

Maurice Jackson: Today, we will have a discussion regarding the value propositions you may be overlooking for your natural resource portfolio. Joining us for our conversation is legendary Rick Rule of [Sprott Global Resource Investments](#), which is the preeminent name in the natural resource space.

Rick Rule: Maurice, it's always a pleasure and congratulations on the incredible success of your site in the last couple of years.

Maurice: Thank you, sir. Rick, a wise man once told me and, by the way, you are the wise man I'm referring to here, two things that fit into the narrative for today's discussion, "Everyone is a contrarian when the price goes up," and "having courage and conviction." I referenced these quotes because as speculators, we hear a thesis and it makes sense. We put some capital into the market and the price goes down or there are no press releases. In your experience, what actions do you see the speculator do next?

Rick: Well, that reminds me a lot of Mike Tyson's observation that everybody has a plan till you hit them in the face. The truth is describing the rationale behind being a contrarian, buying straw hats in winter and buying things cheaply makes absolute sense, but people like company. When you're standing alone, you often have to call into the courage of your convictions to stay a trade, even a rational trade, where the market action isn't justifying the narrative. It can be very, very difficult to stay a trade as a contrarian. It is also a necessary thing to do.

Maurice: That's why I wanted to cover the value propositions that aren't obvious. Can we begin our discussion today with physical precious metals and in particular, not gold, but silver, platinum and palladium?

Rick: Those are different topics, of course. Silver is interesting because it's difficult to know the fundamentals, so it's inherently speculative. Let me explain that. In the first instance, unlike gold, silver is also an industrial material. So it gets used up. That's an important part of silver. It's used in many, many applications and only some of them involve recycling. Unlike gold, some of the supply in silver goes to what I like to call silver heaven. It gets used up in applications and goes away. The supply side of silver is much more problematic or at least much more interesting.

First, most silver isn't produced from silver mines. It's produced as a byproduct of other metal production like copper, lead, zinc and gold. So rather than just understanding the market dynamics in silver to forecast the future supply, you have to understand a lot about the production of other materials, where silver is a byproduct.

The second interesting thing about the silver market is that a bunch of the supply is held in private hands in South Asia, in Pakistan, in India, in Bangladesh, in Nepal and in Sri Lanka. Much of the silver is undeclared. It's private wealth. So circumstances occur that you and I wouldn't think of because we don't live there. Things like the impact of a very good harvest in rural India, which means that the farmers have increased capital to save and rather than saving in rupees, that is in government currency, they might save in silver.

Conversely, difficult economic times in India or Pakistan, where their currency is collapsed, might cause those people to sell some of their silver simply because they need to use the money to feed their families. So it's a very interesting topic in terms of supply and demand, one that I've worked on for 40 years and one that I must admit I have not mastered yet.

The second part of the silver story is very uncontrarian. That is, it's the poor cousin, poor man's substitute for gold. So when the gold market runs, because of the volatility of silver and because of its lower unit cost, because it's more affordable to more people, it tends to run more than gold, both to the upside and the downside. So the ability that people have to forecast supply and demand in silver is very, very constrained at the same time as it is much more volatile than gold.

Moving on to platinum and palladium, these are, in addition to being precious metals, even more industrial materials. The important thing to know about both is that they have a way to move to the upside simply because the cost associated with using platinum and palladium is a very small part of the cost of the finished products that they are used in. The best example of it is, of course, as an auto catalyst.

It takes probably \$150 worth of platinum and palladium to deliver the air quality standards that allow a new vehicle to be sold in developed nations markets like Germany, Japan and the United States. Now, the finished price of that vehicle is somewhere between \$30,000 and \$40,000 on average. So it takes \$150 worth of PGMs to enable the sale of a \$40,000 automobile. If the price of platinum were to double, it would have no discernible impact on the sticker price of a new car. So there's some demand elasticity relative to price.

The second thing that contrarians need to understand about platinum, and this story has been a long time in coming, is that in the most important market for the production of platinum, South Africa, at current platinum prices, about 60% of the existing production is uneconomic. At a certain point, the South African government and the South African industry is likely to be unable or unwilling to continue to subsidize the production of

uneconomic platinum. Now, in fairness, Maurice, I've been singing this tune for five years thus far with no discernible success.

