



RESOURCE CONSULTANTS INCORPORATED

6139 S RURAL RD, STE 103 TEMPE, AZ 85283
METALGUYS@BUYSILVERNOW.COM • FAX: 480-820-5905

TOLL FREE: 800-494-4149
• AZ LOCAL: 480-820-5877

Dear Friends,

December 2014

The past couple months have stirred up the interest of old Gold and Silver bugs and brought many new people off the fence and into the metals markets. Our clients have loved the opportunity to acquire the 500 coin Monster Boxes at under production cost!

Just a few weeks ago the U.S. Mint sold over two million ounces of Silver Eagles in less than two hours! Those with the wisdom and the means are picking up as much Gold and Silver as they can afford at some the lowest prices we've seen in years.

We understand the Canadian Mint is not likely to supply any more one ounce Gold *or* Silver Maple Leafs until 2015. At the time we write this letter, we can still get the 2014 fractional Gold Maple Leafs without a delay in delivery. So far, Resource Consultants has not encountered the delays in receiving or shipping metals that some companies are experiencing. When you call to place an order we give you current market prices and availability.

China's Global Gold Supply Dominance Strategy- What it means for Precious Metals' Holders (You?)

By: David H. Smith

In addition to the many gold and silver-positive factors we've discussed in the last few letters, a powerful trend – underway for several years now - is emerging into the light of day. This sea change has major implications (profitable) for precious metals' holders, as well as, down the line, negative consequences (some metal perhaps available, but at what price?) for those who have been slow to “stake their claim”.

This deep running river of physical demand by China for **Gold** – and **Silver**, is destined to have a major impact on people's ability to acquire precious metals at anywhere near current price levels. But this river is not one which runs along the surface, fully visible, so that it can be more easily measured. Rather, much (most?) of it flows underground through diversionary and intentionally opaque channels.

A brief look at China's early history can clarify the philosophy and practice behind this “golden current”. The key to understanding this is to get a picture of the long-standing “tributary system”, how it worked then...and how it performs today.

Throughout much of China's history, its rulers have viewed themselves as the center of the known world. For many centuries this claim might not have seemed to be at all farfetched. Neighboring countries were expected to pay homage to China – as a manifestation of this deference - sending tribute on a regular basis. The flow of diplomatic respect and physical wealth flowed into China via what came to be known as the Tributary System. In nature, a river is nourished and made larger by a system of smaller streams – tributaries – which empty unceasingly into it.

Today, as China grows steadily more powerful, it is simply reasserting itself in a manner long held to be its historical birthright. A cursory look at history shows that far from being an anomaly, a strong, even expansive China has generally been the norm. Western views have been colored by what took place during the late nineteenth, and much of the early twentieth century. China was beset by various woes, from being humiliated by the British during the Opium Wars and having large sections carved up by foreign powers, to being invaded by the Japanese – this last event starting long before what we think of as World War II officially began. Indeed, through much of this time, China was derisively known as “The Sick Man of Asia.” Unfortunately, at the dawn of the Industrial Revolution in the West, China had decided to turn its back on the outside world and focus inwardly. The price they were to pay for this miscalculation was substantial, but as the last decade or so has been demonstrating, definitely not permanent!

Today China is dealing with some of the same problems we in the West face – too much debt, a graying population, etc., but it is far from being thought of anymore as a “sick man”. It holds almost \$4 trillion in U.S. debt, flexes its geopolitical and commercial might as a central figure of the BRIC (Brazil, Russia, India and China) economic coalition, and consistently expands a military presence in its own offshore version of the Russian “Near Abroad”.

While some analysts believe that China is destined to become Master of the Global Universe – leaving even the U.S. in its dust, this is unlikely anytime soon. On a per capita basis, China’s GDP is less than one-fifth that of the U.S. and demographics are starting to become a drag on overall productivity. But it is their effort – along with Russia’s - to encroach on what has long been the preserve of the U.S. dollar’s elite reserve status that is, or should be of significance to all Americans. Given our profligacy for debt creation, it is not merely enough for the greenback to be first among equals. For us to continue with this game, we must have the preeminent currency of the globe. But the time is coming when China’s Yuan – backed by gold – may be capable of bringing about a seismic change in our financial landscape. Watch out below, and be sure you have some “gold in hand”.

