

INTRODUCTION & DISCLAIMERS



This is Jay Taylor speaking for Taylor Hard Money Advisors (“THMA”), publisher of *J Taylor’s Gold, Energy & Tech Stocks* newsletter as of August 19, 2011. **Our weekly hotline messages are normally sent after the close of business as early as Friday night or as late as Saturday afternoon unless otherwise notified.** As always, all monetary quotes mentioned in this Hotline message are in U.S. dollars unless otherwise noted. The opinions expressed in this message are those of Jay Taylor only and they do not necessarily represent the opinions of Taylor Hard Money Advisors, Inc., the publisher of *J Taylor’s Gold, Energy & Tech Stocks*. The management of THMA may, from time to time, buy and sell shares of the companies recommended in *J Taylor’s Gold, Energy & Tech Stocks* newsletter and in this Hotline message. No statement or expression of any opinion contained either in this Hotline or in *J Taylor’s Gold, Energy & Tech Stocks* newsletter constitutes an offer to buy or sell the securities mentioned herein.

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Jay Taylor’s Upcoming Speaking Events

September 12, 13, 14 – St. Johns Newfoundland, Resource Investors Forum 2011
September 15, 16 – Toronto Resource Investment Conference
October 20-21 Hong Kong -- Academy of Finance Conference
October 24 – Taiwan –Academy of Finance Conference
October 26 –Singapore -- Academy of Finance Conference
Nov. 14, 15 – Geneva, Switzerland –Academy of Finance Conference
Nov. 16, 17—Zurich, Switzerland—Academy of Finance Conference
November 27, 28 – San Francisco Hard Assets Conference

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- Roger’s Newsletter
- Miningstocks.com

<http://JayTaylorMedia.com> is the best place to go to access my newsletter, my radio show, my Face the Analyst Videos, my television appearances, Chen’s newsletter, Rogers newsletter and much more.



**What is Chen Buying?
What is Chen Selling?
Newsletter**

Chen Lin has turned \$5,400 in January 2003 into \$1.5 million by Dec. 31, 2010. Chen usually sends out two or more short, succinct and well reasoned buy and sell recommendations per week to his paid subscribers. Call Claudio Bassi for more information at 718 457-1426.



TRADER ROG (Roger Wiegand) has had a red hot hand with winning commodity and financial market trades. Check out Roger’s work at WWW.TRADERTRACKS.COM Call Claudio Bassi for more information on Roger’s letter at 718 457-1426.

GoldMoney

Go to <http://goldmoney.com/?gmrefcode=jtgs> for more information and to read James Turks

The Tea Party vs. The Creature from Jekyll Island

G. Edward Griffin's classic book, "The Creature from Jekyll Island" is a must read if you want to know what is REALLY going on with the U.S. Government and the powerful banking interests that control our President, key members of Congress and ultimately even the Supreme Court. Outraged by the lack of coverage Ron Paul has received despite his outstanding showing in the Iowa Straw Poll, we will ask Ed if he thinks the Tea Party can return our government back to the people. We will examine the reasons for the dismissal of the Tea Party and explore the connections between the Creature (aka the Federal Reserve Bank) and the media who despise the ideas of our Founding Fathers. Also, **Tom Drivas**, CEO of **Romios Gold** will be with us to talk about his company's prospects for finding a major gold and copper deposit in B.C. Making Money with Chen will also be a topic as we search to combine the political economics with practical ways to make money.



G. Edward Griffin is a writer and documentary film producer with many successful titles to his credit, such as The Creature from Jekyll Island, World without Cancer and The Discovery of Noah's Ark. He is the recipient of the Telly Award for excellence in television production. Listed in Who's Who in America, he is well known for his talent for researching difficult topics such as archeology, the Federal Reserve System, terrorism, internal subversion, the history of taxation, U.S. foreign policy, cancer therapy, and presenting them in clear terms. A graduate of the University of Michigan, he enrolled in the College for Financial Planning in Denver, Colorado, in order to better understand the real world of investments as preparation for his book on the Federal Reserve System. He obtained his CFP designation (Certified Financial Planner) in 1989. He is Founder and President of The Coalition for Visible Ballots, The Cancer Cure Foundation, and Freedom Force International.

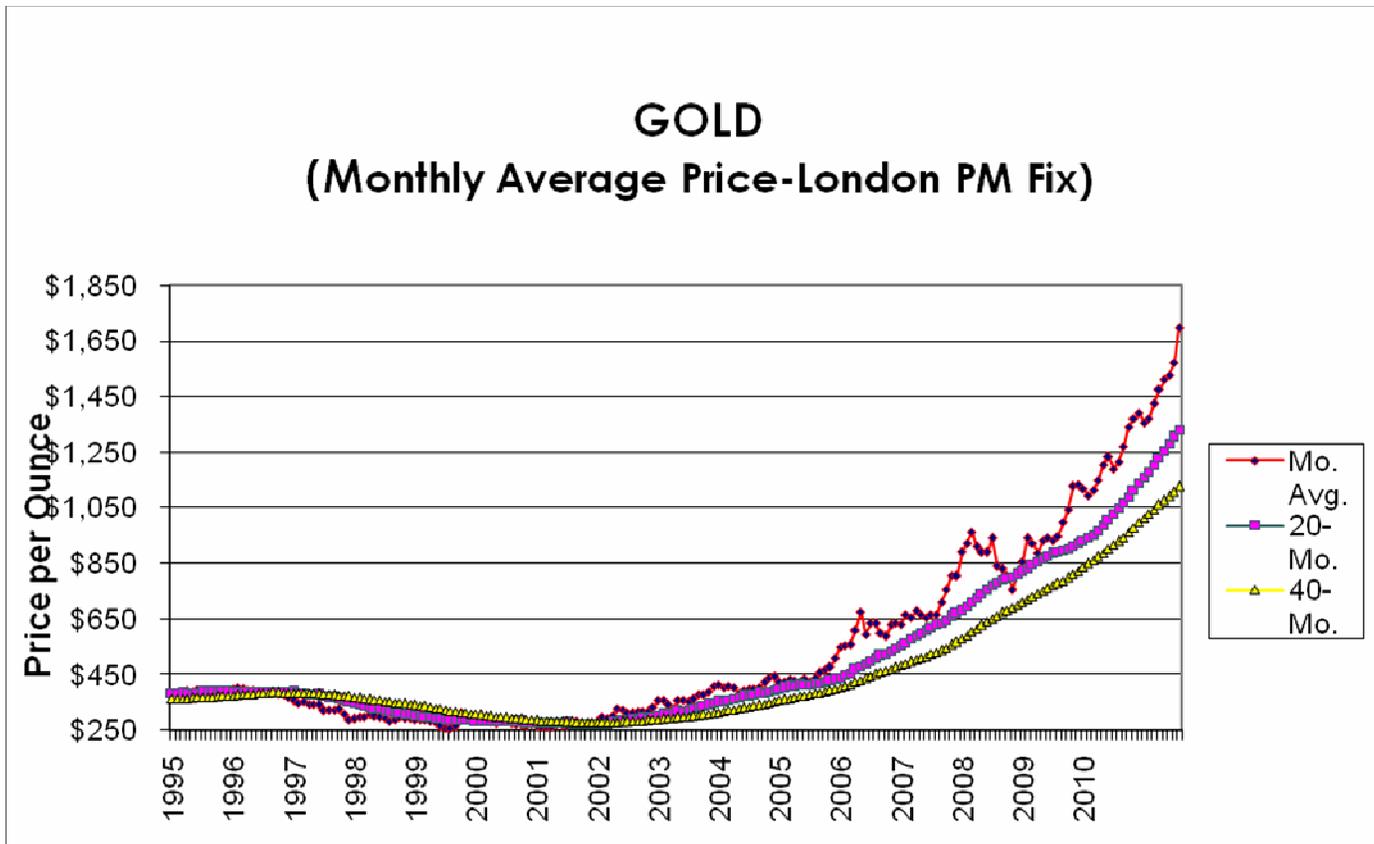
Special guests in Turning Hard Times into Good Times thus far: Addison Wiggin, Adrian Day, Adrian Douglas, Al Korelin, Ambar Dakar, Andre Julian, Arch Crawford, Bill Lagner, Bill Murphy, Bill Rounds, Bob Hoye, Brent Cook, Brian Rich, Burton Folsom, Jr., Catherine Austin Fitts, Chen Lin, Christophe Nijdam, Chris Powell, Claus Vogt, Congressman J. DioGuardi, Congressman Ron Paul, Damon Vickers, Daniel Estulin, Dave Corsi, David Franklin, David Morgan, David Skarika, David Tice, Dick Bove, Dmitry Orlov, Doug Casey, Ellen Brown, Eric Sprott, Florian Siegfried, Frank Holmes, G. Edward Griffin, Gijsbert Groenewegen, Howard Davidowitz, Hugh Ross, Ian Gordon, Ian MacDonald, Ian McAvity, J.M. Schuler, James Perloff, James Turk, Jeff Berwick, Jeff Deist, Joe Eskenazi, Joe Nuyten, John Hathaway, John Loftus, David McAlvany, John F. McManus, John Perkins, John Rubino, John Truman Wolfe, John Williams, Kathy Fettke, Kevin Duffy, Larry Parks, Laurence Kotlikoff, Lou Scatigan, Marc Faber, Marshall Auerback, Prof. Robert Auerbach, Martin Gross, Matthew Simmons, Michael Panzner, Mike Larson, Mish Shedlock, Pat Gorman, Paul Michael Wihbey, Peter Grandich, Richard Maybury, Rick Rule, Rob Kirby, Robert Blumen, Robert McHugh, Robert Prechter, Roger S. Conrad, Roger Wiegand, Sean Brodrick, Trace Mayer, Wendell Cox, William Baker, William Davis Eaton, and William Hathaway.