Maurice: Well, I have to share it presents a very unique value proposition because in my view, I'm seeing anomalies and distortions. I don't recall the last time I saw platinum being below the price of gold and the price of palladium. The unique features you've referenced as an auto catalyst regarding platinum and palladium, but I'm speaking more to platinum here is that its utility and it's rare. It's one thing. We always hear that something is rare, but the fact of the matter is it has to have utility and that's what I like about platinum.

Rick: Maurice, you make a very good point. Platinum and palladium both are rare. They're also constrained politically. What I mean is that almost all of the economic deposits of platinum and palladium in the world are in South Africa, Zimbabwe and Russia. There are some constraints to all three jurisdictions. Russia is probably not in as bad shape as most people think, but I would argue that both South Africa and Zimbabwe are in worse shape than people think. In addition to the economic constraints surrounding the platinum business, there are also some political constraints to supply that could have a dramatic impact on the price.

Maurice: Are you more bullish on the issuers of precious metals or stewardship of the physical metals?

Rick: I think that depends on the purpose for which the investor has it and who the investor is. One example of that, Maurice, is that you could argue that I personally wouldn't need to own any physical precious metals at all given that my profession would benefit from an increase in precious metals prices and certainly, my investment in Sprott Inc. stock would benefit. That notwithstanding, I own a reasonable amount of gold. I own it for the reason that most people own insurance. So I'm in the odd position of owning a lot of an asset class, where I hope it doesn't go up in price.

If you think about it, that's rational. If you think about any insurance policy that you might have, you understand that the circumstance that causes you to get paid for is almost invariably unpleasant. Life insurance means somebody died. Auto insurance means that you had a wreck. Home insurance means that your house burned down. These are all unpleasant circumstances. I own gold precisely because I want to insure myself against unpleasant circumstances. I want to make money on my mining stocks. Unlike a lot of investors, I don't necessarily own mining stocks as warrants on higher precious metals' prices. I own mining companies because I believe that they can compete economically on a standalone basis and they can do something better than their competitors.

I also believe right now that the mining stocks might be more timely than the metals themselves, given that for 18 months, metals prices have held up very or at least reasonably well while the mining stocks have certainly lagged. There's no guarantee that the mining stocks will make up for lost time. The circumstances that we've seen have existed twice before in my career. In both cases, the delta between the metals' prices and the stock prices was, in fact, filled in by rising equities' prices, something which I hope occurs this time as well.

Maurice: That's a very interesting perspective you have there is that you're looking at gold as insurance, not necessarily as a speculative endeavor and more or less, the issuers on the speculative side and that's a view I've learned from you. When I first began this endeavor, I looked at silver as my speculative endeavor and I changed it to more of an insurance policy along with the other precious metals.

Rick, before we leave the subject of precious metals, I'd like to remind our listeners that here at Proven and Probable, we are licensed to buy and sell precious metals as gold, silver, platinum, palladium and rhodium through [Miles Franklin Precious Metals Investments](#). That also includes safe deposit boxes, which are fully insured and secured by Brink's of Canada, Offshore Storage Accounts and Precious Metals IRAs. For inquiries please contact Maurice@milesfranklin.com.

If you're looking to have a position in physical platinum or palladium but you don't want to have stewardship, Sprott offers the [Sprott Physical Platinum and Palladium Trust](#). Allow me to break this down. The stock symbol is SPPP. When you own one share, you essentially own 0.0029% of an ounce of platinum and 0.0061% of an ounce of palladium. So if you own 345 shares, you would own one ounce of platinum and 2.31 ounces of palladium. A unique feature with this Sprott Trust is that if you own a position of \$200,000 or greater in the Sprott Physical Platinum and Palladium Trust, you can actually redeem the metal, which is a feature that you do not see in ETFs.

Rick: Thank you for mentioning that. It's also worth noting that for certain American taxpayers, there are capital gains advantages to owning the metals in the form of trusts rather than directly. Direct ownership of the metal or the proxies for the metal, which are the ETFs, are taxed by the IRS at the collectible or ordinary income tax rate. While for some investors, ownership of the trusts conveys the lower capital gains rate.

