



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 July-August 2015

It appears that the populace is starting to wake up to the fact that what is happening in Greece is most likely in store for us here in the U.S. as well. What makes matters worse is the fact that per capita we as Americans are in even deeper debt than Greece!

Many of our readers expressed an ever growing uneasiness regarding the next few months in the financial arena. We don't know what will happen or when but we ask you; How long can they keep up the façade before something gives and the whole thing implodes taking the lion's share of our hard earned dollars and savings with it?

We hope you have been putting away as much tangible money as possible. With the recent surge in metals buying some items, as we've predicted, have gotten scarce. Platinum is the metal that disappears about as quickly as we can get any in. If you want some, make sure to check with us often. Palladium is still available, mostly because fewer people know about it. These rare white metals are mostly used in industry rather than thought of as hard money like the Gold and Silver bars and coins are, but they are both more rare than Silver and Gold and at the current prices you might want to consider putting a small percentage of both Platinum and Palladium coins or bars in your portfolio.

It may only be August now, but that makes the Christmas and Hanukkah season less than 5 months away. This is the best time to pick up gifts of Precious Metals for your friends, families and co-workers. Dated coins are wonderful ways to commemorate a special birthdate, anniversary or graduation too.

Low spot prices have caused the physical prices to fall lower as well and we have seen huge purchases of Silver and Gold again lately. Most of the back

dates are very delayed or unavailable because no one wants to sell their metals back into the market at this time.

The U.S. Mint halted production of 1oz Silver Eagles for two weeks recently setting back delivery by nearly a month. They are pretty well caught up now and the shipping schedule is nearly back to normal (for the time being) 90% silver U.S. coins are still in big demand with little supply available. This again, because no one wants to liquidate on a market drop.

It has been our recent experience that the bulk of our clients are stocking up on one ounce and fractional Gold and silver at this time. Again, if you have the intention of giving precious metals as gifts DO NOT WAIT TILL November-December to do so. Delays can occur and you don't want to be caught without your gift on time!

Gold and Silver: Heading for a "Blue Screen of Death" Event?

For personal computer users who by choice or circumstance, find themselves using a version of the Microsoft Windows operating software family, a dreaded condition known as the "Blue Screen of Death" (BSOD) is a seldom occurring, yet ever-present possibility. Wikipedia defines the Blue Screen as being *caused by poorly written device drivers or malfunctioning hardware, such as faulty memory, power supply issues, overheating of components or hardware running beyond its specification limits.*

You're working along, thinking everything's under control -even if it's not all that much to your liking - but at least you understand the picture...and then, Bam! Your screen goes blue! Nothing's working. The computer tries to figure out what happened and (perhaps) do a hard reboot. Things may get back to normal...or they may not. Your system may have crashed, erasing all your work, your saved

documents, your operating system's "memory". Now what!

A look back at the charts shows that silver (and gold), in spite of having several attempts to move back toward their bull market highs (so far) of May, 2011, near \$50, has actually remained solidly entrenched within the confines of a cyclical bear trend. Silver has lost 70% of its high-point value; gold is down 40%.

A Blue Screen of Death?

More on what led up to this situation later in this report. But right now, here's the premise about what could happen in the silver space, sometime within the next 6 - 12 months. I'm speaking about the potential - which hardly anyone expects or even believes possible - of what could be called a "Silver Blue Screen of Death Event".

If this circumstance was to come about, it would mean that the price of silver - literally overnight - could do a "hard reboot" launching itself upwards so quickly that if you slept in the next morning, it could be next to impossible to get aboard without taking on a massive degree of additional risk in relation to what would have been the case only a day earlier.

What might cause such an historic event? What effect would that have - almost instantly - on the price of silver? On the availability of the white metal? On the price of the underlying mining stocks?

Right now, mining stocks are simply "trading dollars"

Only a handful of primary silver producers are doing better than trading dollars from their sales, after All-In Sustaining Costs (AISC) are considered. After subtracting the cost of doing business, and all the effort just to get the silver ore out of the ground, mill and turn it into Concentrate or Dofe form for the smelter, little or no profit remains.

