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RESEARCH GROUP



UNCHARTED WATERS

Navigating through the Crisis:
2016 **Gold** & Silver Wealth Report.



The Role of Gold and Silver as Money

Gold and silver are money. Though there are many opinions as to why these particular metals are considered as such, it is an irrefutable fact that since the early civilizations began trading goods, the role gold and silver have played at ensuring fair prices and stable economics is immense. People don't seem to get that without the use of precious metals, the ancient world couldn't have advanced and commerce would have been next to impossible between nations and across vast distances. Gold and silver are subconsciously accepted as money after over 2,000 years. We don't use them as money anymore in an active way, for the most part, and being out of sight is exactly why the masses don't realize what a huge challenge the global economy is facing without a gold standard of some sort.



Our opportunity is right in front of us. It's so obvious that we might miss it if we listen to mainstream conventional wisdom. We don't believe in being contrarian just for the sake of it, nor are we Gold Bugs or Perma-Bulls. WE ARE GETTING INTO GOLD AND SILVER because they only go parabolic when NIRP (Negative Interest Rate Policies) are in place. The next few years will be paramount to our wealth accumulation. It is an opportunity we at WRG call "playing catch-up." Gold and silver are the soundest form of money, and today they are even more than that. The concept I am about to share is the critical point that people who haven't studied history totally miss. Gold and silver are not ONLY money anymore. Back when national currencies were backed by gold and people used silver as a medium of exchange for everyday commerce, the purchasing power of the currencies was stable. When paper money became widely used, the role of the metals remained the same, as the notes were redeemable and 100% backed by metals.

Today, all currencies are brought into existence as credit. That means they are nothing but debt. Gold and silver, then, are much more than money. They are chaos insurance against natural human behavior. People in general pay back their debts, but some always default. Governments certainly don't close debts as well as individuals do. Time and time again, they use taxation, inflation, and other forms of maneuvering to reduce debt burdens. The entire world economy is debt-based, and the boat of debt is sailing towards uncharted waters. The key to remember is that NOBODY can navigate the boat, so when the storm hits, it's going to be each crew member (you and I) for himself. The captain (governments) can only dream up solutions, but he has no proven way to steer the boat. Politicians are people – not miracle workers. The global debt load requires us to get the boat to the shore of gold and silver, since the boat has a shortage of them. Only they provide insurance from the breakdown of a system we have created over the past 100 years, which shifted the concept of MONEY TO CREDIT. We are reaching the end of this experiment. That's why owning gold and silver isn't a matter of choice anymore, but of necessity. Any crew member should hold on to his ounces and never let go. This is why owning mining shares gets you access and ownership rights to the source of insurance. When the boat finally reaches shore, anyone with access to mining will be crowned as a "millionaire in ounces."

By becoming a shareholder early, when the boat seems to be sailing the calm seas, you get to build your position for CHEAP PRICES that may never be available again. You are then both protected and can provide



protection to others as the owner of mining stocks. This is how one gets rich from a crisis. Unlike regular insurance, which is priced by the fair market, precious metals prices have been suppressed by the paper currency markets and insurance is CHEAP, while rare. This is unprecedented.

To make sure you position yourself correctly, get the most out of this report.

Remember, 90% of the time, the world is prospering (the boat is sailing smoothly), so gold and silver aren't needed as insurance, but we are now in that 10% of the time (the boat is lost), and fortunes will transfer hands.

Overview of Precious Metals and Actions to Take

This manual consists of 3 parts:

1. History of precious metals

Educate yourself on the history of the metals and how important they are to humans throughout history. This will serve as a benchmark and increase your fortitude and knowledge, because logic isn't always reflected in market prices, and it is precisely when the market is acting irrationally that your fears are put to the test. The prices of both gold and silver fluctuate without cease, and only an educated investor can handle the pressure of managing his position correctly.

2. Inflation and deflation with regards to the performance of the metals

In 2016, there are major economies operating under negative interest rate policies, zero interest rate policies, and low interest rate policies. Loans and debt, both governmental and private are incredibly high, and government entitlement programs are in danger of not meeting obligations, which creates the danger of social unrest.

Every currency on the planet is fiat and is backed only by the power of the government to use taxation, and nearly every country uses a central bank and fractional reserve lending, which create credit cycles and default cycles.

By understanding exactly where we are and what the future scenarios for us can be, preparation becomes methodic and prospering turns possible.

3. Specific action steps

This part is meant for the investor who understands the world he lives in and wants to help himself and his family thrive during the next coming years when major changes will take place around us. Capitalizing on opportunities is certainly possible for the investor who is ready and isn't afraid. After reading the previous 2 parts, this 3rd part will present a viable plan of action for you.



The Bull Market has Started

Gold and silver rarely explode in price. The bull market in precious metals has begun and usually lasts 2-3 years, so we have enormous upside ahead of us. It will be violent and volatile.

