What we’ve learned about gold and silver

and the incoming mega-bubble

Plus the 6 ASX gold and silver stocks we are Invested in.

February 2025

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Introduction

We have been Investing in small ASX resource stocks for over 20 years.

We really focused in on gold and silver stocks over the last few years, after catching the silver bug in 2021…

Shortly followed by the gold bug.

In this ebook we are going to share what we have learned, including:

- Why gold and silver prices are surging
- A quick history of gold and silver
- What a “mega bubble” is - when the price of gold and silver reach “astronomical” levels due to severe inflation and currency debasement
- Is the world about to enter a gold and silver “mega bubble”?
- Six books we found helpful to understand the drivers behind gold and silver markets

We’ll also share 6 gold and silver stocks we are Invested in. Investments that give us exposure to precious metals in the years ahead, in anticipation of continued rise in gold and silver prices.

(if you want to know them right away their ASX codes are SS1, MTH, KAU, TTM, JBY and BPM)

Subscribe to our free mailing list for regular updates on our Investment in each of these stocks (and others), plus commentary on what is moving small cap stocks at nextinvestors.com.

Anyway, let's start at the beginning.

The story of gold and silver is as old as civilization.

Gold and silver are very well known metals as a store of wealth, and have been for thousands of years.

Historically, investors start to add gold and silver as part of their portfolio when they are concerned about inflation, war, high government debt, a financial crisis or global instability.

(sounds a bit like reading the mainstream news these days).

Usually high inflation (erosion in the purchasing power of government backed fiat currency) is enough to get many people thinking about moving some of their portfolio into gold and silver.

It generally starts with a thought, a simple thought: ***“maybe I should hold part of my portfolio in precious metals... you know, just in case”.***

If enough people around the world share this thought, the ‘bet’ is that demand and prices for precious metals will grow.

In the past, the signal for the start of a precious metals bull run includes:

- Rising, unsustainable government debt
- Governments printing too much money
- Expensive wars
- Inflation rising, eroding the value of currency
- Geopolitical tensions drive investors towards safe haven investments
- Central bank purchasing, particularly from emerging markets

Throughout history, these factors have driven up the price of precious metals.

…and it looks like it might be happening again.

The US government debt is currently the highest it’s ever been (US $35.5 Trillion).

Money is being printed to fund wars.

Inflation is rising and there are simmering conflicts in the Middle East and Europe.

And the new US president is looking to make sweeping changes in the global order, which is unsettling markets.

People are reminded of this every day by the news.

And see inflation first hand when they go to the store to buy groceries.

Many in Australia can feel the value of their cash eroding.

What used to be a $3 coffee now costs $5.

(it's $10 if you visit London).

Inflation is even worse in other countries like Turkey and Argentina where the value of the currency has dropped significantly in the last 2 years.

We think that the precious metals investment thematic could spark interest on a global scale - just like we saw with battery metals and EVs in 2021 and 2022.

And just like battery metals, investment into new precious metals mines has been minimal over the preceding 10 years.

We first started really thinking about precious metals back in early 2021, around the time of the infamous “silver squeeze” that almost materialised.

This “almost silver squeeze” was what encouraged us to purchase our first ever physical silver (shown below), and started us on a deep dive journey into the precious metals markets.

(first ever physical silver purchase - Feb 2021)

Like anyone who rushes into a new investment, the REAL due diligence started AFTER the purchase (not a good strategy, but often is what happens in practice).

We started by reading a lot about physical silver and gold and what drives supply and demand - this was over 4 years ago now.

Reading about the history of gold and silver tells a story of an indestructible metal that protects wealth in times of uncertainty and facilitates commerce at a global scale.

History is littered with spikes in the demand for precious metals, driven by very specific macro economic conditions.

Conditions that we are seeing play out today.

We regularly add to our physical precious metals stack every couple of months, just in case "it happens again".

And we have selected a number of high-potential precious metals stocks to leverage ourselves to the precious metals investment thematic, in anticipation that silver and gold are going to continue running this year.

(Newest physical silver purchases - Oct 2024)

(Newest physical gold purchase - Jan 2025)

In 2022 we (incorrectly) called the start of a gold price run.

Our thesis appears to be right but we were a couple of years too early.

We thought the excess money printing by not only the US Government, but lots of governments around the world post COVID-19, would spur a run in the gold price.

(We had far better timing with our call on a 'silver price run' at the start of 2024.)

Since our very first purchase of physical silver in the bullion shop on “almost silver squeeze day” in early 2021 we have tried to understand the history and drivers for precious metals price runs.

And which stocks we wanted to be Invested in when it happens.

In this ebook we will share the key things we have learned about the gold and silver markets as well as the gold and silver companies that we have Invested in.

Here they are:

Company	Market Cap	Stage of Development	Country	Shares Held	Link to Investment Memo (IM)
Sun Silver (ASX: SS1)	$105M	Definition	USA	3,862,000	SS1 IM
Mithril Gold & Silver (ASX: MTH)	$55M	Definition	Mexico	3,405,000 + 2,177,000 options	MTH IM
Titan Minerals (ASX: TTM)	$105M	Definition	Ecuador	1,516,823	TTM IM
Kaiser Reef (ASX: KAU)	$44M	Production	Australia	4,665,000	KAU IM
James Bay Minerals (ASX: JBY)	$52M	Definition	USA	1,979,167	JBY IM
BPM Minerals (ASX: BPM)	$6M	Exploration	Australia	4,335,000 + 850,000 options	BPM IM

(Accurate as at Feb 1st 2025)

Chapter 1: The story of Gold and Silver

People will buy gold and silver in times of global uncertainty, war or concern with the financial system.

Especially if fear of “currency debasement” (eroding the purchasing power of fiat currency) starts to take hold.

Precious metals like gold and silver cycle like any other commodity.

Gold and silver are unique as “stores of wealth”, and have been for thousands of years.

Gold and silver are rare, take effort to extract from the ground, there is a limited supply and they are chemically the most stable elements on the periodic table so they don’t degrade over time.

Ancient civilisations used gold and silver coins to replace cumbersome barter and trading.

As economies advanced and daily economic activity increased, it became apparent that physical gold and silver coins had some challenges.

Heavy, physical coins and bullion can get burdensome as a daily means of exchange.

(think about how annoying coins are to deal with when paying for stuff)

So physical gold and silver eventually evolved into gold or silver backed “paper notes”.

(paper notes were just easier to carry around than silver and gold coins, and were more convenient for large or fractional transactions)

Each note represented an amount of physical gold or silver that was safely stored somewhere, and could be redeemed by the noteholder at any time.

These notes were circulated through the economy as they were traded for goods and services by people.

So instead of swapping physical gold or silver, people swapped paper notes representing ownership of that gold or silver.

Eventually most countries moved to the gold backed notes standard.

Until the US terminated the gold standard in 1971.

The gold standard was the basis for the international monetary system from the 1870s to the early 1920s, and from the late 1920s to 1932 as well as from 1944 until 1971 when the United States unilaterally terminated convertibility of the US dollar to gold, effectively ending the Bretton Woods system. (Source: Wikipedia)

Paper money that is NOT backed by gold or silver is called “fiat currency”.