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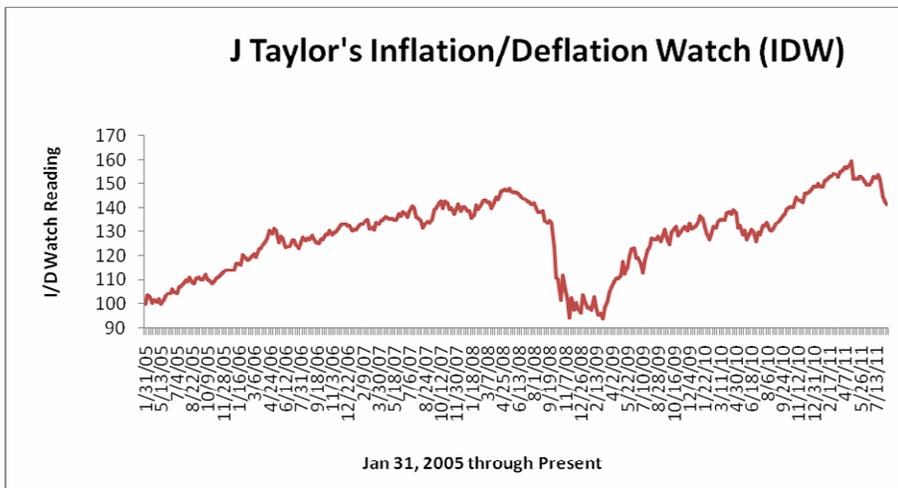


We have many more exciting guests coming your way, as well as some exciting gold mining company executives every week. You can access any of the archived Turning Hard Times into Good Times radio programs at the following link:
<http://www.voiceamerica.com/voiceamerica/vshow.aspx?sid=1501>

Gold Explodes to \$1,853 in New York



This is a most remarkable bull market in gold. We have had ten straight years in which the gold price has been higher than the year before. And as the chart above illustrates, the shorter-term averages keep pulling up the longer-term averages in this secular bull market. As of Friday, the monthly average was \$1,700.39, the 20-month average was \$1,331.52, and the 40-month average was \$1,126.77. From my viewpoint, we would need to see a decline below the 20-month average (now at \$1,331.52) for me to become concerned that this secular bull market in stocks is over.



Where will gold end? Ian Gordon reiterated his view that we are going to see a \$4,000 gold price before it is over. Compared to some hyperinflation bulls who are expecting a gold price measured in tens of thousands of dollars, that isn't very shocking, until you look at Ian's Dow 1000 prediction. In other words, Dow 1,000/Gold \$4,000 means a Dow/gold ratio of 0.25:1.0.

Historically we have seen the Dow to gold ratio approach a 1:1 level at the bottom of secular bear markets in stocks. The Dow to gold ratio is currently at 5.8:1. It had been around 44:1.0 at the peak of the bull market in 2000. To get to a 1:1 ratio, gold would still have to rise 5.8 times to \$10,817.65, assuming the Dow stayed unchanged. Most of my gold bug friends are inflationist and many of them would have little problem seeing something like that happen. But as a deflationist, Ian thinks the equity markets will become utterly trashed while gold becomes the complete go-to money. The wealth transfer under a 1,000 Dow and a \$4,000 gold price would be unimaginable.

Ian's predictions may sound absurd. But he is not picking numbers out of the air randomly. To hear his rationale, I strongly suggest you listen to his comments on my archived show, which aired last Tuesday: <http://www.voiceamerica.com/episode/55746/dow-1000gold-4000-revisited-with-ian-gordon/54862> . After you listen to the disclaimers, you can move the needle over to about 33:30 to 34 minutes into the first hour to begin listening to my interview with Ian.

In terms of the direction of prices over the past couple of weeks, Ian's forecast is looking more realistic as the risk aversion trade has come back into fashion. As of this past week, my IDW has fallen further. It closed the week at 141.27, which compares to its all-time high of 159.51 on April 28, 2011. Moreover, the direction at this point in time is decidedly in the deflation camp with a moving average intensity reading of minus 1.0. This measure could certainly turn around. Indeed, we would almost expect a bounce here for equities, and I could definitely also see a downward correction for gold as well in the short term. In fact, if you want to see gold continue to rise, that would be a healthier direction.

Most importantly from a gold share investor's point of view, the "real" price of gold has been on the rise, which should continue to fuel bigger profits for the gold mining shares. As of Friday, the Gold/Rogers Raw Materials Fund has risen to 48.2%. That's up from a mere 17% prior to the Lehman Brothers collapse and it is now decidedly higher than at the bottom of the initial post-Lehman Brothers market decline in March 2009 when it reached 44%. While a bull market in gold suggests problems in the global economy, for those who own gold shares, the skies are getting brighter. It may well be that we are approaching a major turning point for gold shares.

Are We Nearing a Major Upturn for Gold Mining Stocks?

**Gold's Purchasing Power
(Rogers Raw Materials Fund)**

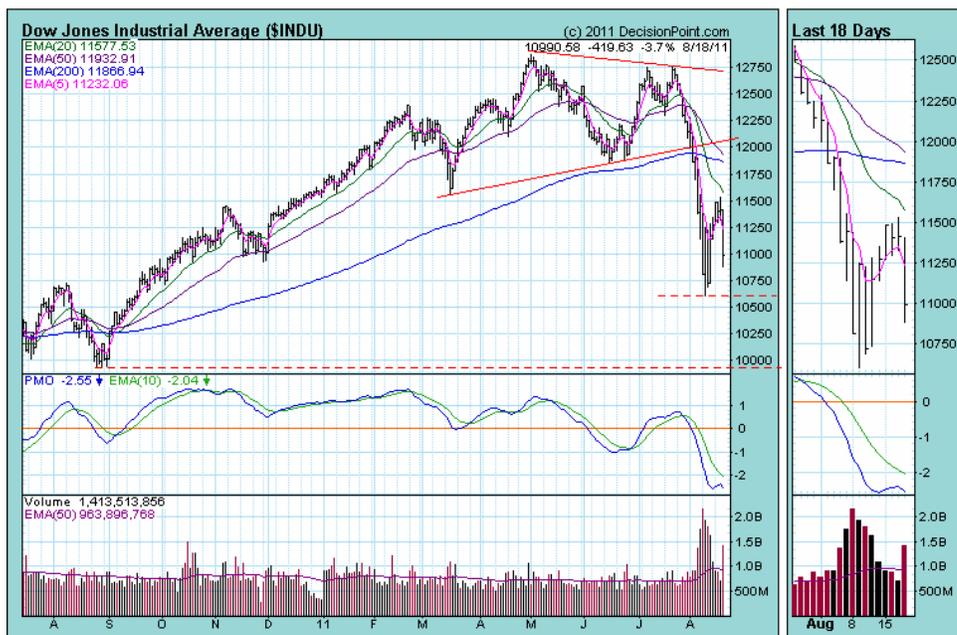


Major Gold Producers EPS	2008	2009	2010	2011 (E)	2012 (E)
Agnico-Eagle	0.35	0.69	1.77	2.50	3.67
AngloGold Ashant	0.14	-0.14	2.12	3.41	4.21
Barrick	1.84	2.00	3.32	4.61	5.11
Goldcorp, Inc.	0.56	0.80	1.37	2.11	2.81
Kinross Gold Corp	0.44	0.44	0.58	0.73	1.04
Newmont Mining	1.99	2.79	3.85	4.65	4.98
<u>Yamana Gold</u>	<u>0.45</u>	<u>0.47</u>	<u>0.61</u>	<u>0.99</u>	<u>1.14</u>
Total Per Share Profits	5.77	7.05	13.62	19.00	22.96



Gold's nominal price is one thing. But more important as far as gold miners are concerned is gold's "real" price. By that I mean, what will an ounce of gold buy? And what we are seeing is that an ounce of gold's ability to buy all manner of other commodities is growing very rapidly as the world's financial system continues to melt down.

