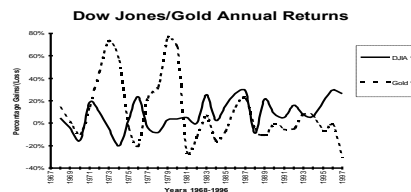




Gold

Energy & Tech Stocks



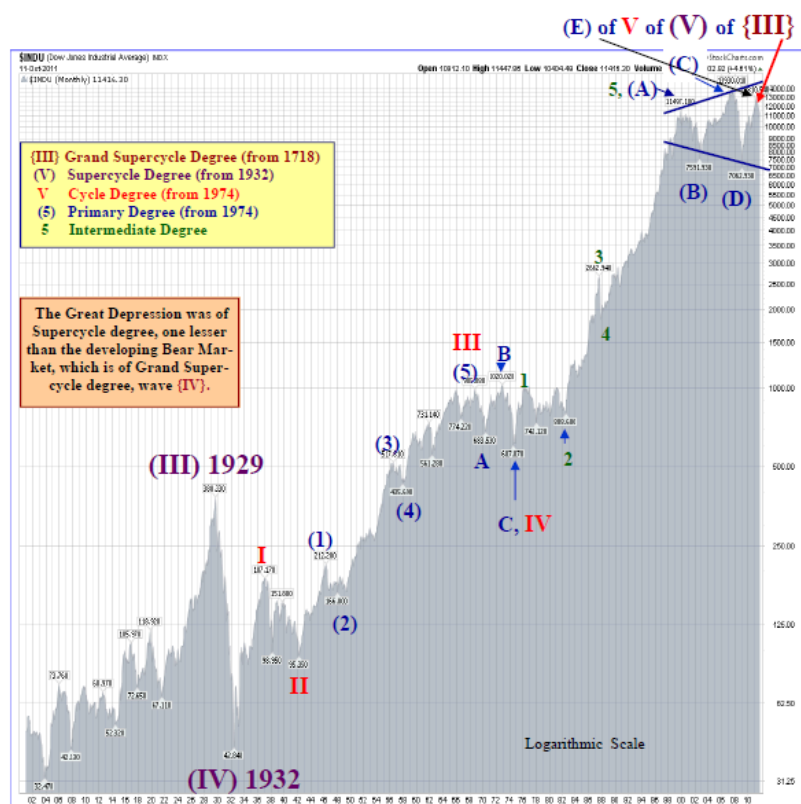
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(Now in Our 30th Year)

November 21, 2011

A Frightening Elliott Wave Picture

The Big Picture Elliott Wave Long-Term Count in the Dow Industrials from 1900 to 2011



Elliott Wave practitioners are in basic agreement. Whether Robert Prechter or Dr. Robert McHugh, we are very near (within months not years) of a cataclysmic decline in stocks, bonds, commodities, and life as we have known it, at least in Western civilization.

With respect to the chart on your left, posted in his Nov. 18, 2011, issue, Dr. Robert McHugh stated that it now appears the Grand Super Cycle was completed on May 2, 2011, with a Megaphone Top Jaws of Death pattern. This is a major Bearish topping pattern. He said there is a possibility of one more strong rally to take us to the Megaphone Top. But if the Top is in, as he believes likely, then the “mother of all declines” declines in this Grand Super Cycle will bring about a period of war, pestilence, and natural disasters. Then the Golden Super Cycle degree wave up will follow. Dr. McHugh notes that “*the Great Depression was of Super Cycle degree, wave (IV) down, and was not of Grand Super Cycle degree, like the coming Bear Market will be, which means this developing Bear Market, which is in its infancy, will be worse.*”

The chart above is not to try to scare you and to sell newsletters in the process. Indeed, my wife, who has a better perception with respect to what people want to