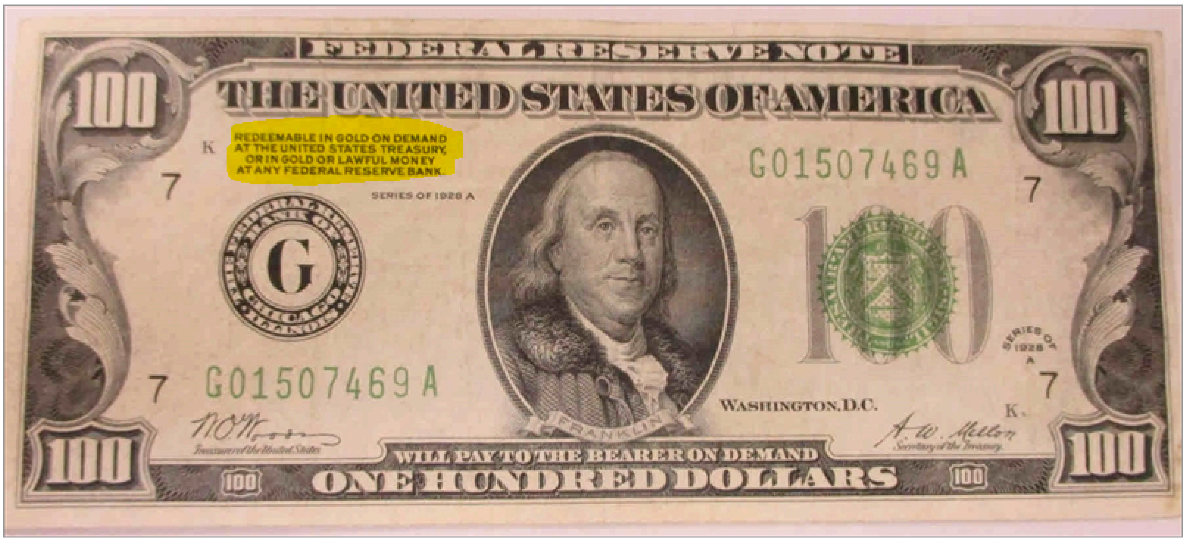
> 🎓 *Fiat money, like the US Dollar ($), the British Pound (£) or Australian Dollar is a type of currency that is not “backed” by a precious metal, such as gold or silver, or backed by any other tangible asset or commodity.*

Fiat currency is typically designated by the issuing government to be legal tender, and is authorised by government regulation.

Since the end of the Bretton Woods system in 1971, the major currencies in the world are fiat money.

Paper notes still remained, but instead of being backed by gold they were backed by the government that issued it.

And this is where the money we know today originated from - notes that were originally redeemable for gold.



By no longer being required to hold enough physical gold to back up each paper note circulating in the economy, governments were able to print more money to stimulate the economy when needed.

Or to pay back giant government debts, or to fund large, urgent expenses… like wars.

The issue with this is that when more new fiat notes are printed into an economy, the purchasing power of each note is decreased due to the dilution from the new notes.

(sort of like the dilution in an ASX listed small cap stock when a capital raise issues a bunch of new shares … its annoying)

This is called “currency debasement”.

And it puts inflationary pressure on the economy.

Now this is not a new concept.

In ancient times, when gold and silver coins were the primary currency and the government needed to fund a war, pay down a debt or something else, they couldn’t just magically “print” more gold/silver.

Instead they would clip off and keep a small bit of each coin that is in circulation.

Unclipped **Partially Clipped** **Clipped**

The face value of the coin stayed the same, but it contained slightly less silver or gold than it did before.

In later times when governments were responsible for minting the gold and silver coins used in the economy, they would use less gold/silver by mixing in other base metals, which debased the currency.

Fiat paper currency (not backed by gold or silver) is the easiest form or currency to debase when the government urgently needs more money.

There is usually a flight to gold and silver during times of global uncertainty.

Like during war… or even just the threat of war starting.

OR when people start to lose faith in the value and stability of their government’s fiat currency.

The USD, EUR and AUD are all fiat currencies and have been for many years...

And an Aussie $50 note sure doesn’t buy what it used to...

In 1932, Australia departed from the gold standard, which fixed the value of the nation's currency to that of gold. As a result, the bank was not required to retain gold reserves, and the Commonwealth Bank Act of 1932 made its banknotes no longer convertible into gold.

The US dollar is currently the world’s reserve currency.

A reserve currency is a foreign currency that is held in significant quantities by central banks or other monetary authorities as part of their foreign exchange reserves. The reserve currency can be used in international transactions, international investments and all aspects of the global economy. (Source: Wikipedia)

In 1944 the U.S. dollar was officially crowned the world’s reserve currency and backed by the world’s largest gold reserves thanks to the Bretton Woods Agreement. Instead of gold reserves, other countries accumulated reserves of US dollars. (source)

In 1971 the US terminated the gold standard... so suddenly the world's reserve currency was no longer backed by gold.

Fast forward 50 years and US govt debt is now at $35 trillion, and it's growing every year.

~50% of all personal income taxes in the US are spent on just servicing the interest of that debt.

And the world is on edge with potential expensive wars looking like they may break out.

Bloomberg

US Posts $1.8 Trillion Annual Deficit, Highest Outside of Covid

- Deficit exceeds 6% of GDP for a second straight year
- Debt interest costs, Social Security, defense spending climb

By Viktoria Dendrinou and Daniel Flatley

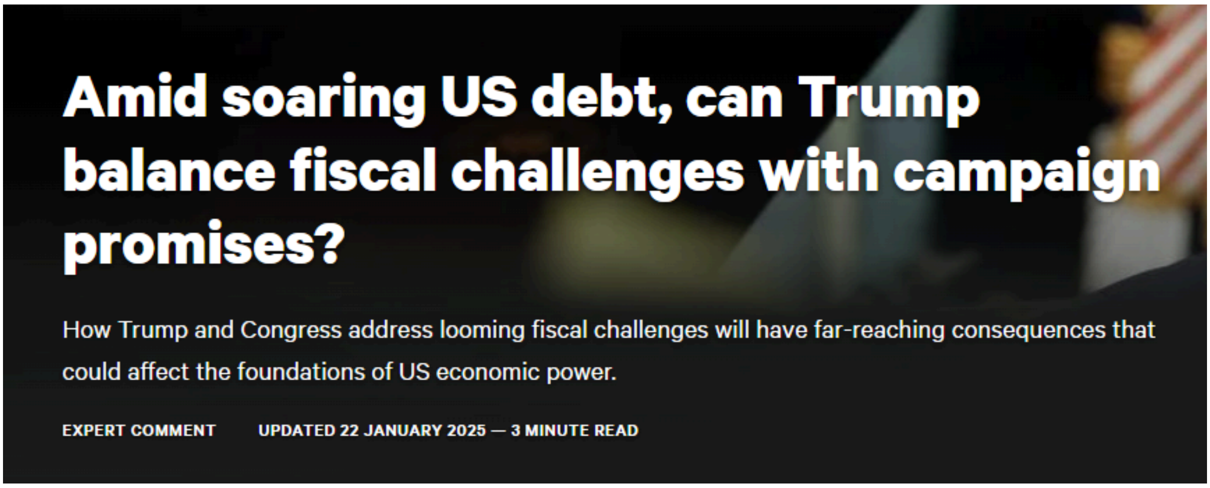
19 October 2024 at 07:00 GMT+11

(source)

The US government is likely going to have to "print its way out of this situation" as neither Democrats or Republicans appear willing to risk unpopular spending cuts within a 4 year election cycle.

New US president Donald Trump has acknowledged that the US national debt is an issue that needs to be addressed.

He has bold ideas on tax cuts, tariffs and other programs, but high interest rates and the price of repaying the federal government's existing debt could limit what he's able to do.



Amid soaring US debt, can Trump balance fiscal challenges with campaign promises?

How Trump and Congress address looming fiscal challenges will have far-reaching consequences that could affect the foundations of US economic power.

EXPERT COMMENT UPDATED 22 JANUARY 2025 — 3 MINUTE READ

(source)

So the recent increase in the gold (and silver) price could be governments, banks, fund managers or everyday investors shifting some of their wealth into gold and silver as insurance, in anticipation of possible debasement in the global reserve currency.

It seems to be happening in Australia already:

FINANCIAL REVIEW

Trump's $50trn debt problem has Aussie hedge funds rushing for gold

Joshua Peach *Markets reporter*

Jan 29, 2025 – 12.35pm Save Share Gift this article

The second term of US President Donald Trump has Australian hedge funds clamouring for gold exposure, betting his administration will fail to arrest the US economy's spiralling debt and that gold will act as an antidote to the bond market's carnage.

(source)

Currency debasement affects everyone in an economy, so it would be interesting to see what would happen if currency debasement occurred to a broadly unacceptable level and caused a run on silver and gold from the wider population and investors.

Nobody likes getting their hard earned coins clipped...

Chapter 2: How are precious metals used as a hedge against inflation and currency “debasement”?

Precious metals, especially gold, are used as an inflation hedge.