Moreover, the bear market has been absolutely horrifying. Many well-managed, high-quality, financially sound companies lost over 50% of their share price, and many lost 70%-90%. Many more went bankrupt. Just to give you an idea, if a company loses 80% of share price while it is still run by competent management, uses the bankruptcies of peer companies to their advantage, and can improve the competitive advantage by buying assets cheaply, they will still have to rise 500% just to be priced at the same level as before. These are opportunities that have life-changing potential. At WRG, we are not going to miss these types of moments, and you will receive our research as a valued member of our community of prudent investors.

History of Precious Metals

The U.S. has had many encounters throughout its history where the dollar/gold relationship has been tested. The U.S. was under a classical gold standard for more than 100 years. It didn't suffer from any monetary booms and busts throughout that period. The real mess began with the inception of the Federal Reserve banking system in 1913. Many books have been written about the secrecy revolving this institution.

For the purposes of this report, we are focusing on its effect on gold. After the 1st World War, the classical gold standard was changed to a gold exchange ratio. That means that not all bank notes were redeemable, and a credit boom began, resulting in the Great Depression. What the U.S. was able to avoid from the days of the Constitution was inflation and deflation. It was deep in turmoil, and executive orders that President Roosevelt issued resulted in the turning over of gold to the government in exchange for Federal Reserve notes. This was the great wealth transfer from the private sector to the government – gold for “lawful paper.” This is why our notes say “Legal Tender.”



After the 2nd World War, the Bretton Woods was formed. The U.S. dollar, which by that time became the most stable currency (since the U.S. mostly avoided war), had become the reserve currency of the now international monetary system. The exchange ratio was fixed to \$35 per ounce, and this system was in place until 1971. The U.S. had embarked on costly wars, and foreign governments didn't believe the dollar was worth the gold backing it. So in August of 1971, Nixon announced that the gold-backed currency will now be fiat. That means currency without backing, except for the fact that the only entity that is allowed to create it is the government or central bank. This one decision has made possible the biggest credit expansion of all time, and now, about 45 years later, we are going to experience the greatest credit contraction of all time, and all the credit is being returned to the creditors. That's the main reason for these policies like QE, or Quantitative Easing. Without it, central bankers know that our currency supply will contract massively, leading to mass unemployment and deflation. This brings us to our next point.

2016 Inflation and Deflation

Inflation and deflation are simply the effects of credit expansion and contraction. The best explanation of this subject can be viewed here: www.economicprinciples.org

Ray Dalio explains cycles.

Ray runs the largest hedge fund in history, and is by far the smartest investor of our era.

It is our conclusion that we now stand at the perfect storm, because the credit contraction of 2008 didn't come to its full cycle closure. The newly formed debt the U.S. government took on -- along with negative interest rates -- make this period the most favorable for precious metals in U.S. history. We will either have to go through another deflationary spiral or hyperinflation. No matter what and when it happens, this environment is fertile ground for the metals to protect and enrich their owners. This brings us to what we can do about the unavoidable.

2016 Action Plan

Greed and caution are the theme of our plan – maximum upside with limited downside. At WRG, we know that there is no way we are right all the time, and that is the reason why we are so defensive. The only thing worth obsessing about is risk. It is truly the most humbling of all skills, and the common thread of all great investors and speculators alike. Read our Special Reports Series called “The 5 Wealth Essentials” for in-depth coverage of this subject. If you read the autobiography of Donald Trump, you will learn that he attributes his financial demise back in the day to a simple fact – he stopped asking the question “What’s the worst-case scenario?” He got so used to profitable projects that his mind shifted to an attitude that nothing can go wrong. You never want to stop asking questions about risk, because these are the questions that make you think about the downside, and that is a true sign of greatness.

Plan of Action

Our plan of action for you is called “Gold and Silver – The Wealth Shores.”

It is based on three key possible scenarios:

- A full-blown currency crisis (inflation/deflation).
- A recession or a depression due to years of central banking anomalies.
- A timely precious metals bull market due to the state of the global economy without severe recessions.

We are prepared no matter which of those transpire.

Don't misunderstand WRG's thesis on the world at large. The future of the world is absolutely bright, and we are eternal optimists. This isn't a weakness or an oversight, nor is it childish or naive. The human race is

continuing to unlock more of nature's secrets and in every field there are enormous breakthroughs. That said, governments and central banks, along with some private sectors, have over-leveraged the credit supply to an unprecedented amount, and the global economy has to go through massive de-leveraging. This period can be very counter-productive and cause many scandals, bankruptcies, and price contractions. The consequences are inevitable, and "Gold & Silver – The Wealth Shores" is WRG's opportunity to help you prosper and come out a winner on the other side.

WRG Action Step 1

The core element of "The Wealth Shores" is that the dollar and numerous major currencies could suffer from a loss of confidence this decade. In this case, we are seriously going to be in trouble. In modern societies, we rarely experience major crises without social unrest, wars, and complete chaos. There are many among us who simply can't stand corruption, and at this point already despise the government they live under. We all read about the dangers of big government, but so far the repercussions have not caused widespread panic. Nothing guarantees it won't happen in the near future.