About two-thirds of silver production actually comes as a by-product from large base metals' producers. Silver profits are less of a consideration, since their primary metals are copper, gold, or a base metal.

The only way many primary silver producers can show a profit is to include the returns derived from base metal production - zinc, lead, copper - into their dollars' return mix. When you see a company

reporting sales of X amount of "silver-equivalent ounces", that is what has taken place. Some mines have a fair amount of gold production included as well. The silver/gold ratio now stands at around 75:1, so you can see how even a small amount of gold production can distort the value/profitability of silver mined by itself.

Of course, mining stock shares have been eviscerated. The biggest producers are down 40-70%. Exploration companies without near-term production or buyout stores are off 90-95%. Hundreds more have simply blown away.

Zombie miners litter the landscape

I read a series of news releases recently from a company in which I once held a large position. They had a good "story" in an excellent location in a great jurisdiction in eastern Canada. The gold is deep, but it's there. Unfortunately the management wasn't "all there". They squandered millions of dollars trying to "prove up" a number of disparate properties, rather than focus on the best one and get it into production or sell/JV it to a major producer. All the while, Management and Directors paid themselves fat salaries, eating up the company's working capital.

Lack of focus and general incompetence severely tarnished the reputation of at least one highly-capable analyst. Both of us, and many other investors, lost quite a bit of money as their operations slid into irrelevance. Now they're raising \$100,000 at a time - which barely pays for one deep hole. They pay 10% of the principle and issue millions of new shares - diluting remaining shareholders, in order to "continue a drill program" and for "other (unspecified) operational expenses".

Another company I visited several times and which was on our watch list at *The Morgan Report*, but that never made it to the recommended portfolio as a speculation, just did a 10:1 share rollback after several seasons of drill results that were interesting, but as they say in the trade, "no cigar". They are working a highly-prospective, remote area in Canada, and are fortunate in that they are - so far- being bankrolled by a Major producer. Nevertheless, if they don't find that cigar within the next drill season or two they run the risk of becoming another footnote, in what has become by most accounts, the worst Canadian resource sector downturn of the last two generations.

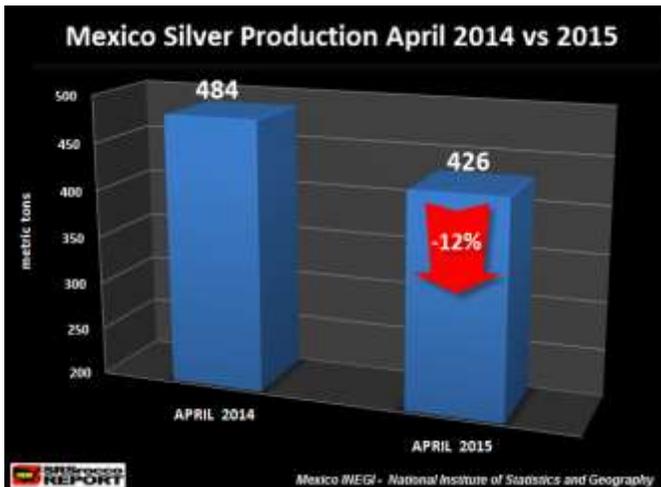
Silver: Wearing You out or Scaring You Out!

As David Morgan at themorganreport.com has so famously remarked, a silver downdraft "will either wear you out or scare you out." Boy has he ever been right on that one!

A number of mining companies have literally "gone to pot" - growing and marketing legal marijuana, while their previously-worked mining operations go "up in smoke". And several high-profile precious metals' analysts are nowadays writing about oil and uranium instead of gold and silver!

Silver Supply...

Just this month, Steve St. Angelo at sirroccoreport.com reports that the production from Mexico, the world's largest silver producer, dropped 12% in April compared to the same month last year. Could this be a one-off event? Possibly, but looking at statistics for the principle Mexican states involved, all but one shows a decline. This is not just one mine with a flooded shaft, or which slowed production during installation of a new ball mill. If silver production in Mexico continues to decline, the proverbial handwriting for longer term supply may be on the wall.