Check out the chart above on your left. Before the Lehman Brothers meltdown, an ounce of gold would purchase just 17% of the Rogers Raw Materials Fund, which is comprised of a diverse basket of energy, food, base metals, and clothing items. Jim Rogers set this up to be a measure of the cost of staying alive. As confidence is lost



in the global fiat money system and as it is becoming increasingly insolvent, investors are flocking out of paper money and “stuff,” in favor of honest money—namely, gold and silver. Accordingly, gold’s real value has been rising dramatically. From 17% in July 2008, it rose to 44% by March 2009 after the initial meltdown of our financial system. And now with the next phase of this Greater Depression, the real price of gold has risen to 46.5%.

This increase in the “real” price of gold from 2008 to the present has been in large part responsible for the surge in the profits of senior gold mining companies. Many of the more prominent gold producers in 2008,

along with their annual earnings, are displayed directly above in the chart at the top of the page. Note that the sum of earnings for this group has grown as follows: 2008—\$5.77, 2009—\$7.05, and 2010—\$13.62. The gold shares as shown collectively in the XAU above reflected growing earnings in 2010, but until recently, gold share prices have not responded to the surging nominal price of gold. However, check out the last 18 days of trading for the XAU and you can see the senior shares have begun to rally very significantly, even as the Dow Jones has fallen off a cliff during that same timeframe.

I also chart the TSX Gold Share Index, shown on your left. Those of you who have been holding gold stocks know this index typifies the general decline in the gold shares, even as the gold price has surged. But note that the juniors have also broken the downtrend line from the first of this year through August.



Might both the junior and the senior gold shares be ready to rise dramatically now? Ian McAvity has noted that gold shares usually decline, along with the S&P, about two-thirds of the duration of a cyclical decline, but then reverse course as the general market continues to decline. But I’m wondering if it might not be different this time, because the gold shares have been in decline during the first seven months of this year as the nominal price of gold has risen. And now, especially as the “real” price of gold has shot dramatically higher to a new high, vis-à-vis the Rogers Raw Materials Index, I’m thinking we may want to take a little more of an aggressive step toward accumulating gold mining shares.

Is Gold in a Bubble?

With gold rising very rapidly of late, there is speculation that gold is now entering its bubble stage. Markets that rise so rapidly are inherently unstable. So the question as to whether gold is in a bubble is a very fair and good question at this point in time. Personally, I am expecting a temporary pull back in the price of gold and it could be a rather significant one. But that would be a very constructive event over the longer term. As noted above, I could easily see gold pull back towards its 20-month moving average, which is now at \$1,331.52, without the secular bull market being over.

To understand why gold is not in a bubble, you have to understand the characteristics that make gold “money” in the first place. And then you need to contrast that with the characteristics of paper money, which was never chosen by markets, but rather imposed on us, citizens, through laws enforced by the barrel of a gun.

We have lived under a currency system mandated by law rather than markets. That has made it difficult to understand why the markets have chosen gold as money. So, we find ourselves thinking in terms of a "high gold price" as measured by a very, very unreliable unit of measure. And that unit of measure is becoming highly suspect in the minds of people now at an accelerating rate as the financial system is obviously breaking down. Essentially, gold is money because it works best in barter. That is what drives gold's value. It does not and never has derived its value from industry or jewelry as Petros implies it should. In fact Aristotle understood why gold was money when the markets are free to choose what we use for that purpose. Why is gold money? As told by Doug Casey, this is what Aristotle had to say:

"Gold has durability—That's why we don't use wheat.

"Gold is divisible—That's why we don't use diamonds

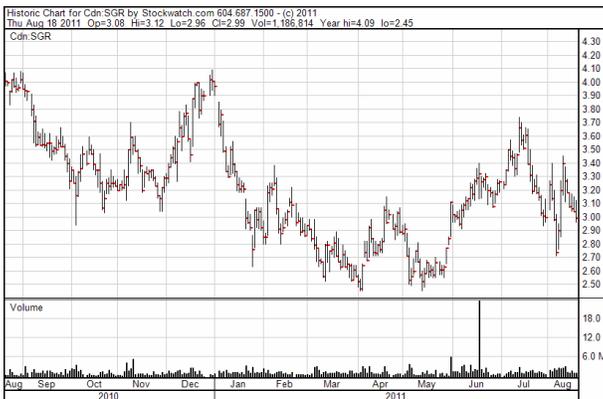
"Gold is convenient—That's why we don't use lead.

"Gold is consistent—That's why we don't use real estate.

"Gold has intrinsic value—That's why we don't use (or shouldn't use) paper"

The fiat money system is without a doubt breaking down. This experiment in money printing on a scale never before witnessed in the history of man is going to have god-awful repercussions when it breaks down. Gold may have gotten a bit ahead of itself. I'm betting it has and so this week I am expecting to lighten up on a gold ETF I hold. But I fully expect it to correct and then move inexorably higher in terms of what an ounce of gold buys as the financial system breaks down. And why am I so sure it is breaking down? Because the Keynesian and monetarist policies are totally anti market and ultimately markets win out over politicians. It's just a matter of time. Treasuries and paper money are in a bubble. Gold is not. And when those fake anti-market institutions break down, those holding the gold will be holding the lion's share of the wealth.

San Gold is Poised for Major Internal Growth



I am especially keen on buying some of the new producers that seem to have a tremendous opportunity to grow organically. And in that regard right now, my number one pick among those stocks on my list is **San Gold (TSX-SGR)**. I have been writing a lot about San Gold lately as the company shows steady progress on its Rice Lake project in Manitoba.

On August 11 San Gold reported that they had included 200,000 meters of drilling on the following zones: 007, L10, L13, and Cohiba. The company has 13 drills on the property and it expects to drill out 300,000 meters by year end, not only

to increase its resource and extend its mine life, but to also discover new gold occurrences on its massive land claims in that same area of Manitoba.

What really impressed me was President Pirie's assertion on my radio show a few weeks back that the company would increase its gold resource "exponentially" with this drill program. What is also very encouraging to me is that under Pirie's guidance, San Gold is now able to stockpile ore to feed what had been a very hungry mill. Since Pirie has taken over the operations of the company, it is under promising and over delivering. It is now more than hitting its numbers, so confidence in San Gold ability to execute its business plan and generate cash flows to enable it to grow organically is on the rise. But also, as the ounces in the ground grow dramatically, we may also expect projections of not only a longer mine life, but a significant redesign of the current 1,700-tonne milling capacity into something considerably larger to generate much higher annual EPS.

Given its market cap of around \$1 billion, the upside may not be as large, percentage wise, as some of our exploration stocks or even among our smaller producers. But I believe this is a stock that will likely garner much greater support with continuing growth in earnings and at the same time its gold resources grow exponentially at its Rice Lake Complex in Manitoba.

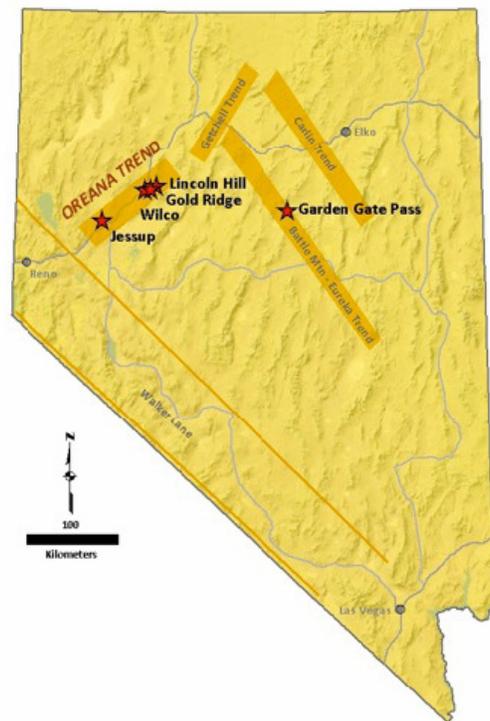
Rye Patch Gold Corp.



