



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,

October/November 2014

With the end of the calendar year coming to a close, we hope you and your families are well and preparing for the future. Gold and Silver spot prices have been well below production costs. **Now** is the time to be putting away as much precious metals as you can possibly budget.

Although spot prices influence the physical, each item carries its own premium. For instance; American Gold or Silver Eagles will carry a slightly higher value or premium than a Gold or Silver Canadian Maple Leaf and gold or silver bars carry an even lower premium over the spot prices. This is simply because the U.S. Mint charges more for its coins (as does the official country mints compared to the private non-government run mints) for the same amount of silver or gold. The same holds when it is time to liquidate. You can expect to receive a little more when selling your Eagles than you will for your Maple Leafs or bars. So really, when it comes down to it - they are all respectable methods of investing!

Many of you have been taking advantage of the undervalued metals and are stockpiling Silver “Monster Boxes,” (mint-sealed boxes of 500 Silver 1 ounce coins.) The favorite Gold fractional value is rolls of 50 1/10 ounce Gold coins. *Ordering Silver and Gold in these quantities can offer quite the discount!* However, with the suppressed metals market prices and metals at below production costs, you really can’t go wrong right now by putting away any amount of hard money. Plant the seed of prosperity when and where you can and keep the weeds of paper fiat money from killing off your future financial well-being.

Christmas and the holiday season are upon us. We have never seen anyone who did not like the gift of Gold or Silver! We will be happy to ship your gift of precious metals to your loved one or if you’d like to give the gift of “investing,” why not a gift certificate to help get them investing for themselves! Give us a call, if you’d like some ideas for gifting. *Make sure to order early to insure your gift arrives when you want it to!*

If you are not taking advantage of the current low prices of precious metals, **WHAT ON EARTH ARE YOU WAITING FOR?!** Are you waiting for the market to rise first? Our happiest clients are those who continually put away physical precious metals without getting caught up in trying to time the exact highs or lows of the market. These clients have accumulated over the years and cost averaged some pretty sweet retirement safety nets. If you have been sitting there watching the financial world crumble around you, get off the fence for heaven’s sake and do something! You do not have to be rich to own precious metals. Anyone who can afford an evening out can afford silver. The most prudent saver pays himself first. Set aside a small percentage of your funds each month and create the habit of investing it in your future. Our friend and co/writer of this letter, David Smith, sheds some light on what we feel is happening right now in metals. Read and take action! Wise men who do nothing, waste their wisdom...

**Gold and Silver:
Prices are Down, Buying is Up – Massively.
What’s going on?
David H. Smith**

The prices for each of the “precious metals’ four” – gold, silver, platinum and palladium - have taken a drubbing lately. Technical analysts tell us that “major support levels” on the charts are being severely tested. The U.S. Dollar has made a huge move upward, surprising just about everyone. The price of oil has dropped sharply. Add to this, all of the tensions in the world – a “Cold War II” mentality between Russia and the U.S., massive government debt at all levels in the U.S. and overseas, manipulated and constantly revised “official” figures on inflation, unemployment, home buying, open warfare across the Middle East, and now the very real threat of an emerging health pandemic from the spread of deadly Ebola. A person can be pardoned for wondering, why aren’t the precious metals moving higher instead of dropping in price?

In this space a couple of months ago, I penned an essay titled, *there is a tide in the affairs of men...The “Tide” for Holding Precious Metals is Now!* At that time, silver was trading at \$20, gold was near \$1,300, platinum, well above \$1,400, and palladium was around \$900.

Before reading the column which follows, please consider doing two things.

