, above). The top saw a price of 175 on the 30-year bond, which corresponded to a record low yield of 2.1%.

Following the blow-off, we observed a quick 17% drop in bond prices in 2H 2016. Such a quick drop from an all-time high suggests an initial exhaustion sell-off after an unsustainable advance.

We are not expecting a collapse in bond prices imminently; however, if the above analysis is to remain valid, the 30-year yield at 2.1% should not be matched again – perhaps ever again in our lifetimes.

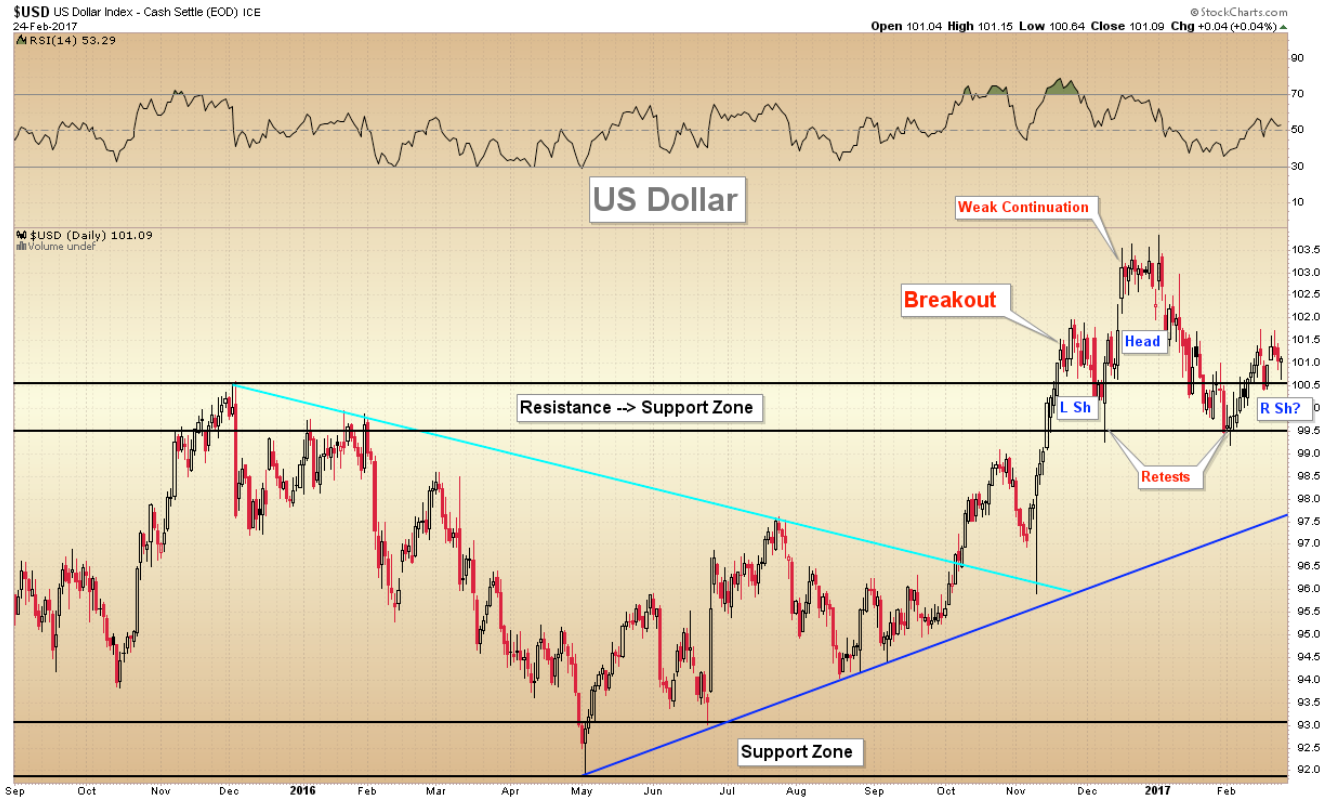
Following 36 years of rising bond prices, it is equally fathomable that the bond market could see 36 years of falling prices, corresponding to 36-years of rising interest rates.

As investors have become accustomed to buying bonds for safety over the last generation, years of falling bond prices should represent an important component of the long-term thesis for precious metals, as some of that safety-seeking capital would be diverted in the future toward gold.

US Dollar vs. Euro

The US Dollar Index, which measures the US dollar versus a basket of foreign currencies, is still perched precariously just above its breakout point of its 2015-2016 consolidation.

Closing the week at 101.1, the dollar must remain above 99.5 on the Index in order to avoid an extremely-bearish reversal pattern, which is tentatively taking the shape of a Head & Shoulders top formation (blue callouts).



The initial surge in the dollar seen immediately following Trump's presidential victory was accompanied by sentiment which suggested the new administration would reverse trade deficits, boost growth, and cut the US national debt. Yet the sluggishness of the dollar's advance in recent weeks suggests that the market is having second-thoughts about this initial determination.

From a sentiment standpoint, a bearish outlook for the dollar seems to be a possibility few in the mainstream media are contemplating – and for that reason, it represents a compelling contrarian viewpoint.