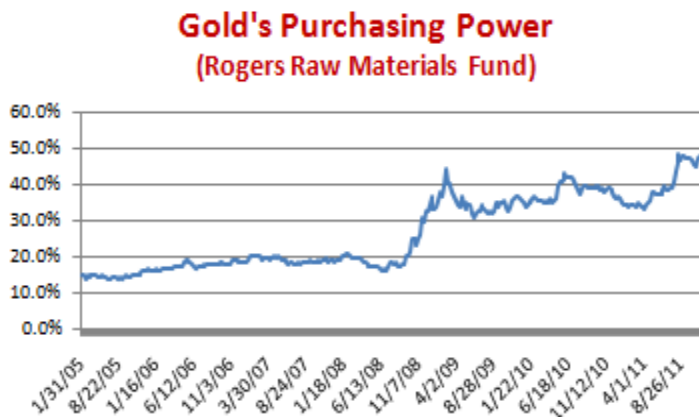
hear, suggested I not publish this dismal view because people want encouraging news. I understand her point, but I have never been one to put marketing my letter and clipping coupons above saying what I believe to be true. I believe the rotting financial condition in the entire Western world jibes very well with the big picture that Elliott Wave practitioners are observing. Already, the U.S. has become extremely aggressive in setting its CIA and military out around the world to usher in regime changes that would allow the Anglo American Empire to dominate and create a one-world government with a select few people in control. This process is also evidenced by a massive decline in the living standard of Americans who, like countries around the world, have been indebted so that the creditors can gain control.

Big-picture Elliott Wave views also match the views of my good friend Ian Gordon, who has studied at great length the work of Nikolai Kondratieff. Indeed it was Harvard professor Joseph Schumpeter, who wrote in the 1930s that, “The Kondratieff Wave is the single-most important tool in economic forecasting.” I agree that the views of folks like McHugh, Prechter (who calls for a DJIA of

600), and Ian Gordon (who is suggesting DJIA 1,000 and Gold at \$4,000) are considered extreme. But by definition, a small minority of views at major turning points are considered so crazy that they are not worth considering.

But truth is not defined by majority opinion. As for me, I can't follow the crowd when the evidence leads in the opposite direction. The only rational way to proceed is to examine all the big-picture evidence and manage your affairs accordingly. From what I can see, we are on the verge of something really big taking place. Whether the next major plunge downward in debt and equity markets begins in a week, a month, a year, or even two years is impossible to say. But I am 100% certain that the policies implemented by Western politicians are ushering in an age of darkness, poverty, and no doubt chaos and governments everywhere by dictatorship. We can hope Ron Paul's push to return the U.S. back to its 1776 revolutionary values succeeds. Indeed it was only about 13 years after the Revolution—in 1789—that the first of four K-Cycles began since then.

So what do we do now? History suggests that periods of contracts, such as Prechter, Gordon, Hoyer, and other deflation thinkers are projecting, bode very well for the real price of gold. And with a rise in the real price of gold, otherwise known as gold's purchasing power, mining profits rise dramatically and a major bull market lasting for 15 to 20 years results. Since this decline may well be the mother of all declines, it could be the greatest bull market of the last 300 years in gold. In that event, a 1,000 Dow and a \$4,000 gold price as Ian Gordon is projecting makes sense. Just to update you on the "real price of gold," which we define as what percentage of the Rogers Raw Materials Fund an ounce of gold will buy, we can see that it is at or very near all-time highs.



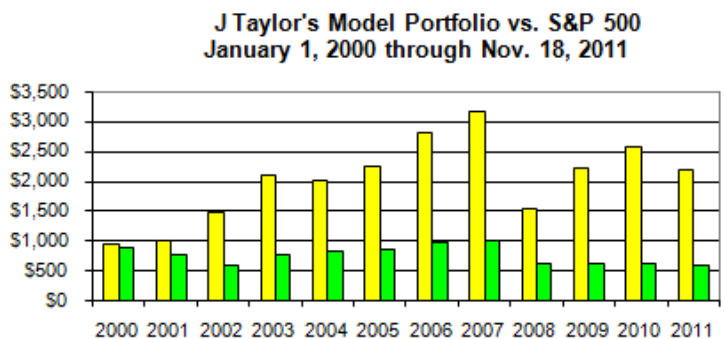
Major Gold Producers EPS	2008	2009	2010	2011 (E)	2012 (E)
Agnico-Eagle	0.35	0.69	1.77	2.56	4.51
AngloGold Ashant	0.14	-0.14	2.12	3.78	5.71
Barrick	1.84	2.00	3.32	4.99	6.11
Goldcorp, Inc.	0.56	0.80	1.37	2.22	3.17
Kinross Gold Corp	0.44	0.44	0.58	0.88	1.30
Newmont Mining	1.99	2.79	3.85	4.76	6.19
Yamana Gold	0.45	0.47	0.61	1.03	1.29
Total Per Share Profits	5.77	7.05	13.62	20.22	28.28