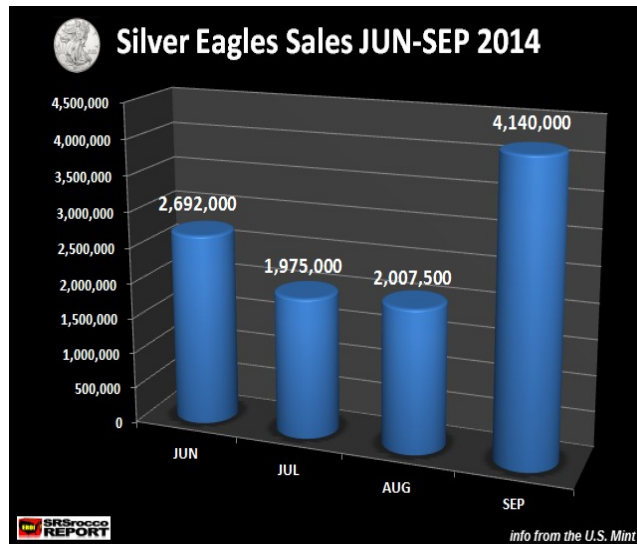
First, if you have not already done so, read/reread the above essay – either in print form if you received it in the mail, or by going online to www.BuySilverNow.com. click the Newsletter tab, then “September Newsletter 2014” – and open it as a pdf on your desktop (it can also be printed.).

Second, notice (if you have not already done so!) that the price for all four of these metals is now most likely well below where they were when I wrote that column.

I believe unequivocally, that everything covered in that essay is just as relevant now – if not more so – than it was at the time of publication. *No one* can accurately predict a major price bottom until well after the fact. But if you wait until it has become obvious to everyone else, and the opinion-makers are writing about all the “reasons” for a new bull run, then the opportunity to get started or add to your position will have largely disappeared.

Those who understand the wisdom of maintaining a precious metals “financial insurance” position as part of their net worth, and who are willing to add to their holdings on a dollar cost average basis, will at a point in the reasonably near future become some of the “last men standing”. This will come to pass while other forms of wealth are being seriously compromised or swept away by the ill-advised policies of governments and major financial houses around the world. As this dystopian situation eventually implodes and goes through the process of rebuilding itself into a more durable, fair and productive future, everyone will lose to a greater or lesser extent. But I believe that precious metals’ holders are going to forget the pain they are now enduring and in due time find themselves sitting at the winners’ table. Of course, only you can decide if you agree, and then consider doing something about it.

Record buying pushes physical gold and silver demand through the roof!



Steve St. Angelo does an excellent job of keeping the public up to date about the goings on with the supply/demand situation in both paper (artificial) and physical metals' (real) markets. This month he took a close look at the surging demand for gold and silver bullion rounds – primarily in the form of U.S. American gold and silver Eagles, as well as Canadian gold and silver Maple Leafs.

Not to be outdone, Australia's Perth Mint issued this report at about the same time, with Bloomberg reporting:

Gold sales from Australia's Perth Mint, which refines all the bullion output in the world's second-biggest producer, climbed 89 percent in September to the highest level in almost a year as prices declined. Sales of gold coins and minted bars rose to 68,781 ounces from 36,369 ounces in August and the most since October 2013, according to data from the mint compiled by Bloomberg News. Sales were about 68,487 ounces in September 2013, data show.

Furthermore, both palladium and platinum, as chronicled by the most reliable sources in the industry, are facing major supply deficits that may take years to overcome. Yet they too are experiencing waterfall market price declines along with gold and silver.

If the price drops we are seeing in the metals – all four of them – are legitimate, then why does investment demand continue to grow, in some cases - exponentially?

Theodore Butler about Silver

Ted Butler has been one of the earliest and foremost exponents in telling about the “silver story”. For over two decades, he has written about silver's unique investment potential, in addition to its absolutely critical nature in hundreds, if not thousands of industrial applications across the production spectrum. He was “sounding the alarm” when the price was below \$5 an ounce, and he's still at it. Within the last couple of months, he has written two especially poignant pieces - excerpts of which should be brought to your attention. They resonate with me and perhaps they will be of importance in helping with your own decision-making. Talking about what has been framed as the “Two Doors” nature of silver due to its investment and industrial demand factors, he wrote:

“...the stage is set for something the world has never experienced previously – an asset bubble accompanied with an industrial shortage. The two greatest upward price forces known to man, an asset bubble and a genuine commodity shortage, appear set to combine in silver. Either one, alone, would have a profound impact on the price,

but the combination seems both inevitable and almost impossible to contemplate in terms of how high the price of silver could be driven. And it's hard to see how intense investment buying wouldn't trip off industrial user attempted inventory stockpiling or vice versa; it doesn't matter which comes first...