Maurice: Before we move the subject to base metals with regards to issuers that we like in the space, please visit some of our sponsors. They are for gold, **NOVO RESOURCES CORP. (TSX-NVO|OTQX – NSRPF)**, **IRVING RESOURCES (CSE- IRV|OTC – IRVRF)**, **NORTHERN EMPIRE (TSX.V-NM|OTC-PSPGF)**, **NX GOLD (TSX.V-NXM|OTC-LBRHF)**, **MINERA ALAMOS (TSX.V-MAI|OTCQB – MAIFF)**, and for silver, **ABRAPLATA RESOURCES (TSX.V-ABRA|OTCQB – ABBRF)**.

Rick: I would only note that your picks and my picks may or may not be the same. I would invite your listeners to come to the **Sprott Vancouver Natural Resource Investments Symposium**, where many of the precious metals companies that are owned in Sprott portfolios will, in fact, be presenting.

Maurice: Moving on to energy, which constitutes a lot of base metals, what are we overlooking here?

Rick: I think the most important economic discussion that we or anybody else could have is the ascent of man, the fact that over time, there are more of us and over time, our condition, despite our government's best efforts to the contrary, seems to improve. When the poorest two billion people on the planet enjoy gradually higher standards of living, which they are, the things that give them utility, the things that they want to buy, Maurice, are different than us. We have too much stuff already, but when poor people get more money, they might eat higher value, higher calorie foods. They might put a metal roof on what had been a thatched shed. All that stuff uses stuff.

The most important stuff to very poor people is energy. They want internal combustion engines and they want electricity. The proliferation of energy use among the poorest energy consumers in the world is an incredibly important story. Because those of us who live in the West have more access to rich people, we're interested in the electric vehicle story. The electric vehicle story is certainly an interesting story.

In terms of the so-called battery metals or electric metals, a much more important theme in terms of the use of those metals is, in fact, the increase in living standards around the poorest two billion people in the world. The urbanization and the liberalization of China set off by Deng Xiaoping when he said, "To be rich is glorious," is really the author of the current metals markets.

As China continues to urbanize and as the Chinese experience is repeated around the world, we're seeing increasing interest in and increasing shortages developed in a whole range of energy-related materials. This could be oil. It could be natural gas. It will return to uranium. Also, in terms of electricity, increasingly, it has to do with the battery metals, the distributed storage of power.

You've seen the lithium price do extraordinarily well in the last four years. You've watched the cobalt price explode in the last 18 months. This will continue. Increasingly, the places that you're going to see it are much more mainstream metals that are usually identified with electricity. One would, of course, be nickel. The lithium ion battery by weight isn't a lithium battery at all or a cobalt battery. It's, in fact, a nickel copper battery. Some 85% of the weight of these lithium ion batteries is, in fact, nickel and copper.

The ability to get electricity from where it's produced to where it's consumed always, always, always relies on copper. I think your question is a very good one. I think in terms of what sectors will benefit from the increasingly electrified world that we're seeing, the answer is all of them. Very attractive proposition.

Maurice: Indeed, it is. Another sponsor we'd like to reference here is **NEVADA COPPER (TSX-NCU | OTC-NEVDF)**, **EMX ROYALTY (TSX.V-EMX | NYSE-EMX)** they have the Malmyzh project in Russia. Looking forward to seeing what they're going to be doing there. Then a company that is not a sponsor, which, Rick, I have to give credit where credit is due, you brought to our attention, **IVANHOE MINES (TSX-IVN | OTCQX-IVPAF)**. This is Robert Friedland's company. It has probably, and correct me if I'm wrong here, the biggest copper deposit in the world.

Rick: It does. All three of those companies are, in fact, worth mentioning. Ivanhoe is a superb copper discovery. Challenged, of course, by operating in Congo, which is a very hard place to operate. EMX Royalty are people that we backed for a long time and know them very well. Nevada Copper, I don't know so well. Although, I just spent some time with the ex-CEO of Rio Tinto, who has recently joined Nevada Copper board, which is a very interesting endorsement of the company. I've known Yerington, which is the district that its deposits are in, for a very long time, but the fact that the ex-CEO of the second largest mining company of the world just went on the board is certainly an interesting statement.

Maurice: One of the things I've learned from you, and I've learned so much, is you follow serially successful people. How about project generators? They often seem to be neglected.