On the demand side...

- So far this year, India has purchased 40% of the world's newly-mined silver.
- China, which used to export 100 million ounces, now imports it.
- On Tuesday, July 7th, 1 million American Silver Eagles were sold, causing the U.S. Mint to suspend sales for 2 weeks, until new blanks could be procured. (In all of 2014, investors bought about 43 million Silver Eagles.)
- Canadian Silver Maple Leaf sales continue to flirt with another annual record.
- New uses are found for silver in industry and medicine on a daily basis.
- Total U.S. 1st quarter silver imports are up 531 metric tons from last year



Just one of over 10,000 uses for silver.



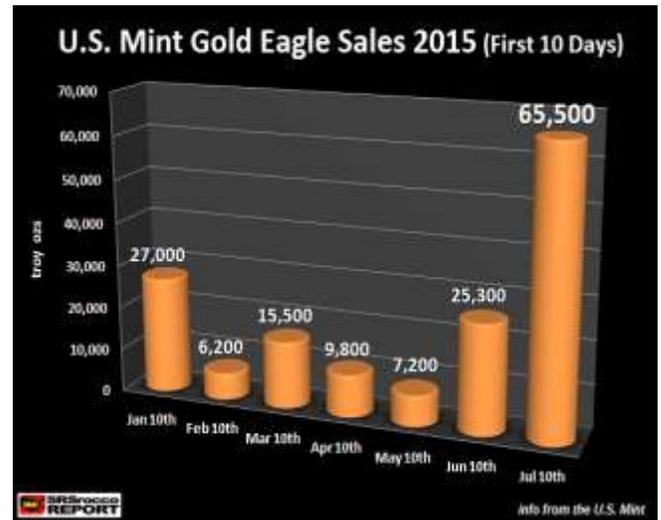
25 year monthly Silver Price Chart (barchart.com)

Titanic forces of silver physical supply, physical demand and "paper silver" are building...

Declining grades and amount of silver output - most taking place right now below the cost of production - leased metals' and futures contracts, in addition to financial derivatives amounting to hundreds of trillions of dollars around the globe - these factors taken in total - are stressing the tectonic plates of silver supply and demand like never before. Something has to give, and it will - sooner rather than later.

Steve St. Angelo, in a major new silver report, has noted that investors tend to ramp up purchases of silver when the price is either moving strongly up or down down. When it trades in a broad sideways movement that chartists refer to as "congestion" - physical purchases - especially of Canadian Silver Maple Leafs and American Silver Eagles, tend to decrease.

As if to prove his premise in short order, on Tuesday July 7, 2015, in the wake of the Greek "No" vote the preceding weekend about paying back massive loans from the ECU, silver dropped over a dollar an ounce in early morning trading, eventually closing down .55 cents on the day. Sales of American Silver Eagles reached such a crescendo (over one million that day alone) that the U.S. Mint announced it was temporarily suspending sales for two weeks, in order to replenish its supply of blanks.



U.S. Mint Gold Eagle Sales, July 1-10.

On an even more telling note, the U.S. Mint reports that the day before, on July 6, sales of Gold Silver Eagles rose to 21,500 - as much as were sold during the month of May. During the first 10 days of July, a stunning 65,500 Gold Eagles were sold!

Record short sales of silver futures contracts on the COMEX (or as cynics call it, the "CRIMEX"), are a short-term bearish, longer term bullish factor. Bearish short term, because heavy shorting (wherein investors make money if prices drop) may portend an attempt to push silver into new lows for the move. Bullish, because if lower prices don't materialize, or when the shorts try to take a profit, the price will be bid up substantially - and quickly. Whenever a short moves to offset his/her contract(s), they must do the opposite of the initial trade - in this case buying back the number of silver contracts they originally sold. This buying, in addition to new investors who believe the price will rise, and who therefore buy their own new contracts, creates a powerful upwards impulse.

