

UBS goes bullish on gold, says story more compelling “than ever”

☒ “The gold macro story is more compelling than ever.” Than ever? And that’s not one of your gold bug sites talking; no, that’s the Zurich-based global financial services giant UBS (and its London-based strategist Joni Teves to be more precise) speaking.

The average price for the first half of 2016 was \$1,222/oz. Teves is figuring on \$1,340 for a second half average with a short-term target of \$1,400. That forecast is not all that brave considering it’s sitting at about \$1,360 today, but UBS’s conversion to the gold story is enough to make news in itself, never mind the actual price forecast.

Eleven months ago when, through Amazon, I published my book *Gold Always Wins*, I did have second thoughts that perhaps my timing was a bit off. After all, the gold scene was looking a little fragile.

Not now. Fortunately, my title has been proved right again.

And what a time to be in the gold business with rising prices for the metal, industry projections of falling gold production in coming years, and the majors scouring the world to replace their mined reserves. Gold discovery numbers have been declining to a worrying concern, and high-grade ones even more so. This is all coming together when the world’s economy is under pressure: in the past week alone we have seen six large British property funds freeze redemptions and a German bank come under pressure from its loan books to the depressed shipping industry. And the Italian banking system seems in serious trouble.

And, with good timing, InvestorIntel membership by gold companies is now growing. These companies, all worth watching, are:

Chesapeake Gold Corp. (TSXV: CKG | OTCQX: CHPGF) whose major project is its 100% owned Metates gold deposit located in Durango state, Mexico. Metates is one of the largest undeveloped gold and silver projects in the world. The project has proven and probable reserves of 18.5 million ounces of gold, 526 million ounces of silver and 4.2 billion pounds of zinc.

TerraX Minerals Inc. (TSXV: TXR | FRANKFURT: TX0 | OTC PINK: TRXXF) controls one of the six major high-grade gold camps in Canada. Its Yellowknife City project consists of 118 sq km of land immediately north and south Yellowknife, the capital of the Northwest Territories in Canada.

Harte Gold Corp. (TSX: HRT) is developing the Sugar Zone property, White River, Ontario. It is a high grade deposit open at depth and on strike. There's an indicated resource of 980,900 tonnes, grading 10.13 grams/tonne for 319,280 ounces of contained gold (uncapped) and an inferred resource of 580,500 tonnes, grading 8.36 g/t Au for 155,960 ounces of contained gold.

Otis Gold Corp. (TSXV: 000 | OTC: OGLDF) is a Canadian-based mineral exploration company with a portfolio of quality precious metals projects located in Idaho. The company is currently focused on exploring its flagship Kilgore gold project, located in Clark County, Idaho, approximately 60 miles north of Idaho Falls. The Kilgore gold project has a resource of 520,000 ounces of drill-indicated gold and 300,000 ounces of inferred gold.

Alkane Resources (ASX: ALK | OTCQX: ANLKY) is mining the Tomingley deposit in New South Wales. While Alkane is best known for its Dubbo zirconia project, it has long had an

interest in staying in the gold business – and probably feels vindicated as the metal’s price starts a new bull run.

Uragold Bay (TSXV: UBR) owns the Beauce gold project; the company sees Beauce as being the first new gold mine in southern Quebec in 50 years.

West Red Lake Gold Mines Inc. (CSE: RLG | FWB: HYK | OTC: HYLKF) is a Toronto based company focused on gold exploration and development in the prolific Red Lake gold district of northwestern Ontario, Canada. The Red Lake Gold District is host to some of the richest gold deposits in the world and has produced over 30 million ounces of gold from high grade zones.

I won’t go through the UBS analysis of where gold stands. I think we all know about that. But what is worth recounting a page of what Teves calls “pivotal questions”.

Q: Has gold entered a new bull run?

A: “We think so”, she says. Negative interest rates, worries about the dollar and lingering macro risks justify strategic gold allocations.

Q: Is the gold trade overly crowded?

A: “No, we think there is still room for more.” Individual positions are not at the moment unusually large and, even while currently strong, inflows to gold exchange-traded funds are still some distance away from record highs.

Q: Are the risks to the base case symmetric?

A: “No, we think risks are skewed to the upside.” There could be a stronger move if the wealth community buys more gold, or the central banks opt for “helicopter money” and inflation follows. On the downside there could be a violent gold sell-off, says Teves (but I would be astonished if that happened; and this whole view of gold does not allow for some geopolitical shock coming on top of all the financial woes of

the world).