When inflation (or currency debasement) erodes the purchasing power of paper currency, the value of gold and silver often rises as they are seen as stable stores of value.

The story of the ounce of gold that bought a suit

In the 1930s the price of gold was US$23.67 per ounce, while the cost to buy a tailored suit was around US$25.

Today, the price of gold is around US$2,800 per ounce, and the price of a high quality tailored suit... around US$2,800.

In the year 31 BCE, if you wanted to buy a fine toga in Rome it would cost... you guessed it, 1 ounce of gold.

And you will probably be able to buy a pretty sweet space suit for your trip to Mars in 2085 for... 1 ounce of gold.

So whether it is 31 BCE, 1930, 1980, 2024, 2085 or even the year 3000 - the purchasing power of gold remains the same.

But the purchasing power of the dollar is not.

Today, that $25 from the 1930s would barely be enough to cover lunch, let alone a nice tailored suit.

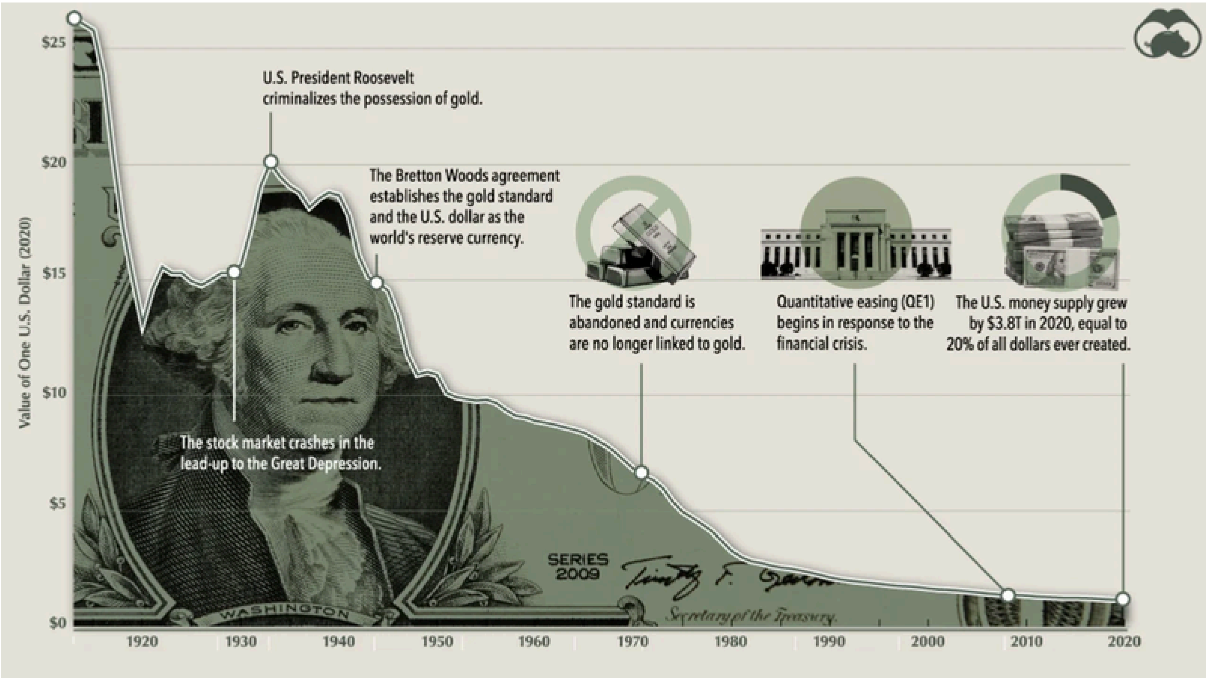
This is the story of inflation over time, that the purchasing power of currency decreases while the purchasing power of precious metals - like gold - stays the same.

Using the story of the tailored suit, we can see the purchasing power of gold does not change over time.

This makes gold and silver the perfect “hedge” against inflation.

Gold is effectively the counterweight for paper money.

A chart that explains this well is this one that highlights the purchasing power of the US dollar over time:



The erosion of the US dollar has been driven by inflation and excess printing of money.

Money that is kept in US dollars over time loses value.

(same for all other fiat currencies)

Whereas gold generally stays the same.

Chapter 3: The coming Silver & Gold “Mega Bubble”?

> **“I own gold because I am afraid, not hopeful, that goes to go to $10,000 an ounce”**
>
> ***Rick Rule, 2024***

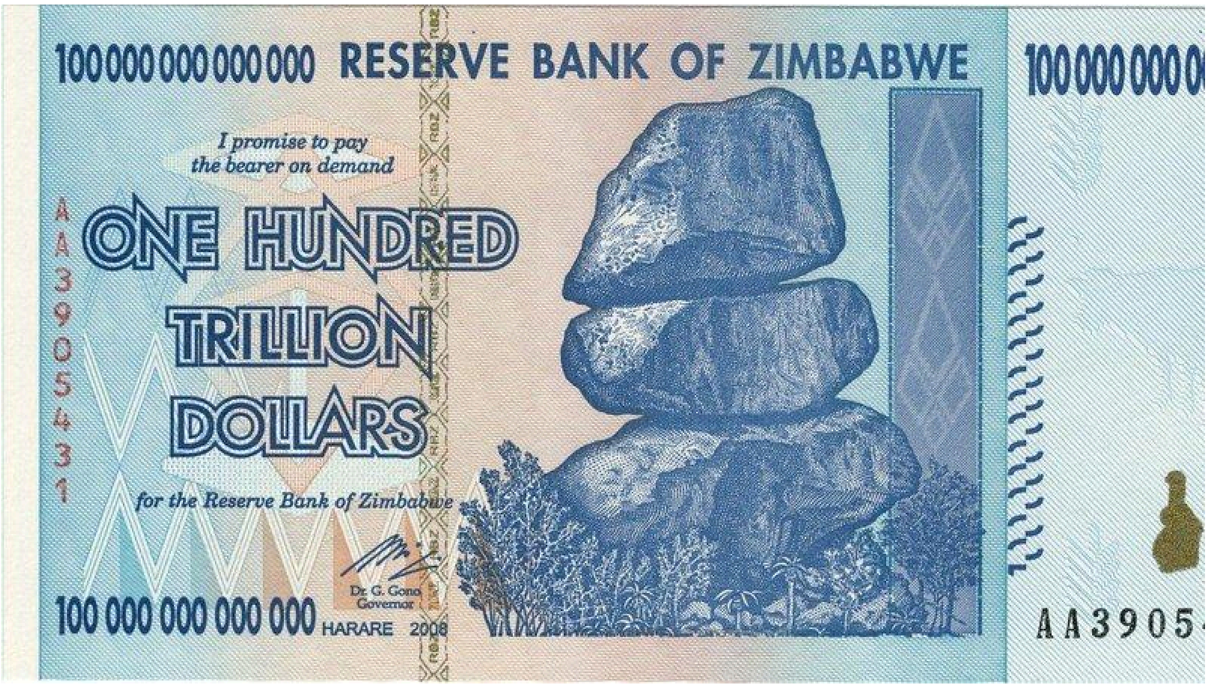
The silver and gold “mega bubble” is a phenomenon when the price of gold and silver reach astronomical levels due to severe inflation and currency debasement.

This happens when the faith or value of a fiat currency is shaken, due to excess money printing by governments.

This can be hard to imagine if living in a rich western country where currency and inflation is relatively stable.

But in other countries like Argentina or Lebanon, their currency can lose 78% or ~90% of their value respectively against the USD, like they did in 2023.

Interesting fact, in 2008, inflation in Zimbabwe was so bad that the government printed a hundred trillion dollar note, which was worth around US$10:



For governments that try to “print their way out of trouble” they can find themselves devaluing their currency further and further.

Precious metals, like gold and silver, provide a counterweight to this.

Take the silver / Argentine peso trade for example.

Over the last five years, inflation in Argentina was so bad that the price of silver compared to the currency went up ~2,915%:

(Source)

Had a local decided to take all their pesos and buy silver in 2021 they would be exponentially better off than having held the domestic currency.

In the West, we don't consider a world where currencies like the USD or Euro depreciate at that kind of rate.