If this scenario plays out, we will not like it. It would be catastrophic, and will basically reshape entire societies. It will distort free trade, create panics, and there is no way of knowing how our society will react. Uncertainty is exactly why physical gold and silver could be an insurance policy for this kind of environment. In this manual, the options of relocating, leaving the country, preparing for shortages, or government shutdown are not discussed. Those are personal decisions that one must make on his own. What we do know for a fact is that owning physical coins is one of the only ways of protecting yourself and your purchasing power. In almost every country that ever experienced full-blown panic, the price of real estate has been destroyed during the collapse. This will present an opportunity for investors with gold once the dust clears. Stocks will be extremely cheap, too. Prime-location assets will sell for 10 cents on the dollar. Get excited. Real estate in Berlin after hyperinflation was so cheap that owning gold and silver allowed investors to close deals of a lifetime. This can happen to you.

Regarding coins, I believe you should consult an expert, like a coin dealer, or read Mike Maloney's "Rich Dad Guide to Gold and Silver."

Our suggestion: buy coins with 3%-5% of your current net-worth. Prepare to buy more by securing an outstanding relationship with your coin dealer, and allocating some cash towards future purchases in advance. What happens if this scenario doesn't play out? Gold and silver are money. We won't be capitalizing on a full-blown panic brought about by the government's attempt to contain unrest and the public lack of preparation, but we will still own precious metals that have remained a store of wealth since the days of the Roman Empire and will probably still be used as a store of wealth long after our time.

WRG Action Step 2

Protecting our wealth against a catastrophe is the fundamental step in our plan. Many believe that a catastrophe is always looming and is imminent. Plenty of data supports this, but in reality, these epic events are rare. As an investor, it is a mistake to get addicted to your own opinions. It is very easy to get caught up in the news swirl of gold bug media and obsess about the end of America. Worse, you can become fascinated with this idea and begin to enjoy imagining being right, and telling all your friends who didn't believe you that they

should have trusted your word. Make sure you are not in love with your opinions. You can be wrong. I can be wrong. Our “Gold and Silver – The Wealth Shores” plan mitigates the risk of being wrong by mixing the best of all worlds. If the full-blown crisis never happens, we are still going to profit greatly.

Our 2nd scenario is severe deflation or severe inflation or both – deflation followed by inflation. In this case, our plan gets exciting. Really exciting.

In February, my wife and I travelled to Switzerland, France, and Italy to enjoy the Alps. At the amazing city of Interlaken, I got to experience rope swinging. First, you sit and get tied to the equipment. Then, the instructor creates elastic tension between you and the swing. It feels very tight, like you can't move. There isn't any wiggle room and you know that at any second the tension will pull you forward at full speed and you will swing like a monkey, but for now all you sense is the contraction of the rope. This is what deflation feels like – fewer transactions between businesses, less credit for the private sector, less income, no wiggle room, lower prices, and if the tension rises too much, it becomes unbearable. Then, inflation releases the tension and uncontrollable swinging begins. Unlike rope swinging in beautiful Interlaken, Switzerland, we won't be enjoying this ride unless we control the ride by preparing in advance.

This is exactly what we are going to do.

Our strategy was first to own the physical metals. This allows you to own a hard asset that is the oldest and most widespread form of money. Now, we are going own businesses – stocks. In deflation, there is less credit in the economy, and this creates a contraction of currency supply. This environment creates turmoil by reducing personal income, lower prices, unemployment rises, and this is favorable basically only to companies that benefit from lower prices. Mining is one the most capital intensive businesses in the world, and energy is its major expense. Oil to run the machinery is the single biggest factor of expenses, and in a deflation, oil prices are low -- even lower than today -- while the price of precious metals tend to stay quite stable. This creates wider margins of profit, and these mining companies flourish. We will stick to the best management teams and the most proven geologists. By owning stocks, we are opening ourselves up to the world of resource investing, which has created many multi-millionaires, and even billionaires. This we will do with our Steroid Stocks Alerts. These emails will be rushed to you when a considerable opportunity presents itself. We are connected with the people who are responsible for much of the wealth created in this industry, and our mission is to help you benefit from this. Inflation will make these margins even higher. With the low interest rates we have today, we are looking at a once-in-a-generation opportunity.

WRG Action Step 3

If this turns out to be a natural bull market, then we can easily invest in a basket of companies. We will update regularly on the best funds and products that offer great potential for people looking for a more conventional approach to resource investing. To me, this is like going to Six Flags and not going to the craziest rides. WRG speculates when the odds are stacked to our favor. We only research the best and alert about the best.

All three of these action steps combined form the “Wealth Shores” plan.

Let's be cautious and greedy. This is an opportunity that will require effort on our part, but the results can be mind-boggling.