

Equity Investment Advisers Gold Report



Tuesday, 30 April 2019

www.equity.co.nz E-mail: Info@equity.co.nz Tel: +64 (9)304 0145

Gold back over £990 per ounce as US Dollar weighs on the Pound

The price of gold is currently at £992.15 per ounce as the Pound Sterling continues to struggle against the US Dollar. The Pound hit a two-month low yesterday, closing at \$1.2949, and today its fortunes have continued to decline, now hitting a 10-week low of \$1.2879.

The big reason for Sterling's losses is the gains made by the Dollar Index, which compares the USD against its big six currency rivals (including GBP). The index is at a 22-month high of 98.25, and only four points short of its all-time high of 102.95 points.

The US Dollar's gains are a result of a surprising turnaround for the American economy, which is consistently posting solid financial figures in terms of GDP growth, wage growth, manufacturing, and unemployment levels. In the aftermath of the longest ever Federal shutdown, the US economy looked fragile, and had the threat of the trade war with China to worry about also. Fast forward to April and the forecast for Friday's Q1 GDP figures is growth between 2.1% and 2.5% - a far cry from the 0.2% predicted in February.

This is not to say the US economy is perfect; the Yield curve inversions aren't so threatening but are still off track and indicating a future recession, and the repeated line that trade talks with China are 'going well' is almost anti-news; a bluff to appease uncertain investors.

The Dollar's performance in 2019 will be likely to drop throughout Q2, and this should benefit the Pound (amongst others). US companies increased inventories in Q4 2018 ahead of tariffs planned for the new year.

Premier Gold shares jump on high-grade discovery in Nevada

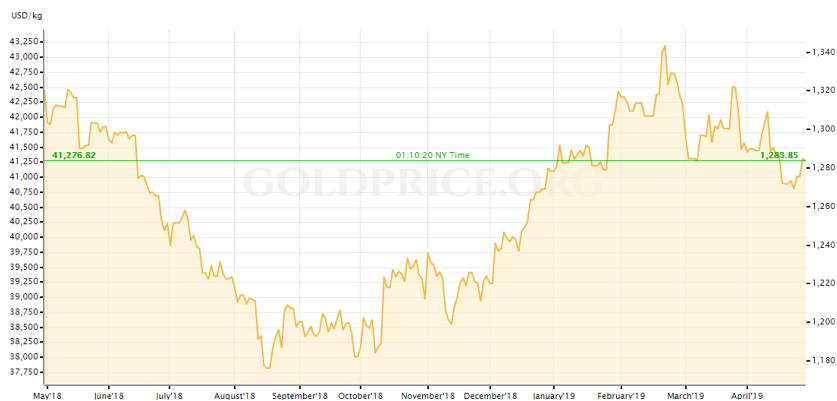
Shares of Premier Gold Mines (TSX: PG) went up 7% at Monday's market open on news of a high-grade discovery at the McCoy-Cove project in Nevada. The company's market capitalization sits at C\$345 million.

In today's press release, the company announced the discovery of a 118.9 m thick mineralized zone grading 4.12 g/t, including a high-grade interval assaying 15.74 g/t gold across 6.1 m, in the first hole drilled at the Antenna target. The Antenna target is situated between the historic Cove and McCoy open-pit mines that produced 3.3 Moz. gold and 110 Moz. silver between 1986 and 2006.

In January 2018, Premier entered into an agreement with Barrick Gold (TSX: ABX; NYSE: GOLD) whereby Barrick could earn a 60% stake in the McCoy-Cove project by spending \$22.5 million in exploration prior to June 30, 2022, with Barrick assuming the operator role.

Last year, Premier and Barrick completed a \$4.4 million program funded by the gold major that included 14 holes and 4,738 m of core drilling. Earlier this year, the partners then prioritized exploration targets, including Antenna and six other targets.

Gold Price



Silver Price



Gold To Silver Price Ratio

1 Year Gold/Silver

Last Close: 86.14



ePower Metals wants to acquire historic Mexican gold mine

ePower Metals (TSXV: EPWR) announced that it has entered into a binding letter of intent with Minera Alamos for the assignment of the option to earn a 100% interest in the Los Reyes gold project located in the northwestern state of Sinaloa, Mexico.

In a press release, the Vancouver-based miner explained that the LOI stipulates a 30-day period to enter into a definitive agreement. At present, Minera Alamos (TSXV: MAI) has the right to acquire a 100% interest in Los Reyes, pursuant to an option agreement entered into with Vista Gold Corp. If the transaction goes through, ePower says it will change its name to "Prime Mining Corp." and will focus its resources on the immediate development of Los Reyes.