But IF the confidence in USD, Euro or AUD is shaken, even a bit, a rapid appreciation in precious metals price against that currency can be expected.

Currency debasement events happen when a government racks up more debt than it can afford to fund with GDP output, eventually leading to money being printed to repay that debt.

Usually, the money printing starts when the debt has reached a “point of no return”, which means the country has to print significant amounts of cash to repay those debts.

Printing money leads to currency depreciation, which leads to a loss of confidence, which leads to further money printing and finally a negative feedback loop that can spiral into what we saw in Argentina.

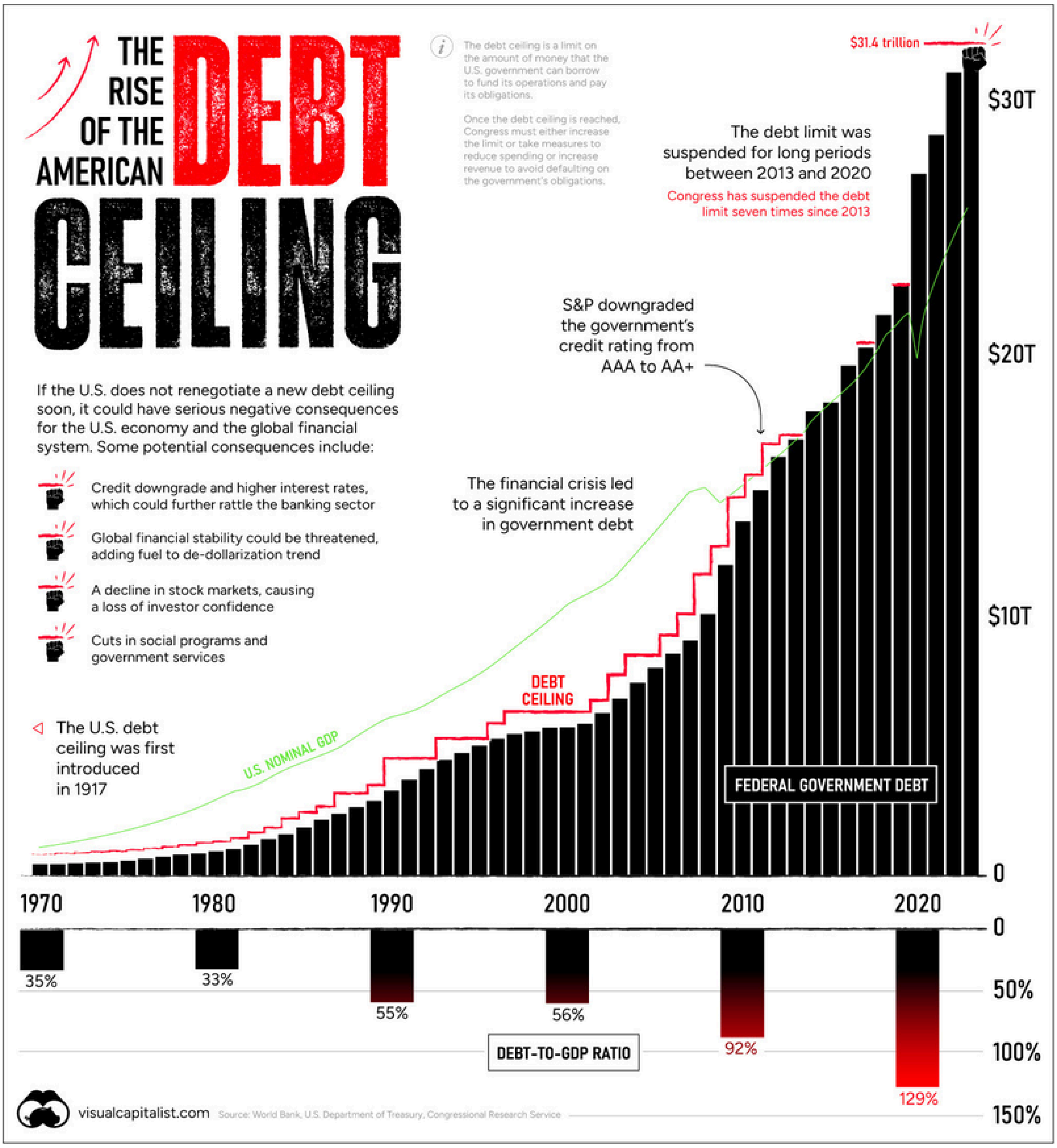
This is what the Argentine peso relative to the US Dollar recently (we’ve superimposed how much gold these currencies get you on the image):

Our view is that the silver and gold mega bubble could happen if or when confidence is shaken in the global reserve currency, the USD.

Will the USD be overtaken as the global reserve currency?

The US has $35 trillion in public debt and spends ~50% of all personal income taxes on just servicing the interest of that debt.

Our view is that as global debt levels increase, the price of safe havens like gold and silver as “insurance” for a money printing doom loop scenario.



(Source - World Economic Forum)

US government debt has been increasing sharply over the last 10 years.

During the COVID-19 pandemic, the US government printed money in order to sustain the economy as the world went into lockdown.

Now, the US government continues to print money building their military might in order to fund wars and global hegemony expansion.

This includes wars in the middle east (Israel-Palestine) and in Europe (Russia-Ukraine).

Continuing to fund these wars will lead to further inflation and devaluing of the USD.

Recently, we have seen moves by governments to reduce the reliance on the USD as the global reserve currency.

In particular China.

The BRICS alliance of countries is now settling trade contracts between each other in gold and other currencies to reduce reliance on the USD.

This isn't great for holders of the USD, as a fissure in the value of the USD and continued increase in the debt levels could lead to spiralling inflation.

Precious metals, like gold and silver provide insurance against this situation and central banks have been buying gold at record levels:

Many will be speculating on why gold and silver prices ran so hard in the lead up to the US election…

The gold market is so complex that nobody will understand the full picture.

The gold price came off a bit after the US election ran smoothly, was comprehensively won by Trump and the result was not contested.

But in recent weeks (at the time of writing) the gold price has shot back to all time new record highs.

Why?

We think after the post election honeymoon, it is a few early movers who are predicting a material debasement in global currencies as described above.

We have also positioned our precious metals Portfolio accordingly before it really starts to catch on.

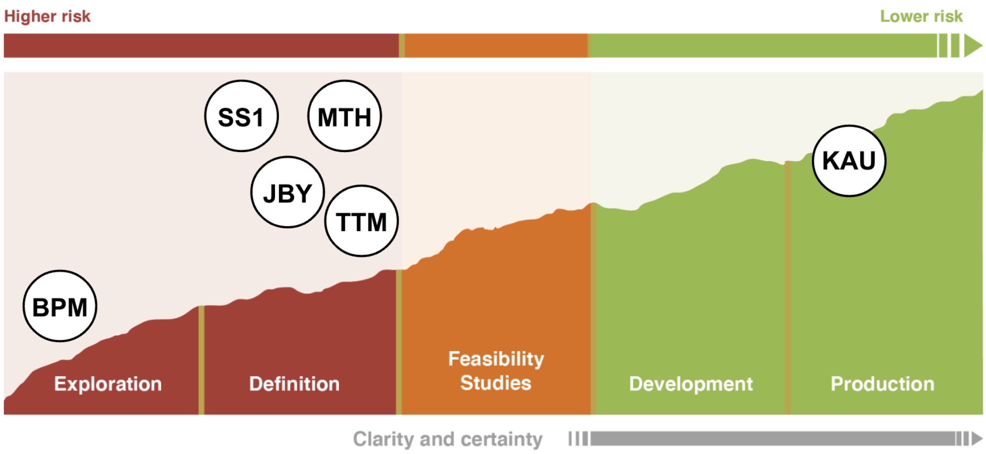
Chapter 4: Our Gold and Silver Stocks

The information presented on these stocks is accurate as at Feb 1st 2025, for full investment thesis on each stock including the risks we have identified and accepted click through to the Investment Memo.

The makeup of our gold and silver portfolio is a mixture of exploration, definition, and production companies.

We also Invest in physical silver and gold as part of our portfolio strategy.

Below is the mining lifecycle with our Investments that have exposure to gold.