Whether this buildup action by the shorts portends "another leg down" in the silver price remains to be seen. At this writing the 4 year lows printed last November at \$14.15 are still holding. Either way, in frequency and intensity, the ongoing crush of events underscores just how unstable and unpredictable the global financial house of cards has become. And given that gold and silver have been for thousands of years, the "money" of last resort, it's probable that as we approach the next financial unraveling, people will once again seek to hold them as a preferred "last resort" - if they can be found.

How a Silver Blue Screen of Death Event Might Look.

It's a Sunday evening...

- In overnight markets, the price of Silver rises \$2 - \$4 an ounce.
- In pre-opening trading the next day, silver stocks open 50% higher.
- American Silver Eagles/Canadian Maple Leafs sell out in a few hours.
- Premiums on "junk silver" triple from the previous day's level.
- Local coin shops sell out of silver by noon the next day.
- Silver moves up sharply each day and ends the week \$15 higher.
- Over the next two weeks, silver retraces just 25% of its meteoric price rise, forming what technicians call a "bull flag". On the third Monday, the "moon shot" continues, easily breaking through multi-year resistance at \$38, then \$44, and finally the all-time (nominal) highs above \$50, closing a few weeks later at \$75 an ounce.
- For several months the price forms a broad trading range below a spike high at \$80, and is unable to drop below \$55 an ounce. Almost no retail metal is available, and when it is, the premium is \$15 over spot. Primary silver mine producer stocks trade well above their 2011 highs, in some cases 50 times higher than the bear market low.
- Unlike 1980, silver trading this time is a global phenomenon. News via the Internet is instantaneous, with Chinese markets setting the Price. The NY COMEX has defaulted on its futures' contracts and has settled by paying out paper money.

Four months later, silver prints a new all-time nominal high and surges into the \$125-\$175 per ounce range, in the biggest metals' bull market in modern history. Gold penetrates \$6,000 per ounce on the upside.

Note: Even at \$125 an ounce, silver would still be trading lower in inflation-adjusted dollars than it did in 1980!

Is such a scenario possible? Stay tuned...

Gold's real value is after the crisis has passed.

Sometimes you will hear a person remark that "You can't eat gold in a crisis." Well, that's true. But where gold (and silver) really shine is during the period after a currency has been devalued sharply (think Venezuela, Mexico, Argentina) or has collapsed outright (think Zimbabwe, and again, Argentina). When the old currency is removed from circulation, your precious metals - which will have retained their pre-revision value - can be exchanged for the new currency.

Ask a Zimbabwean citizen if they would rather have traded one trillion old Zimbabwe dollars for one new one, called a "banknote"...or an ounce of gold for \$1,400 new U.S. Dollars - one of several international currency units now used for transactions inside the country? Think about yourself in a similar situation someday.

Perhaps we cannot hold accountable those who serve themselves first and us not at all. But we can take it upon ourselves to follow the spirit chronicled in Dr. Janice Dorn and Pat Gorman's inspiring book, ***Personal Responsibility: The Power of You.***

Do whatever you can to make yourself independent of the government. Keep some cash outside the bank, but within your reach. And hold physical gold and silver, either in your direct possession, or in an allocated - *segregated* - account.

Hugo Salinas Price, is one of Mexico's wealthiest citizens (born in Pennsylvania). Two years ago, in an open letter to the Greek government, he suggested that they mint and circulate a one-tenth ounce silver coin that would trade alongside the euro, or a reinstated Greek drachma fiat currency, should that become the case. Its value would rise with the spot price, and never be reduced. The proposal fell on deaf ears, but the game is not yet over.

A few months ago he had this to say about the financial mess now enveloping much of Europe, even as the same kinds of storm clouds are building within our own country:

This is apocalyptic. We are in a terrible mess, and there is no way out without suffering. Apocalypse means prices are going to go haywire. Business is going to stagnate. Unemployment is going to prevail. There is going to be enormous disorder. That's what I see will happen. We are not going to get out of this mess easily. It is going to be painful. One way to avoid pain is to have something you will be able to trade for what you need and that is gold and silver.