Rick: The prospect generators are neglected, which is odd. My own experience speculating with the prospect generators has suggested to me that the probabilities of success are substantially higher than they are with other forms of exploration. That notwithstanding, the narrative associated within is fairly boring. So people own mining stocks for non-arithmetic reasons. That is people who need, for one of a better phrase, sex rather than money, tend to avoid the prospect generators.

The truth is that my own experience with the prospect generators in terms of return on capital employ has been extraordinary and I favor them and I'm delighted, in fact, with the fact that most people ignore them because that means that I can out-compete most people, given that they failed to show up for the race.

Maurice: Rick, would it be wise for project generators to consider amalgamating?

Rick: It would be wise for the whole space to amalgamate. One of the great sins of the junior mining industry is that we have too much, by way of general and administrative expense, relative to assets under administration or relative to project expenditure. So if we could take as an example the 20-odd prospect generators in the world and narrow them down to five or six, we would lower general and administrative expenditures relative to other expenditures and we would also probably rationalize project budgets and that we would allocate the money to a decreasing number of projects, which would probably be a good thing. Now, understand that there are probably 2,000 public or semi-public exploration companies on the planet. That sector would benefit mightily from amalgamation, too.

Maurice: Agreed on that one, sir. With regards to project generators, we'd like to reference three of our sponsors, [EMX ROYALTY \(TSX.V-EMX | NYSE-EMX\)](#), [MILLROCK RESOURCES \(TSX.V-MRO | OTCQB-MLRKF\)](#) and [RIVERSIDE RESOURCES \(TSX.V-RR1 | OTC-RVSD\)](#) and three generators that are not, [ALMADEX MINERALS \(TSX.V-AMZ\)](#), [MIRASOL RESOURCES \(TSX.V-MRZ | OTC-MRZLF\)](#) and [ALTIUS MINERALS \(TSX.V-ALS | OTC-ATUSF\)](#). Sir, did you want to share any more with regards to uranium before we move on to oil?

Rick: With regards to uranium, the uranium bull market that we enjoyed in the period 2002–2006 was the most amazing bull market that I have witnessed in a career that has seen a lot of bull markets. People are bored of uranium now and beyond being bored, they still think within the context of Chernobyl and Three Mile Island. Meaning that in addition to being bored by it, they hate it, which means that it's a very under-visited investment theme.

Maurice, it will help your listeners to understand the uranium thesis this way. If your American listeners believe that six or seven years from now when they hit the light switch, if they believe that the lights will come on, then they believe in higher uranium prices. Let me explain that.

Some 14% or 15% of U.S. baseload electrical supply comes from uranium. Uranium, right now, is priced well below the cost of production. That means either that the uranium prices will go up to a degree necessary that the industry can earn its cost of capital or the supply won't be available.

Now, throughout the 65 years of my life, when essential commodities were priced below the cost of production, the prices rose to the extent that those supplies became available to society. So I would suggest to you that if you believe that the lights are going to come on in six or seven years in the United States, you believe in higher uranium prices. Whether or not you as a speculator have the patience to wait for that event to occur is an entirely different set of circumstances, but one must understand, ultimately, that markets work. The cure for high prices is always high prices. The cure for low prices is always low prices. Uranium prices are unsustainably low.

Maurice: Two companies we like here, they are not sponsors, is going to be [FISSION URANIUM \(TSX-FCU | OTC-FCUUF\)](#) and [URANIUM ENERGY CORP \(NYSE-UEC\)](#). Regarding oil, do you like big oil or craft oil?

Rick: Yes and yes. I think that the prices of the major multinational oil companies have not kept pace with the recovery in commodity pricing. I think that the smaller side of the oil space, certainly, the sub-billion dollar market cap, that's absolutely been taken out and shot. That doesn't suggest that every micro-cap or small-cap oil company is going to be a good speculation, but I have been around oil markets my entire life and I can tell you, in every set of circumstances that bull markets have followed their markets.

Will demand begin to be constrained a little bit by things like electronic vehicles and fuel cells? Absolutely. The most efficient form of transportation energy on the planet is still refined petroleum and demand for it will exist long after I personally have shed my mortal coil.

