

# Equity Investment Advisers Gold Report



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Dear Investors,

We have received requests from clients for information on the precious metal markets. Historically this has been a large and profitable market. Gold particularly has been seen as a store of wealth. We hope you find this interesting and useful. Please email us if you would like more information.

Happy Investing!

## Barrick Outlines Plans To Hike Future Gold Production

Barrick Gold Corp. Thursday outlined the company's plans to develop a number of projects that are expected to add another 1 million ounces or more of annual production starting in 2021.

Nevada projects at Cortez Deep South, Goldrush and Turquoise Ridge have been approved, while work on a project to extend the life of the Lagunas Norte Mine in Peru is under way, said the world's largest gold producer.

The company has approved an initial investment of \$300 million to \$325 million to build a third shaft at 75%-owned Turquoise Ridge in Nevada. When combined with additional processing capacity, this should roughly double annual production at the mine to more than 500,000 ounces per year at average all-in sustaining costs of around \$630 per ounce, Barrick said. Initial production from the new shaft is expected to begin in 2022.

"In addition to increasing annual production, the third shaft is expected to reduce operating costs, boost mining productivity rates, and increase total life of mine production by allowing for reduced cutoff grades," Barrick said.

## Silver Could Be On The Cusp Of Major Rally - Mining CEO

Lackluster silver prices are not deterring one Canadian silver explorer from implementing its exploration plans because the market could be on the cusp of a significant market rally, according to the company's top executive.

In an interview with Kitco News, Greg Johnson, chief executive officer of Metallic Minerals, said that the company is moving forward with a plan to invest about \$2 million in its 2018 exploration program at its Keno Silver Project, located in Canada's Yukon Territory.

He explained that he is bullish on silver because of its strong industrial demand. He added that it wouldn't take much new investor demand before the market is outperforming gold.

"I think gold and silver are poised to enter a new uptrend," he said. "Silver, in particular, looks good as industrial consumption remains in a long-term uptrend. All the market needs is renewed investor interest and I think it's only a matter of time before that comes."

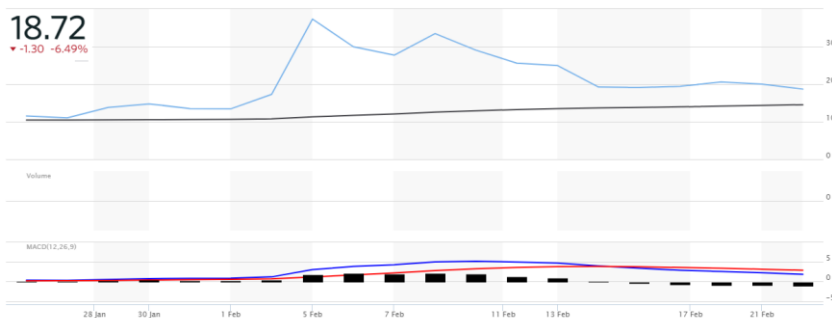
## Gold Price



## Silver Price



## CBOE VIX Volatility Index



## Why gold stocks will go 'ballistic' - Schiff

For years, the Federal Reserve has kept rates artificially low in order to help the economy recover from the economic recession in 2008. But now the market is going to lift interest rates back to where they should be, Euro Pacific Capital CEO Peter Schiff said.

Schiff predicted that rates are going to go a lot higher over the course of the next decade. "They should be a lot higher, because we have record debt, record budget deficits coming, record trade deficits, a 10-year low in our savings rate. We have to borrow tremendous amounts of money, and the world is not going to lend it to us at these ridiculously low interest rates. So rates are going to normalize quickly."

Schiff's market concerns were further buoyed by President Trump's tax overhaul that was signed into law in late December. Although the plan cut nearly \$1.5 trillion in taxes, it sought no way to balance the budget.

Now, the economist is urging investors to take their money out of the U.S. markets and the U.S. dollar, which he said will likely be used by the Fed to prop up the economy in the impending future. Instead, he's buying into foreign stocks, commodity stocks and gold stocks.

"There are a lot of places you can go. There are other countries that are not as reckless, not as irresponsible, that have fewer regulations, lower taxes, trade surpluses," he said. "You got to get into some gold stocks. Gold is going to go ballistic when the markets figure out what I already know."