This rise in the real price of gold is driving profits of major gold mining companies much higher, as you can see from the total per-share profits for the seven household-name mining companies shown above. We want to own companies that have solid earnings and that will be paying dividends, and it seems major gold companies are moving in that direction.

OUR MODEL PORTFOLIO

J Taylor's Model Portfolio as of: 11/18/2011

Category	Weight	YTD Gain	Tot Gain
Progress "A1" Gold Producers	24.15%	-17.61%	148.48%
Spec. Mining Shares A1,A2,A3 *	31.52%	-23.20%	30.00%
Gold & Silver Cash (CEF)	12.60%	7.43%	201.48%
Energy Stocks (U308, O + G)	6.08%	-30.89%	-18.64%
Essential Technology	3.10%	5.89%	-9.54%
Prudent Bear Fund *	22.56%	-3.81%	-31.99%
J Taylor's Model Portfolio	100%	-14.71%	283.63%
S&P 500		-3.34%	-16.38%



Jay's portfolio (yellow bars) is worth \$2,193; S&P (green bars) is worth \$606 since 1/1/2000. It's been a rough year for gold shares in spite of the above-noted profit for the senior gold mining firms. We do think it is important to be selective in the junior stocks you buy, because one of the biggest risks for those companies, especially during major equity market declines, is dilution. We will try to periodically keep you up to date on cash resources of the juniors we cover. Focus more on companies that have positive cash flows from operations or those with advanced-stage gold projects and plenty of cash in the till.

South American Silver



Business: Exploration and development of world-class silver deposits in South America

Traded TSX:	SAC
OTC US:	SOHAF
Shares Outstanding:	100.3million
Fully Diluted:	117.9 million
Recommended 10/27/11:	US\$1.70
Price 11/18/11:	US\$1.60
Market Cap:	US\$160 million
Total Silver Resources:	370 million oz.
Indium Resources in tonnes:	2,416
Gallium Resources in tonnes:	1,082
Silver Equivalent ounces:	574 million
Progress Rating:	A2
Telephone:	604-681-6926
Web Site:	www.soamsilver.com

Resource Breakdown: Silver (ounces) Total = 230 Million of M&I, 140 Million of Inferred; Total Indium Resource Tonnes = 1,481 M&I, 935 Inferred; Gallium Resource Tonnes = 354 M&I, 240 Inferred; Silver Equivalent = 354 M&I, 240 Inferred.

I'm writing this while on a whirlwind Asia trip that is taking me from Hong Kong to Taipei to Singapore. On Monday I return to New York just in time to do my next radio show. The point in telling you this is that I have a limited amount of time to write about South American Silver. But, having listened to this company's story in Hong Kong and then again on Wednesday in Taipei, I felt I had to do so. So, I'm going to provide a bullet point missive here explaining why I felt compelled to add South American Silver to my list of gold and silver mining stocks. Here are the primary reasons why I consider this silver exploration and development company to be one of my top picks:

1. **South American Silver figures to become one of the largest silver producers in the world.** This company's Malku Khota Project figures to become a world-class silver mining project that can catapult South American Silver into one of the biggest silver producers if not the largest producer in the world.
2. **From the same project, the company has the potential to become one of the largest indium producers in the world and a very significant gallium producer.** A 2011 economic assessment suggests annual silver production of 10.5 million ounces. Indium production would be 78.9 tonnes and gallium at 14,198 kilograms.
3. **The economic prospects for the Malku Khota Project appear to be very strong.** Based on a preliminary economic assessment, this silver/indium/gallium project appears to hold the potential to produce the following on an annual life-of-mine basis: 10.5 million ounces of silver, 78.9 tonnes of indium, 14,198 kilograms of gallium, 12.7 million pounds of lead, 9 million pounds of zinc, and 5.8 million pounds of copper. During the first five years, the annual production profile is expected to be as follows: 13.2 million ounces of silver, 80.7 tonnes of indium, 15,184 kilograms of gallium, 12.48 million pounds of lead, 4.42 million pounds of zinc, and 5.64 million pounds of copper. Based on 43-101 resources at the time of the study completed earlier this year, the mine is expected to operate at 40,000 tonnes per day over a 15-year life. Based on recent prices (\$35/silver, \$650/kilogram of indium, and \$730/kilogram for gallium), the project would generate \$430 million in annual cash flow and pay back all capital costs in approximately 15 months. In other words, the annual cash flows would be about twice what the company's current market cap is. Under base case price assumptions (\$18/silver, \$500/kilogram for indium, and \$500/kilogram for gallium), the project would generate \$185 million in annual cash flow and provide a return on investment in 27 months.
4. **The project's size and/or mine life could be substantially greater.** The deposit is open along trend and down dip with excellent potential for expansion. A new discovery of higher-grade zones and down dip expansion of surface mineralization is possible if not likely.
5. **The upside potential for this company's share price appears to be very substantial.** I say that on the basis of a range of the market caps of silver producers relative to their cash flow multiples. At the low end of this range is Coeur d'Alene Mining, which has recently sold at 6.5 times its annual operating cash flows. At the high end (at the time of this study) was Silvercorp, which sold at 23.5 times its annual cash flow. Based on the \$185 million of annual cash flows projected under a base case scenario, South American Silver would generate a market cap ranging from \$1.2 billion to \$4.3 billion. The company's current market cap is around \$200 million. If applying current prices for the metals and \$430 million in annual cash flows, the potential market cap swells into a range of \$2.8 billion to \$10.1 billion.

6. **Major supplies of indium and gallium during a time of growing demand for high-tech electronic applications and a shortage of those metals provides major upside potential from the cash flows noted above.** The potential to dominate these markets provides South American Silver with a potential to enjoy considerable pricing power.
7. **The significant size of the indium and gallium resource provides the potential for South American Silver to receive project financing in exchange for an off take arrangement.** This could be very important in reducing shareholder dilution to fund the mine into production.
8. **The company has a second very significant project in Chile, namely, the Escalones Copper/Silver/Gold Project.** A resource estimate is expected shortly, but suffice it to say it has the potential to become a world-class deposit as well. This provides the political diversification that reduces the one significant risk for this story, that being political risks in Bolivia.
9. **SAC has a strong and proven management team.** For the biographies of management, the reader is encouraged to visit the company's Web site, www.soamsilver.com. The company is headed by Greg Johnson, who was to a great extent responsible for the world-class precious metals and base metals discoveries of Nova Gold.

Summary: The upside from this company's current price looks very significant as outlined above. The largest matter of concern is political risk in Bolivia. However, the government there is highly dependent on mining for keeping the company economically viable, and the current left-of-center government must maintain jobs in order to retain political power. Hence, though political risk is of concern, I believe it is likely this project will be permitted to proceed with the blessings of government. Upon becoming comfortable with political risk, buying these shares at their current price is an easy decision for me.

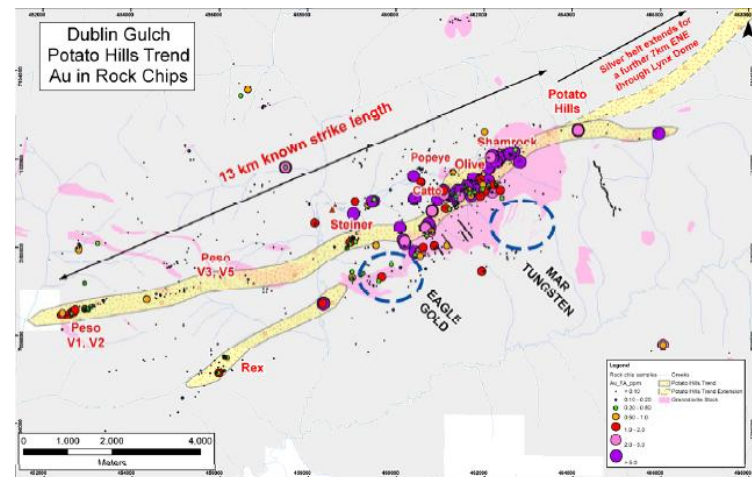
New Buy Recommendation

Victoria Gold Corp.