Maurice: I recall two years ago, where the price of oil was in the 20s and everyone was hitting the panic button. I recall you at the Spratt Symposium just sharing, “Hey, this shall come to pass,” and we’re looking at oil now and I believe it surpassed \$75 to that year.

Rick: Correct. A couple of interesting things of note then. The example that I just gave with regards to uranium, you may recall I gave at that symposium. I told people if they believed that when they went up to their garage and turned the key to the right that their car would start, meant that they believed in \$60 oil, that \$30 oil was unsustainable. Either their car would not start because there wouldn’t be oil or the price would go up. Sure enough, the price went up.

The second interesting thing I think that your listeners need to think about with regards to oil prices is that the mainstream media has incorrectly, I think, identified the nature of the rebound in oil prices. They had suggested as an example that it might be as a consequence of Mr. Trump not liking the Iranians or that it might be because some young Saudi prince put a few of his uncles in jail.

The truth is that the rebound in oil prices happened simply because oil was unsustainably priced. That period of low oil prices led to a deferral of sustaining capital investments, which in turn impaired the ability of several companies and countries to produce oil, in particular, Indonesia, Peru, Venezuela and Mexico, among them suffering production declines in the range of four or five million barrels a day. That is what is really responsible for the recovery of oil prices.

Maurice: Two of our sponsors that we like in this space are [JERICHO OIL \(TSX.V-JCO | OTC-JROOF\)](#) and [MOLORI ENERGY \(TSX.V-MOL | OTCQB-MOLOF\)](#). Rick, in my opinion, agriculture fits perfectly into this discussion. What can you share with us?

Rick: It does. The agricultural investments are tough to make in equity markets because very few farming companies actually list publicly. So public investors and speculators are often reduced to, if that’s the right phrase, making investments in agricultural related themes. They might be equipment suppliers. They might be fertilizer fabricators and manufacturers. The truth is that I personally have begun to invest, again, I did it in the past, in very, very quality U.S. farmland in the upper Midwest.

I’ve done this as a substitute for commercial real estate investing, which I see the cap rates being entirely too high. In other words, I’m beginning to see the returns on capital employed in developed real estate in the United States come to levels I’m not comfortable with. While in very high quality agricultural real estate, the fact that commodity prices, corn and soybean prices are very low, has led to lower land rents. I think the prices on really high agricultural land in the U.S. upper Midwest are probably approaching generational lows. So I have begun to invest myself as a contrarian in very high quality agricultural real estate.

Maurice: Whether it’s mining, agricultural or just life in general, we all need water. I very seldom hear the discussion of water and/or water rights. What is the value proposition here that we’re missing?

Rick: The first thing is that most people aren’t interested in it. The larger theme, and it’s a really dangerous theme, is that water isn’t rationed by utility or markets. It’s rationed by political power. In reality, water flows downhill to money. Meaning that the most economic utilizers of water ought to get the most water because they pay for it, but that’s not the way it works. Water is regarded as a right. So it is subsidized and distributed politically.

The problem is that in many markets, the United States included, we have over-allocated the available water. There is evidence to suggest as an example that when the Colorado River was portioned many, many years ago, almost a hundred years ago now, the Army Corps of Engineers unwittingly measured its flow during very, very high flow years, anomalously high flow years. So now, we’re in the circumstance where about 115% of the normalized flow of the river has been allocated. As you can imagine, that’s fairly hard on the river.

When we get a real drought in the West, what we’re going to see is that we can’t vote increased supplies because there’s no way that we can increase that supply. The ownership of those few water rights, which are privately as supposed to publicly owned, in that set of circumstances might be expected to do extremely well.

I have been a water rights investor myself for a very long time and I need to say, it’s a very poor pun that water has become an extremely illiquid investment because most of the private water rights that were available for purchase are now owned by very long-term holders. The way that your subscribers may get access, indirect access to water rights would be to buy those few publicly traded shares of farming companies that, in fact, own water rights. I’m thinking of names like JG Boswell (NYSE-BWEL) and [LIMONERIA \(NYSE-LMNR\)](#) out in California.

Maurice: Last but not least, there's another company in my opinion that speculators overlook and it is the preeminent name in the natural resource space and that's **SPROTT INC (TSX-SII | OTC-SPOXF)**. Tell us about the virtues of being a shareholder.