Euro Fears? The Contrarian Stance

At the same time, reports regarding the possible breakup of the euro-zone have reached almost a fever-pitch, following the UK's decision to leave the EU last June and uncertainty regarding elections across mainland Europe in 2017.

It seems "everyone" knows the euro is set to disintegrate over the next few years – and for that reason, we believe the trade is extremely crowded. As contrarians, when everyone knows that something is set to happen, we must at least ask the question: "Is there not an alternate possibility?"


FINANCIAL TIMES

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Bankers prepare for eurozone break-up risk

Big European banks cutting back on some lending ahead of elections

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Euro zone break-up fears back on the table with Italy expected to reject reforms

Sam Meredith | @smeredith19

Wednesday, 16 Nov 2016 | 1:16 AM ET

CNBC

Jacopo Landi | NurPhoto via Getty Images

While the Euro-zone clearly has a unique set of political/economic problems and may need substantial reforms, we must consider the possibility that most of this "news" is already priced into the currency.

Ironically, the fact that most investors are convinced of the euro's imminent collapse leads us to strongly favor the stance that the euro is set to begin a multi-year advance.

And if the euro is nearing the start of a significant advance, the dollar should act conversely. As the largest component of the Dollar Index above is the euro (at 57%), a rising euro will cause the dollar to fall.

All else being equal, a falling dollar will tend to cause more investors to seek protection in gold.

We do not want to call the top in the dollar prematurely, i.e. before we see a breakdown below 99.5 on the Dollar Index. However, as discussed in recent issues, the US currency is acting significantly weaker than it "should" be acting, given the length of the consolidation seen prior to the breakout.

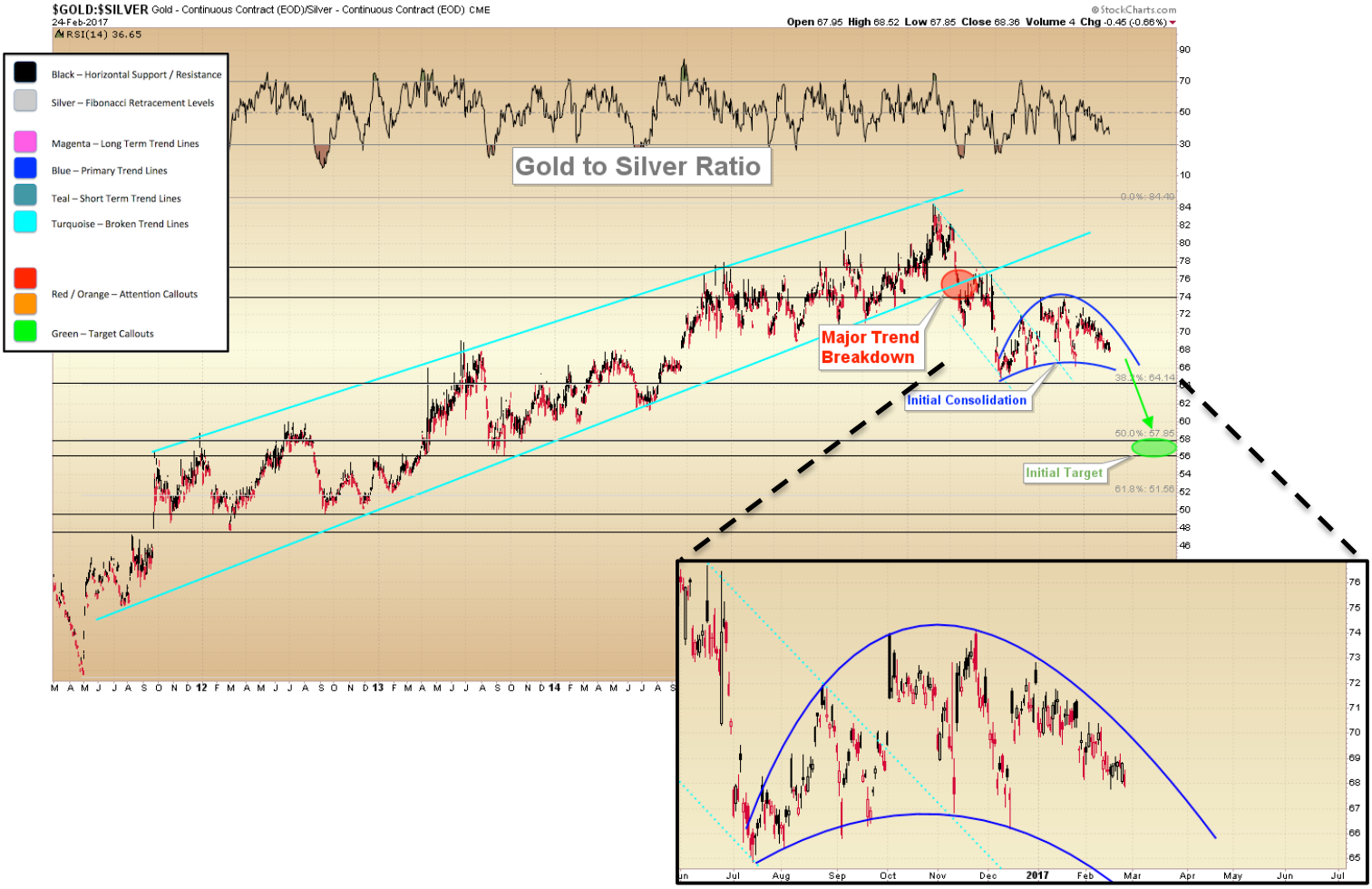
Something is not right with the way the dollar is behaving technically. If it does not manifest immediately, our best assessment is that dollar weakness should become evident by 2018.