China – by its own admission – is moving toward a gold-backed currency. The flow of gold into China – which it has long implied may one day be used to back its currency, arrives not only through Hong Kong and Shanghai, but now transits into Beijing and other large commercial cities as well. Recently the idea of a gold-back Yuan was a lot more than just implied. The President of the largest gold producer in China, co-sponsor of this year’s Gold Conference, made no bones about it when he endorsed the idea of full gold convertibility of the Renminbi – China’s monetary system – the Yuan being the monetary base unit. He stated unequivocally that accumulation of gold was “in the national interest”.

China understands a truth that apparently still escapes comprehension by most central bankers, brokerage houses and financial analysts in the West. China “gets it” that gold is a hedge against a depreciating dollar and negative interest rates (where depositors pay the bank for holding their funds!). They have learned, through bitter experience over many centuries that paper currencies can and will be debased – historically, down to their intrinsic worth – zero. Indeed, the Chinese, having been the first to introduce paper money, have probably had more experience with the practice than just about anyone else. Each of those experiments eventually landed their fiat (non-gold/silver backed) paper currency into the failed dustbin of monetary history.

Over the past few years, China has gone from being a net purchaser, to a net seller of U.S. dollar denominated debt instruments. Even so, it still has a lot more dollars than it either wants or needs. And it’s an odds-on bet that a significant amount of those dollars are now finding their way into the acquisition of...gold.

Much of this golden tributary flow is difficult to trace and quantify. Even more opaque is gold brought in unofficially. In addition, Chinese entities have for some years been scouring the globe, seeking partnership with mining companies, or buying outright –high quality gold and silver properties – in Central Africa, South America

(Argentina, Ecuador, Bolivia, Chile), and elsewhere. A recent high-profile example has been China's negotiation with Barrick Gold, in regard to the latter's problem-plagued, but massive resource-based gold-silver property at Pascua Lama, which straddles the Chilean-Argentine border. A less noticed but no less interesting event took place in mid-November, when a Hong Kong company paid a premium-to-share value for a South African mining company, in the amount of...500%!

Finally – though neither we nor anyone else can place even an approximate statistic on the premise– it is almost a certainty that Chinese money – a k a U.S. Dollar debt – is being used for the cash purchase of gold output from so-called “informa”/artisanal miners around the globe. These individuals acquire much of their gold illegally, laboring either in self constructed, cramped and dangerous mine shafts deep underground, or by panning placer gold in rivers and streams. Some of this gold actually comes from the same properties actively being worked by major mining companies. Indeed, it has been estimated that on some properties in South Africa, fully 20% of the gold extracted is taken out via artisanal excavation.

Add up the gold from these shadow sources, in addition to the 2,200 tons China has admitted importing in 2013 alone (from a global gold production total of around 2,700 tons (tonnes). Truth be known, and some day this *will* be documented, China's ravenous appetite for the yellow metal could turn out to be in excess of the wildest guesstimates being proposed today.

Further, when gold consumption figures for 2014 have been tabulated, it looks as though India will once again have regained its position as the number one global importer, exceeding even that of China. So, not too far down the line, how much gold do you reasonably think is going to be available for the rest of us...?

When an ex-Federal Reserve Chairman speaks, it pays to listen...

In late October, 2014, during a meeting of the Council on Foreign Relations (CFR), former Chairman of the Federal Reserve (1987 – 2006), Alan Greenspan, was asked the following question by Gillian Tett, Managing Editor of the Financial Times:

TETT: “Do you think that gold is currently a good investment?”

Greenspan: “Yes... Remember what we're looking at. Gold is a currency. It is still, by all evidence, the premier currency. No fiat currency, including the dollar, can match it.”

Interestingly, this portion of the exchange was left out of the CFR's official transcript...

Indeed, Greenspan's “friend of gold” comment at that meeting was hardly a one-off supportive statement.

