

## Transcript of Maurice Jackson Conversation with Brien Lundin (30 October 2019)

**Maurice Jackson:** Joining us for conversation is Brien Lundin, the president of **Jefferson Financial**, and he is the host of the world's greatest investment event—I'm speaking of the **New Orleans Investment Conference**.

**Brien Lundin:** Great to be with you as always, Maurice.

**Maurice Jackson:** Delighted to have you on today to discuss the current state of precious metals and some opportunities in the junior mining space. Mr. Lundin, what are your thoughts on the current precious metal prices right now?

**Brien Lundin:** Well, gold is going through somewhat of a correction; I guess it's safe to say it should be going lower. The technicals are actually a head-and-shoulders formation pointing toward the lower \$1400s in terms of price. The fundamentals have moved from the investors being focused on the big monetary issues to them being focused on the daily parade of headlines. We haven't really had those drivers that we had earlier in the summer and the price should be going lower, but it isn't.

We are going sideways basically now. We've had gold get hit by a number of headlines that should be bearish. We had a Brexit deal announced last week. We had a ceasefire in Syria announced, we had the makings of at least a phase one trade deal with China. We had some thoughts at least, although the numbers didn't bear it out, that perhaps with all of this good news . . . the Federal Reserve may be less willing to cut rates at its meeting at the end of the month.

All of these things came up really one after another, virtually at the same time. The gold price barely budged; in fact, it had a couple of days last week where it actually advanced nicely. It's interesting to me [that] instead of a decline or a real full-blown correction, what we're seeing is more of a sideways consolidation action. Volatility is dropping; we're trading in kind of a flag or pennant formation that would imply a breakout one way or the other upcoming. I guess that argues on if you're an investor and you're wondering where gold is going to go, you would look at the headlines and say where is the surprise likely to come?

Are we going to have a big, positive surprise? Or are we going to have somewhat of a negative surprise down the road? And I think you should invest accordingly. I think the good news, or potential good news, has already been somewhat baked into the cake for gold, and yet it hasn't budged, so I'm very encouraged by this. I was looking forward to trade down into the end of the year, but literally over the last day or so, and looking at its trading pattern, I've become much more positive and could see another upside breakout in the coming weeks.

**Maurice Jackson:** Now, how do the aforementioned topics affect the price of silver?

**Brien Lundin:** The same way. Basically, in any kind of an established trend for gold, silver is going to follow gold, and it's going to move more in that direction. It's an un-expiring option on gold. It's much more volatile than gold, but it moves for the same reasons. I have always said that investors should completely ignore the supposed industrial usages for silver. If something's driving gold or, as I like to put it, if you like gold, you have to love silver. It's going to move in the same direction for the same reasons, but more extremely in that direction.

**Maurice Jackson:** Let's address some catalysts that have your attention at the moment domestically, that could have an effect on the precious metal prices. What has your attention and why?

**Brien Lundin:** Well, I think the longer-term factor is the debt and all the issues that arise from that. And not just the U.S., but every major developed economy has amassed debt that is too

great to be managed by either tax cuts, economic growth or tax rises, tax hikes, spending cuts or economic growth. The only solution left is the same one that's been used throughout history, and that's depreciation of the currency. What we've seen are a number of cycles over the past, really 50 years, literally as long as *Gold Newsletter* has been around.

We've seen that central bankers, once they become untethered to the gold price, have been able to spend without any near-term repercussions, and what they've done is exactly that. Whenever there's been any kind of an economic downturn, they've lowered interest rates and they've provided liquidity to the markets. But, with each successive cycle, each successive downturn, they've needed to apply greater and greater doses of this medicine—to the point now where interest rates, we would have said were zero-bound, but we know they're not zero-bound. They're actually in the negatives zone now, and now they're coming out with papers from the Federal Reserve staff and economists showing how negative rates could actually be used in the U.S. and be beneficial.

It seems to me a matter of time before we have negative rates, even in the U.S., and hearkening back or speaking back to that debt issue. The problem with that is that the debt is so large now we can never have normal interest rates again because we couldn't afford to service those debts. Rates have to be not only low, they have to be historically low, and lower than the rate of inflation. In other words, you have to depreciate the currency at a faster rate than you have to pay off the debt. The interest rates, the nominal rates, have to be lower than the price of inflation. In other words, we have to have negative real rates going forward, and that's tremendously bullish for gold and of course silver, as well.