As a result, any bubble in silver must and will develop from physical investment buying. Surely, any industrial user inventory buying panic must involve immediate physical delivery and not a paper futures contract in a time of delivery delays and uncertainty...

Since I am speaking in terms of a potential historic asset bubble in silver, I am implying that the price of silver will far exceed its true value at some point before correcting sharply. It is before that collapse point, that God-willing, I intend to sell. I am not deluding myself that I will come close except hoping not to be terribly early or late. While I respect anyone's reasons for buying and holding silver, my mission has always been to help end the manipulation and be done with silver after that was accomplished and reflected in the price.

Regarding the current sell-off in the precious metals as this is being written, Ted says:

I always held that while as crooked as a June day is long, the COMEX commercials---and JPMorgan in particular---were smart crooks and would know in advance of a pending silver shortage and position themselves as advantageously as possible. The final sell-off wasn't likely to be a brutish affair in which silver prices were smashed lower too aggressively for the technical funds to jump aboard the short side. It had to be a sell-off of such precision and skill to assure the maximum technical fund and speculative selling that would enable the commercials to buy and position themselves as favorably as possible.

While I fully understand why many would assume the commercials would do again what they've already done twice this year so far, I still hold that the coming silver rally should be treated as if it's the big one. For one thing, if this does turn out to be the big silver move that I have been expecting for decades, there will be no do-overs or second chances to get on board – one will either be on board for the big silver move from the bottom, or not be on board from the bottom.

The Seeds have been planted for the next big precious metals' upside run.

Rick Rule has famously said on many occasions that, “The cure for low prices is low prices”. In *The Morgan Report*, David Morgan's team at silver-investor.com has comprehensively researched and written about just how much it actually costs to mine an ounce of silver or gold these days. Looking only at the obvious expenses like the cost per ton to refine ore at the mill, or the labor factor in building and staffing a mine does not, by any stretch of the imagination, give us an accurate picture. Instead we use a different metric called all-in sustaining costs (AISC). Here a broad research net is cast in order to “capture” all of the costs associated with current precious metals' production. Everything from life of mine (LOM) maintenance, tax and royalty costs, exploration and permitting, support for the locals, and land restoration after production are added to the mix.

This financial yardstick is now being used by many analysts in order to get a lot closer to figuring out how much a given operation actually has to shell out, in order to find, mine, produce and get to market an ounce of the .999 fine precious metal that you (hopefully) hold in your hand. When all is said and done, the results of these studies have turned out to be quite surprising.

When the total package of AISC factors is considered, most of the primary silver mines in production around the globe today spend between \$22 and \$28 to create an ounce of pure silver. Many gold producers spend \$1,200 - \$1,400 to produce an ounce of gold.

Silver, at this writing is going for well under \$20 per ounce, and gold is below \$1,200/ounce. Platinum and palladium, facing their own supply deficit, are trading well below cost for just about all currently producing operations. So, do the math. Just about every ounce of precious metal now created is being done so at either a loss, or at best, to simply trade dollars.

Beyond the above factors, which for some time have been working against sustained profitability for most miners, is a recurrent situation recently brought to the forefront of the public's attention – the effect of mining operations on the environment.

The “mining footprint” as a gold and silver price driver

These effects taken together are called “the mining footprint” – what happens to the environment in the process of metals' production, from exploration, building and operating a mine and a mill over a number of years, until the ore is exhausted, the mine(s) closed, and the land restored as closely as possible to its original state.

Regulations are much more stringent than they were even a few years ago. By and large the industry has a good track record. But from time to time, accidents do happen, and they can have a significant impact, not only on the local landscape, but also on the public's perception of mining in general.

Two incidents earlier this year demonstrate this point. First in British Columbia, and then a short time later in Mexico, the accidental discharge of mining waste created a good-sized mess, affecting the local landscape and the public's tolerance for it.