(Traded TSX: RPM; Shares Outstanding: 124,929,945; Recent Price: \$0.35; Market Cap: \$44 Million) – While I believe the producers will be the first gold mining firms to begin to rise with increasing profits in the industry, it is also true that the kinds of companies among the seven majors in our tracking portfolio are also having a very difficult time replacing their resources. It has traditionally been that the really big money in the gold mining sector during bull markets is made by junior gold exploration firms, because the seniors have to pay through the nose to buy the gold shares.

There are quite a few junior exploration companies on our list that we think have the potential to outline gold deposits in the 5+ million-ounce category, but few of them have a higher probability of doing so than Rye Patch Gold Corp. Not only that, but Rye Patch is located in the heart of Nevada’s gold country, so that infrastructure concerns, which often either make or break a gold mining project, are of little or no concern.

Rye Patch Gold’s NI43-101 Resource Inventory							
Property	Resource Category	Tonnes (X 1,000)	Gold Grade (g/t)	Silver Grade (g/t)	Contained Gold Ounces	Contained Silver Ounces	Contained Au & Au Equivalent Ounces
Wilco	Measured	7,526	0.69	4.595	164,000	1,111,000	186,220
	Indicated	30,844	0.51	3.601	522,000	3,638,000	594,760
	Inferred	121,838	0.41	5.075	1,660,000	19,871,000	2,057,420
Jessup	Measured	7,775	0.51	8.745	128,000	2,184,000	171,680
	Indicated	12,642	0.41	7.167	172,000	2,906,000	230,120
	Inferred	4,494	0.55	7.922	77,000	1,146,000	99,920
Lincoln Hill	Measured	-	-	-	-	-	-
	Indicated	-	-	-	-	-	-
	Inferred	17,215	0.69	17.143	380,000	9,488,000	569,760
Total Measured & Indicated Resources					986,000	9,839,000	1,182,780
Total Inferred Resources					2,117,000	30,505,000	2,727,100



Rye Patch has a very good start at outlining a major gold deposit on its Wilco, Jessup, and Lincoln Hill properties in Nevada. Combining all categories as outlined in the chart on your left, the company has already outlined 3,909,880 NI 43-101 resource ounces. I would expect the numbers in all categories to rise considerably and very possibly beyond the 5 million ounce (all categories) by the end of the current drill season.

Keep in mind that it is during the early days of a new mine discovery when most of the money is made. After a project’s size and grade has been pretty well defined, shares tend to drift lower as all kinds of environmental and feasibility work are carried out. Then, once production gets underway, if it is successful and the project has growth potential, the shares often then perform very well too. I think Rye Patch is at that point in time when it could start to get the attention of the market, especially if results from the current \$3.5-million drill program begin to paint a picture of 5 million ounces or more on the above noted properties.

Drill results reported so far have been promising. On May 9 the company reported 1.4 meters grading 16.4 grams gold/tonne at Wilco, and drilling extended the high-grade North Basin Zone. And on June 2, the company reported an intersection 124.9 meters long, grading 0.606 grams gold/tonne. Drilling extended the North Basin high-grade zone 600 meters along strike. Management reported that “core drilling has improved the geologic model and provides systematics for predicting the gold zones.” Toward that goal, management has gained a permit for a follow-up 5,000-meter reverse-circulation drilling.

The management of this company is highly experienced, having worked for major companies in the past. There is little more to say about this company now other than I think speculative investors should hold some shares, because in my view the odds are very good that this company is on its way to outlining one or more large gold deposits. The company’s stated goal is to outline 10 million ounces from their Nevada properties. It may become apparent to the market that this company is well on its way toward achieving that goal once this season’s drill program is analyzed. If so, this stock could make the lion’s share of a major move over the next twelve months.

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Trader Rog’s Corner

[This was published on Wednesday, August 17th due to Roger Wiegand’s traveling.](#)



Dow Jones Industrial Average: This market is 70% driven by the funds, which means the insiders. The Dow has basically gone no where in over a decade. However, it is very handy for pumping stocks, being used as a tool by the *Street*. The PPT can pretty much move it where it wants too using the purchase and sale of S&P Calls and Puts from some offshore island just before it is necessary to either prop-up or cool-off this market. Today’s company’s financial reports are filled with footnotes and caveats making it almost impossible for an investor to find the truth. When the big sell-off hits global stocks including the Dow, we expect a drop from highs to -23 to -38% down with a potential for a -50-62% drop on an overshoot, on very bad news. When does this happen? We think it arrives sometime this fall, or the fall of 2012, or spring of 2012.

Please note: If gold flies to \$3,000 or higher, the Dow could very well make new higher highs on inflation. This might be as much as Dow 16-20,000. If this occurs, the Dow value is just about worthless on the Gold-Dow Ratio. However, the *Street* will chortle and say, “See we told you so.” Do not be fooled if this happens. Do the math on our current gold price of \$1,800 versus a Dow at 11,400 then transpose this to the higher ratio numbers. A new and lofty Dow with \$5,000 gold is not worth squat. However, the public relations value is something else. Think on this and you’ll see how this might be a possibility.

S&P 500 Index: The current S&P Index Weekly Chart is quite bearish. The price dropped down and through the bullish trading channel lines posting a touch-drop on the weekly chart to 1100. It’s back up near 1200 resistance again but remains under the primary moving averages. Further the momentum chart bearishly double-topped in the last quarter of 2010 and again in the first quarter of 2011. When we review the very long 30-year chart, the selling event is even clearer. These weekly market charts are the best for detecting longer trends but it

takes months sometimes for the price to actually achieve the ending moment. Note our crash dates for the Dow (above) and they would be similar for this market.

S&P 100 Index: This market is composed of the very large companies consequently it moves slower as the big funds buy and sell in large volume and less often. Like the 500 Index, is it showing a price under the moving averages and has a big bear momentum chart. Because of index markets content it is not good for finding shorter term direction. Rather, it is even better than the S&P 500 chart for [longer weekly trends](#). After the Lehman event this market fell from above 700 to a low of around 300. That is a very large move. There is support at 550, 500, 460 and 350. A firm bearish head and shoulders top is in place and current selling is following that forecast. However, we expect at least one major stock market rally after Labor Day with potential for something larger. But, after this is complete, and the funds are finishing their IPO sales and have sold into strength to take profits, a major sell could then be in the offing in later September or early October.

Nasdaq 100 Index: This market got stuck at 2400 as a top and then fell below moving averages and a major price support line. Further, the momentum chart is bearish with a massive double top. [It is our opinion the Nasdaq could easily crash from 2400+ on the highs to under 1100-1200 on the chart lows. Why? Because the techie group is in a new and massive bubble just like 1999-2000. Also, as the leader, this index, when it sells with sell with more power, can easily be hit with an abnormal, very hard overshoot at the bottom. The last bigger sell took 90 days. This time is might go even faster and will be ahead of selling in the other stock indexes. Facebook better hurry if they intend to go public. The window is closing faster. Maybe it is their intention to stay private.](#)

30-Year Bonds: Bonds of all kinds are a dangerous place to be in our view. Shorter term traders can make money on this new volatility but it scares us as you cannot predict spur of the moment intervention upsetting these markets. Fundamentally, the muni-bonds are toast and the junk bonds are paying a lot more yield for very high risks. Most bond owners or buyers have large amounts of cash and are looking for a safer place to park the money. We like the CEF Fund of Canada and Goldmoney.com as much better alternates. These bullion-backed funds have easier entrance and exit, while having the cash parked in Canada or Zurich...a much safer growing investment for years in our view. In Europe, the Germans and French have despaired of any solution for the bad credits and are doing what failed politicians do...appoint a manager or a committee. *"In this case they are appointing a [Credit Master to untangle the dire credit-debt troubles](#). Sarkozy and Merkel propose an 'economic government' over 17 nations in the Eurozone and laws limiting national deficits. They stop short of the divisive idea of 'Eurobonds.'* [Markets do not like what they see and will be acting on these problems negatively.](#)

GDXJ Junior Gold Miners: The GDXJ and XAU have momentum weakness and the metal to shares ratio is sliding lower. This is the August cycle but the prices are hanging on and trading near the moving averages with lower volume. This says support but with no buying for this month generally. Last year the GDXJ began to rally right from the beginning of August. With New York and the Street being pounded down of later the PM shares won't rise but they like the metals so they won't sell either. Today is the 17th so we only have to wait a few more days for the last quarter rallies to get underway. Hold your powder dry and do some serious watching. We will do the fall stock lists and divide them by account size. Please be patient.