**Maurice Jackson:** Sticking domestically here, regarding President Trump and impeachment, should we factor that into the gold price in any type of consideration?

**Brien Lundin:** I'm not a big believer in geopolitical factors driving gold. I don't think as an investor you can bet on that because these things erupt, and then they go away, and you'll never be able to actually play them. Only the most nimble traders will ever be able to play them to any good effect, and they don't drive the metals over the long term. The thing that creates a secular bull market in the metals and the associated equities is a long-term period of monetary debasement or worries over monetary debasement, and it's monetary factors that drive the longer-term bull markets.

With all of that said, however, President Trump creates a kind of background level of nervousness around the world that I do think has led to some degree of allocation toward the metals from large portfolios around the world. And I think that's created a background and undercurrent of buying. All of these little issues create that background noise of concern and geopolitical nervousness in the world that tends to foster greater gold buying—whether it's logical or not. But again, I do think the fundamental issues of monetary issues are the things that really virtually guarantee much higher gold prices down the road and virtually guarantee a new multiyear bull market in gold.

**Maurice Jackson:** Now, germane precious metal prices. How do you see the dollar responding?

**Brien Lundin:** Well, these geopolitical issues, interestingly, tend to support the dollar and they tend to support gold as well. You think of gold and the dollar as being contracyclical because gold is priced in dollars. When the dollar rises, gold naturally falls, and vice versa. There have been occasions when they are positively correlated, when they move in the same direction. And usually that's created by some type of a geopolitical crisis or a very large, very worrisome monetary or financial crisis.

In other words, the dollar can act as a safe haven and, of course, gold does as well. When there are factors or situations that create safe havens, or investors look for safe havens, they can go into both. And I think that's what's happening right now. We're having a period where

the dollar and gold are positively correlated, where we have some dollar strength and some strength in gold, at least on a session-by-session basis. That said, over the last month or so, the dollar has been trending lower. It seems to have leveled out a bit, but that great strength we saw about four or five weeks ago is abated a bit.

**Maurice Jackson:** Now before we leave the precious metals, I'd like to just ask you, in regard to the platinum group metals (PGMs), do you see those prices responding the same as gold and silver?

**Brien Lundin:** Yeah, I do. I think the trend is upward for the PGMs, but not for the same reasons. I don't think [those] metals really are more industrial than they are monetary, despite the long history of being regarded as having some monetary application. I think the real issue for them is fundamental industrial usages. And there was a situation, particularly in palladium, where investors tended to look at the electric vehicle market in the growth of that sector and disregard their PGMs, which are used in catalytic converters for internal combustion engines. They kind of forgot that internal combustion engines are going to be around for decades longer, and significantly, and that's actually a growing segment with China's growth in other developing nations. They disregarded that demand situation, and they overlooked the fact that there were some fundamental supply issues as well.

No one that I've been able to look at or find was able to predict that tremendous run in palladium. But since it's happened, I've looked at that market a bit and gotten some feedback from the big palladium miners out there, and PGM miners out there. They're very bullish on the metals and they're being very aggressive on looking for new deposits in countries that are exploiting new deposits. That's an exciting area. I think in the junior mining space there aren't that many companies in the area. We've recommended a couple of them, and *Gold Newsletter* and I think they're great options right now.

**Maurice Jackson:** Speaking of the junior mining space as a whole, what are your thoughts on it?

**Brien Lundin:** Well, it was barely getting started as far as responding to the rally and the metals, and then it kind of faded back. Nothing's really [been] moving over the last few weeks. The discovery stories [are] the only stories in that sector for the past four or five months. I do think we need a sustained move in the underlying metals to re-energize that sector. I think there's going to be some big bargains in December. As we get to the height, or the end, of the tax-selling season and the thin holiday markets, I think they're going to be some real bargains there that investors should start raising cash for right now to take advantage of. January, February timeframe is typically very good for the metals and the miners, and the opportunity to pick up some of these juniors at bargain levels is about to face us right now.

**Maurice Jackson:** Are there any companies that you can share with us that present a unique value proposition to the market?

**Brien Lundin:** You mentioned the PGMs and I just recently recommended, in *Gold Newsletter*, **ValOre Metals Corp. (VO:TSX.V)** and **Generation Mining Ltd. (GENM:CSE; GENMF:OTCQB)**, two PGM plays. I like both of those.