Today, we will be featuring the 6 gold and silver stocks in our Portfolio:

Company	Market Cap	Stage of Development	Country	Shares Held	Link to Investment Memo (IM)
Sun Silver (ASX: SS1)	$105M	Definition	USA	3,862,000	SS1 IM
Mithril Gold & Silver (ASX: MTH)	$55M	Definition	Mexico	3,405,000 + 2,177,000 options	MTH IM
Titan Minerals (ASX: TTM)	$105M	Definition	Ecuador	1,516,823	TTM IM
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(Accurate as at Feb 1st 2025)

Sun Silver (ASX: SS1)

SS1 is a gold-silver explorer and developer with a 423M ounce silver equivalent JORC resource in Nevada, USA.

Summary

Market Cap: ~$105M
Commodity: Silver
Location: Nevada, USA
Stage: Definition
JORC Resource: 423Moz silver equivalent at 67.25g/t silver eq

Click to read our SS1 Investment Memo

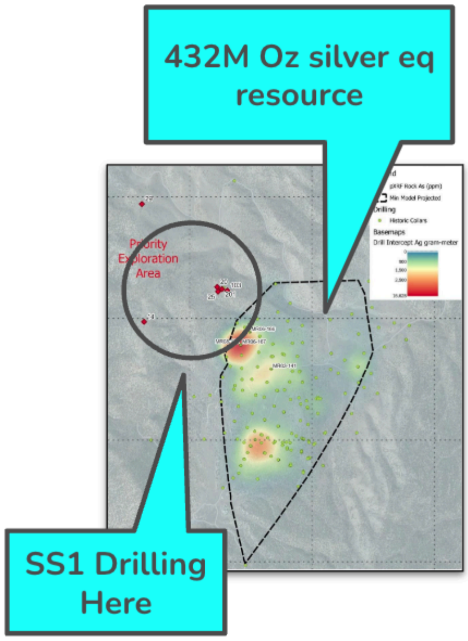
Why is SS1 interesting?

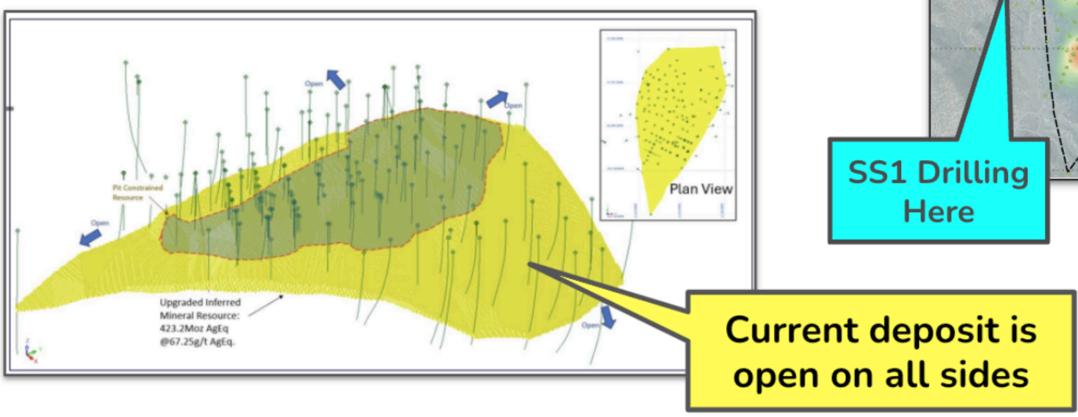
1. SS1 has the largest primary silver resource on the ASX.
2. SS1 is located in a top gold and silver mining jurisdiction and along the Carlin Trend which is known for extremely low-cost mining.
3. SS1 has discovered “antimony” across its project. Antimony is used in advanced military equipment and the US Government is desperate for a domestic supply of the metal.
4. SS1 has hired Holland & Knight to help secure lucrative US-based grants for (1) its silver paste program and (2) to advance its antimony resource.

What is next for SS1?

SS1 is undertaking a large drilling program to grow and increase the confidence level of its JORC Resource by drill testing the high-grade part to the North-West of the Resource.

A JORC Resource Upgrade should be delivered in the first half of 2025.





uary, 2025

Mithril Silver and Gold (ASX: MTH)

Mithril Silver and Gold (ASX: MTH) is a high-grade gold-silver explorer in Mexico.

Summary

Market Cap: ~$55M
Commodity: Silver and Gold
Location: Mexico
Stage: Definition
JORC Resource: 373K ounces gold at 4.8g/t and ~11M ounces of silver at 141g/t.

Click to read our MTH Investment Memo

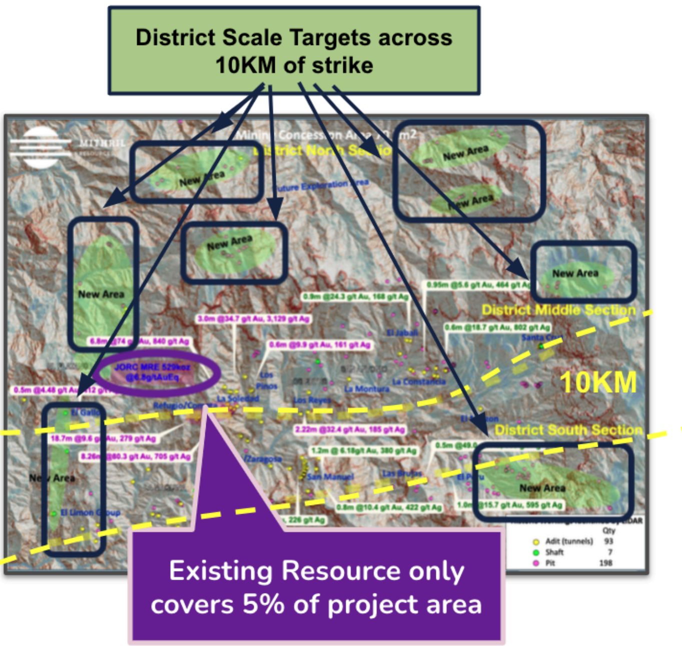
Why is MTH interesting?

1. Managing Director and CEO John Skeet has successfully delivered gold and silver mining projects before in Mexico. He was GM of Projects at Bolnisi Gold from when it was a small cap exploration stock to a $1.1BN takeover in 2007.
2. MTH drilled one of the best drill hits in 2021, 8.26m @ 80.3 g/t gold, 705 g/t silver from 468.34m. We think that MTH can repeat this exploration success.
3. MTH has only drilled a tiny fraction of the project, with the current resource only covering ~5% of the project area.
4. Lidar results indicate the MTH could be sitting on a district scale project, with a size and scale that could be very attractive to later stage investors and companies.

What is next for MTH?

MTH is doing 35,000m of drilling in 2025, testing various known and unknown targets.

MTH is looking to double its JORC Resource in early 2025.



Titan Minerals (ASX: TTM)

Titan Minerals Ltd (ASX: TTM) is developing world class gold, silver and copper assets in Ecuador.

Summary

Market Cap: ~$105M
Commodity: Gold-Silver-Copper
Location: Ecuador
Stage: Definition
JORC Resource: 3.1M ounces of gold, 22M ounces of silver and undefined copper resource

Click to read our TTM Investment Memo

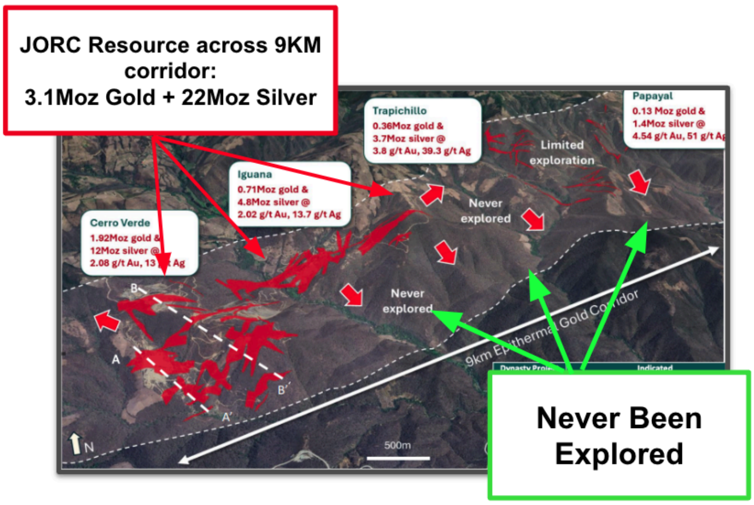
Why is TTM interesting?