Gold thrives when everyone is worried. And here's the latest worry according to a headline Thursday in London's *The Daily Telegraph*: "World faces deflation shock as China devalues at accelerating pace".

Here's what I had to say about such a situation in my book, *Gold Always Wins*: "For one thing, deflation as well as inflation can cause conditions in which gold is an attractive acquisition. The inflation case is clear: gold, rather than paper money, maintains its value. But, anyway, let's daydream for just a few moments about a world where gold is the one trusted store of wealth (as it was during the Great Depression and back in the year 1932). □Gold's role in deflation was amply demonstrated by Homestake Mining which saw its shares rise each year between 1929 and 1935 and so, too, its dividends to shareholders. During the six years of the Great Depression, Homestake Mining paid out \$128 per share in dividends. If you bought Homestake Mining shares from your Wall Street broker in October 1929 they cost \$80, but by 1935 Homestake stock was worth \$495 per share."

Official buying

Capital Economics of London expects central bank gold buying to increase as those institutions diversify away from the dollar. "Gold's appeal as a reserve asset also continues to be bolstered by interest rates and bond yields having turned negative in most of Europe and Japan," write Capital analyst Simona Gambarini.

Official buying has slowed in the first half as the gold price rose by 28% in US dollar terms and central banks may be waiting for better opportunities to buy (although the figures have been skewed by Venezuela's large sales to try and keep the economy from imploding).

"That said, high gold prices haven't prevented the official

sector from increasing their gold reserves in the past,” says Gambarini. According to Fitch Ratings, the level of negative-yielding global debt has risen to almost \$12 trillion (yes, trillion) in July, a 12.5% increase since the end of May. “With rates having turned negative in most of Europe and Japan and likely to remain so for some time on ‘Brexit’ woes, the opportunity cost of holding gold has almost disappeared,” she adds.

Uragold on revolutionizing solar panels as a more competitive source of renewable energy

✘ June 15, 2016 – Bernard J. Tourillon, Chairman and CEO of Uragold Bay Resources (TSXV: UBR) presented at the 5th Annual Cleantech and Technology Metals Summit held recently in Toronto.

Uragold is a high purity quartz and gold exploration company focused on generating free cash flow with a new emphasis on becoming a vertically-integrated producer of silicon metal, solar-grade silicon metal and polysilicon. Its business model is centred on developing projects suited for smaller-scale start-up that generate high yield returns.

Uragold has partnered Pyrogenesis, a world leader in plasma technology, to develop the Purevap Quartz Vaporization Reactor, a one-step process for reducing quartz to high purity silicon and/or polycrystalline silicon. Uragold has worldwide

exclusive use of the reactor technology, a technology it believes could revolutionize the making solar panels into a more competitive source of renewable energy.

In this video presentation, Bernard Tourillon

- Explains what he calls “solar silicon metal’s dirty little secret”, the carbon footprint of their present form of manufacture.
- And then shows how the new technology – described as potentially disruptive – can reduce the carbon dioxide footprint of solar panels.
- Shows that Uragold will become a big user of graphite.
- How the silicon metal market is set to explode.

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Uragold’s one-step silicon processing (and green) advantage for the \$6B solar grade silicon and polysilicon market

April 12, 2016 – In a special **InvestorIntel** interview, Publisher Tracy Weslosky speaks with Bernard J. Tourillon, Chairman and CEO, Director of Uragold (TSXV: UBR) on the Purevap QVR process and how this one-step transformation of quartz into high purity silicon holds numerous benefits for end users in the solar grade silicon and polysilicon market; a \$6 billion dollar market sector, which experts anticipate will

double by 2020. They also discuss Uragold's recent news on how the Purevap QVR solar grade silicon metal process has a 75% lower carbon footprint than the conventional Siemens process.

Tracy Weslosky: Bernard let me start by congratulating you. Your most recent news release said that your solar grade silicon metal process has a 75% lower carbon footprint than the conventional Siemens process. Obviously we would like you to tell us a little bit more about this.