Gold to Silver Ratio

The number of ounces of silver needed to purchase one ounce of gold, or the gold to silver ratio, is consolidating in a healthy pause from the initial trend breakdown that was observed in April 2016.

The consolidation is continuing to take the shape of an inverse cup (shown in blue) between 74 and 65 on the ratio.

Closing the week at 68.3, we can observe the ratio grinding lower toward the lower end of the range.



A significant surge higher in both metals – but especially in silver on a percentage basis – is expected to coincide with the breaking lower from the cup formation below 65.

Our initial target upon a breakdown will be 56 – 58, defined by a horizontal support dating back to 2011 – 2013, and the 50% Fibonacci retracement of the ratio's 2011 – 2016 advance. This target is shown above in green.

From a big-picture perspective, the magnitude of the breakdown in 2016 from a clear 5-year rising channel (turquoise lines) gives us further confidence that the 2016 advance in both gold and silver was not a counter-trend rally, but instead the start of a new rising market.

Company Research - Americas Silver Corp.

Key Financials

US Symbol/Exchange	USAS / NYSE	Cash	$24.1M
Can Symbol/Exchange	USA / Toronto	Debt	$3.1M
Primary Operations	USA, Mexico	Revenue 2016 Est.	$59M
Market Cap	$130M	EPS	-0.04
Shares Outstanding	39.5M	P/E	N/A
Fully Diluted	48.2M	Dividend	0

Key Mining Data

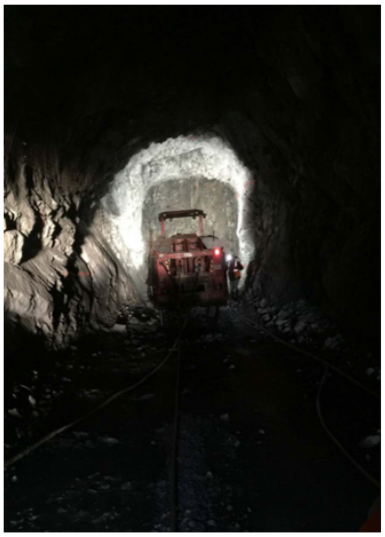
Gold Reserves (oz)	0	Operating Mines	2
Gold Resources (oz)	0	Development Mines	1
Silver Reserves (oz)	31.1M	Exploration Sites	4
Silver Resources (oz)	81.2M	Cash Costs (per oz)	$10.00
Production 2017 Est (oz)	5.5M – 6.0M	AISC (per oz)	$12.71

Analysis – Americas Silver is a growing junior silver producer with primary operations in Idaho and Sinaloa, Mexico. The company expects to produce 5.5M – 6.0M oz of silver-equivalent in 2017 from its two existing mines, inclusive of large byproduct credits for zinc and lead production. A third mine in Mexico is currently in construction, with production scheduled for Q4 2017.

Americas Silver suffered severely from 2011 – 2015 due to high all-in-sustaining costs (AISC), which reached $30 per ounce at its Idaho complex and $24 per ounce in Mexico. Starting in 2013, the company engaged in an aggressive cost-cutting program, to the extent that company-wide AISC are expected to drop to $9.00 - $10.00 in 2017.

The company's primary Idaho mine has a 10 year mine life remaining, with the potential to expand the mine life due to ongoing exploration around the site. In Mexico, operations are transitioning from Nuestra Senora mine which is nearing its lifespan, to San Rafael mine, scheduled for Q4 initial production.

The significance of San Rafael to the company is that cash costs are negative at the site, due to the existing infrastructure already in place from Nuestra Senora and the low $18M capex to build the mine. Payback for capex is less than 12 months at $16.80/oz silver, with over a 100% internal rate of return (IRR). The mine is scheduled to produce 1.0M oz of silver per year for six years, in addition to 50 million pounds of zinc and 20 million pounds of lead per year.



San Rafael construction ongoing

Ran Rafael is going to be a generous free cash producer for Americas Silver starting in its second year of operations. With minimal debt and enough cash to fund capex internally, we expect Americas Silver will be on the acquisition hunt in 2019 and beyond. The company maintains active exploration programs surrounding the existing mines and at four additional exploration sites throughout the USA and Mexico. Americas Silver should become profitable from existing operations amidst a backdrop of rising silver prices over the years ahead.

Americas Silver has a new listing on the New York Stock Exchange to complement is primary Toronto listing, providing further liquidity to US-based investors. We purchased our shares on the NYSE, even though volume remains higher in Toronto. As time goes on, we expect higher liquidity to flow to the US exchange.

The chart at right shows the new US NYSE listing, with past data based on the OTC listing that preceded it. The Stage 1 base resistance for Americas Silver comes in between $4.50 - $5.50, after which we expect the company will begin a more dynamic Stage 2 advance. This increased trajectory will likely follow successful production from San Rafael.