1. TTM has a large JORC resource of 3.1M ounces of gold and 22M ounces of silver at its 100%-owned Dynasty Gold Project in Ecuador, and is planning a resource upgrade by mid-2025.
2. TTM has a fully funded copper exploration joint venture at its Linderos project, with an up to US$120M farm-in agreement with Hanrine, a Hancock Prospecting subsidiary with TTM retaining a free carried 20% stake.
3. Exploration at Dynasty offers strong upside as gold prices rise, with recent high-grade trenching results and active drilling aimed at increasing the resource.

What is next for TTM?

Titan Minerals (ASX: TTM) has begun a 10,000m drill program at its Dynasty Gold Project, targeting a material gold resource upgrade by mid-2025.

In parallel, its joint venture partner Hanrine has started drilling at the Linderos copper project, providing TTM with exploration upside at no additional cost.



Kaiser Reef (ASX: KAU)

Kaiser Reef (ASX: KAU) is a high-grade gold producer and explorer. KAU owns and operates the historical A1 gold mine that has produced over 600,000 ounces of gold.

Summary

Market Cap: ~$44M
Commodity: Gold
Location: Victoria, Australia
Plant Capacity: 250,000 tonnes per annum
Stage: Production

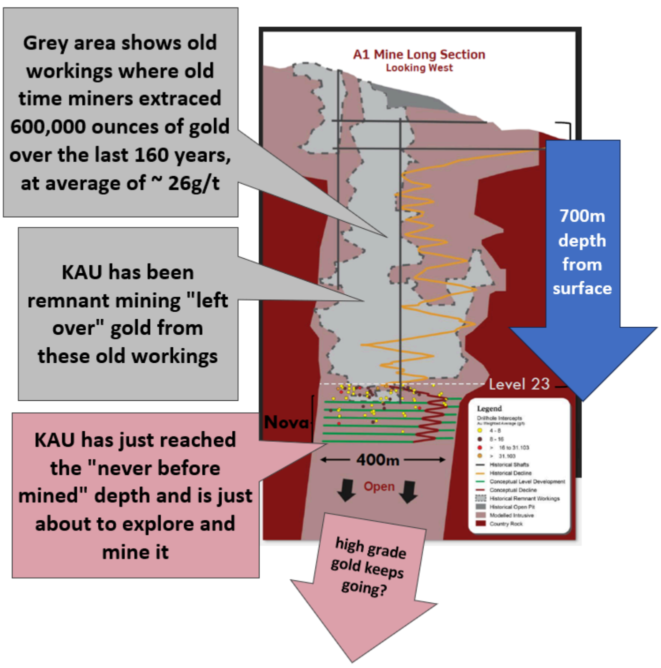
Click to read our KAU Investment Memo

Why is KAU interesting?

1. KAU has invested millions of dollars in capital upgrades to its deep underground mine so that it can explore for high-grade gold in the "never before reached" area of the mine. This exploration upside can be immediately realised by KAU.
2. KAU owns a fully operational gold processing plant, currently running at only 20% capacity. This means that if KAU is able to find more, high grade gold they can mine, process and sell it into a rising gold price for immediate production increases and profitability.
3. KAU's second project, the Maldon Mine has historically produced 2.1M ounces of gold and has further exploration upside.
4. KAU is an unhedged gold producer, which means that it is fully leveraged to increases (and decreases) in the gold price.

What is next for KAU?

KAU plans to start mining untouched areas of the A1 mine, aiming to boost gold production while monitoring exploration updates and gold price fluctuations.



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James Bay Minerals (ASX: JBY)

James Bay Minerals (ASX:JBY) is developing a gold project in Nevada, USA. The company has a 1.18Moz gold and 7.6Moz silver resource with exploration upside.

Summary

Market Cap: ~$52M
Commodity: Gold
Location: Nevada, USA
Resource: Foreign Resource Estimate of 1.18Moz gold and 7.6Moz silver
Stage: Definition

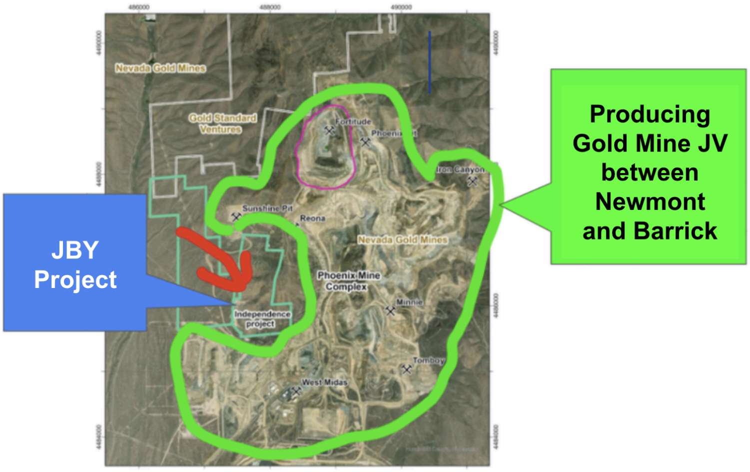
Click to read our JBY Investment Memo

Why is JBY interesting?

1. 1.18Moz gold and 7.6Moz silver resource with exploration upside. The current resource is open at depth and with scope to grow.
2. JBY has the same team and backers as our 2024 Small Cap Pick of the Year SS1. This is a hard working team that brings sticky capital and holders onto the register. They have a knack for securing quality, advanced projects on good deal terms and maintaining a tight cap structure with no options overhang.
3. Nevada is a top mining jurisdiction. The US state is home to some of the biggest gold and silver mines in the world including Barrick's "Goldstrike" project. Deposits in Nevada are known for being easy to mine and process. JBY's project is right in the middle of Barrick and Newmont's Phoenix JV.

What is next for JBY?

JBY has commenced drilling its project to grow the size of its resource and upgrade its classification.



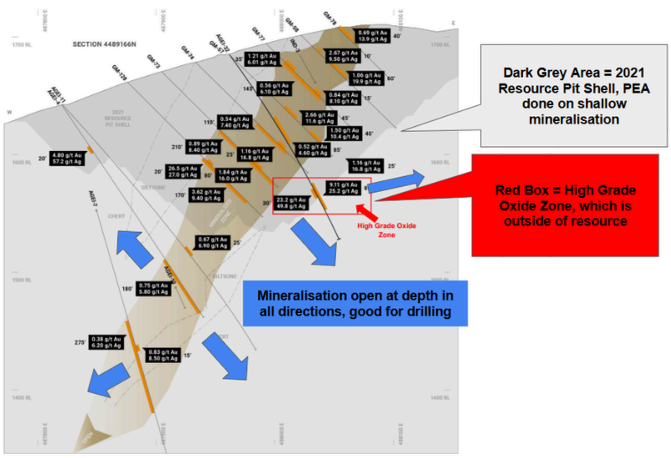


Figure 1 – Near-surface cross-section with high-grade oxide zone (within red box currently outside the existing NI 43-101 Mineral Resource).

BPM Minerals ASX:BPM

BPM Minerals' (ASX: BPM) gold exploration project sits right next door to the Mount Gibson gold mine owned by $2BN Capricorn Metals.

Summary

Market Cap: ~$6M
Commodity: Gold (and other commodities across other projects)
Location: WA, Australia
Stage: Exploration
Discovery Hole: 30m @ 1.84g/t gold from 25m, inc. 5m @ 7.12g/t gold from 35m

Click to read our BPM Investment Memo

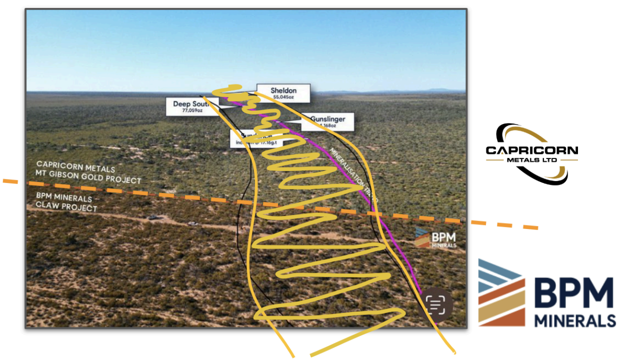
Why is BPM interesting?