I do like silver plays. I like **Aftermath Silver Ltd. (AAG:TSX.V)**. It's come a long way. It's about doubled or tripled in price since we recommended it in *Gold Newsletter* a few months ago. The market cap is, I believe, only around \$6 or \$7 million right now, and I think it has a long way to go as they developed the two deposits they've acquired.

I just added **Precipitate Gold Corp. (PRG:TSX.V)** back to our recommended list. It's a longstanding recommendation in *Gold Newsletter* that we let go a year or so ago, but it's got a new project in the Dominican Republic that it's actually going to draw very soon. There's some very exciting targets, I like that one.

**Great Bear Resources Ltd. (GBR:TSX.V; GTBDF:OTCQX)** has been a big story for us. We were one of the first newsletters to recommend that company about a year and a half ago—actually, about two years ago now. It rose to a high about 28 times our recommended level. Of course, we recommended that investors take profits along the way, and we had it as a hold at its peak levels, but it's come back a little bit. The story has transitioned from one of a very high-grade, deep-seated Red Lake play, to one where you have large-scale bulk tonnage added onto that play. The market really has not weathered that transition well and is still looking for those boomer, high-grade intersections from Great Bear. I think they're going to get that from the new area play, the LP fault, but I do think the bigger play, the bulk tonnage play, will really surprise people when the resource estimates finally come out. I've actually moved Great Bear back to a buy after a recent price decline.

I like a couple of exploration slash development plays. **Goldplay Exploration Ltd. (GPLY:TSX.V; GLYXF:OTCQB)** is a company I like a lot. I do not own it, and I do own Aftermath Silver, Precipitate and Great Bear. I like GoldPlay but do not own it yet.

I also like **Revival Gold Inc. (RVG:TSX.V)**. It's a wonderful exploration and development as they build large-scale resources at their project in Idaho. I do not own Revival yet.

A lot of people look at the prospect generators. One of our longstanding favorites in that sector has been **Millrock Resources Inc. (MRO:TSX.V; MLRKF:OTCQB)**, I really liked that play.

Now they have a tremendous joint venture deal that they signed in the Goodpaster district in Alaska, surrounding the Pogo mine. What's interesting about that is that Millrock, and its CEO Greg Beischer, are about as religious about the joint venture model as anyone can be, but like this project so much, they were prepared to drill it themselves. If you know the company as well as I do, and for as long as I have, that says an awful lot about what they think about this project. But they signed a tremendous joint venture deal with an Australian company and will get, I think, \$5 million of exploration right off the bat on this project. It's a tremendous deal that they signed and that's a very exciting company, and I think top pick among the prospect generators.

**Maurice Jackson:** That joint venture is Northern Cobalt (N27:ASX), out of Australia and it's going to be worth about \$20 million in capital for exploration. So kudos to Mr. Beischer and the Millrock team there.

Switching gears, the **New Orleans Investment Conference** will be conducted November 1–4 in beautiful downtown New Orleans. Mr. Lundin, tell us about the world's greatest investment event. Who are some of the featured speakers and the discussion topics?

**Brien Lundin:** The thing about the New Orleans Conference—it was the first retail investment event in the world really. [It was] started in 1974 by Jim Blanchard and we've been carrying the torch on it for many years now, and this is our 45th anniversary. Some of the giants of modern world history have graced our stage, from Lady Margaret Thatcher, Ayn Rand, Milton Friedman, Alan Greenspan—now the list just goes on and on and on. We've always focused a good bit on the geopolitical issues and the big economic issues, and then kind of dove down to the various sectors, and always with somewhat of a focus on the metals in the mining sectors as well.

Well, this year we are still presenting some great views on geopolitics and economics, but I wanted to have an even greater focus on some specific areas, particularly metals and mining, that I thought were really outstanding speculative opportunities and areas that our investors are really interested in. From the geopolitical and economic ends, we have Danielle DiMartino Booth speaking; Dennis Gartman; Doug Casey, who really is great on everything; Kevin D. Williamson, a very controversial commentator and writer for *National Review*; Peter Schiff on the economic end; Peter Boockvar; Stephen Moore of the Heritage Foundation, who was put

out for the Federal Reserve Board by Trump and had to withdraw his name because he was probably right to free market for the rest of the world.