Rick: Well, there's only so much I can say being the largest individual shareholder myself and also an officer and director. I can tell you that it's a prudently run company. We have no debt. We increased our EBITA in the last two years by roughly 50%. We earn and pay a generous dividend and I would argue with most people, I don't think I have to argue with you, that Sprott is, in fact, the best known brand name in precious metals and maybe natural resources in North America. In fact, about 200,000 North Americans now own Sprott brand and investment products. If we do, as I believe we will, head into a resource bull market, I think the value of this brand will come to be understood better than it is now.

Maurice: I think you hit the nail right on the head here. Children have a way of simplifying things and I want to just reference my eight-year-old son here, Braden. I asked him what would he like for his birthday. He shared with me, "Daddy, I want to buy Rick Rule." It was just that simple. For him to recognize, of all the companies that I interview, he listens to my interviews, believe it or not at seven, and he shared with me, "I want to invest in Rick Rule." I said, "Why?" He just said it very simply, "He's the best." He said, "You like him and he's the best." No way for me to refute that one.

Rick: Well, convey to this young man that flattery will get him everywhere. I appreciate it.

Maurice: For our audience, the ticker symbol is SII and on the OTC, SPOXF. Let me give that to you one more time for Sprott Inc. SII and on the OTC, SPOXF. Rick, the 17th through the 20th, the Sprott Natural Resource Symposium will be hosted at the Fairmont Hotel in Downtown Vancouver, British Columbia. This is a world-class event hosted by **Opportunity Travel** in conjunction with Sprott Global Resource Investments. Rick, what type of speculator attends this symposium and why should anyone listening attend?

Rick: Well, this symposium is of interest to people who are interested in precious metals and mining investments, primarily, in companies below a billion dollars in market cap. That is resource speculators. Now, larger cap companies, some fine larger cap companies, Franco-Nevada, Wheaton Precious Metals, Agnico Eagle, those kinds of companies will be present.

Most of the exhibitors, most of the companies that will be talked about will be much more speculative. Contrarians, I think should if they do not have an interest in the resources space simply because it's cheap relative to other prices. It's instructive to note, I think, Maurice, that one of the things that sets this conference apart from other conferences is that in order to be an exhibitor at this conference, you have to be owned by a Sprott-managed account.

Now, that doesn't guarantee that every exhibitor in the conference will enjoy share price escalation. What it does guarantee is that we have vetted every single exhibitor. For us, exhibitors are content, too.

Another thing that I think people will enjoy at the conference is the extraordinarily high quality of the speakers. The legendary commentator, Doug Casey, is an example, but beyond him. Jim Grant, one of my personal favorites, Grant Williams, Jim Rickards, David Stockman, Steve Sjuggerud. In addition to all the gurus and editors and pundits, investors will be able to listen to and, in fact, rub shoulders with several entrepreneurs who have built billion-dollar mining companies from scratch. I believe the lessons that these men and women have to share about how they built companies from zero to billion-dollar valuations are inspiring, and they are hugely educational.

The fact that the conference has existed through thick and thin, we're in our 29th consecutive year now, I think, says a lot for the value offered up by the conference to people who attend it.

Maurice: Equally, it is the intellectual capital that other attendees bring to the symposium and the networking that you can do is just remarkable. You referenced inspiring. If I may just sidetrack here for a moment, my first attendance was in 2015 and it was a life-changing event. Like most people listening, here's what I did. I would listen to an interview such as this and then I would make out a little portfolio of some companies I'm going to look at and why go to the event because I have the names here in front of me. I can save on lodging, airfare, you name it. What a big mistake.

So what I did was I attended in 2015. In 2015, the networking I was able to do, the inspiration received, meeting you, having the opportunity to speak with you and another thing for me, I'm big on nonverbals, so for me to be able to actually now see you, see how genuine you are and others in this industry, it conveyed so much to me that I was in the right place at the right time and that was the moment I decided to begin **Proven and Probable**.

That one-time investment in 2015, I'm sold forever. I will forever attend the Sprott Natural Resources Symposium. I want to thank you for that, sir. It's been a life-changing moment for us.