Gold: Gold has been reacting on weaker credit and stock news and of course somewhat on the US Dollar. The Dollar today is selling under its recent supports near 74.00 and is now 73.78 giving support to gold and silver. Gold recently popped-up and through the top channel resistance and touched \$1818 on the December futures before pulling back on profit-taking. Also, on the chart, gold produced a major wide price gap on the recent rally. Considering this is the month of choppy gold trading, we expect the gold price to drop back toward a low between 1755 and 1785 to fill that technical price gap. When this is over, the new rallies should begin and we now forecast December gold futures to touch a high of \$1848.50 instead of the 1807-1707-1607 performance

track where we have been before. [Gold is in a new paradigm. Gold is now moving faster. Jim Sinclair was correct on his forecast of saying we enter a faster cycle when gold touches and trades over 1767. Now Barclay's Bank is saying gold should average over \\$2,000 for 2012. We think that number is safer and have found new technicals without date calculations for gold trading between \\$2100 and \\$2700. I think there is little doubt gold goes above \\$2,000 in 2012. For now, we say our forecast is \\$1848.50 resistance high on December, 2011 gold futures as a minimum.](#)

Silver: Silver was recently hit with two sell-offs which we did forecast when it touched \$49-\$50. First it came back to \$44-\$45 then did a rebound back to the top. This was then followed by a -\$15 selling event back to \$33-\$34 support. Next, the price rose from \$34 to \$41.85 on our forecast and has been trading near \$39-\$40 for several days. On this day of Wednesday of 8-17-11, silver touched 40.62, close to the 41.85 resistance again. Keep in mind this the choppy cycle for silver where it's essentially flat to down for most of the month. As we grow closer to the end of August, silver will punch through \$41.85 and move-up to \$44-45. [The month of September has produced some screaming silver rallies in the past. We think this year we get the same. There is hard silver resistance between \\$48.85- 51.85. Once past that high, we should trade to \\$59.85.](#)

US Dollar: The dollar remains in a downward spiral on the longer view trends. There is a lot of support near 70.50 and just above that between 71.50 and 73.50. Between now and our fall forecast low of 72.00, we expect to see a lot of choppy trading and volatility as the Dollar tugs back and forth with the Euro. Both are weak currencies but both are larger ones and it takes a lot buying and selling to make them move. Today, the dollar is selling just under 74.00, but this is on alleged buying power from the Euro. The Euro represents 17 nations and the Dollar only one, but it remains the reserve currency for 70% of the world. It's worthy of note the 70% fell back from the old 85%. This is not a good longer term trend but is a trend that must be noticed. Two primary negatives are causing this; (1) Oil is becoming a huge barter tool; producer-to-user cutting out the dollar. And, (2) the USA is printing and now selling so many bonds the bonds are going weaker on yield and the dollar is too, being a reflection of too much paper. Many claim inflation is no problem in the USA. By several measures it's not but for now food and energy are inflated and going worse. With the Administration announcing new and more stimulus after September 5 and all of this paper being printed, we do not see how inflation can be stopped and it might even enter hyperinflation before finally sinking into total deflation and global despair followed by world war.

Crude Oil: Crude oil dropped back from \$112.00 to a recent low of \$78 or so. Momentum is still down, but look for price recovery toward our fall forecast of \$117-\$120. On this Wednesday, oil is \$87.77 for September futures and it touched a high of \$89. The last close was \$86.65 so we are now trading in the higher range of 84.50 to 88.50. It may take 1-2 more touches on \$89 before we can break out and through 88.50-92.50. But, this is the month when the annual cycle lows are established with major rallies from near September 1 all the way to early April when annual repair and cleaning shut-downs occur for refineries changing over from heating oil to gasoline. [The lows have been discovered and the new rallies are gradually underway.](#)

CRB Index: The major trend for the CRB and most commodities is up for short, intermediate and longer term. Traders need to be careful of selling base metals on weaker GDP and manufacturing. Most of the other stuff including energy will be going higher. [The big news we just received today is that the Weather Bureau just announced La Nina in the Pacific will be extended another year. This means more disruptive weather and higher crop prices. I would not be surprised to see grain rationing sooner rather than later. The USDA has a big report coming on September 29th. This one could be pivotal for DAG and grain prices either long or short. I will watch the technicals and reports and offer alerts on this ASAP next month.](#) Meanwhile, our grain trades continue to perform and look fine. The CRB chart has finished a full five wave selling event. The price is almost touching the 43-day moving average at 331.43 with today's price being weekly 330.19 support and resistance. -Traderrog

What is Chen Buying? What is Chen Selling?

Closed Position Security	Exch	Ticker	U.S.	Buy Date	Buy US Price	Sold Date	Sold US Price	Overall Gain	Letter Number
GRS Jan 7 CALLS	N	GRS	GRS	10/2/10	\$0.55	1/3/11	\$1.25	127.3%	# 459
Dacha Strategic Metals	T	DSM	DCHAF	9/24/10	\$0.39	1/4/11	\$0.55	41.8%	# 460
Wealth Minerals Ltd.	T	WML	WMLLF	10/26/10	\$0.57	1/4/11	\$1.02	77.4%	# 461
CDE Jan 20 CALLS	N	CDE	CDE	3/19/09	\$1.68	1/4/11	\$6.60	294.0%	# 462
Gold Wheaton Gold Corp.	T	GLW	GLWGF	12/13/10	\$4.96	1/5/11	\$5.00	0.9%	# 466
Gammon Gold, Inc	N	GRS	GRS	10/2/10	\$7.00	1/7/11	\$7.82	11.6%	# 466
Breakwater Resources Ltd.	T	BWR	BWLRF	10/14/10	\$5.01	1/7/11	\$5.70	13.7%	# 467
GasFrac Energy Services	T	GFS	GSFVF	9/23/10	\$5.52	1/25/11	\$10.15	83.7%	# 476
MERC Feb 7.5 CALLS	N	MERC	MERC	3/2/10	\$0.55	1/25/11	\$0.95	72.7%	# 477
MERC Feb 5 CALLS	N	MERC	MERC	3/2/10	\$2.00	1/25/11	\$3.20	60.0%	# 477
Xtra Gold Resources	N	XTG	XTGR	5/14/10	\$1.18	1/26/11	\$1.78	50.8%	# 478
First Uranium Corp.	T	FIU	FURAF	12/15/10	\$1.33	2/22/11	\$1.04	-21.8%	# 493
CDE March 22.5 CALLS	N	CDE	CDE	1/5/11	\$3.80	2/23/11	\$4.20	10.5%	# 494
SWC April 20 CALLS	N	SWC	SWC	12/8/10	\$2.52	2/23/11	\$3.31	31.2%	# 494
Canfor Pulp Income Fund	T	CFX.UN	CFPUF	8/10/10	\$12.96	2/24/11	\$16.57	27.9%	# 496
Crocodile Gold Corp	T	CRK	CROCF	6/14/10	\$1.19	2/28/11	\$1.25	5.1%	# 498
CDE March 25 CALLS	N	CDE	CDE	1/5/11	\$2.43	2/28/11	\$5.18	113.4%	# 498
Tembec Inc	T	TMB	TMBCF	3/5/10	\$1.24	3/9/11	\$5.26	325.6%	# 504
Samson Oil & Gas Ltd.	N	SSN	SSN	9/9/10	\$1.31	3/10/11	\$3.35	155.7%	# 505
Mercer International Inc.	N	MERC	MERC	3/2/10	\$4.55	3/10/11	\$12.59	176.6%	# 507
Canyon Services Group, Inc	T	FRC	CYSVF	9/9/10	\$5.28	3/10/11	\$12.46	136.0%	# 507
Stillwater Mining Co.	N	SWC	SWC	12/8/10	\$19.20	3/15/11	\$21.00	9.4%	# 512
Leader Energy Services Ltd.	T	LEA	LDRXF	2/14/11	\$0.70	3/15/11	\$1.12	59.2%	# 513
AGM March 22.5 CALLS	N	AGM	AGM	2/28/11	\$0.35	3/15/11	\$0.00	-100.0%	# 516
EGY (Vaalco) April 7.5 CALLS	N	EGY	EGY	1/18/11	\$0.90	4/15/11	\$0.00	-100.0%	# 534
Realm Energy International	T	RLM	RLMXF	9/28/10	\$0.48	4/20/11	\$0.59	20.9%	# 539
Alexis Minerals Corp.	T	AMC	AXSMF	9/30/10	\$0.22	4/20/11	\$0.12	-45.4%	# 540
Ithaca Energy Inc.	T	IAE	IACAF	10/4/10	\$2.05	5/18/11	\$2.11	2.7%	# 555
Merc May 12.5 CALLS	N	MERC	MERC	5/5/11	\$0.35	5/18/11	\$0.50	42.9%	# 555
HNR June 17.5 CALLS	N	HNR	HNR	3/23/11	\$1.68	6/16/11	\$0.00	-100.0%	#end
Prophecy Resources Corp.	T	PCY	PRPCF	6/17/11	\$0.35	6/16/11	\$0.70	100.0%	#spin
Federal Agricultural Mortgage	N	AGM	AGM	9/9/10	\$10.51	7/5/11	\$22.50	114.1%	#572
Vast Explorations, Inc.	T	VST	VSTFF	1/13/11	\$0.61	7/11/11	\$0.18	-70.3%	#577
Catalyst Paper Corp.	T	CTL	CTLUF	12/14/10	\$0.16	8/1/11	\$0.11	-35.2%	#593
Pan Orient Energy Corp.	T	POE	POEFF	1/4/11	\$6.80	8/1/11	\$4.40	-35.3%	#593
Coastal Energy Co.	T	CEN	CENJF	10/4/10	\$4.04	8/4/11	\$10.79	166.9%	#596
War Eagle Mining Co.	T	WAR	WARGF	1/21/11	\$1.57	8/5/11	\$0.78	-50.0%	#599
Vaalco Energy, Inc	N	EGY	EGY	1/18/11	\$7.70	8/10/11	\$5.83	-24.3%	#602
Tembec Inc	T	TMB	TMBCF	3/16/11	\$5.20	8/10/11	\$3.23	-37.9%	#602