Although the US listing only dates back to 2012, when we examine the Toronto listing we have data dating back to 2011. We note that in 2011, when silver approached $49 per ounce, Americas Silver shares sold for $29 (CAD), equivalent to $22.25 (USD). Such is a 750% increase from today's price near $3.32. Even so, in 2011 Americas Silver only produced half the ounces it does today, at a cash cost over 100% higher. As such, we believe that the next time silver approaches $50, with a growing production profile amidst falling cash costs, Americas Silver could largely exceed its 2011 peak.

Rating: BUY.

Recent Price	$3.32	12 Month Tgt.	$5.00	36 Month Tgt.	$10.50

Company Updates

C FOR SUBSCRIBERS S)

2/21/17 – Reported Q4 and full-year 2016 results. Company reported first net profit for the quarter in three years. Total production was down slightly at 194K oz, compared to 222K oz for 2015, but in line with guidance. 2017 guidance is given at 255K – 280K oz as production is ramped up via both underground mines at Wassa and Prestea. AISC (all-in sustaining cost) per ounce for 2016 was $1,197, higher than 2015 at $893 but reflective of capex for underground mines. AISC for 2017 is seen declining to $970 - $1,070 per ounce.

We are pleased that FOR SUBSCRIBERS is on a path returning to profitability. 2017 should be a big year for the company with a major increase in production scheduled from both underground mines. We continue to note the share price improving in relative strength versus other gold miners, as it consolidates below Stage 1 resistance between $1.00 - $1.10. We will watch for an increased acceleration when this level is breached, likely coinciding with positive developments at Wassa.

FOR SUBSCRIBERS Mining

2/23/17 – Company reports that its 2016 drill program at North Kao deposit, Burkina Faso, has resulted in a new total resource of 314K oz gold at the site, with 262K oz being defined as economic reserves.

North Kao deposit was recently acquired in 2016. The site now meets FOR SUBSCRIBERS strategic mining criteria, which it defines as having a minimum life of 10 years and the ability to produce gold at below $850/oz AISC. The deposit remains open for further exploration to the north. A $4M exploration program is set for 2017, which will target 30,000 meters of drilling to further expand the resource.

FOR SUBSCRIBERS continues on its aggressive production expansion campaign, as we outlined in the initial research report (see PMI #051). As a result, the company continues to outperform the broad gold mining sector as referenced by the HUI index. Reviewing the long-term chart we can see the strength FOR SUBSCRIBERS over the last three weeks has brought the company right up to the Stage 1 base resistance zone between $27 - $31 (CAD). Above $31/share, we note a wide resistance gap up until approximately $50. Once $31 resistance is breached, we expect a more rapid advance toward this level.

Current & Closed Investments

GoGold Resources has been added to the Under Consideration list below.

Current Investments													
Num	Symbol	Company	Category	Date	Buy/Sell	Size	Currency	Lot Price	Avg Price	Current Price	Gain/Loss	Quick Notes	Buy/Hold
1	[illegible]	[illegible]	Junior	1/31/17	Buy	Full	USD	1.76	1.76	1.83	4.0%	Silver breaking $17.25 bottom resistance.	Buy
2	[illegible]	[illegible]	Junior	1/31/17	Buy	Full	USD	3.32	3.32	3.55	6.9%	Silver breaking $17.25 bottom resistance.	Buy
3	[illegible]	[illegible]	Development	1/31/17	Buy	Full	CAD	2.73	2.73	2.95	8.1%	Silver breaking $17.25 bottom resistance.	Buy
4	[illegible]	[illegible]	Mid-Tier	1/31/17	Buy	Full	CAD	24.60	24.60	26.76	8.8%	Strong relative strength vs. HUI Index.	Buy
5	[illegible]	[illegible]	Junior	1/31/17	Buy	Full	USD	0.86	0.86	1.00	16.3%	Strong relative strength vs. HUI Index.	Buy
6	[illegible]	[illegible]	Junior	1/31/17	Buy	Full	CAD	0.71	0.71	0.65	-8.5%	Strong relative strength vs. HUI Index.	Buy
7	[illegible]	[illegible]	Junior	2/13/17	Buy	Full	CAD	0.84	0.84	0.74	-11.9%	Well within Stage 1 base. Strong relative strength.	Buy
8	[illegible]	[illegible]	Development	2/22/17	Buy	Full	CAD	0.17	0.17	0.20	17.6%	Accumulation pattern. Strong relative strength.	Buy
9	OPEN												
10	OPEN												

Buy / Hold Ratings - are provided for those who have approached this research after our initial buy signals. They are intended to best approximate "what we would do" if we did not already own shares at this juncture. Please keep in mind that all purchases that occur after our initial buy signals inherently take on different risk-to-reward profiles than originally intended. It is always possible that we close either Buy or Hold-rated positions should technical signals give reason for caution.

Buy - despite prior gains, we believe majority of company advance lies ahead, and would still be comfortable purchasing at current prices.

Hold - we expect company to advance, but due to technical profile would not add at current prices.

