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Dear Friends, May/June 2016

Our previous newsletter was devoted primarily to raising awareness of the many uses of silver. In this issue we hope to possibly give you, our readers, a little information that might be new to you about Gold!

Gold did not originate here. Like all natural elements which are heavier than Iron, the origin of Gold is thought not to be the planet Earth. Instead, it is believed that this beautiful metal is the result of supernova explosions, neutron stars colliding! Large meteorites striking our planet over the period of billions of years have deposited and brought us gold, most of which is said to be located in the earth's core because of Gold's heavy properties. The veins and Gold deposits on or near earth's surface are from comparatively recent strikes.

Though many have tried, no one has of yet, been able to create real Gold.

Because of Gold's pure stand out beauty and color found in nuggets or flakes, gold was one of the very first metals discovered by ancient man. Because of the malleability of the metal gold was soon utilized for jewelry and to beautify the walls and palaces of the wealthy. Gold is still one of the best stores of wealth available to man.

Buy Silver Now. Buy Gold Now. The Price and Supply Windows are Closing

David H. Smith

Many of you have read essays from Resource Consultants over the last few years which have outlined the increasingly bullish fundamentals supporting the return into the global economy, of gold and silver as *money*. Quite a few have acted on that information. You have established a regular plan of adding to your physical precious metals' holdings - acquiring and storing "hold in your hand" money upon which only you have a claim. For years to come, it will be an insurance policy to help protect your other assets as our debt-laden financial system unravels and transfers massive wealth from one set of investors to another, better-informed one - of which you have now become a member.

Even more new readers - and customers - to the Resource Consultants Wealth-Building Family are coming onboard every week. We want to welcome (and inform) you, AND we want to remind our current customers and long-term friends, that it has never been more important than right now to keep working your plan - adding more metal to your holdings.

It was not always easy to buy more gold and silver when the price was falling, as it did for the last five years, every since the May 2011 cyclical top (at just under $50 per ounce) in silver, and the cyclical top (at $1,923) in gold in September of that same year. Yet buying into weakness with a dollar-cost averaging plan is exactly what successful wealth-builders do.

Buying into Weakness turns an Investor's Market Psychology Upside Down.

When many investors make a decision to take a position, they tend to do one - or more - of three things. First they try to "buy the bottom". But since no one knows ahead of time just where that low is likely to be, odds are they will be off - sometimes by a significant amount. Second, they often "buy in a blob" - placing all the money they intend to commit to their program into one large acquisition. But if prices move lower soon thereafter - a common occurrence - they are likely to panic and sell out - often just at what later turns out to be the *real* and often final low in prices. Or third, they wait until prices have risen a great deal, until all of the "experts" say it's time to buy, or until they see prices rising so fast that they fear "missing the boat". They jump in and pay the going rate, which has become a lot more expensive - and risky - than if they had started accumulating when prices were lower, availability was better and premiums were more affordable.

If you really want to place the odds for financial success on your side, think things through carefully and calmly, decide what you're going to do, and the Act! As Pat Gorman has so often said on his financial radio show and in his writings about the precious metals, "First, Plan your Work. Then Work your Plan". Sage advice about investing - about building a financial insurance fire-wall for yourself and your family - and for just about every other activity as well.

If you buy on a regular basis, which sometimes will be into rising prices, sometimes into declining ones, you will become more relaxed - and ultimately successful. You start rooting for lower prices so you can buy more metal with the same dollars. You stand largely outside the emotional fear and greed loops that drive so many investors to make mistakes - or worse yet completely miss major market moves and fall far short of their financial and personal goals.

How Big was the 2011 - 15 gold and silver price decline in relative terms?

A lot of hand-wringing accompanied these declines. And certainly it was painful for those who finally decided to buy some silver and gold when they were going for almost $50 and over $1,900 an ounce respectively. If you bought more on a regular basis, it wasn't a lot of fun watching prices continue to drop - even though your "stacking" program was actually speeding up, with your committed dollars buying more ounces as prices got cheaper.