Letter # 609 - August 19, 2011

Update:

What a day for gold! When I woke up by my son at 4AM again this morning, I checked gold price and couldn't believe in my eyes. Gold easily broke the 1850 "resistance" and now it appears to head for 2000. Silver is also doing well, outperforming gold today. That's great because I want to broad based PM rally.

Gold miners are like spring loaded rockets, bouncing big time. We can see clearly the decoupling between gold miners and the rest of stock market. Many of my stocks are up 5-10% so far. I heard public discussion on CNBC now that gold miners are priced in 1200 gold. I had discussions with other analysts that juniors are priced about 1000 gold. What if the market start to realize that they made a mistake and reprice gold to 1500? We will see huge rallies of gold and silver stocks. That's why I kept my head down and load up the truck in a down day like yesterday.

Many charts of gold miner show very interesting reversal. I don't know if anyone noticed, JAG is jumping above its 200 day moving average. It is the first time in the past 12+ months for **Jaguar Mining Inc. (JAG)**. I am not a technician, but I am sure a lot of technicians and trading robots look at these.

I had discussion with friends and analysts about oil. In general, I believe oil market will unlikely to repeat 2008. From what I saw, China is having a huge issue with Russia on the oil and Russia is threatening to cut oil off to China. Remember China loaned Russia 20 billion in the turmoil of 2008 to guarantee the oil supply? I heard from my Chinese source that Russia wants to change the term of the deal that created a huge problem for China. China's strategical oil supply is very low, much lower than the US. If oil drops further, China will likely to use the opportunity to fill up the tank. After all, China is feeling increasing uneasy about the US bond they are holding and want to hold real stuff. The recent massive purchase of corn is another example. I believe it will likely put a floor of oil price. I have long called 80-90 dollar oil, I believe it would be a good price for oil producers to increase production while not hurting consumer much to decrease consumption. Of course Goldman didn't agree with me and the oil traders push oil to way over 100. Now I am glad to see to fall back to my range. My oil producers are low cost producers, 80-90 dollar they can make a lot of money. I am staying with **Mart Resources Inc (MMT.v)** and **Harvest Natural Resources Inc. (HNR)**, added both this week. Another key position of mine is **Porto Energy Corp (PEC.v)**, I am holding on to my positions, a little less that the other two, but I am planning to add as soon as they have a hit. The next well is due in Sep. My best hope is that market was still in turmoil that nobody notice the results when it comes out.

Chen is Selling:

This morning I heard the very disappointing news that **Groundstar Resources (GSA.v)** issued 15 million shares at 10c. I hate companies issue shares and dilute shareholders or sell out assets at the bottom of the market. This is the worst thing management can do for shareholders and keep stock low for a long time. Unfortunately both GSA.v and VST.v did. I sold VST at 17c, now 12c after the sold interests at rock bottom price. I decided to close my GSA position at 9.5c to move to gold miners.

Regards, Chen

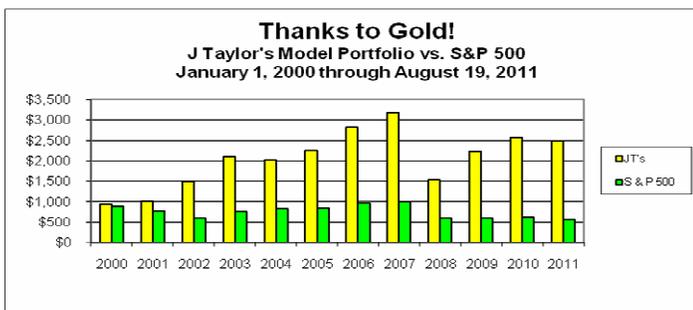
Our Model Portfolios

J Taylor's Model Portfolio as of: 8/19/2011			
Category	Weight	YTD Gain	Tot Gain
Progress "A1" Gold Producers	25.06%	-3.53%	194.39%
Spec.Mining Shares A1,A2,A3 *	31.00%	-14.77%	51.33%
Gold & Silver Cash (CEF)	12.94%	24.55%	249.19%
Energy Stocks (U3O8, O + G)	5.17%	-33.62%	-23.07%
Essential Technology	3.27%	25.86%	10.13%
Prudent Bear Fund *	22.54%	8.46%	-23.32%
J Taylor's Model Portfolio	100%	-3.78%	332.80%
S&P 500		-10.66%	-22.72%

J Taylor's Low Budget/Low Maintenance Portfolio (LBLMMP) from Jan 1, 2003 through 8/19/2011			
Category	Weight	YTD Gain	Total Value
World Prec Minerals Fund (UNWPX)	24.22%	0.00%	\$ 445.63
OCM Gold Fund	34.45%	1.59%	\$ 633.80
Prudent Bear Fund	21.02%	8.46%	\$ 386.65
Gold & Silver Cash (CEF)	12.07%	24.55%	\$ 222.02
Global Resource Fund (PSPFX)	8.25%	-14.86%	\$ 151.76
J Taylor's LBLMMP Portfolio	100.00%	3.22%	\$ 1,839.85
S&P 500		-10.66%	

The Prudent Bear Fund is finally paying some "dividends." It has been hurting our performance on a fairly regular basis. But of course the reason we have it in our portfolio is for times like this when the markets tank. At this point in time, our LBLMMP has actually snuck into positive territory albeit a measly 3.22%. The Chart lower left compares our Model Portfolio to the S&P 500 since Jan. 1, 2000. A \$1,000 investment in the S&P is now worth a mere \$560, not counting dividends in the 1% to 3% per year range. That same amount invested in our hypothetical model portfolio would have grown to \$2,474 during that same period of time.

As noted above, I believe there is a good chance we will see a pullback in the price of gold and I also think the shares may be ready to pop. Below on your right is my personal allocation as of this past week. I expect to sell some gold and increase holdings in gold shares at the start of next week while keeping cash holdings more or less the same.