## The Quick Rundown: China, Russia & Bullion

- Despite the US Dollar having underpinned its value to oil prices decades ago, other powers seem interested in a return to the Gold Standard.
- China and Russia have been buying up gold as if there's no tomorrow, with both countries piling up ever growing reserves of the Midas Metal inside their vaults.
- Both powers have their own reasons to dust off gold as a useful value asset for their national interests.
- The Russians, ever eager to find ways around crippling US and EU sanctions seem to be playing the long game, betting on the long-term value of gold to trump economic sanctions that have devastated the Rouble (currently at a value of around \$0.02 New Zealand Dollars).
- China on the other hand sees gold as another avenue to expand the influence and credibility of the Yuan, a currency that is plagued by issues of opaque Government influence (or manipulation).

You may also be interested in:

<https://goldsilver.com/blog/dalios-take-on-the-coming-recession/>

<https://www.businessinsider.com.au/kerr-neilson-ceo-steps-down-platinum-asset-management-2018-2>

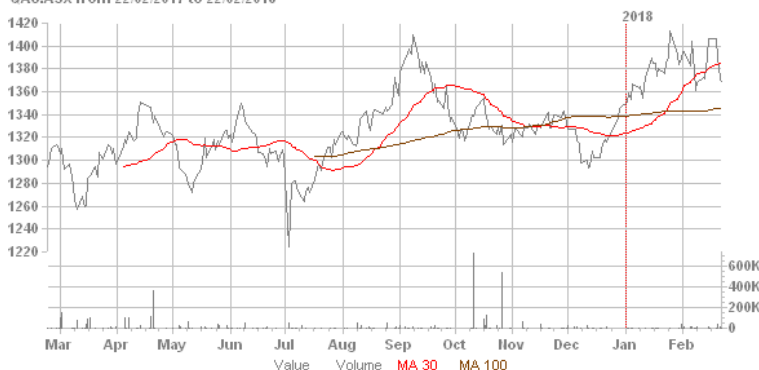
## ETF – Singapore Gold

ZGOL.ASX from 22/02/2017 to 22/02/2018



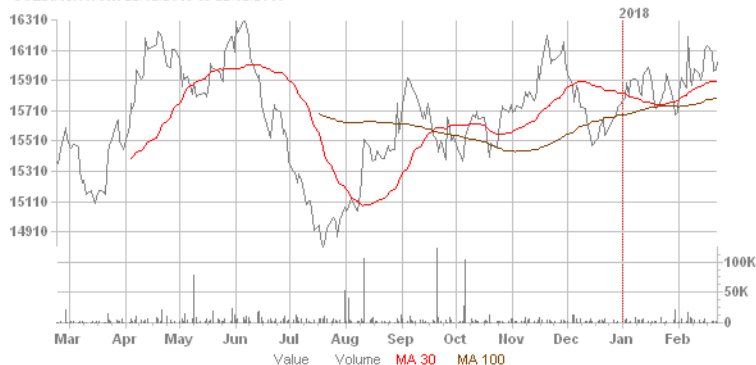
## ETF – Betashares Gold

QAU.ASX from 22/02/2017 to 22/02/2018



## ETF – Physical Gold

GOLD.ASX from 22/02/2017 to 22/02/2018



Evolution Mining	0.055	1.957%	\$2.865
Newcrest Mining	0.480	2.215%	\$22.150
Northern Star	0.110	1.812%	\$6.180
Rio Tinto	0.810	1.011%	\$80.930
South32	0.200	6.369%	\$3.340

As at 5:10 pm New Zealand Time

**Disclaimer:** The above information is provided on a best endeavours basis and Equity Investment Advisers Ltd does not accept any liability under any circumstances for errors or omissions. Parties should recheck the information before using it in any decision-making process. **Acknowledgements:** Equity Investment Advisers (EIA) sincerely expresses its gratitude to the following sources for the contribution of valuable information in the production of EIA gold reports: Kitco, BullionDesk, MoneyMetals, GoldSeek, Gold-Eagle, GoldSilver, MarketIndex, BullionVault, ANZ & BusinessDesk.

**Interested in adding Precious Metals to your portfolio? Contact Equity Investment Advisors today.**

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