Closed Investments										
Num	Symbol	Company	Category	Date	Buy/Sell	Size	Currency	Avg Price	Gain/Loss	Notes
1	KAM.V	Kaminak Mining	Junior	02/22/16	Buy	Full	CAD	1.13		
1	KAM.V	Kaminak Mining	Junior	02/25/16	Sell	Full	CAD	1.15	1.7%	Volume spike on down days indicates high probability of insider selling. Taking small gain.
2	LSG	Lake Shore Gold	Mid	02/22/16	Buy	Full	USD	1.29		
2	LSG	Lake Shore Gold	Mid	04/01/16	Exch	Full	USD	1.47	14.0%	LSG bought by TAHO. Exchanged at 0.1467 shares TAHO for each share LSG.
2	TAHO	Tahoe Resources	Mid	04/01/16	Exch	Full	USD	10.06		Opening price of TAHO after exchange.
2	TAHO	Tahoe Resources	Mid	04/05/16	Sell	Full	USD	10.29	16.6%	Gain = final profit from LSG / TAHO. Selling TAHO due to weaker technical profile than LSG.
3	GOLD	RandGold Resources	Large	02/24/16	Buy	Full	USD	91.99		
3	GOLD	RandGold Resources	Large	04/20/16	Sell	Full	USD	92.65	0.7%	Sold on underperforance vs HUI Index for nominal gain.
4	CEE.TO	Centamin Egypt	Mid	02/22/16	Buy	Half	CAD	1.64		
4	CEE.TO	Centamin Egypt	Mid	02/24/16	Buy	Half	CAD	1.72		
4	CEE.TO	Centamin Egypt	Mid	06/08/16	Sell	Full	CAD	2.10	25.0%	Closed on weak relative strength, and insider selling. A decent gain but funds better applied elsewhere.
5	KLG.TO	Kirkland Lake Gold	Mid	02/22/16	Buy	Half	CAD	7.20		
5	KLG.TO	Kirkland Lake Gold	Mid	02/24/16	Buy	Half	CAD	7.87		
5	KLG.TO	Kirkland Lake Gold	Mid	11/02/16	Sell	Full	CAD	9.18	21.8%	Closed after poor market reaction to Newmarket merger. Combined entity lacks sufficient near-term growth.
6	NCMGY	Newcrest Mining	Large	2/22/16	Buy	Full	USD	11.34		
6	NCMGY	Newcrest Mining	Large	11/11/16	Sell	Full	USD	15.93	40.5%	Taking profits on possibility of sector head & shoulders (H&S) top. Remains candidate for future re-investment.
7	GUY.TO	Guyana Goldfields	Mid	2/22/16	Buy	Half	CAD	4.40		
7	GUY.TO	Guyana Goldfields	Mid	2/24/16	Buy	Half	CAD	4.55		
7	GUY.TO	Guyana Goldfields	Mid	11/11/16	Sell	Half	CAD	6.58	47.0%	Taking profits on possibility of HUI H&S top.
8	SCZ.V	Santacruz Silver	Junior	4/8/16	Buy	Full	CAD	0.27		
8	SCZ.V	Santacruz Silver	Junior	11/11/16	Sell	Full	CAD	0.40	48.1%	Taking profits on possibility of HUI H&S top. Problems w/ primary mine must be resolved to be future candidate.
9	USA.TO	Americas Silver	Junior	8/9/16	Buy	Full	CAD	0.44		
9	USA.TO	Americas Silver	Junior	11/11/16	Buy	Full	CAD	0.28	-36.4%	Cutting loss on possibility of HUI H&S top. Remains candidate for next silver advance.
10	LEX.TO	Lexam VG Gold	Development	04/28/16	Buy	Full	CAD	0.22		
10	LEX.TO	Lexam VG Gold	Development	11/17/16	Sell	Full	CAD	0.21	-4.5%	Stop loss triggered. Company remains viable development-stage gold deposit.
11	AXU	Alexco Resources	Junior	02/22/16	Buy	Full	USD	0.68		
11	AXU	Alexco Resources	Junior	11/23/16	Sell	Full	USD	1.36	100.0%	Selling on failure of gold to hold $1,200 and continuation of HUI H&S top. Remains candidate.
12	LGC.TO	Luna Gold	Junior	02/24/16	Buy	Full	CAD	1.30		
12	LGC.TO	Luna Gold	Junior	11/23/16	Sell	Full	CAD	1.72	32.3%	Selling on failure of gold to hold $1,200 and continuation of HUI H&S top. Remains candidate.
13	TGD	Timmins Gold	Junior	03/03/16	Buy	Full	USD	0.24		
13	TGD	Timmins Gold	Junior	11/23/16	Sell	Full	USD	0.34	41.7%	Selling on failure of gold to hold $1,200 and continuation of HUI H&S top. Remains candidate.
14	JAG.TO	Jaguar Mining	Junior	04/08/16	Buy	Full	CAD	0.33		
14	JAG.TO	Jaguar Mining	Junior	11/23/16	Sell	Full	CAD	0.60	81.8%	Selling on failure of gold to hold $1,200 and continuation of HUI H&S top. Remains candidate.