All major (secular) bull markets, in their long-term drive to an ultimate top, go through shorter periods of (cyclical) decline. Mr. Market does this in order to shake off as many bulls as possible. But it's also healthy, because it builds new bases from which the larger and more powerful trend can reassert itself down the line. Notice the nearby chart showing gold's bull and bear cycles since the 1970's. The average decline was 44%. If the current one was completed last fall, then it will have been a minus 42%, slightly less than the average and medium declines for the period under study. Silver suffered a larger decline - a bit over 70% - which is to be expected due it its greater volatility because of its dual function as both an industrial and an investment metal.

Table 2: Gold has experienced five bear and bull cycles since the 1970s*

Bull market			Bear market		
Dates	M	Cumulative return	Dates	M	Cumulative return
1/70-1/75	61	451.4%	1/75-9/76	20	-46.4%
10/76-2/80	41	721.3%	2/80-3/85	61	-55.9%
3/85-12/87	33	75.8%	12/87-3/93	63	-34.7%
4/93-2/96	35	27.2%	2/96-9/99	43	-39.1%
10/99-9/11	144	649.6%	9/11-12/15	52	-44.1%
Average	**63**	**385.1%**	**Average†**	**47**	**-44.0%**
Median	**41**	**451.4%**	**Median†**	**52**	**-42.7%**

*We are defining a bull market as a period where US dollar gold prices rose for at least two consecutive years and bear markets as the subsequent periods where the price generally fell for a sustained time.

M=length in months.

†Excludes the period from September 2011 to December 2015.

Source: Bloomberg, ICE Benchmark Administration Ltd, World Gold Council

This is exactly what has been going on since mid-2011. The evidence increasingly points to the belief that the "corrective" phase has pretty much been completed.

What kind of profit potential might await going forward?

An interesting - and important - fact which the bull/bear cycle chart does not consider is that the two advance and decline cycles shown, which took place between 1985 - 1999, should be seen within the context of the much larger and longer secular bear market, which ruled from the 1980 major gold-silver top until roughly 2000-01, when the metals and miners finally put in their long-term bottoms. Delete those two cyclical turns, and you have an average secular bull market profit potential of over 600%. If history is even close to repeating itself, the possibility of some very serious profits - in gold, silver and the mining stocks - is a developing situation as we speak!

Metals and Miners are playing round-robin

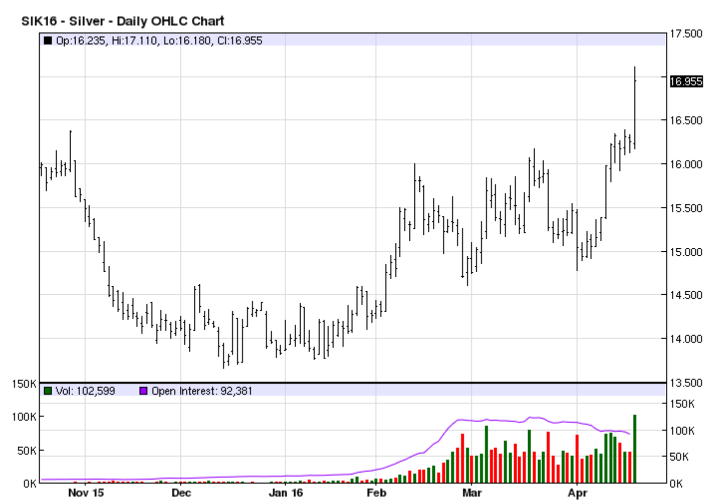
The current (and presumed) cyclical lows for gold and silver were established during the November/December, 2015 - January, 2016 time frame. Mining stocks as a group continued to post lower lows, until what may turn out to have been a seminal date - January 19, 2016. On that day, a number of mining producer/exploration stocks attempted one last bear market move to the downside - which reversed itself on heavy volume that very same day (an intra-day move)! For the last three months, mining stock indices have been even stronger than prices for the underlying gold and silver metals themselves...which have also been very strong. At this writing, gold and silver having risen (see accompanying charts) around $250 and $2.50 per ounce respectively.