That's on the economic end. We also have most of the top experts in metals and mining out there. That includes of course Doug Casey; we have David Morgan; we have Mickey Fulp; Marianne and Pamela Aiden; Nick Hodge; Mike Larson; Peter Schiff again; Rick Rule; Sean Broderick; myself; Tom Klein. The list goes on and on: Gwen Preston, Lobo Tiggre (aka Louis James). Grant Williams is a great addition to our roster. We're also focusing on other areas like artificial intelligence, cannabis, crypto, some of the exciting, trendy, new speculative markets that are developing. We have an array of top experts in those areas as well.

**Maurice Jackson:** Now, for someone new to the conference, what can you tell us about the attendees?

**Brien Lundin:** Well, they're smart people. . .they self-identify as being very smart, very successful investors because they're paying money to travel to New Orleans for four or five days to listen to top experts from our stage, and not sales pitches. We do have a great exhibit hall. We have great breakout sessions where investors and attendees can visit with companies and hear their presentations. But every word from every presentation from our main stage is objective, independent, from top experts that we pay to come in. This is the kind of advice you really don't find at other investment events, and I think when people come to our event, they realize how special and unique it is. They get a feeling for that intellectual energy—the kind of ambience that we have where you're surrounded by a lot of very smart people who are willing frankly to share their ideas, and their strategies, and their successes, and the things they're hearing, and the investments they like.

That is one of, if not the top benefit of, our event. I mean our speakers are world-renowned, the tops of any investment event out there. But you get, I think, as much, if not more, information and camaraderie and real fun talking to our fellow attendees in this atmosphere that we create, which is kind of bringing the best of New Orleans into the conference. We have great food and drink, we have great entertainment, we have great speakers and attendees because they come from all over the world to be at this event. You know that they're smart, you know that they're successful and that they're information hungry. We provide lots of information, lots of intelligence—lots of actionable intelligence that frankly has created more money for more people than any other event in the world.

**Maurice Jackson:** Ladies and gentlemen, the intellectual capital and networking opportunities at the New Orleans Investment Conference are simply remarkable. I'm still corresponding and benefiting from relationships I established for my first year in attendance, and I'm proud to say that this is my fourth year in a row for attendance. If you do not have your tickets, here's what I need you to do. Visit our website, [provenandprobable.com](http://provenandprobable.com), and halfway down the homepage, on the right-hand [side] you'll see an image for the **New Orleans Investment Conference**. Simply click on the image and you will be taken directly to the registration page. Before we close, Mr. Lundin, please introduce us to Jefferson Financial.

**Brien Lundin:** Well, **Jefferson Financial** is basically the company that owns and publishes *Gold Newsletter*, which is also the world's oldest precious metals advisory. Also started by Jim Blanchard back in 1971, literally on the day that Nixon closed the Gold Window, Jim started *Gold Newsletter* to advocate for the return of private gold ownership to American citizens. He was successful in that and that's why he had the first New Orleans Investment Conference in 1974—to teach investors, U.S. investors, how to buy gold. Both have been going great guns ever since. They're the oldest and most respected entities of their type in the market, and our goal is to serve our subscribers and investors and attendees, and that's what we work hard to do every day of the year.

**Maurice Jackson:** Now you publish the *Gold Newsletter*. How can someone receive updates on a regular basis?

**Brien Lundin:** Very easily. At [Goldnewsletter.com](http://Goldnewsletter.com), you can get a free sample issue. You can buy a single issue, [or] you can subscribe for a year to the basic *Gold Newsletter*. We also have an alert service that's a higher dollar value. We also have a free report on the website, the investor's guide to gold and silver. It's an objective report that I wrote to teach investors about every aspect of the sector, every way to invest in precious metals, from physical to options to the equities. It also describes how to analyze a junior mining stock. It also lists the best newsletter writers out there, people I know that are independent, objective and successful, and it also has all of the investment events out there—including the New Orleans Conference, but also the other events [on] the circuit that can provide good information for people exploring the sector.

**Maurice Jackson:** Before you make your next bullion purchase, make sure you call me. I'm a licensed representative for **Miles Franklin Precious Metals Investments** where we provided a number of options to expand your precious metals portfolio from physical delivery, offshore depositories, precious metal IRAs, and private blockchain. Distributed ledger technology. Call me directly at (855) 505-1900 or you may e-mail [maurice@milesfranklin.com](mailto:maurice@milesfranklin.com).

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**Maurice Jackson** is the founder of *Proven and Probable*, a site that aims to enrich its subscribers through education in precious metals and junior mining companies that will enrich the world.