Short / Intermediate-Term Trades									
Date Open	Underlying	Strategy	Instrument	Entry	Comments	Date Closed	Exit	Gain / Loss	Comments
1/12/2017	Gold	Short	DGLD	56.40	Non-confirmation GDX vs. gold.	1/13/2017	57.40	1.8%	Taking quick profits on non-follow through.
1/12/2017	Silver	Short	DSLV	26.80	"	1/13/2017	27.53	2.7%	"
1/18/2017	Gold	Short	DGLD	55.50	Non-confirmation GDX vs. gold.	1/19/2017	56.40	1.6%	Taking quick profits on non-follow through.
1/18/2017	Silver	Short	DSLV	25.50	"	1/19/2017	26.35	3.3%	"
1/23/2017	Gold	Long	UGLD	9.80	GDX broke out of 3-week range.	1/24/2017	9.73	-0.7%	Metals reversed intraday - potential GDX false breakout.
1/23/2017	Silver	Long	USLV	14.13	"	1/24/2017	14.08	-0.4%	"

Quick Reference Guide to Company Research Reports						
Company Name	US Ticker	Can Ticker	Last Full Review	Issue	Next Full Review	
[redacted]	[redacted]	[redacted]G.TO	October 2016	036	April 2017	Current
[redacted]	[redacted]	[redacted]R.TO	February 2017	051	July 2017	
[redacted]	[redacted]	[redacted]A.TO	February 2017	051	July 2017	
[redacted]	[redacted]	[redacted]M.V	February 2017	051	July 2017	
[redacted]	[redacted]	[redacted]V.TO	February 2017	051	July 2017	
[redacted]	[redacted]	[redacted]C.TO	February 2017	051	August 2017	
[redacted]	[redacted]	[redacted]T.V	February 2017	052	August 2017	
[redacted]	[redacted]	[redacted]A.V	February 2017	054	August 2017	
[redacted]	[redacted]	[redacted]	OPEN			
[redacted]	[redacted]	[redacted]	OPEN			
Kaminak Mining	KMKGF	KAM.V	February 2016	001	-	Closed
Lake Shore Gold	LSG	LSG.TO	February 2016	001	-	
RandGold Resources	GOLD	-	February 2016	001	-	
Centamin Egypt	CELTF	CEE.TO	February 2016	001	-	
Lexam VG Gold	LEXVF	LEX.TO	May 2016	011	-	
Newcrest Mining	NCMGY	-	June 2016	018	-	
Guyana Goldfields	GUYFF	GUY.TO	July 2016	023	-	
Luna Gold	LGCUF	LGC.TO	August 2016	025	-	
Kirkland Lake Gold	KGILF	KLG.TO	August 2016	027	-	
Timmins Gold	TGD	TMM.TO	September 2016	030	-	
Santacruz Silver	SZSMF	SCZ.V	October 2016	034	-	

Watch List		
Symbol	Company	Category
ABX	Barrick Gold	Large
EDV.TO	Endeavor Mining	Large
NCMGY	Newcrest Gold	Large
NEM	Newmont Mining	Large
AGI	Alamos Gold	Mid-Tier
GUY.TO	Guyana Goldfields	Mid-Tier
IAG	IAMGOLD	Mid-Tier
MND.TO	Mandalay Resources	Mid-Tier
AXU	Alexco Resources	Junior
USA.TO	Americas Silver	Junior
BCM.V	Bear Creek	Junior
GG.V	Galane Gold	Junior
AUMN	Golden Minerals	Junior
GSS	Golden Star	Junior
IPT.V	Impact Silver	Junior
IVN.TO	Ivanhoe Mines	Junior
JAG.TO	Jaguar Mining	Junior
LEX.TO	Lexam VG Gold	Junior
LGC.TO	Luna Gold	Junior
TGD	Timmins Gold	Junior
CNL.TO	Continental Gold	Development
ICG.V	Integra Gold	Development
NAK	Northern Dynasty	Development
SSP.V	Sandspring Resources	Development
SPA.V	Spanish Mountain Gold	Development
BVA.V	Bravada Gold	Exploration
CGP.V	Cornerstone Capital	Exploration
EGM.V	EnGold Mines	Exploration
SNG.V	Silver Range Resources	Exploration