SILJ - Silver Junior Miners' ETF While Gold and Silver Play tag-team

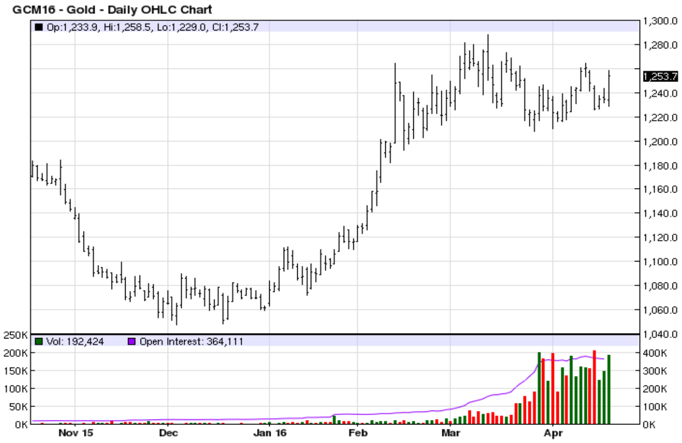
A very important point about how gold and silver move in relation to each other needs to be mentioned. David Morgan themorganreport.com Adam Hamilton zealll.com Stuart Thomson [graceland updates.com](gracelandupdates.com) have noted the strong correlation in the directional movement of gold and silver. Analysis indicates that it is at least 90%. So, over time, the two metals will move in the same direction, whether up or down. However, this does not reliably take place on a day to day, or even week-week basis.

During the final bull run- up into the 1980 precious metal's highs, this trend became especially pronounced. Silver prices would surge for several days or weeks, while gold price movement was much more sedate, moving slower or even sideways. But all of a sudden, gold would take center stage and rocket upward, while silver took a breather.

Until mid-week of April 11, silver was acting much weaker than gold and many analysts thought this showed that the metals' themselves were weaker than the stronger gold price seemed to be indicating. Then, with little fanfare, silver started moving upward strongly, and closed the week above $16 - an area of resistance that had capped prices for almost a year. This is exactly the kind of relative behavior that the two metals displayed in 1979. Those circumstances led to silver moving several dollars a day and gold over $100 intraday. During the later stages of this current secular bull run, you can expect to see the same thing - on steroids. **Are you prepared?**



Note heavy upside volume for both gold and silver



How NIRP Eviscerates Savers Like You and Me

Japan, and much of Europe are looking at bond issuance and savings accounts, which not only don't pay any interest, but which actually charge account holders for the "privilege" of keeping money in their own accounts! This tactic, known formally as the Negative Interest Rate Policy, seeks to force savers to spend their money, in order to stimulate the economies of the countries employing it.

The upshot. Savers large and small alike are "repositioning" so that they don't have to watch their account balances whittled away by an inept banking system which has run out of sensible options in trying to keep the world's economies from sinking into a devastating deflationary abyss - brought about by their own misguided policies.

In March, Munich Re, the world's second largest reinsurance company, announced it was shifting more of its assets into cash and gold, in order to avoid being charged negative rates on its operating capital. A Swiss Canton has asked its constituents to withhold paying taxes until just before the can be spent, so that the tax receipts in its account are not subjected to costly negative rates.

In Japan, record sales of safes in which to store money at home are being recorded, along with huge demand for 100,000 yen notes (about $100 U.S.), plus a 35% surge in gold bar sales for the first quarter of 2016. U.S. Mint sales of American Silver Eagles are up 26% YOY, with 2015 itself having been a record sales year.