✘ **Bernard J. Tourillon:** Well, it's simple in a certain way. What we're doing is we're taking our quartz directly and we're transforming it to the higher purity material, 6N and going up. We're eliminating a complete step that is a little dirty secret that nobody says in the industry. It's very bad. The transformation of metallurgy grade silicon metal to polysilicon requires lots of energy, chemicals and that's really what it is. Nobody really talks too much about it because the carbon effect of the solar panel is such that it offsets it. I read somewhere that in reality if you're a true 'greeny' and you're buying a solar system, it takes up to 6 years for you to generate the credit offset the production one. This with the Paris meetings that were there and all the discussion we decided to say, you know what, let's try to figure out what's going to be our carbon footprint. That's when we came up with the realization that versus the Siemens process we're 75% more energy efficient basically because we're removing a complete step in both of them. What's not written in the press release, but is also within the documents that I have is that 75% of our remaining carbon footprint is mostly due to the transport, exploration, mining and everything else. There are ways for us to go in additional offsetting with regard to the way the process works because we're not looking at building a massive smelter, but we're building a reactor. Our goal is to have those installations closer to the deposit so by having them closer to the deposit we can cut also the carbon footprint everywhere else.

Basically those are small steps that we can do that can add to the positive visibility of our project in addition to what we're doing in the solar field, which is going to be a very competitive project.

Tracy Weslosky: I think this is another example of how competitive the PUREVAP QVR process is, so if I could just have you give our audience a bit of an overview of this technology that you currently have?

Bernard J. Tourillon: This technology is, sort of, an improvement on a lot of technologies that already exist. What it basically is, is we're using in a vacuum furnace we will be putting our quartz and using plasma, which is a third state of energy or different state of energy, to basically transform the quartz into high-purity silicon metal...to access the complete interview, [click here](#)

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Uragold CEO on securing funding and 20 year solar grade silicon metal off-take agreement

December 14, 2015 – Bernard Tourillon, CEO and Chairman for Uragold (TSXV: UBR) in an interview with **InvestorIntel** Publisher Tracy Weslosky discuss the recent \$5 million funding commitment and 20 year solar grade silicon metal off-take agreement with a Taiwanese venture capital group. Bernard discusses having the exclusive worldwide licensing from

Pyrogenesis for PUREVAP™ QVR technology that will help Uragold “go directly from a mining company to selling the end product that is required to make solar panels which are very in demand.”

Tracy Weslosky: I just read your news release, which is fantastic. You had a \$5 million dollar funding commitment from a Taiwanese source. Is that correct?

Bernard Tourillon: That is correct. It’s a \$5 million dollar funding commitment over the next 2 years. It allows us to reach all our next strategic goals over the next 2 years to get ourselves in a great position.

Tracy Weslosky: I also read, that the deal includes an offtake agreement which will provide exclusive rights for these Asian investors over the next 20 years to market you to solar marketing or solar manufacturing companies in Asia, including China. Is this correct?

Bernard Tourillon: That is correct, but what has to be understood is we’re a small company: we’re not in a position to have an immediate selling team in China. China’s a big market. It’s where you want to enter so you want a strategic partnership with people that understand how to sell material down there. Second of all, everything is related to building what we call the generation 2 plant, which is a 2,000 ton per year plant. The offtake agreement and the agreement is limited to the capacity of that plant. Everything else will have additional and will be negotiated between the two parties. It’s really limited to the first plant that we’re building, which is what they’re helping us finance and helping us to get started.

Tracy Weslosky: Of course, it is substantial that you have secured funding and a strategic partner, but I’d like you to tell our audience a little bit more about this Pyrogenesis technology that you have the exclusive worldwide licensing

for?

Bernard Tourillon: Okay. The PUREVAP technology – we call it the PUREVAP Quartz Vaporization Reactor (PUREVAP™ QVR) what it does it basically allows us to remove all the impurities in the quartz, including the oxygen, the O₂ because quartz is SiO₂, and what you need to make solar panels is ultrahigh purity Si. It allows us to do that in one operation in an efficient way, a green way and it's much quicker. It allows a small company like us to be able to go directly from a mining company to selling the end product that is required to make solar panels which are very in demand.

Tracy Weslosky: Just to clarify for our audience it's my understanding this is going to allow you with – PUREVAP™ QVR, the Pyrogenesis technology, to become the highest purity lowest cost supplier of solar grade silicon metal and polysilicon to the solar industry. Is that correct?

Bernard Tourillon: Well, that's definitely correct because right now to make that material for the solar panel, the entrance material is what's called metallurgy grade silicon metal. That sells right now...to access the complete interview, [click here](#)

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