Under Consideration		
Aberdeen International	Fresnillo Plc	Polymetal International Plc
Acacia Mining Plc	G-Resources Group Ltd	Polyus Gold International Ltd
Agnico Eagle	Gabriel	Premier Gold Mines
Alacer Gold	GoGold Resources	Pretium Resources Inc
Alcyone Resources Ltd	Gold Canyon Resources Inc	Primero Mining Corp
American Creek Resources	Gold Fields Ltd	Probe Metals Inc
Anglogold Ashanti Ltd	Gold Resource Corp	Purgold Mining
Argonaut Gold Ltd	Gold Road Resources Ltd	RandGold Resources
Arian Silver	Goldcorp Inc	Regis Resources Ltd
Asanko Gold Inc	Golden Queen Mining	Resolute Mining Ltd
Atac Resources Ltd	GoldMining Inc	Richmont Mines
Atlius	Gowest Gold Ltd	Royal Gold Inc
Aurcana Corporation	Gran Colombia Gold Corp	Rubicon Minerals Corp
Aurico Metals Inc	Great Panther Silver Ltd	Sabina Silver
B2gold Corp	Gryphon Minerals Ltd	Sandstorm Gold
Beadell Resources Ltd	Harmony	Santacruz Silver
Belo Sun Mining	Hecla Mining Co	Saracen Mineral Holdings Ltd
Bonterra Resources	Highland Gold Mining Ltd	Seabridge Gold Inc
Buena Ventura	Hochschild Mining Plc	Semafo
Centerra Gold Inc	Inca One Metals	Sibanye Gold Ltd
Chesapeake Gold Corp	Industrias Penoles Sab De Cv	Sierra Metals Inc
China Gold Inttl Resources Corp	Intl Tower Hill Mines Ltd	Silver Bear Resources
China Precious Metal Resources	Kingsgate Consolidated Ltd	Silver Standard Resources Inc
Cia De Minas Buenaventura Sa	Kinross Gold Corp	Silver Wheaton
Coeur D'alene Mines Corp	Klondex Mines Ltd.	Silvercorp Metals Inc
Colorado Resources	Kootenay Silver Inc	Silvercrest Mines Inc
Dalradian Resources Inc.	Koza Altin	Solitario
Defiance Silver	Lydian International Ltd	Sulliden Mining Capital Inc
Detour Gold	Mag Silver	Stillwater Mng Co
DRD Gold	McEwen Mining	Tahoe Resources Inc
Dundee Precious Metals Inc	Midas Gold Corp	Teranga Gold
Eldorado Gold Corp	Minco Silver Corp Com	Tanzanian Royalty
Endeavour Silver Corp	Mirasol Res Ltd Com	Teuton Resources
Eskay Mining	New Gold Inc	Tmac
Evolution Mining Ltd	Northern Star Resources Ltd	Torex Gold Resources Inc
Excellon Resources Inc	NovaGold	Trimetals Mining
Exeter Resource Corp	OceanaGold	Tudor Gold
First Majestic Silver Corp	Osisko Gold Royalties Ltd	Yamana
Fortuna Silver	Pan American Silver Corp	Zhaojin Mining Industry Co Ltd
Franco-Nevada Corp	Paramount Gold Nevada Corp	Zijin Mining Group Co Ltd
Freeport Mcmoran	Patagonia Gold Plc	

Definitions

Watch List - companies which show favorable technical models indicating they are our top candidates for investment.
Under Consideration - the remainder of the companies we track on a regular basis.

Note: we are constantly monitoring the sector for new candidates to add to all categories. If there is a company we have not included that you believe we should, please submit it for consideration to: c.aaron@iGoldAdvisor.com

CLOSING REMARKS

It is said that you can divide the world into two groups of people: those who like charts and those who don't.

For new subscribers, I know that this work can get quite technical – especially if you don't consider yourself one of those "chart people". In this publication we are intermixing several forms of technical analysis: classic pattern recognition, stage analysis, Japanese candlesticks, and volume considerations being primary ones.

There are at least a dozen forms of technical analysis, and you have to pick the form that works best for you in each given market.

For example, in the metals themselves I typically pay attention to volume only if it is an order of magnitude outside the mean (for example, the spike in gold contracts seen the day following Trump's victory), whereas in evaluating junior miners I consider volume patterns to be of primary importance.

Personally, I love studying charts. There is something about the recognition of patterns in nature and in the markets that gets me excited.

But if this doesn't describe you, I encourage you to take what you can from it – but don't get too bogged down. Know that all our official "action items" always go out in separate Flash Updates or alerts that appear at the top of each issue, and they are then summarized at the end of every issue under "Current & Closed Investments". Everything else that appears herein is the research that helps us arrive at these decisions. There are infinite ways to trade, invest, and profit based on any single chart – and indeed I've spoken with many people who are using the charts to trade their own proprietary systems. Fantastic!

But again, if you are new to the sector or just don't have the time to get into all the details, know that our official recommendations are summarized at the end of every issue and in Flash Updates .

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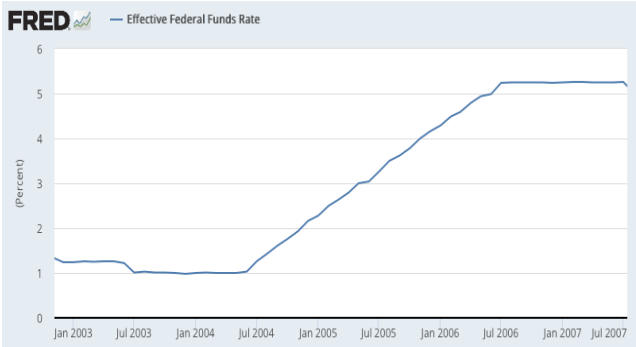
An example of why I focus on charts so much was reinforced this week in an article I saw in my typical Bloomberg scan.

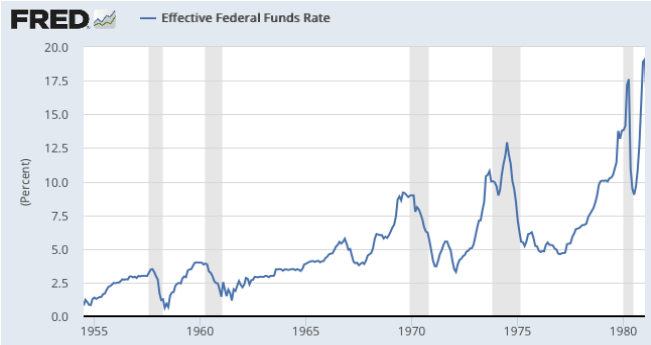
I've long stated that the mainstream media consistently gets the relationship between gold prices and short-term US interest rates wrong. The charts clearly show over both recent and historical cycles, rising interest rates have corresponded with rising gold prices – not the opposite, as erroneously stated by the majority of the financial press.