Closer to home, Blackrock CEO, Larry Fink, in his annual letter to shareholders, remarked,

We have become too dependent on central bankers… It was supposed to be a temporary healing process. I don't call seven years, eight years temporary anymore. I don't see how that has a positive impact on the economy. Over 70% of our clients are retirement plans and insurance plans. Our clients are in pain. Our clients are very worried how they're going to be able to meet their liabilities.

I don't believe we're focusing on what negative and low interest rates are doing to savers. We think this is going to become the biggest crisis globally…

And for U.S. citizens - don't forget that last fall, the policy was changed for money market funds so that your account withdrawals can be suspended without prior notice. Your regular bank accounts may be subject to "bail-ins" if your bank gets into financial trouble and decides to have you help out by exchanging some of your funds for their increasingly worth-less shares.

Negative interest rates are positive for gold and silver

A few weeks ago, this writer had a conversation with a bank teller regarding a medium-sized savings account. The question was, "What's the minimum balance necessary to avoid a monthly service charge. The teller answered, "There is no service charge, but below "x" $ you would not be receiving interest on your account." I remarked that my last statement showed an interest credit of $0.07...that's *seven cents*, and we both had a chuckle. Except it wasn't really that funny.

What's important for precious metals' holders to understand is that when you exchange "paper promises" for physical precious metal, you are not "spending" money - rather you are simply exchanging an asset of deteriorating value and reliability for sound money - which has been judged to be so for 6,000 years. Not a bad track record for paper currencies - which tend to wind down in value to zero about every 40 or 50 years or so!

Saudi Arabia, third largest holder of U.S. debt, now threatens to blackmail us.

A bill before Congress seeking to clarify that the immunity enjoyed by foreign nationals should not be applicable to cases where a nation is found responsible for a terrorist attack on American soil, has drawn an irate response from a (somewhat) surprising source.

Because of the possible involvement of Saudi individuals and government entities in financing and supporting the 9/11 attacks (the majority of the attackers were Saudis), the bill has drawn fire from Saudi Arabia, the third largest holder of U.S. debt after China and Japan. According to the NY Times, the Saudi Arabian Foreign Minister has delivered a message from the Saudi King, "telling lawmakers that Saudi Arabia would be forced to sell up to $750 billion in treasury securities and other assets in the United States before they could be in danger of being frozen by American courts."

The introduction of this bill parallels efforts by legislators to force the Administration to make public 28 pages from the 9/11 Commission's original report, which has been kept secret since its publication in 2004. According to legislators who have seen the contents, certain elements in Saudi Arabia are directly implicated in the attack.

First we have the Saudi's engineering the take down in global oil prices in an attempt to destroy the U.S. fracking (shale oil) industry (which had helped make the U.S. almost 85% self-sufficient in oil production in 2015). Now the direct threat of blackmail from our purported "allies" is presented as a post-script.

The Administration is vehemently resisting both passage of the bill now before Congress, and release of the 28 pages from the report. An entry on activistpost.com explains this resistance, stating,

In layman terms, if the U.S. fully explores the role of the Saudis in the 9/11 attacks, due to the passing of this bill, then other nations would perhaps follow suit and strip U.S. immunity — in respect to terror attacks on their soil.

Essentially, the U.S. government fears that their own global terrorist misdeeds will then be unmasked if there is a reciprocation by other nations, an almost unthinkable scenario that would decimate U.S. standing across the globe.

If you don't think that the potential of unraveling for the U.S. dollar and stock markets this kind of behavior might entail would have a profound upward effect on the price of precious metals - think again.

The Fed, and other central banks, are Out of Options..Except One.

A number of analysts and commentators have looked at the issue of gold revaluation. This would NOT be about "remonetizing" gold, but rather re-pricing it so that gold underlies a significant portion of the paper monetary assets (M-1) held by countries around the world.
A common criticism dismisses the possibility by saying "there's not enough gold" to make it work. But that misses the point. There *is* enough gold. It's just a question of what the price for that gold should be.