GRAND TOTAL		19-Aug-11
6.684%	Equity Shorts (BEARXF +SH)	
28.392%	Gold & Silver Bullion	GLD
36.910%	Gold and Silver Shares	
71.99%	Total Bear + Gold	
8.802%	Base Metals, Energy (Incl. coal)	
0.254%	Medical Technology	
18.959%	Cash	
100.00%		

PORTFOLIO SCORECARD

Gold Stocks										
Exch	Ticker	R	Company Activity/Comments	Price	Initial	Initial	Price	2011	Overall	Buy/
Security				1/1/11	Date	Price	8/19/11	% Gain	Gain	HOLD
GOLD & SILVER PRODUCERS ("A1" Progress Companies)										
Alexco Resources Corp. *	N	AXU	A1 Silver producer in Canada's Yukon	\$ 8.19	12/23/09	3.44	\$7.53	-8.01%	119.0%	BUY
Allied Nevada Gold Corp.	N	ANV	A1 Gold Producer in Nevada	\$ 26.31	1/30/09	4.95	\$39.81	51.31%	704.2%	BUY
Aurizon Mines Ltd. *	A	AZK	A1 Gold production in Quebec	\$ 7.32	9/3/10	6.65	\$6.41	-12.39%	-3.6%	BUY
Barkerville Gold Mines	T	BGM	A1 Gold mining, explore, development in central B C	\$ 1.47	1/29/10	0.81	\$1.57	6.28%	92.5%	BUY
Brigus Gold *	A	BRD	A1 Gold production in Ontario	\$ 2.10	12/12/08	1.00	\$1.49	-29.05%	49.0%	BUY
Crocodyle Gold *	T	CRK	A1 Gold production in northern Australia	\$ 1.50	4/23/10	1.56	\$0.68	-54.98%	-56.6%	BUY
Dynacor Gold Mines *	T	DNG	A1 Gold exploration & custom milling in Peru	\$ 1.30	8/13/10	0.32	\$0.96	-26.35%	199.8%	BUY
Great Panther Silver Ltd.	A	GPL	A1 Silver mine exploration/development in Mexico	\$ 2.79	5/29/09	0.49	\$3.07	10.21%	526.5%	BUY
OceanaGold Corp. *	T	OGC	A1 Gold Mining-New Zealand, project-Philippines	\$ 3.74	2/27/09	0.48	\$2.10	-43.80%	338%	BUY
San Gold Corporation *	T	SGR	A1 New, smaller gold producer in Manitoba, Ca.	\$ 3.98	9/30/06	1.27	\$2.99	-24.85%	135.4%	BUY
Sandstorm Gold Ltd *	T	SSL	A1 Gold royalty co. applies Silver Wheaton Model	\$ 0.80	5/22/09	0.36	\$1.36	70.08%	280.8%	BUY
Timmins Gold Corp *	T	TMM	A1 Gold produce/explore/develop in Mexico	\$ 2.25	6/16/11	2.25	\$2.61	15.80%	15.8%	BUY
J Taylor's Average Gain (Loss) on Progress A1 Gold Stocks								-3.81%	200.0%	---
GOLD & SILVER EXPLORATION STOCKS ("A2", "A3" & "A4" Progress companies)										
American Bonanza Gold	T	BZA	A2 Gold mining, explore, development in N. America	\$ 0.35	3/19/10	0.18	\$0.47	33.90%	160.9%	BUY
Golden Minerals Co. *	O	AUMN	A2 Explore & develop mining/services Latin America	\$ 26.70	9/11/09	4.15	\$11.58	-56.63%	179.0%	BUY
Klondex Mines *	T	KDX	A2 Explore/Develop high grade gold in Nevada	\$ 2.51	12/5/10	2.29	\$2.73	8.85%	19.1%	BUY
Prodigy Gold Inc *	T	PDG	A2 Explore/Develop open-pit Magino gold	\$ 0.60	6/16/11	0.60	\$0.47	-20.89%	-20.9%	BUY
Trevali Mining Corp	T	TV	A2 Producer-zinc/lead/silver/gold/copper	\$ 1.45	6/24/11	1.45	\$1.35	-6.67%	-6.7%	BUY
Adventure Gold Inc. *	T	AGE	A3 Explore & develop gold projects in Quebec	\$ 0.51	9/17/10	0.19	\$0.47	-7.11%	144.7%	BUY
Augen Gold Corp	T	GLD	A3 Explore & Develop gold in Ontario	\$ 0.28	7/8/11	0.28	\$0.41	46.07%	46.1%	BUY
Calais Resources Inc. *	O	CAAUF	A3 Gold & Silver Explore/Develop in CO & NV	\$ 0.27	2/4/11	0.27	\$0.07	-75.09%	-75.1%	BUY
Calico Resources Corp. *	T	CKB	A3 Explore & Develop gold in BC & Oregon	\$ 0.46	4/14/11	0.46	\$0.47	2.74%	2.7%	BUY
Cangold Ltd. *	T	CLD	A3 Early Stage gold exploration project in Mexico	\$ 0.45	6/23/03	0.40	\$0.47	4.15%	18.9%	BUY
Carlisle Goldfields Ltd. *	T	CGJ	A3 Explore/Develop gold properties in Manitoba	\$ 0.37	7/1/11	0.37	\$0.30	-18.12%	-18.1%	BUY
Clifton Star Resources Inc.	T	CFO	A3 Explore & Develop of past gold prop. In Quebec	\$ 5.38	3/20/09	1.89	\$2.93	-45.57%	55.0%	BUY
Columbus Gold Corp. *	T	CGT	A3 Develop gold-French Guyana + project gen.	\$ 0.83	7/1/11	0.83	\$0.78	-6.31%	-6.3%	BUY
Coral Gold	T	CLH	A3 Gold Exploration and Production in Nevada	\$ 0.86	9/4/09	0.42	\$0.60	-30.85%	41.9%	BUY
Eurasian Minerals, Inc	T	EMX	A3 Prospect generator explore for precious metals	\$ 3.31	3/11/11	3.31	\$2.57	-22.50%	-22.5%	BUY
Everton Resources Ltd.	T	EVR	A3 Gold Explore & Develop gold in Dominican & Can	\$ 0.35	5/14/10	0.27	\$0.25	-28.01%	-5.1%	BUY
Gold Bullion Development	T	GBB	A3 Exploring gold in "Cadillac Trend" Quebec	\$ 0.86	12/22/10	0.84	\$0.40	-53.12%	-51.7%	BUY
Golden Hope Mines Ltd.	T	GNH	A3 Exploring gold in Beauce region of Quebec	\$ 0.41	7/30/10	0.53	\$0.14	-65.16%	-73.5%	BUY
GoldQuest Mining Corp. *	T	GQC	A3 Explore/Develop gold in Dom Republic/Spain	\$ 0.37	12/3/10	0.34	\$0.17	-53.06%	-49.4%	BUY
Goldrich Mining Co. *	O	GRMC	A3 Gold mining and exploration in Alaska	\$ 0.31	8/31/09	0.35	\$0.28	-9.68%	-20.0%	BUY
Kent Exploration Inc.	T	KEX	A3 Gold/silver explor-New Zealand/Canada/U.S.	\$ 0.07	7/8/11	0.07	\$0.08	10.67%	10.7%	BUY
Legend Gold Corp.	T	LGN	A3 Explore/develop gold in Mali, West Africa	\$ 0.41	3/11/11	0.41	\$0.27	-34.41%	-34.4%	BUY
Magellan Minerals Ltd.	T	MNM	A3 Explore/Develop large scale near surface in Brazil	\$ 1.63	4/10/09	0.49	\$0.63	-61.66%	28.0%	BUY
Majescor Resources Inc. *	T	MJX	A3 Explore/Develop gold properties in Haiti	\$ 0.26	12/17/10	0.17	\$0.25	-5.03%	43.0%	BUY
Maudore Minerals Ltd. *	T	MAO	A3 High grade underground gold deposit Quebec	\$ 6.01	2/25/06	0.69	\$4.75	-21.05%	590.2%	BUY
Merrex Gold Inc	T	MXI	A3 Exploring & Developing gold projects W Africa	\$ 0.44	4/2/10	0.59	\$0.52	17.88%	-11.8%	BUY
Millrock Resources, Inc	T	MRO	A3 Project generator in Alaska and Arizona	\$ 0.94	7/23/10	0.42	\$0.54	-43.17%	27.4%	BUY
Nautilus Minerals Inc. *	T	NUS	A3 High grade gold & base metals mining ocean floor	\$ 2.26	5/26/06	2.85	\$2.89	27.55%	1.3%	BUY
NioGold Mining Corp.	T	NOX	A3 Develop ungrounded mines eastern Canada	\$ 0.38	12/8/06	0.21	\$0.37	-1.86%	82.3%	BUY
Northern Gold Mining, Inc*	T	NGM	A3 Exploration & Development for Gold in Ontario	\$ 0.50	2/25/11	0.50	\$0.39	-20.59%	-20.6%	BUY
Northern Tiger Resources *	T	NTR	A3 Exploring for Gold in the Yukon	\$ 0.39	10/4/10	0.70	\$0.45	15.00%	-35.8%	BUY
Paramount Gold & Silver	N	PZG	A3 Gold & Silver Exploration in Mexico & Nev.	\$ 3.99	2/5/10	1.69	\$2.43	-39.10%	43.8%	BUY
Premium Exploration, Inc *	T	PEM	A3 Explore/Develop in Idaho, Montana, Mexico	\$ 0.48	6/5/09	0.17	\$0.44	-7.61%	169.3%	BUY
Pretium Resources, Inc *	T	PVG	A3 Develop large gold/silver deposit in NW B.C.	\$ 6.32	1/14/11	6.32	\$10.12	60.11%	60.1%	BUY
Riverside Resources, Inc *	T	RRR	A3 Gold Exploration in Yukon & Mexico	\$ 1.01	8/27/07	0.50	\$0.96	-5.20%	91.9%	BUY
Romios Gold Resources Inc.	T	RG	A3 Explor/develop gold projects in British Columbia	\$ 0.50	7/29/11	0.50	\$0.52	3.01%	3.0%	BUY
Rye Patch Gold Corp.	T	RPM	A3 Exploration for gold deposits in Nevada	\$ 0.32	1/28/11	0.32	\$0.37	16.77%	16.8%	BUY
Southern Silver Expl. *	T	SSV	A3 Gold & Silver Exploration in Mexico, NM, AZ	\$ 0.31	12/31/10	0.31	\$0.15	-51.13%	-51.1%	BUY
Takara Resources, Inc *	T	TKK	A3 Explore & Develop gold in Guyana, S America	\$ 0.33	12/3/10	0.30	\$0.10	-68.99%	-66.1%	BUY
Typhoon Exploration Inc.	T	TYP	A3 Explore & develop gold properties in Quebec	\$ 0.83	9/17/10	1.60	\$0.74	-11.36%	-53.9%	BUY
Western Pacific Resources	T	WRP	A3 Explore & develop gold in Idaho and Nevada	\$ 0.68	4/8/11	0.68	\$0.40	-40.59%	-40.6%	BUY
Yale Resources Ltd. *	T	YLL	A3 Explore gold /silver in Mexico	\$ 0.15	2/26/10	0.05	\$0.07	-54.82%	23.9%	BUY
Cosigo Resources Ltd. *	T	CSG	A4 Exploring for gold in Brazil and Columbia	\$ 0.59	5/28/10	0.34	\$0.29	-50.04%	-14.4%	BUY
Golden Valley Mines Ltd. *	T	GZZ	A4 Project generator for gold & base metals	\$ 0.51	8/20/10	0.28	\$0.42	-16.99%	50.4%	BUY
Pelangio Exploration Inc. *	T	PX	A4 Gold Exploration in Ghana & eastern Canada	\$ 1.03	9/26/08	0.11	\$0.64	-38.36%	505.9%	BUY
Renaissance Gold Inc. *	T	REN	A4 Explore for gold/metals. Project generator model	\$ 1.80	12/3/10	1.72	\$1.70	-5.93%	-1.4%	BUY
Revolution Resources	T	RV	A4 Gold exploration in North Carolina	\$ 0.48	12/17/10	0.49	\$0.48	0.79%	-1.7%	BUY
J Taylor's Average Gain (Loss) on Progress A2, A3, A4 Gold Stocks								-15.90%	60.6%	---
Energy Stocks										
Leader Energy Services Ltd	T	LEA	A1 Canadian Oil & Gas Service in Alberta	\$ 1.05	2/18/11	1.05	\$0.60	-43.25%	-43.3%	BUY
Mart Resources Inc	T	MMT	A1 Rapidly growing crude producer in Nigeria	\$ 0.71	6/3/11	0.71	\$0.45	-36.70%	-36.7%	BUY
Van Eck Nuclear Eng. ETF	O	NLR	A1 Nuclear Energy ETF	\$ 25.35	1/1/09	19.67	\$18.33	-27.69%	-6.8%	HOLD
Baja Mining Corp.	T	BAJ	A2 Development Copper Project in Baja, Mexico	\$ 1.04	1/28/11	1.04	\$0.99	-4.84%	-4.8%	BUY
Uranium Energy Corp.	A	UEC	A2 10.2 million lbs. U3O8 Resource + Much more Pt	\$ 6.04	6/23/06	2.80	\$3.18	-47.35%	13.6%	BUY
Concordia Resources *	T	CCN	A3 Gold, Uranium and other Min. Exploration	\$ 1.56	1/31/07	2.29	\$0.91	-41.86%	-60.4%	BUY
Athabasca Uranium Inc.	T	UAX	A4 Exploring high-grade uranium in Canada	\$ 0.38	12/22/10	0.24	\$0.16	-57.89%	-33.9%	BUY
J Taylor's Average Gain (Loss) on Outstanding Inflation Hedge Stocks								-33.62%	-23.07%	---
Technology Stocks										
American Manganese *	T	AMY	A1 Explore and develop manganese in Arizona	\$ 0.36	1/28/11	0.36	\$0.56	54.29%	54.3%	BUY
Diagnos Inc. *	T	ADK	A1 Own/Develop healthcare, mining, music software	\$ 0.30	4/19/10	0.44	\$0.29	-2.57%	-34.0%	BUY
Average Gain (Loss) on Oil and Gas Stocks								>	25.86%	10.1%
Precious Metals & Hedge Funds										
Gold *	N/A	N/A	N/A The Best Money Ever Discovered by Humankind	\$ 1,421.60	12/3/90	390.00	\$1,853.10	30.35%	375.2%	BUY
Silver *	N/A	N/A	N/A 2nd Best Money Ever Discovered by Humankind	\$ 30.91	11/15/97	5.29	\$42.90	38.79%	711.0%	BUY
Prudent Bear Fund *	O	BEARX	A1 Shorts Equity Markets - Long Gold & Gold Eq.	\$ 4.73	1/1/09	6.69	\$5.13	8.46%	-23.3%	BUY
World Prec. Metals Fund	O	UNWPX	A1 Frank Holmes - Produce. And Expel. Gold Stock	\$ 22.28	3/20/03	9.70	\$22.277	0.00%	269.0%	BUY
Global Resource Fund	O	PSFPX	A1 Fank Holmes - Energy & Metals Resc. Stocks	\$ 11.91	1/1/11	11.91	\$10.14	-14.86%	-14.9%	BUY
OCM Gold Fund	O	OCMGX	A1 Major and junior gold mining mutual fund	\$ 28.93	2/7/08	23.52	\$29.39	1.59%	25.0%	BUY
Central Fund of Canada *	O	CEF	A1 Holds Gold and Silver Bullion	\$ 20.73	1/7/00	7.42	\$25.82	24.55%	249.2%	BUY