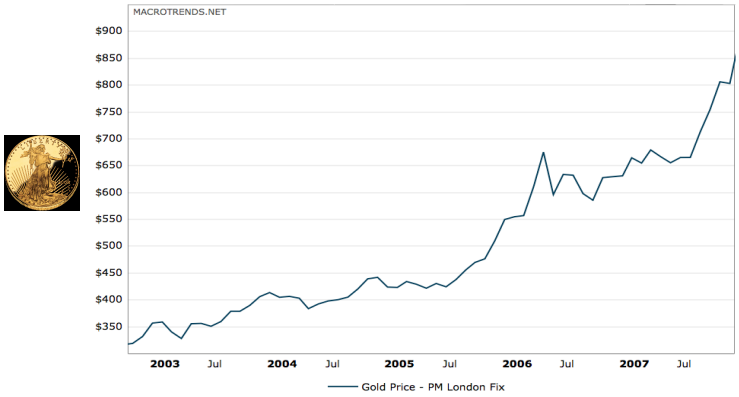
For example, we've shown in the past the following two data sets: gold prices and short-term rates from both 2003 – 2007, and 1955 – 1980:

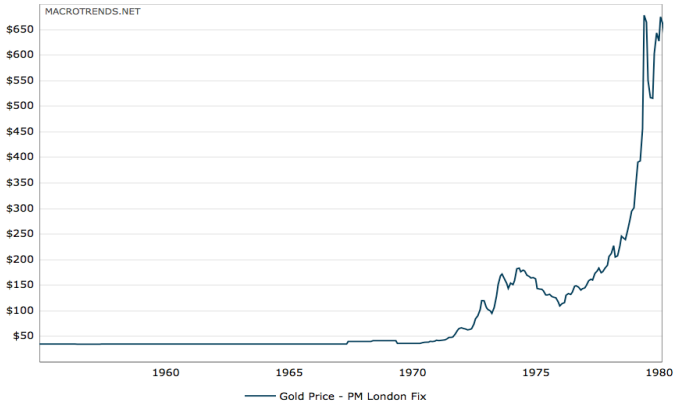
2003 – 2007 **1955 – 1980**

Rates







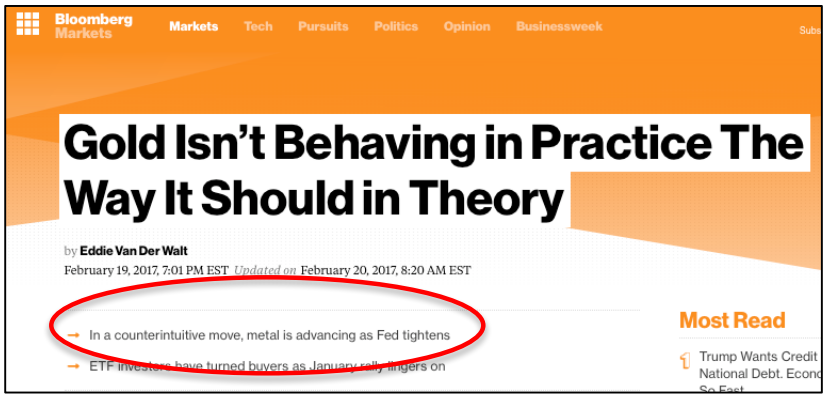


In this case, the data as presented in the historic charts is extremely clear. And while we are officially told by the financial industry that *"past performance is no guarantee of future results"* when discussing history, to completely disregard lessons from the past would be akin to saying *"past train arrival times are no guarantee of future train arrival times"* or *"past Disneyland admission prices are no guarantee of future Disneyland admission prices."*

Sure, we cannot know *everything* about the future from studying past cycles. Things do change. But we can know *something*.

And is not knowing something about what to expect in a given market better than knowing nothing?

In this light, I continue to be amused and dismayed when I see articles such as this pop up every time gold begins to get any attention in the mainstream press (see highlight circle):



The article's main point is that gold is behaving "counter-intuitively", since it has risen after each of the Fed's two interest rate hikes over the last year. The article goes on to state how rising interest rates are supposed to be positive for the dollar, and therefore negative for gold.

Does Bloomberg even bother to look at the actual historic correlations between gold and short-term rates as we showed above?

At what point does the mainstream press go from lazy research to flat-out misrepresentation?

The main point of this editorial is to give an illustration of why I focus so heavily on charts and not on "fundamentals." Many who believed the Fed would raise rates in 2015 for the first time in a decade stayed away from precious metals because they believed the fundamentals written in 99% of the mainstream financial press.

The respected economists all agreed on the fundamentals: rising rates are bad for gold.

The historic charts said otherwise.

Which form of analysis has been more accurate thus far?

Rates

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The next premium update will be available by Monday, March 6 at 8AM EST.

Our free public video will be available late Wednesday evening.

Have an excellent week. As always, we will issue Flash Updates should precious metals or company news warrant your immediate attention.

-Christopher Aaron, Editor