1. BPM's project sits right next door and along strike from Capricorn Metals' Mount Gibson gold mine. That mine has 3.24M ounces of gold at 0.8g/t, and will likely come online sometime this year. BPM pegged the ground BEFORE Capricorn entered the picture.

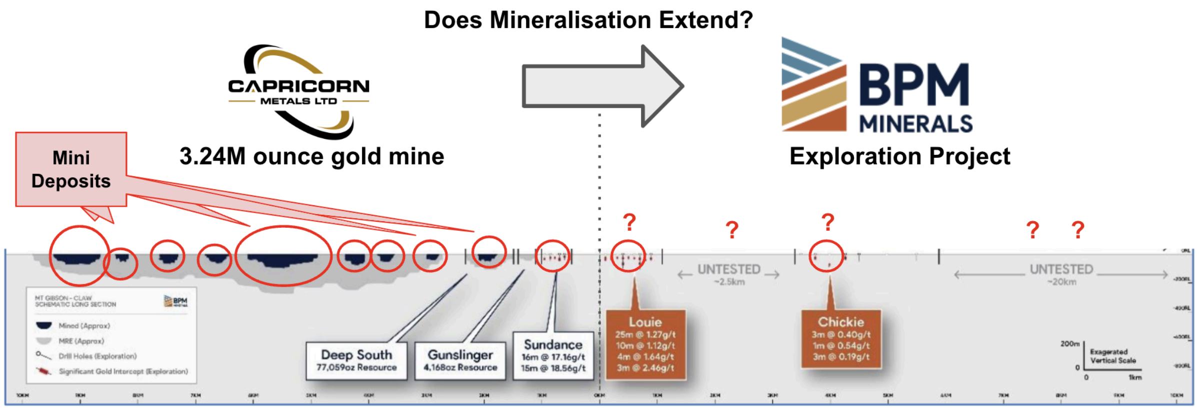
2. BPM's tenements are relatively under-explored. Any new or unexpected strong gold hits may see the stock re-rate.

What is next for BPM?

BPM has commenced a further 2,500m RC drill program to expand on its gold discovery. The company will also conduct an AC drill program as well as geophysics and geochemistry across the under-explored parts of its project.



The Strike



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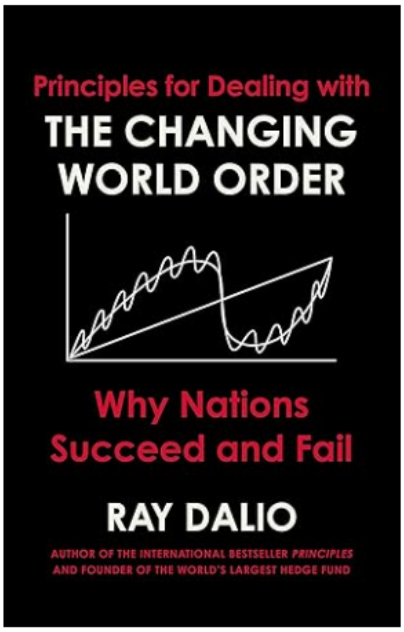
Chapter 5: Six Books we found helpful to understand the drivers behind gold and silver markets (and write this ebook)

1. Principles for Dealing with The Changing World Order by Ray Dalio



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Ray Dalio is an American investor and hedge fund manager, who has served as co-chief investment officer of the world's largest hedge fund, Bridgewater Associates, which he founded.

Key Themes:

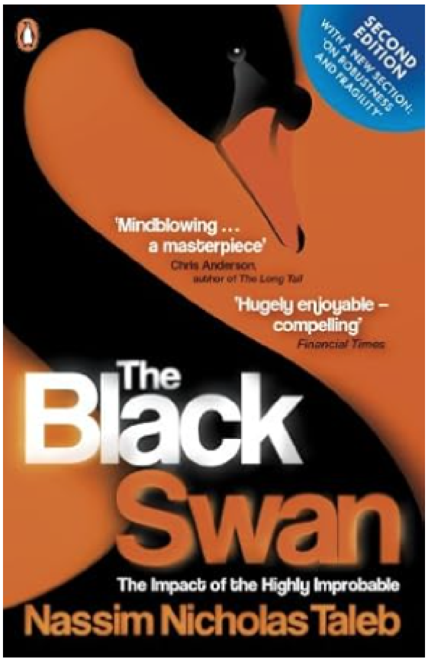
- Economic cycles are driven by the rise and fall of empires, which follow predictable patterns based on debt, productivity, and global influence.
- Excessive debt and currency devaluation historically precede periods of geopolitical upheaval and economic realignment.
- The transition from one world order to another is marked by shifts in the balance of global power, often accompanied by social, political, and economic instability.

Implications for Gold and Silver: Dalio's cyclical framework suggests that as global financial instability increases, gold and silver are likely to become critical safe-haven assets, as they historically retain value when fiat currencies decline.

TLDR: here is a free 40 minute video Ray Dalio made that details the key points of the book.

Ray has clearly made enough money that he doesn't need the book sales revenue.

2. The Black Swan by Nassim Nicholas Taleb



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Nassim Taleb is an essayist, mathematical statistician, former option trader, risk analyst, and aphorist. His work concerns problems of randomness, probability, complexity, and uncertainty.

Also, he hates everything.

Key Themes:

- Unexpected, high-impact events—termed "Black Swans"—are inherently unpredictable yet shape the course of history and financial markets.
- Traditional models and financial systems are ill-equipped to account for rare and extreme events, leading to systemic vulnerabilities.
- Diversification and antifragility, or the ability to benefit from volatility, are essential for mitigating risks in a world prone to sudden disruptions.

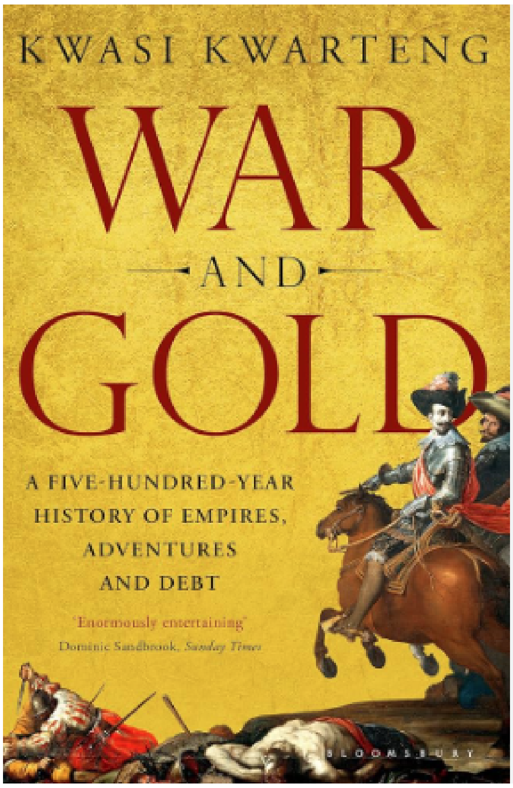
Implications for Gold and Silver: The unpredictable nature of financial crises underscores the necessity of holding gold and silver as a hedge against unforeseen disruptions in global markets.

TLDR: here is a video summary of the key points of the book

Taleb's other books are a great read too - if you think you are a genius investor, or look up to any famous investors, read his other book "Fooled by Randomness" to ruin your day.

In fact, we recommend reading his whole Incerto series of books.

3. War and Gold by Kwasi Kwarteng



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Kwasi Kwarteng is a British politician who served as the Chancellor of the Exchequer under Liz Truss and the Secretary of State for Business, Energy and Industrial Strategy from 2021 to 2022 under Boris Johnson.