CHART EXPLANATION|| **Exch.** A=American; N=New York; O=NASDAQ/Bulletin Board/Pink Sheets; T=Canadian Exchanges ||**P=PROGRESS RATING** – A1 = Currently Operating, A2=Not in operation but with pre-feasibility or feasibility study in hand; A3 = No feasibility study but indications of a commercially viable mineral deposit. A4= A mineral resource not yet delineated but based on size of mineral bearing structures and early geological work, potential for outlining an ore body appears good.|| **.2011 CLOSED POSITIONS:** **Silvercrest Mines +123.5%, Metanor Resources -63.2%, Luna Gold Corp -14.2%, Canarc Resources a - 27%, Animas Resources -77.4% loss, Trade Winds Ventures +114.2% gain, Sphere Resources + 381.7% gain, Xtra-Gold Resources + 61.9% and Richfield Ventures +706.8%.** || *J Taylor's Gold, Energy & Tech Stocks*, is published monthly as a copyright publication of **Taylor Hard Money Advisors, Inc. (THMA)**, Box 780555, Maspeth, N.Y. 11378, Tel.: (718) 457-1426.|| * Represents companies in which the editor and/or his family hold a long position. Website: www.miningstocks.com. THMA provides investment ideas solely on a paid subscription basis. Companies are selected for presentation in this publication strictly on the merits of the company. No fee is charged to the company for inclusion. The currency used in this publication is the U.S. dollar unless otherwise noted. The material contained herein is solely for information purposes. Readers are encouraged to conduct their own research and due diligence, and/or obtain professional advice. The information contained herein is based on sources, which the publisher believes to be reliable, but is not guaranteed to be accurate, and does not purport to be a complete statement or summary of the available information. Any opinions expressed are subject to change without notice. The editor, his family and associates and THMA are not responsible for errors or omissions. They may from time to time have a position in the securities of the companies mentioned herein. All such positions are denoted by an asterisk next to the name of the security in the chart above. No statement or expression of any opinions contained in this publication constitutes an offer to buy or sell the securities mentioned herein. Under copyright law, and upon request companies mentioned herein, from time to time pay THMA a fee of \$500 per page for the right to reprint articles that are otherwise restricted for the benefit of paid subscribers. Subscription rates: One Year \$198; Two Years - \$360; Three Years \$477.