In the B.C. case, several billion gallons of treated water of questionable toxicity reportedly flooded into a nearby lake and surrounding streams. While it will take some time to measure the full effects, the negative impact on the public's perception of mining and the risk it entails was immediate and will be remembered for quite awhile.

In Sonora State, Mexico, 1.4 million cubic feet of leached copper wastewater spilled into a nearby river, leading to local drinking water restrictions and calls for heavy fines, perhaps even shutting down the operation. According to news sources, Sonora State accounts for as much as 27% of the country's metals' production.

Substantial investigation will be needed in order to see whether or not “best practices” were followed. Even if they were, the bottom line is that perfection does not exist in any human effort. No matter how carefully a mining operation is conducted, the risk of an accident cannot be taken out of the equation. In other words, operational reality can only address accident-management and reduction, not accident elimination.

The mining operators our analysts researched and report on at themorganreport.com have shown themselves to be conscientious environmental stewards, as well as good, tax-paying citizens for the areas in which they operate. We have visited sites in Mexico where the water returned to nearby streams had pH and purity levels equal to or better than was the case before its initial use in the milling process. (Over the years we have refused to cover companies we felt were not conscientious in following proven operational procedures that could mitigate their short and long-term environmental footprint.)

When you drive down the road, prepare meals in your kitchen, tee off on the golf course, or cast for trout and bass with a graphite rod, titanium reel, and high tech fly line and leader – which used to be made from cat gut (!) – keep David Morgan's oft-stated truism in mind, that “Everything we use in our daily lives is either “mined or grown”.

One of the more insightful observers in the mining sector, Sprott Asset Management's Steve Todoruk had this to say when he compared mining companies to airlines. Knowing that they can't realistically give guarantees, he says:

It's likely that accidents like this will happen again. Despite the risk, the mining industry will continue, because people need metals like copper in order to enjoy access to electricity for their homes and offices, to computers, cars, air conditioners, and other modern comforts.

Without a doubt, miners are going to be held to even more stringent operational standards than exist even at the present – and to a certain extent, this is all well and good.

But these requirements will by definition, create additional expense, take longer to implement, and greatly raise the financial bar for both producers and exploration companies who seek to find new, increasingly-elusive deposits. Also without a doubt, the paper dollar cost to users - across the board - as demand spirals upward, is going to be much higher, even as the physical metal itself becomes more difficult to acquire.

On October 23-24, 2014, the 12th Annual Silver Summit will be held in Spokane, WA at the historic Davenport Hotel. David Morgan, who was one of the original lights in the establishment of this conference many years ago, will be in attendance and presenting both days. I have penned articles – both by invitation – in the *Prospector News*, and in the Silver Summit's Conference Journal, *Drill and Pick*.

Because a portion of the essay in *Drill and Pick* is so relevant to our topic today, I am including a segment for your consideration from it. I hope this illustration will give those who have been building their metals' position the courage to hold on, or even add to it, and may it encourage those who have been procrastinating about getting started to take action...

Remember David Morgan's Dictum

Sometimes technical analysis does a better job of predicting the past than it does the future. If you should happen to grab a really big investment tiger by the tail, getting out based solely upon chart signals might cause you to miss the biggest part of the run. David Morgan, at silver-investor.com/themoreganreport.com has demonstrated with considerable precision that fully 80 – 90% of an entire bull market's profit potential tends to occur during the last 10% in time of the full cycle, during the blow-off move to the ultimate peak. (By the way, David will have a book out this fall with a compendium of information about silver, past, present and future. In this book, he will offer some very specific suggestions as to how you may be able to capture – and hold onto - the lion's share of that “last 80%” when silver starts to make its final vertical climb skyward.)