Depending upon the percentage of M-1 backed by gold, the necessary stabilizing price for doing so could range from $10,000 to $50,000 per troy ounce.

Hugo Salinas Price, long an advocate of having the silver Libertad coin circulate as a parallel currency in Mexico, has also weighed in on the topic here He says, "...the revaluation of gold will have the beneficent effect of restoring the world to a healthy condition, lost a century ago, of *balanced trade* and *balanced national budgets."*

Jim Rickards perhaps explains it best, in his recently issued book, *The New Case for Gold*, which this writer strongly recommends that you take time to read. Explaining the reasoning for and effects of a potential gold revaluation, Rickards says, *In a period of extreme deflation today, the [U.S.] government could unilaterally take the price of gold to $3,000 or $4,000 an ounce, or even higher—not to reward gold investors, although it would—but to cause generalized one-time hyperinflation...*

This is exactly what the United States did in 1933, and what the United Kingdom did in 1931 when both countries devalued their currencies against gold. In 1933, the U.S. government forced the price of gold from $20.67 per ounce to $35.00 per ounce. It wasn't a case of the market taking gold higher; the market was in the grip of deflation at the time. It was the government taking gold higher in order to cause inflation. The reason the government did that in 1933 was not because it wanted gold to go up; it wanted everything else to go up. It wanted to increase the price of cotton, oil, steel, wheat, and other commodities. By cheapening the dollar against gold, it causes inflation in order to end deflation.

Determining the necessary gold price which would stabilize global currencies, and turn the secular deflationary trend into a (hopefully) mildly inflationary one, would involve taking the presumed amount of central bank gold holdings (c. 35,000 tonnes?), multiplying it by the amount of M-1 money supply, then multiplying that figure by the percentage of paper money that would be underwritten (20%, 50%, 100%?), thereby yielding the newly-desired gold price, which theoretically could be as high as $50,000 an ounce.

Gold revaluation may be an unlikely event - there's no way to predict with certainty, when or if it might occur. But if the global economic system continues to teeter, and the wheels start falling off, such a last-ditch effort by the powers that be could well become a reality... Dr. Fekete, placing things into perspective concludes**,** *gold may not be a perfect standard, but it is the only conceivable monetary standard we have.*
George Milling-Stanley, the head of the gold-strategy team at State Street Global Advisors, manager of the SPDR Gold Trust (GLD), the world's largest gold exchange-traded fund has this to say for newcomers to the gold story:

I think to a large extent it's investor buying, not hot money… The interest is coming across the board from institutions and individual investors...People have not missed the boat. Just five years ago gold was $500-$600 dollars higher than today. Anyone who wanted to sell back gold or wanted profit taking at $1,800 already did so. So I'm not expecting a surge in people selling back or recycling until gold goes a lot higher.

Conclusion:
It's important to understand that the primary reason for buying gold should <u>not</u> be in anticipation of a monster spike, brought about by a possible "Sunday Night Surprise" revaluation by the world's central banks. Rather, consider it to be a "dual-feature" acquisition - serving as insurance first, potential profit second. The increasingly tenuous supply-demand situation facing the gold market has enough bullish elements, driven by a host of factors which we have written about extensively, to drive the gold price upwards by several times the current level over the next few years. As Jim Rickards has so poignantly phrased it,

Lost confidence in fiat money starts slowly, then builds rapidly to a crescendo. The end result is panic buying of gold (and silver) and a price super-spike.

We may be looking at the early stages of a similar super-spike that could take gold to $10,000 per ounce or higher. When that happens there will be one important difference between the new super-spike and what happened in 1980. Back then, you could buy gold at $100, $200, or $500 per ounce and enjoy the ride. In the new super-spike, you may not be able to get any gold at all. You'll be watching the price go up on TV, but unable to buy any for yourself.

If this were to happen, the results for those who have even a relatively few ounces of gold in hand when it takes place could make a transformational change in their financial profile.

