

# THE GOLD DIGGER GOLD DIGGER

Financial Strategies To Make Work Optional for Mining Executives



## Welcome

Many resource executives enjoy high incomes, which allow them a degree of lifestyle choice and freedom.

However, many do not maximize their opportunities to accumulate the significant wealth that they could.

The Gold Digger aims to provide insights into personal investing and financial optimization for leaders in the mining industry. We do not claim to be geologists or exploration experts. Our clients are the mining experts. We pride ourselves on being experts in business cycles and industry patterns. Based on this criterion, there is no other industry more exciting than mining.

Equipped with our knowledge of business cycles and investing as well as our passion for mining, we understand the challenges mining executives face when it comes to optimizing personal net worth. We have the insights and knowledge to make work optional for mining leaders.



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Bob has spent over 20 years in the investment business specializing in investments for mining and resource executives. He is frequently called upon by the media to provide insights into financial and resource markets.

## Too Much of a Good Thing Causes Rotation

The playbook for metals is playing out just as it should, all within the framework of a bull market for the entire space. Market participants are also reacting just as they should. Gold and silver were the first out of the gate last year, and they passed the torch over to copper in September. The torch may be getting passed back to precious metals now as inflation starts to outpace interest rate increases. I talk about all of this and much more on the [Sprott Weekly Wrap Up](#), filling in for Eric Sprott again. This time, referring to a recent discussion with Eric, I highlight precisely what is garnering his full attention at this time, and where his capital is being allocated as well as a couple good quotes on inflation expectations.

I might be singing to the choir here but I truly think this metals bull market is headed much higher. If you are interested in what inning we are for each metal, take a look at the updated mining clock we have produced. Our clientele of senior mining executives should take a special interest, so we included the report [Sexy Metals](#), written once again by our friends at Bear Traps. You will find it full of everything important to the sector, written by non-sell side research. In other words, Bear Traps can say whatever they want.

I was a guest with Kai Hoffman of Soar Financial discussing my take on the sector as well as specifically why senior executives in the metals sector need a personal CFO and plan. [The link is located here](#). I also discussed how the trend of buying anything that is growing secularly is coming to an end and a colossal shift into cyclical (of which mining is included) has only just begun.

There are two types of senior mining executives in the space. One group works for the multibillion dollar mining companies like Teck or Goldcorp and the other type are entrepreneurs who have built a company from the ground up and continue to build, at some point hoping to sell to a major. The situations are different and we have a process for managing each of these scenarios. [Here](#) we have included the detailed mind map of the latter executive and the important points of advanced planning.

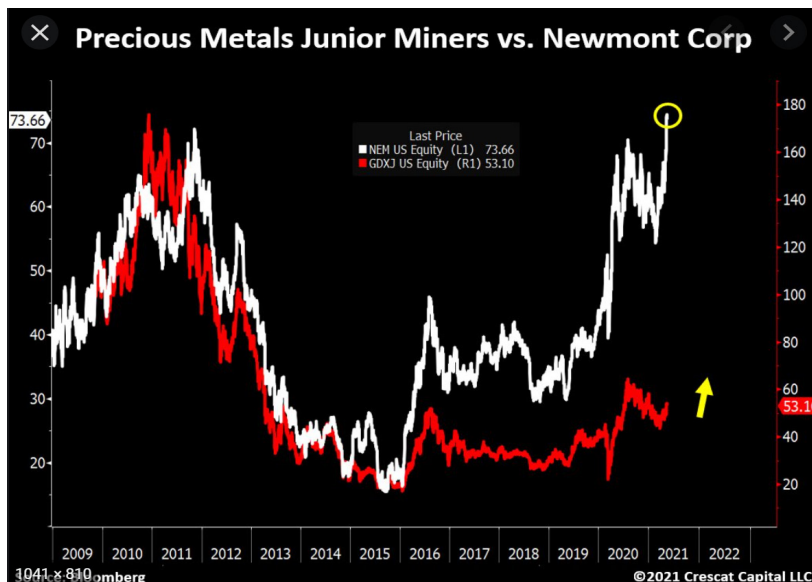
### Quote of the Month

“Rule #1 - Most things will prove to be cyclical. Rule #2 - Some of the greatest opportunities for gain or loss occur when other people forget Rule #1”

~Howard Marks

### Chart of the Month

As the cycle develops, we all know that money flows into the majors first. Newmont (NEM) hit an all time high in mid-May showing the money flows, just as we should expect. As the cycle takes hold, money flows into silver and the juniors, and that will tell us we are in the middle innings. The Precious Metals Junior Miners vs. Newmont Corp chart, put out by Crescat Capital, captures where we are in the cycle very well.



## Timing: The Mining Clock

The mining clock, is a concept originally introduced by Lion Securities and adopted by Investec. The clock on the right, gives us a sense of where we are in the mining cycle based on various liquidity indicators.

In our opinion, the clock was positioned at 6:30 as of September 2020.

Mining is one of the most cyclical industries on the planet, gains are very large on the upside, and losses are also magnified on the downside.

### Why is it important?

We cover the Investec Mining Clock because it is crucial to know where we are in the mining cycle so we can properly plan for reaping the rewards the mining sector can give. Without a logic based system, investors end up doing the investment round trip making sizable money on paper only to see it vanish when the cycle turns.

You can see that there are times to look, times to buy, and times to sell. Unfortunately, most investors sell when they should be looking, look when they should be buying, and buy when they should be selling. Bull markets create bear markets, and bear markets create bull markets. The ways you look at the market must change depending on whether a primary bull market or a primary bear market is at hand.

[Click here for a description of the different times on the mining clock](#)



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