I'd like to conclude with a real life example of a market which to date has offered a profit percentage similar to gold's run (c. 400%), while still – which in my view also applies to gold and silver – being far away from its ultimate blow-off top. This metal is palladium, and the story concerns a friend of mine who, in 2005 bought a stack of physical metal at \$170 the ounce. With a \$50/ounce premium, his net cost came to \$220. He still has most of it. Looking at the charts, it's easy to see, that had he taken one or more of the many technical sell signals generated along the way, he would have sold long ago at substantially lower prices, and also most likely would never have re-established even a portion of his position.



25 year monthly Palladium, October, 2014

Look at the number of times on this monthly chart where the price went back down to where he initially bought. Think what this must have done to his resolve? After his purchase, the primary price peaks and valleys unfolded as follows:

\$350 - \$180; \$400-\$300-\$600-\$180; \$180-\$850-\$550; \$570-\$920-\$780 - ___?

Surely each time the price dropped below \$200, the bull market was over, right? All the bullish signals, other than a long-term support price shelf were obliterated. Well, 9 years later, palladium has exceeded every “top” it made during that era, posting a 13 year high in the process. A Supply deficit, coupled with the lengthy lead time needed to rebuild it, leads to the conclusion that a long term mega-palladium bull market is getting underway.



25 year monthly Silver, October, 2014

Now, what if Silver does the same thing?

END

David H. Smith is Senior Analyst for www.Silver-Investor.com For the last 15 years, he’s investigated precious metals mines and exploration sites in Argentina, Chile, Mexico, China, Canada, and the U.S. He shares his findings and investment perspectives with readers, media listeners, and audiences at North American investment conferences.

THANK YOU DAVID!

It has been so rewarding to hear many happy testimonies from those of you who have been using **ASEA** with redox signaling molecules. Everyone's case is different. Some have reported sleeping better. Some have experienced clearer thinking and detoxification. Others say they were able to catch and curtail colds and viruses at the early stages before they caught hold. Some of you who have no symptoms of dis-ease are enjoying the benefits of staying that way by giving your body what it needs to regain and maintain health on a cellular level. All great stuff!

We feel it is vital to give the body what it needs to support healthy cells and immune systems inside and out. ASEA is by far the best product we have found. And there are no problems with drug interactions or harmful side effects!

The **Renu28** was created to be used topically. It is a more concentrated form of ASEA in a gel. A client of ours who tried the Renu28 sent me this testimonial. Dorothy called after using the Renu28 to order some more. She had a painful sore in her mouth that would not heal. After reading the outside of the tube she decided there was nothing that could harm her and applied the Renu28. She was so happy to be rid of that sore, she sent this note. With her permission, I happily share this with you.

Dear Linda,

I have had great success with the Renu28 product in my mouth. There was a sore spot in my mouth on the gums where the bridge connected with the permanent tooth.

At night I would dry the spot with a Kleenex and then I applied Renu28. I can't quite remember how long before the spot healed. I am guessing about a week.

Thank you for sharing about the Renu28 in your newsletter.

Sincerely,

Dorothy

Our prior two letters also share some info on ASEA and how it has helped our family for the past 4 years. If you want to learn more about this wonderful product or are interested in the business opportunity, go to www.AmazingMolecules.com or call Linda at 800-494-4149 to order.

Now back to the metals and the recommendation section of this letter.

GOLD & SILVER ~ CATEGORY ONE

INSURANCE

One of the safest most private things you can have in your portfolio at this time is hard money. By hard money, we are referring to physical gold and silver. Minted for their tradable bullion content, these gold or silver coins and bars are a tangible store of wealth that may be vital to your financial future.

It could help you to think of the Gold coins and bars as your precious metals savings account. They offer an opportunity to possess, retain and maintain your buying power in times of failure of the financial institutions the paper markets. Recently, we are experiencing five year lows in the metals markets. This just may be the best buying opportunity for precious metals we will see in our remaining lifetime! Make sure you have enough Gold in your possession to insure that you and those you care for have the best chance for surviving and thriving in the uncertain times ahead.