Whom do you believe to be more prescient and trustworthy. Whose advice makes more sense? Hugo Salinas Price? Or the central banker/politician who keeps telling you that there's absolutely nothing to worry about...until the message changes over the airways on a Sunday afternoon...?

It's About Confidence

As long as people retain faith in the banking system, and what politicians tell them about it, the charade will continue. Greece's near-default, the Chinese stock market melt-down (where investors have been told they cannot sell any of their stocks for six months), cyber attacks which have laid bare the personal information of tens of millions of Federal Government employees as government watchdog agencies again failed "to connect the dots".

On Wednesday, July 8, there was a "glitch" or a so-called "technical hiccup" on the New York Stock Exchange - the world's largest - forcing a trading halt for three hours.

The Washington Post described it thus: *So what exactly went wrong? We're not 100 percent sure. NYSE officials called the problem an "internal technical issue" early in the day. There are some reports that the exchange was planning to update some of its software Wednesday morning. It may be that those updates went awry...*

It may have been a big deal. It may not have been. What you can be sure of however, is that "the government" in its infinite wisdom, is not going to tell you the truth unless it's in their best interests to do so. Don't forget, that *confidence* contains the word "con". Time and time again the Federal Reserve, major banks, financial houses and politicians have said one thing in the event, and then something else. We might find out years later, only by queries through the Freedom of Information Act, that they were lying at the time.

The Authorities understand that once confidence evaporates, the game is over. So they will do anything and say anything in order to keep the mass of people believing, all the while lining their own pockets. Study history and you'll see that this is nothing new. People for thousands of years have understood this and the more alert among them have taken steps to prepare accordingly.

For some time, analysts knew that Puerto Rico was on a path to bankruptcy - though at the present time, they technically cannot file for it. Now, finally the obvious can no longer be hidden.

This July, in an event rare in the annals of political history, Garcia Padilla, the Governor of Puerto Rico, commenting on that commonwealth's inability to pay its \$72 billion debt, publicly stated the unvarnished truth:

The debt is not payable. There is no other option, I would love to have an easier option. This is not politics. This is math. Further to the point, he concludes, My administration is doing everything not to default. But we have to make the economy grow. If not, we will be in a death spiral.

For a long time, nothing systemic happens because people have "confidence", because "the government" has everything "under control". And then...everything seems to happen all at once, and it doesn't. When systemic issues are merely papered over rather than dealt with in a realistic way, this is what you get.

Bill Holter in collaboration with Jim Sinclair, recently wrote the following:

Once the belief that "debt is an asset ...or even money" is broken, just as a spooked herd of cattle runs wild, so will investors. They will seek the safety of "no one's liability" because no one will be trusted. This includes the central banks and sovereign treasuries themselves. Gold, (no one's liability) will not pay you interest and will not make promises that cannot be kept, it will simply "remain". Gold will remain as the world's purest asset and purest money. In a world where most all "assets" are finally understood to really be someone else's liability, there is no telling what value might be placed on the purest form of asset/money? Gold will be seen as the "anti liability of last resort". I guess better said, gold is the

ultimate central bank for the asset side of the balance sheet!

RECOMMENDATIONS

GOLD ~ CATEGORY ONE

INSURANCE

We cannot stress strongly enough how important it can be to put away as many ounces of “Hard Money as you can afford while you can. The next few months into the next few years are lining up to be chocked full of economic challenges and the wealth a person shows on paper can become dust in the wind in a blink. Gold and Silver will at the very least protect your purchasing power and help you get through the times ahead. Then once we have gone through the economic reset, you more than likely will be in much better shape than those who relied on paper assets.

One ounce Gold coins and bullion are easy to buy and to liquidate. The most popular coins are the U.S. Gold Eagle and 1oz Gold Buffalo, followed closely by the Austrian Gold Philharmonic and Canadian Maple Leaf. All but the Buffalo are available in 1oz, ½ oz., ¼oz and 1/10oz sizes. The fractional pieces carry higher premiums but quantity discounts are available. Our clients have been taking advantage of the low spot prices and picking up the smaller denomination coins in rolls while the prices are low. They know that once Gold prices go up again, the fractional coins will go up substantially too and they will already have stocked up on them.