- (1) Before \$30 million financing announced to take place at between \$0.45 and \$0.55

This company is developing the first new gold mine in the Yukon and it should be a very significant one. Economic work so far suggests 175,000 ounces of annual production at a cost of about \$600/ounce. You can do that math. At \$1,600 that provides \$175 million per year against an initial capital cost of \$350 million.



Business: Exploration and development of gold projects in the Yukon

Traded TSX:	VIT
US OTC:	VITFF
Shares Outstanding (1):	277,027,262
Recommended 11/4/11:	\$0.46
Price 11/18/11:	\$0.44
Market Cap:	\$121.9 million
Gold Resource:	7.7 million oz.
O/W Indicated:	4.8 million oz.
O/W Inferred:	1.5 million oz.
Major Shareholders:	Kinross 19%
	Sun Valley Gold 15%
Telephone Number:	416-866-8800
Web Site:	www.vitgoldcorp.com

With 7.7 million ounces of gold already outlined, this would provide the project with a mine life that could approach 40 years or longer. Moreover, the resource is likely to grow further, based on extensive drilling this year. Given the size of the deposit, which is likely to grow still larger, it would be reasonable to anticipate annual production to grow larger in order to provide a higher present value for today's investors. We would expect to know more about that and many more ideas about this large-scale project when a bankable feasibility study is completed, and that is scheduled for the end of this year.

The mine is an open-pit leaching operation for this, the most advanced gold project in the area. The project is blessed with good infrastructure. It has road access the entire year and commercial flights not far away.

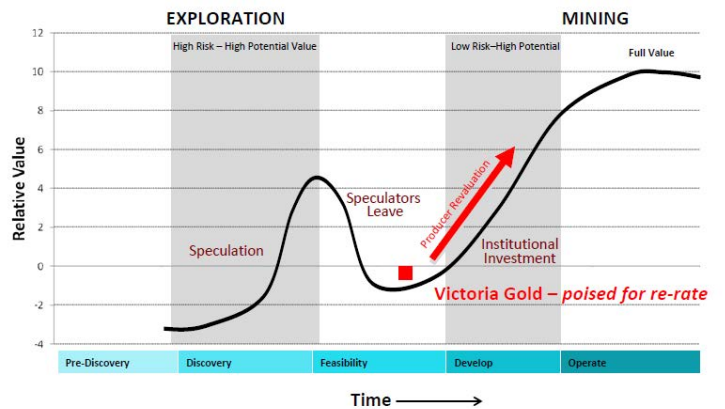
The photograph below on your left provides a picture of the layout of the mining project. The permitting process, which of course is essential, is said to be going well with no significant issues raised during the initial public comment period, and the project reportedly has the support of the First Nation communities. A mining license is expected during the third quarter of 2012 which would allow for construction.



While the flagship property for this company is in the Yukon, it also has some attractive properties in Nevada. The Mill Canyon Project is adjacent to and on trend of Barrick's recent discoveries. A drill program is underway there. The Cove-Helen Project has 231,000 ounces of high-grade gold as an underground resource. Permitting of exploration decline is in progress and a surface drill program has been proposed as well. Also the company has the Santa Fe Project, which is an earlier-stage project. Mapping and soil sampling program has been completed there.