"Los Reyes is an exceptional opportunity for exploration and potential development, to be fast-tracked through a PEA and a construction decision with low capital expenditure and reduced technical risks," Andrew Bowering, ePower's incoming CEO, said in the media brief. "The company will work to complete a PEA technical study on the project while continuing to drill to expand existing data as well as promising new targets."

To acquire Minera Alamos' interest in Los Reyes, ePower must make a cash payment of \$1.5 million and assume Alamos' remaining option payments of \$3 million; issue 9,450,000 post-consolidation common shares and 3,350,000 common share purchase warrants entitling Minera Alamos to acquire further post-consolidation common shares; enter into a governance agreement, among other conditions.

Located 43 kilometres southeast of the mining centre of Cosala, Los Reyes has a mining history that stretches back into the 1700s and has seen mining activity as recently as the 1980s.

The Quick Rundown: Labour shortage in sector mines?

- Mining labour shortages are becoming a serious issue in all over the world, and Canada is no exception.
- The Canadian mining sector is responding to reports that its workforce is aging faster than it is being replaced.
- Industry groups predict that if the sector doesn't hire just short of one hundred thousand new workers within the next ten years, the results could be severe.
- The news comes on the back of an MiHR announcement that enrolment in post-secondary mining programs has dropped significantly in the past few years.
- One proposal put forward is a program involving work integration for students, offering paid internships to get started in the sector.

You may also be interested in:

<http://www.goldtelegraph.com/top-six-countries-with-largest-gold-reserves/>

<https://www.bullionbypost.co.uk/gold-news/2019/april/24/university-research-shows-global-silver-price-rises-solar-panel-demand/>

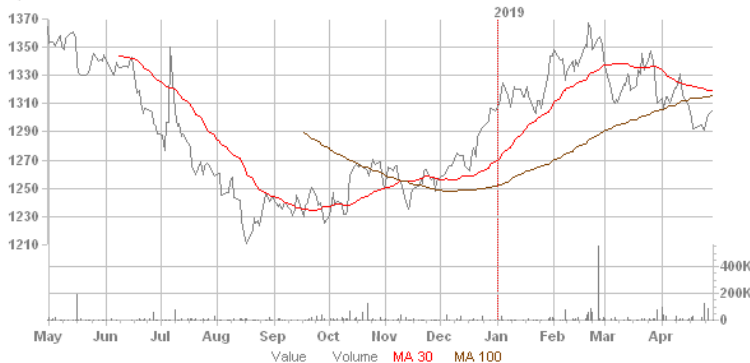
Disclaimer: The above information is provided on a best endeavours basis and Equity Investment Advisers Ltd does not accept any liability under any circumstances for errors or omissions. Parties should recheck the information before using it in any decision-making process. **Acknowledgements:** Equity 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.

E-mail: Info@equity.co.nz Tel: +64 (9)304 0145 / NZ: 0800 474 669

ETF – Betashares Gold

GAU.ASX from 30/04/2018 to 29/04/2019



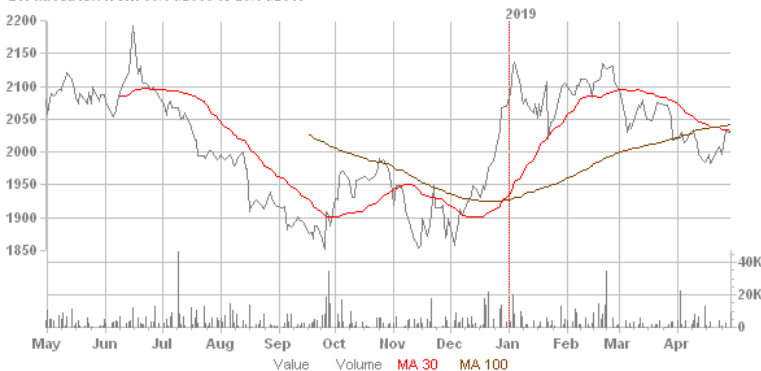
ETF – Physical Gold

GOLD.ASX from 30/04/2018 to 29/04/2019



ETF – Physical Silver

ETPMAG.ASX from 30/04/2018 to 29/04/2019



| Listing (ASX) | Points | Percent. | Price |
|------------------|--------|----------|----------|
| Evolution Mining | 0.065 | 2.000% | \$3.185 |
| Newcrest Mining | 0.700 | 2.731% | \$24.930 |
| Northern Star | 0.060 | 0.731% | \$8.150 |
| Rio Tinto | 2.440 | 2.496% | \$95.310 |
| South32 | 0.010 | 0.300% | \$3.340 |

As at 5:00 pm NZT, 30 April