GOLD

American Gold Eagles were first minted in 1986 and are still minted today. They are available in 1, 1/2, 1/4 and 1/10 ounce pieces. The fractional sizes carry slightly higher premiums. However; with production expenses higher than the metals prices, **NOW IS THE TIME** to get your fractional pieces! When the price of gold is at \$5,000 - even \$2,000, the small premium you have paid for your fractional gold will not matter in the least. You will be happy to have picked up some fractional gold when you did. They are excellent for bartering for those financial needs between your silver and one ounce gold investments. *The fractional gold coins make wonderful gifts, too!*

When you order 5 ounces (50 coins) of 1/10 ounce Gold Eagles from R.C.I. there is a substantial discount. Make sure you ask about quantity discounts on other precious metals when you call. **1-800-494-4149.**

Although U.S. Gold is the most sought after, the Canadian, Austrian and South African minted gold coins are just some of the other bullion coins in demand and in most cases, less premium. But if you are looking to get the “biggest bang for your buck,” ask for a quote on pure gold bars.

SILVER

We feel that silver is the most undervalued asset of all. Silver Eagle monster boxes of 500 1oz coins have been the most popular request. It costs between \$23 - \$25 per ounce just to get silver out of the ground. With spot in the \$17-\$18 range, Silver Eagles, Maple Leafs and Philharmonics have been going for less than \$21.00 per ounce! These are fantastic buying opportunities. The gift of coins is something no one will outgrow nor will they ever go out of style. We have given these coins as gifts every year for decades and have never known anyone to be disappointed to receive one. Most 1 ounce Silver coins come in 20 coin rolls with the exception of the Canadian Silver Maple Leaf which is packaged in rolls of 25. Again, ask about quantity discounts.

We have 1oz Silver Christmas rounds again this year available in rolls of 20 rounds. Choices are Santa/Merry Christmas or Snowmen / Happy Holidays! Very great stocking stuffers DON'T DELAY!

U.S. 90% silver dimes, quarters and half dollars minted up through 1964 are still available and to help with your gifting we will package them in as small as \$50 face value bags. However; *do not procrastinate.* We want to see you get the best values as well as avoid the stresses of worrying if your gift will arrive on time!

Platinum and Palladium

The other two rare and precious metals you probably should look at are Platinum and Palladium coins and one ounce bars. Even more rare than Gold, these metals have been used mostly for industrial purposes and in jewelry. They are gaining more and more acceptance and respect as a store of wealth. We feel Gold and Silver should be the backbone of your portfolio but adding some platinum and palladium to the mix at these prices could prove to be a very smart move. These metals are usually purchased in 1 ounce coins or bars, though some Platinum is available in fractional sizes. Palladium an extremely rare precious metal is, in our opinion, ridiculously undervalued. Most portfolios should hold a few ounces of these metals. The time to add them is NOW.

Nearly all of the above mentioned coins and bars are acceptable into your Precious metals IRA account, too. If you would like to know how to open an account or transfer part of your current IRA funds into a Precious Metals IRA account contact us at 800-494-4149. We will help you through the process.

CATEGORY TWO

INSURANCE WITH A KICKER

Right now our favorites in this category are the Rolls of Brilliant Uncirculated Pre-1921 Morgan Silver Dollar Rolls and the Gold \$2.5 Indian in XF condition. These as well as the French \$20 Franc Angel, which has a very low premium, could make wonderful gifts too!

GOLD CATEGORY THREE

SPECULATION

If you have been wondering when to get back into the numismatic market or begin your collection of Mint State American Gold Coins - *NOW IS THE TIME!* We have them available at fantastic values at this time and the numismatic market is just beginning to wake up again. As in any investment, timing is very important. Our favorite in this category at this time is the \$20 St. Gaudens in MS65 Condition. Call for current pricing and availability. **800-494-4149.**

We will gladly help you build date sets or find that special coin you are wanting in your collection.

Whatever your budget or goal is we can work with you and help you meet your needs. The most important thing is to get positioned and take advantage of this buying opportunity while the treasures are in the bargain basement!

As we near the end of this year, Pat and I and the entire staff of Resource Consultants, want to extend our heartfelt gratitude to you, our clients, for the business, friendship and referrals you have shared with us.

Thank you and God Bless,



Linda & Pat Gorman