Rick: Well, I want to thank you for your own contributions to the industry. Proven and Probable came about solely as a consequence of your interest and will and it's doers that make the world. So you are to be congratulated for that product.

Maurice: Rick, I have to share that is one heck of a compliment to have the most recognized name in the natural resource space share that we're providing utility in the space. For our subscribers, we love the demands and the challenges of bringing you what we believe are the best value propositions that we see in the natural resource space. So again, thank you for those kind words, Rick.

I'd also like to share that on the 16th of July, the day before the Sprott Symposium, I will be hosting a discussion panel at the [Sea to Sky Gondola, Squamish field trip](#). For tickets, please email us. Also, we welcome you to come visit our booth at the Sprott Natural Resource Symposium.

Rick, at the conclusion of the symposium, you will be speaking at another event a couple of blocks down the street hosted by Jayant Bhandari, which is [Capitalism and Morality](#). What can you share with us about this event?

Rick: I hope to see you there, first of all. Capitalism and Morality is extremely amusing. It's a nonfinancial conference. It's more of a philosophical conference, where we talk about human interaction that is non-government regulated. It's my belief that interactions between all human people should be voluntary. That's the nature of this discussion. I, myself, will put on a presentation that I hope amuses locals. It's a speech I've never given before.

The title of it is *The Situation Is Hopeless But It Need Not Be Serious*. The point being that despite all of the government-inspired problems facing mankind, that we are so hugely inventive that to the extent that we take care of ourselves and the people we love, we get by and, in fact, our life gets better decade by decade, generation by generation.

Maurice: Oh, I look forward to hearing this one as I do with all of them. So yes, I will be in attendance, by the way. In closing, Rick, we've covered a lot of ground today with the audience. In my experience because I've done this personally, we take a discussion such as ours and take this box-out approach to deploying capital to companies simply because their nomenclature had the name of the metals what you've discussed today without doing their due diligence. So how can Sprott Global Resource Investments assist with this endeavor?

Rick: Well, I think the first thing that we can do and the lowest effort test that we can do for your listeners is a promise that I'll make.

Any of your listeners that want me to personally rank the natural resource companies in their portfolio need simply email me at rrule@sprottglobal.com. To help streamline the emails, we ask you to please type in the subject line, "Proven and Probable".

It is important that in the text of the email, not as an attachment, in the text of the email that your listeners send me both the name and the symbol of the stock in question. I will return to them on an absolutely no obligation basis my rankings, my current rankings of the companies in their portfolio and any comments that I think are appropriate to their holdings.

Maurice: Wow! You have the biggest name in the natural resource space, the world's most respected credit analyst and he's going to review or I should say grade one's portfolio for free. Couldn't ask for more. For our audience, we do not receive any financial compensation for you contacting Sprott.

Rick, let me ask you a question here. If I have a brokerage account here in the U.S., I can purchase these shares using OTCs. What's the advantage or disadvantage of just purchasing OTCs?

Rick: Well, it's a foreign security. That is a Canadian company and you purchase on the OTC market. What you or more probably your broker has to do is compare the U.S. dollar net cost between the U.S. over-the-counter market and the Canadian market. It is most often, but not always the case, that Canadian stocks trade with tighter spreads in the Canadian domestic market. It's important then to note what the total transaction costs are. That is, both the commission, but of course, also the foreign exchange fees that your broker is charging you to translate Canadian dollars into U.S. dollars on your purchase and sales.

So it's incumbent on somebody transacting in foreign securities that they understand every part of the trade. It's complex when you first do it. After two or three goes, it gets much easier.

Maurice: As a client of Sprott, I'm able to then purchase shares directly on the exchanges such as the TSX?

Rick: That is correct. We do that shopping for you. We compare and contrast the U.S. market maker quotes and the U.S. over-the-counter market with the exchange quotes in Canada and we deliver the lowest net U.S. dollar price to our clients that could be affected on either market.

Maurice: Rick, we want to thank you for your time. In closing, can you please share the website with us, please?

Rick: www.sprottglobal.com.

Maurice: The phone number is 800-477-7853. Last but not least, please visit our website, www.provenandprobable.com, where we interview the most respected names in the natural resource space. You may reach us at content@provenandprobable.com.

Rick Rule of Sprott Global Resource Investments, thank you for joining us today on Proven and Probable.