Earlier in the month, in a much noticed article in Foreign Affairs (published by CFR), provocatively titled, “Golden Rule – Why Beijing Is Buying” he notes:

If China were to convert a relatively modest part of its \$4 trillion foreign exchange reserves into gold, the country's currency could take on unexpected strength in today's international financial system. It would be a gamble, of course, for China to use part of its reserves to buy enough gold bullion to displace the United States from its position as the world's largest holder of monetary gold. (As of spring 2014, U.S. holdings amounted to \$328 billion.) But the penalty for being wrong, in terms of lost interest and the cost of storage, would be modest...

If the dollar or any other fiat currency were universally acceptable at all times, central banks would see no need to hold any gold. The fact that they do indicates that such currencies are not a universal substitute...

The takeaway here is that if someone of Greenspan's stature can speak this way of gold *and* if a country with the 'financial firepower' of China is so willing to accumulate it, *shouldn't a gold acquisition program be on your radar screen as well?*

Systemic holes appearing in the gold miners' resupply pipeline...

The 2011-14 Cyclical Bear Market, with gold declining 40%, and most of the mining shares dropping twice as much has introduced a systemic weak link in gold exploration – production that will take a number of years to be repaired. Michael Kosowan at SprottGlobal notes the inevitable outcome:

From my perspective, what's really happened to the industry is that they've [the majors] put themselves into a position where there isn't a very good pipeline of high-grade, high-margin style deposits. So those types of discoveries are going to be heavily sought-after, not only by the individual companies, but by the entire industry. As the majors get more capital, there's going to be a dogfight for the high-grade projects that do exist...So I think instead of being discouraged, this is a time to trim and prune, and look for the best quality, because as the market's fallen down, it has done so indiscriminately. The good, the bad, and the ugly have all been dragged down. So do yourself a really big favor and graduate up to the good.

What this means for the individual gold and silver investor (you) is this. Consider that during the last 5 years, the number of 3 million ounce gold deposits which have been discovered is exactly...ZERO. Further that it takes a newly discovered property anywhere from 10 – 20 years to reach production. Even if present global gold demand only remains constant, the mining sector is going to labor under increased pressure in trying to meet it. Should demand rise – almost a certainty – then watch out! The collusion of increasing demand chasing falling supply is going to present a very interesting show.

Feed the Homeless. Do not pass go. Head to Jail

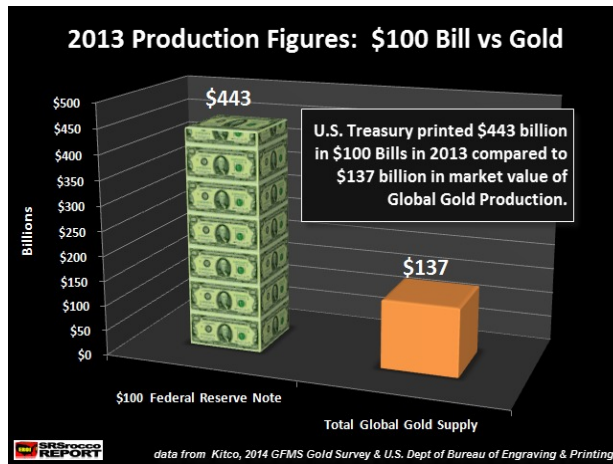
Under the heading, "You can't make this stuff up", authorities in Fort Lauderdale, FL recently arrested a 90 year old man for carrying out what he had been doing for several decades – feeding the homeless. He is facing 2 months in jail and substantial fines because of a law passed earlier this year restricting public feeding of the homeless. He, along with two clergymen from his nonprofit *Love Thy Neighbor* organization have been charged.

More and more, government control and decision-making (for you, by *them*) is asserting itself at all levels – from city management, up through state, regional and federal agencies. Leviathan has come to be our silent partner in just about everything we do – or seek to do. Healthcare, education, the food supply, media, finance, privacy, dissent ("free speech zones"!) And in Europe, negative interest rates. How soon before this comes to a bank near you?

John Opdyke, editor of *Sovereign Investor*, states the issue succinctly, saying:

...negative interest rates for retail banking customers are now becoming a reality. Now you have to pay THEM so they can go and gamble with your money. It's perverse.