This book is very useful to understand the ebbs and flows into precious metals during history, and how it might apply in the near future.

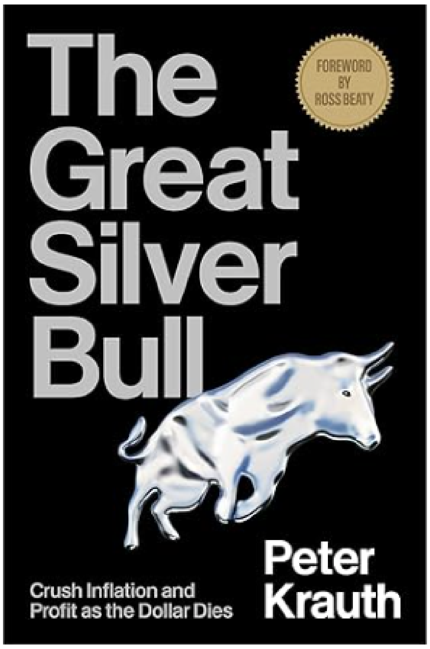
Key Themes:

- The history of gold is intertwined with warfare, economic stability, and the rise and fall of empires.
- Gold has historically served as a reliable store of value during periods of geopolitical instability and monetary crises.
- The movement away from the gold standard in the 20th century has led to increased reliance on fiat currencies, contributing to periodic financial crises.

Implications for Gold and Silver: Kwarteng's historical analysis reinforces the notion that gold remains a refuge in times of war and economic uncertainty, suggesting its continued relevance as a protective asset.

TLDR: Here is an interview with Kwasi talking about what's in the book.

4. The Great Silver Bull by Peter Krauth



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Peter Krauth has researched, written about, and invested in silver and resources for more than 20 years, using his extensive industry network to uncover outstanding opportunities. As a precious metals expert, he is a frequent guest contributor to webinars and financial websites such as Kitco and Forbes.

This book is silver focused and a fun read (and confirmation bias) for silver bulls like us.

Key Themes:

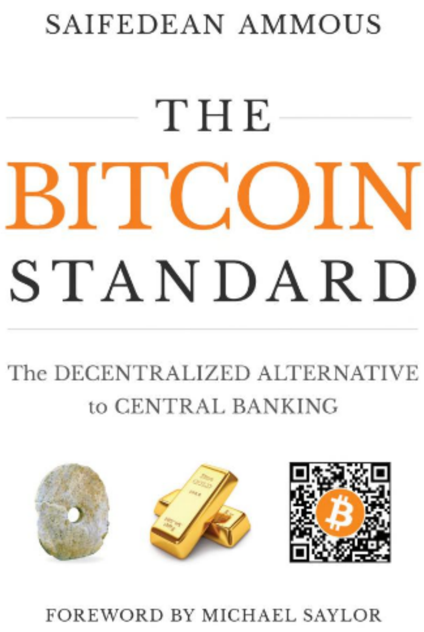
- Silver is poised for a significant appreciation due to its dual role as both an industrial commodity and a monetary metal.
- Economic uncertainty, rising inflation, and increasing demand for silver in technological applications create a favourable environment for its price.
- Silver's underperformance relative to gold presents a unique investment opportunity, particularly in a climate of currency devaluation and inflationary pressure.

Implications for Gold and Silver: Krauth's analysis underscores the potential for silver to outperform gold, especially in scenarios where industrial demand and inflationary concerns converge.

TLDR: This is a pretty niche book so there isn't a good summary floating around on the internet - but here is an interview with the author talking about the book.

Speaking of silver bulls, we've been following a new blog "Catt Calls" - check out their article on $100 silver here.

5. The Bitcoin Standard by Saifedean Ammous



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Saifedean is a pioneer in the economies of cryptocurrencies and their potential to change the world for the better. He’s the author of The Bitcoin Standard (2018) (the one we read), introducing the economies of bitcoin and later expanding on the framework in The Fiat Standard (2021). He’s also authored a textbook, Principles of Economics, currently in progress.

We aren’t really into crypto or bitcoin (yet), but the first part of this book provides a really good primer on the concept of currency and money, and the history of how money came into existence.

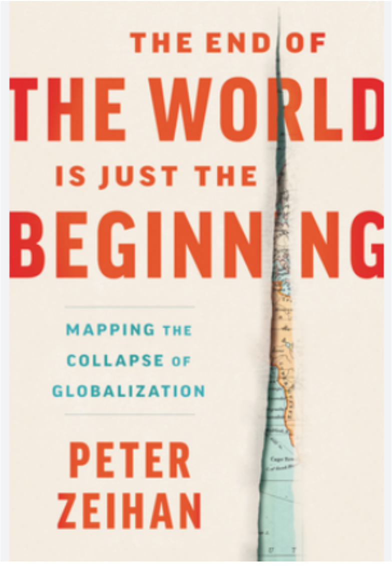
Key Themes:

- Bitcoin represents a new form of “digital gold,” characterised by scarcity, decentralised governance, and a limited supply.
- The evolution of money from commodities like gold to fiat and now to digital currencies reflects changing perceptions of value and trust in financial systems.
- Bitcoin’s fixed supply offers an antidote to inflationary monetary policies, drawing parallels to gold’s historic role as a store of value.

Implications for Gold and Silver: Bitcoin’s rise suggests a complementary role for gold and silver, with digital currencies emerging as competitors or allies in the quest to preserve wealth outside of traditional financial systems.

TLDR: The first 10 minutes of this video covers the topics we valued most in this book, being how money works and the history of the gold standard and when it converted to non gold fiat backed currency (after 10 minutes it goes technical into bitcoin, which sounds cool but again bitcoin isn’t really our jam… yet).

6. The End of the World is Just Beginning by Peter Zeihan



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Peter Zeihan writes books and produces content about geopolitics and globalism. He is the author of The Absent Superpower (2017), Disunited Nations (2020), and The End of the World Is Just the Beginning (2022).

If you have a negative outlook on the future of the world, you'll love this book.

We are generally pretty optimistic about the world, but it's good to be aware of and consider possible worst case scenarios.

Key Themes:

- Globalisation is in decline, with supply chain disruptions, demographic shifts, and geopolitical fragmentation contributing to a new era of localised economies.
- Energy independence and food security will become paramount as countries turn inward, redefining global trade patterns.
- Economic and political instability will increase as countries struggle to adapt to this new world, leading to the resurgence of nationalism and protectionism.

Implications for Gold and Silver: Zeihan's analysis points to a future of increased geopolitical risk and localised economic volatility, conditions under which gold and silver traditionally thrive as stores of wealth and hedges against uncertainty.

TLDR: 2 minute book summary video here

Disclaimer, this one is really doom and gloom when it comes to the collapse of modern society.

Chapter 6: Conclusion

From all of our research and Investing to date, our key takeaway is that gold and silver act as a strong counterweight to government backed currencies.

People often like to speculate on the gold and silver price, but as an asset class it is about protecting and maintaining wealth.

Particularly during a time when governments are excessively printing money and running up national debt.

The gold and silver “mega bubble” has inflated many times in history when faith is shaken in financial institutions, governments or the value of fiat currency.

Everyone rushes into gold and silver for safety.

And it will likely happen again in the future.

Possibly even the near future.

In certain global conditions, when people's faith in the government backed currency reduces or erodes, then the price of gold and silver goes up.

Throughout history, precious metals have been preferred to fiat currencies in times of global instability, inflation and excessive money printing.

In particular to fund global conflicts or pay off spiralling government debt.

Like the growing $35 trillion US debt…

Not ideal given the US dollar is the global reserve currency.

And the rising price of gold and silver against the US dollar over the last 12 months is a reflection of the reality that we are likely heading towards this direction.

Inflation and currency debasement affects everyone in an economy.

Right now we suspect the gold and silver price increases are from “early movers” shifting some wealth into gold to protect against potential inflation and global uncertainty.

It would be interesting to see what would happen if (or when) the wider population and investment community starts sharing these concerns too and causes a run on silver and gold.

We have been buying up physical gold and silver for a few years now.

And we have Invested in gold and silver equities discussed in this book that we think will give us the best chance at success in the gold and silver thematic of 2025.

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