Stocking up in physical precious metals could just prove to be the best decision you can make to protect your buying power as well as grow your wealth. At this time we have not experienced much in the line of shortages except for some of the Platinum coins which are usually bought up as fast as we can get them. Be sure to call Resource Consultants, Inc. often for current prices and availabilities or to place an order. **800-494-4149**

RECOMMENDATIONS
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GOLD CATEGORY ONE INSURANCE

Modern bullion coins and bars were minted to be a store of wealth and purchasing power based on the value of the metal. The most popular items available include American Gold Eagles, Austrian Gold Philharmonics, Canadian Gold Maple Leafs, South African Gold Krugerrands and Gold bars. All of these items are minted in various sizes, and with the exception of the South African Krugerrand, are IRA acceptable. Call us with your financial goals and for help with your Precious metals IRA! 800-494-4149. Your questions are welcomed and we look forward to helping you.

Some of you new to the market might not know where to start. Call us. There are no commissioned sales people here. If you tell us what kind of budget you are working with, we can give you some suggestions for what you might like to consider to get started on a nice wealth protection portfolio.

We recommend putting the bulk of your gold investment into the one ounce pieces and then have some of the fractional sizes on hand for situations when you do not need to utilize as large a value when trading or purchasing.

The U.S. started minting Gold and Silver Eagle coins in 1986 and on through the present year as bullion coins. Meaning they are a store of metal value rather than the face value like the older Gold St Gaudens , Liberties and Indian Head coins of the past which were minted to be used as currency.

The fractional items carry slightly higher premiums than the larger, one ounce coins but we do offer quantity discounts.

GOLD CATEGORY TWO
INSURANCE WITH A KICKER

United States minted Gold coins until 1933 to be used as money. The coins we include in this category are the Extra Fine condition $20 St. Gaudens, $20. $10. $5. And $2.50 Gold Liberty and the $10. ,$5. And $2.5 Indian Head type coins. Some of these coins are nearly 180 years old! Can you just imagine the history and stories these coins could tell!

CATEGORY THREE SPECULATION

This next step up in value is for those of us who have tucked away the insurance part of our portfolios and now want to start adding some collectable pieces. These coins are third party graded by PCGS or NGC. Numismatic coins are now selling at very low prices compared to just a few years ago. If this is something you have been thinking of starting or if you have a collection you'd like to add to NOW is the time to do it!

We only buy and sell U.S. Numismatic coins and caution our readers to stay away from foreign numismatics. Most coins we recommend to our customers are the common dates but we also love to put together some very rare sets for those of you who are true collectors!

Numismatics are speculative like investing in fine art, watches, or stocks. Many of them have done very well in past years. At the present time, they too are at very low prices and starting again to move up in value. And Physical Precious Metal, unlike some stocks, will never go to zero!

***REMBER PRECIOUS METALS* make cherished gifts for the Graduate! It is also a good way to invest your tax return to help preserve it and quite likely help it to grow!**

SILVER

Our March letter was all about Silver, so we won't need to recap much here. ***If you don't have the letter*** **go to <u>www.BuySilverNow.com</u> or Resource Consultants, Inc. on Face Book and you can find it there.** We are still recommending the same items. Put away Silver bullion coins and bars and silver rounds in in assorted sizes and from several mints. These can either be held personally or in your Precious Metals IRA. We also strongly recommend some 90% silver U.S. 1964 and prior while you can get them.

Also, we would love it if you would visit our **Resource Consultants, Inc. Facebook** page and "Like" us and share. Help us continue to get the word out, educate and inspire. Also, visit our website **<u>www.BuySilverNow.com</u>** often and refer your friends to it. Not everything can always fit in this 8 page letter!

Thank you again for your business and for referring your friends and families to us. Thank you too for your friendship! We cherish the relationships we have with each one of you and look forward to many more happy years with you!

God Bless and Keep You,

Linda C Gorman

Linda & Pat Gorman