The system is clearly rigged against people. And there's no fighting it. The best thing to do is to sidestep the system as much as possible. Starve the beast and hit them where it hurts most -- by leaving and withdrawing your monetary support for their destructive actions. A complete lack of freedom is what's quickly becoming our imminent reality and the giant cloud of centralization is looming.



When (not if) the U.S. Fiat Monetary System collapses, anyone holding onto twelve \$100 Federal Reserve Notes would have a net worth of \$1.56 in printing cost. Compare that to the estimated \$1,100-\$1,200 an ounce cost for gold.

I would bet my bottom Silver Dollar that when faith in holding U.S. Federal Reserve Notes heads into the toilet, it would be much wiser to own REAL MONEY than the monopoly paper printed by the MoneyFactory.gov (Bureau of Engraving and Printing/U.S. Department of the Treasury) – Steve St. Angelo



It's time to remind you about the "Monster Box"

We've talked about Monster Boxes before, and at today's prices, they certainly have an enhanced appeal. These are heavy gauge green plastic containers filled with 500, 1-ounce, 20 to a tube, "three nines" (.999 fine) American Silver Eagles. The U.S. Mint acquires the blanks from (mostly) domestically-produced silver. They are sold by the Mint directly to so-called Authorized Dealers, who then distribute them to the public. Only two other countries known to this writer sell silver monster coin (as opposed to bullion round) boxes – Canada (Canadian Silver Maple Leafs) and Austria (Silver Philharmonics).

In recent years, these have become wildly popular with the public. At this writing, the U.S. Mint has sold in the neighborhood of 40 million Silver Eagles, and looks to be on course to set a new annual record.

A full box weighs around 42 pounds. They come from the mint "sealed" with heavy industrial strength tape. You should not break the seal unless you decide at some point to spend/sell some of your coins. Having a mint sealed

box of coins carries a certain appeal to some silver bugs and could fetch a better liquidation price than those which might have been circulated.

David Morgan at themoreganreport.com believes that at some point, perhaps within the next few years—the U.S. Mint may discontinue selling American Silver Eagles. Should this take place, the premium for a collection containing just one Eagle of each year (from the program’s start in 1986) would quickly develop a substantial premium – probably well above the current one around \$3. It might be worth establishing, through a reputable dealer, Resource Consultants, Inc. for instance.. a one coin/year collection. If so, consider purchasing Eagles that are individually sealed, and possibly graded by an official numismatic organization. Chances are you will never sell such a collection, preferring instead to pass it on to the next generation.

At the New Orleans Investment Conference last month, Alan Greenspan (now 88) was the keynote speaker. He made several predictions, the most interesting of which for us was this:

Inflation will rise, interest rates will rise, and gold will increase in price; I just don’t know when.

Today’s Takeaways:

- China’s big-picture geopolitical strategy is, in part to dominate the global gold supply pipeline.
- They are doing this by acquiring “above the radar” physical gold (and silver), taking control of “in situ” (in the ground) precious metals’ properties around the globe as “long-term call warrants” on supply, and through “below the radar” cash purchases of gold from artisanal miners.
- Rising affluence in the East, along with Asians’ affinity for gold, assures that China, India (and increasingly Japan), along with S.E. Asians in general, will be buying more and more metal for as long as the eye can see.
- Systemic weaknesses in the global economic system due to massive debt built upon the “foundation” of fiat money, increases the likelihood that at some point in the reasonably near future, a “debt-cleansing” implosion will take place, erasing trillions of nominal dollar value from most paper assets – including precious metals’ and futures “paper” derivatives. Two of the last men standing will be physical gold and silver – as well as those who hold them.

You and I don’t need to know exactly when gold will rise. But if you understand that the reasons for holding gold (and silver) become more valid by the day – as millions of others around the globe are also coming to see, you will begin to sense how this is going to play out. As the “Great Migration” of precious metals from West to East continues its long march, it is almost inevitable that prices will rise in tandem with demand outstripping supply. If you have not yet started your own “stacking” program yet, why not? If not now...when?

END

Thank you , David!