GOLD~CATEGORY TWO

INSURANCE WITH A KICKER



U.S. \$20 St. Gaudens Minted 1907-1933

The original, slightly circulated U.S. Gold Coins such as the \$20 St Gaudens, pictured above, as well as the older \$20 Liberty type Gold Coin which was minted 1877-1907 in XF condition are always cherished. The premium for these beauties is not far above the bullion coin prices. These as well as the \$10, \$5 and \$2.5 gold coins are available and make great additions to your portfolio and fantastic gifts. Call us for current prices to ask about creating a date set!

Foreign Gold coins that would fit into this category and are a nice choice as fractional Gold include the French 20 Franc or English Gold Sovereign.

GOLD~ NUMISMATIC

CATEGORY THREE-SPECULATION

Older U.S. Gold and Silver coins that were originally minted to be used as currency but somehow avoided being out in circulation thereby staying in Mint State condition are considered Numismatic. We offer them graded by PCGS or NGC which are third party grading companies who guarantee the quality and grade of these coins. The current fall in the financial markets as well as the influx of people who have liquidated some of their coins recently to raise some cash has caused the premiums on these beautiful coins to drop as well. Now could a great time to add to, or start your collection. Call us for recommendation, prices and availability.

800-494-4149



**SILVER~ CATEGORY ONE
INSURANCE**

This category has been flying out the door as it should at these insanely low prices. The scarcest item is the 90% silver coin. As you can imagine, hardly anyone is liquidating their silver with spot prices at the current lows. This means there can be a delay of 1 month or more in receiving and shipping these out the market. We still are able to lock in the price and secure these items but then need to patiently wait till they are available for delivery. This is because the mint stopped producing 90% in 1964 so it is only available when someone liquidates their holdings. We warned you about this. It has happened before and it will happen again whenever the prices become ridiculously low. This is why we stress, do not wait if you want to pick up metals, especially silver. Right now you can still lock in your price and be sure of getting your metals even though some items are a little delayed. At some point, you might not be able to purchase it at all. You do not want to be caught without when you need it.

Silver Eagle 1oz coins are available in rolls of 20 and the mint is just starting to catch up so the wait is lessening and should be back to normal very soon. Canadian Silver Maple Leafs are actually taking longer to receive right now. Philharmonic Silver coins have not been running late. The best values are the 500 oz. "Monster" Mint boxes.

Silver bars are still available in 100oz, 10oz and 1oz sizes. The most popular being 1oz silver rounds in rolls of 20. These will carry just about the lowest premium of the 1oz pieces. Rounds are now available in 1/2oz, 1/4oz and 10th oz sizes (which are sold in rolls of 50 like the fraction gold coins) as well and we feel this is a wonderful way to store your purchasing power for small items or services in the times of financial upheaval. The rounds come in several different designs but are all marked with the weight and .999 fine silver. My personal favorite design is the Buffalo. Love these for gifts and tipping too!

HEALTH

To the individual who believes that how you look, act and feel should not be limited by age, ASEA is for you! If you would like to learn more about ASEA and Renu28, place an order or find out more about joining our team, call us at 800-494-4149 and ask for Linda. www.amazingmolecules.com will give you some of the science and history of the product and www.signalingstories.com will offer some testimonies of others who have truly benefited from using ASEA and Renu28. See how you can save 20% or more and join our team!

TUTELAGE

New Financial Fitness Program just released!

The word **tutelage** according to the dictionary is the teaching of an individual student by a teacher: an act of guarding protecting: helpful influence or guidance. Tutelage is the word that best applies to a new company we've become owners in. We are excited to share it with you because it is such a perfect fit with the message of personal responsibility we have been writing about here since Resource Consultants began. One of the products is "The Financial Fitness Pack." Call our office for more information. More to follow!

Thank you for your business, your referrals, and your friendship.

God Bless each of you!

Linda C Dorman

Linda & Pat Gorman