Each day we receive calls wondering what’s going on in the markets. People want to know our take on what’s going to happen next in the economy and how long the country can keep on this fiat path. Our friend Roger Wiegand; editor of Trader Tracks Newsletter, Wavelengthpublishing@gmail.com, has predicted that we are in line for the greatest depression every known in this country. I am sorry, but I fear he might be right. He most often is...

How’s it going to happen and when? Too soon.

Some of you have seen newscasts in the recent months of sink holes opening up around the country, there was one that opened up in California just a week or so ago. I think the sink hole is a nearly perfect metaphor of what is to come. Everything looks fine on the outside but the interior is stolen away and empty. Then here comes the blessed rain we are told it's going to do us good. However, the rain is a soaker and it softens up the support. A beautiful day on the road becomes a horrifying experience when the road suddenly falls away from under you. These will most likely start to happen sporadically in first one place then another. Some who get caught in the landslides and sinkholes will lose their jobs and some their homes - some their lives. Those who avoid making a misstep will be called upon to help those who are suffering and then to repair the damage. No one will be unaffected.

Those who survive and thrive will be those who are proactive now, not those who procrastinate. Now is the time to prepare for the worst and hope for the best. Are you giving your body what it needs for optimum health? Do you have food and water to get you through a few weeks? What about finances? Do you have real money that you can use to purchase items or services for a while when the dollar and banking systems re-invent themselves need?

Resource Consultants, Inc. likes to bring to you, our readers, not only news on the metals but also offers what we feel is a holistic approach to living a more satisfying and proactive life. We will get to our Metals Recommendations in just a minute.

Years ago our dear friend Bob Chapman introduced us to colloidal silver. We still think it's a good thing to keep on hand. The other product we will hopefully, never be without is ASEA. We use it every day to stay well. I like it better than colloidal silver for most every purpose ranging from better sports endurance and recovery to relief from dis eases that the allopathic treatments have not been able to heal. INTRODUCING BENEFITS You Will Enjoy.....

- Gives Increased Cellular Efficiency
- Slows Down the Aging Process
- Increases Cellular Level Endurance
- Promotes Enhanced Immune Function
- Perpetuates Healthy Cells
- Promotes Superior Support to Athletes

Native to the Body. You can find out more about ASEA and Renu28 at www.AmazingMolecules.com and www.SignalingStories.com. We feel it is vitally important to be responsible for our own health. The Redox signaling molecules in ASEA have truly been the greatest blessing to our family's health and the health of many of our friends and clients that we have known of!

To become an ASEA member on our team is only a one-time \$40 investment. This is more than compensated by getting a 20% discount on the product as well as an opportunity to take advantage of special offers that are only available to associates. There is no requirement to sell product. I didn't tell anyone I was an ASEA associate for nearly 4 years! Boy was that a mistake. The product is like none other and the business opportunity is limitless! Call our office **800-494-4149** to order your ASEA or Renu28. The orders usually ship the next day.

PRECIOUS METALS RECOMMENDATIONS

SILVER

CATEGORY ONE / INSURANCE

Yes, we have seen a tremendous rise in sales of silver these past few months. The 500 coin Monster boxes of U.S. Silver Eagles, Canadian Silver Maple Leafs, and Austrian Silver Philharmonics have been flying out the door. While some companies do pay less for individual coins or rolls, Resource Consultants has not found that the back dates of these one ounce coins bring any less than the newly minted boxed coins as long as they are kept in good condition and not scuffed up or cleaned. In fact some of the back dated coins can bring more because they are only available on the secondary market and are sometimes hard to find.

It is the buying opportunity of the decade in precious metals right now. Silver one ounce coins and rounds are very popular. Silver rounds are also recently being minted in in 1/2, 1/4 and 1/10 ounce sizes. As with the gold fractional coins, the smaller pieces do carry a slightly higher premium but they are still a bargain at the current silver prices. Bags of pre-1965 90% U.S. silver coins have become quite scarce as not many are willing to part with them at this time. We do get them in from time to time and they go out pretty fast. These bags are still sought after not just as a store of silver but also because those individual silver coins offer purchasing power for the smaller things one might need during a currency crisis.

GOLD

CATEGORY ONE / INSURANCE

If you've been with us for a while, you know we have 3 categories of metal recommendations. The first is the category we feel is the most important to start with for most folks. We call this insurance because these are the items which can help protect your purchasing power and preserve your wealth from economic and currency problems that are very likely to show up in a person's life. The modern bullion coins and bars are available at low premiums and are very easily liquidated. Remember, Resource Consultants is a full service metals brokerage. Call us when you are ready to buy or sell your metals. Did you know you can hold precious metals coins and bars in your IRA? You can, and we can help you with that too!

1 ounce Gold Eagle, Maple Leaf, Philharmonic and Krugerrand are very popular and recognized all over the world. We feel the fractional gold coins are also an important part of a bullion portfolio because just as you might not always want to pay for a cup of coffee with a \$100 bill, when you choose to liquidate or barter with your gold, you might not want to give up a whole ounce which could be worth in excess of \$5000.00 at some time in the not-so-distant future. Five ounce rolls of (50) 1/10 ounce Gold Eagle coins are a favorite with our clients and we offer them at a substantial discount. Pick them up whenever you can!



GOLD
CATEGORY TWO / INSURANCE + A KICKER

Moving up a step from the bullion category, we recommend the slightly circulated U.S. Gold coins that were actually used as money 100 or more years ago. These beautiful coins are not just a store of wealth but hold our history. We especially like the \$20 Liberty, \$20 St. Gaudens, \$10 Liberty and \$10 Indian in XF (Extra Fine) condition. Call for current prices.

GOLD
CATEGORY THREE / SPECULATION

There are fantastic opportunities for the coin collector at this time! While Resource Consultants does not buy, sell or recommend foreign numismatic coins, United States Gold coins dating back from the early 1900s into the 1800s which have been graded by PCGS or NGS could be, in our opinion, a very smart choice to fill in your well rounded portfolio. We can help you put together a wonderful date set of Mint State graded coins for your collection. The bulk of our clients who acquire Gold numismatic coins pick up the common dated coins in mid to higher grades stemming from MS63 to MS66. However, for those who are true collectors we will gladly help you find that special dated and mint marked coin that you've been wanting. We currently have a nice selection of dated St. Gaudens reserved for our clients. Call for current prices and recommendations! **800-494-4149** We haven't seen numismatic coins this cheap in ages!

In closing, I was having an especially tough time writing this letter. It seems the world has gone mad. It's Christmas. This to me and my family has always been the most magical time of the year. It is the time we prepare special dishes to share with family and friends and maybe add a little extra sparkle around the home. I remember stringing popcorn and cranberries to hang on the tree and practicing for the Christmas programs at church and school. We always opened gifts on Christmas Eve and invited the neighbors over on Christmas for games and great goodies. I was blessed to have grown up in a large family on a farm in Minnesota.

We had our share of disasters and sadness but we managed to make the best of things. Not much money but our lives were overflowing with loving family and good neighbors. One of my brothers was a gun smith and we had a bluing tank in the basement. I learned to load shotgun shells at 9 years old. We usually had a pantry or freezer full of venison or beef and lots of veggies and fruit. The most important thing in life was doing a good job with what you had and finding ways to share good times. My grandma and grand-dad lived with us till they died. Grandma went before I was born, but my older siblings thought the world of her. I was too young to remember most of grand-dad's stories but I knew he loved me - that's what mattered. There is something to be said about the young and old learning from and listening to each other. Good stuff...

I believe there is a lacking with so many. It's a lacking that comes from deep inside. I think it is a mistake in thinking. My wish for you dear friends is that you do not lack. I wish you filled to the brim this coming year with love, peace and good health and prosperity. I wish you a strong faith to carry you through when life knocks you

down. I'm not talking religion; God loves you no matter what club you might or might not belong to. I'm talking about a faith in a loving higher power and a plan better than you or I can know right now.

This is our last letter of 2014. Before we go, we want to pause and say THANK YOU. Thank you for your business and your referrals. Thank you for your friendship! We at Resource Consultants, wish each of you a very Merry Christmas, a Happy Hanukkah and a Wonder-filled New Year!

Blessings and Gratitude,

Linda C Gorman

Linda, & Pat Gorman & the family at RCI