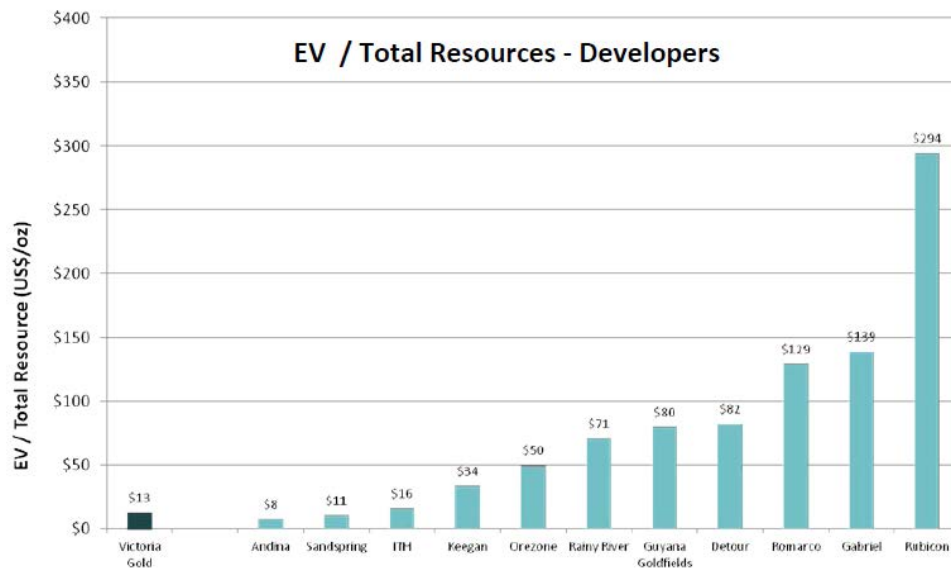
The illustration above on your right provides insight into the upside potential for the project. Note that the current 7.7 million ounces is calculated from an area near the center where heavy drilling has taken place along a few kilometers of the 13-kilometer-long strike length of the mineralized zone. Current drilling, which will perhaps be factored into the feasibility study, is taking place in the Peso and Rex showings.

NEVADA



Source: Styled after "The Most Important Graph in Mining", Resource Investor Website, Brent Cook, April 21, 2011

VALUATION POSSIBILITIES - The illustration to your left depicts the life cycle of gold mining shares. There is an initial rise during exploration success.



Source: National Bank Financial, Gold Developer Comparables, Market Data as at Sept 30, 2011

Then as the boring but necessary work like feasibility studies, permitting, and funding is being established, the market tends to yawn and look for more exciting things to speculate on. So when the speculators leave with their pockets full of cash, looking for what they hope will be their next get-rich-quick fling, the share price tends to fall off. Once the project progresses through those laborious pre-production stages, it does tend to hit new enterprise values, and once into production, it tends to level off.

I believe Victoria Gold is near the post discovery bottom, and based on its peers, it appears to be selling at a very low valuation. The chart on your left shows this company's 7.7 million ounces being priced by the market at \$13 each. The calculation I have done currently places it at about \$16.62 per

ounce. And if you add the new funding of some \$30 million, adding another 60 million shares, the market cap would reach \$157 million, thus pricing the ounces in the ground at around \$20 each. But that would put it comfortably below the \$34/oz for Keegan and way below the \$294 paid by the market for Rubicon.

MANAGEMENT

John McConnell – Director, President & CEO - John is a Professional Mining Engineer with extensive operating experience, something that is of huge value to Victoria as we move our projects forward. During John's career he has worked for Placer Development Limited, Cominco Ltd, Strathcona Mineral Services, Breakwater Resources, De Beers Canada Inc. and most recently was the President and CEO of Western Keltic Mines Inc. until its takeover by Sherwood Copper Corp. John is also a Director of Silver Eagle Mines Inc. **Marty Rendall –Chief Financial Officer** - Marty joined Victoria in 2007 as the Chief Financial Officer. Marty was previously employed by De Beers Canada where he most recently held the position of Senior Financial Analyst. Previous to that he was a Financial Analyst for Breakwater Resources. **Mark Ayranto, Vice President – Yukon** - Mark joined the Victoria management team in 2009 as Vice President Corporate Development. In August 2010 he has been named Vice President- Yukon. Previously he also held the role of Vice President Corporate Development with StrataGold Corporation. Mark holds a B.Sc. from Dalhousie and a MBA from Royal Roads University. **John Goyman—Vice President – Nevada Projects** - John has extensive permitting and project development expertise including former postings as Regional Director of the British Columbia Ministry of Mines, Owner's Construction Manager for Newmont Mining Corporation's Hope Bay Project, Vice President Construction and Operations of Western Keltic Mines Inc. and Manager of the Owners Team for De Beers Canada Snap Lake Mine Development. **Ted Wilton—Vice President—Exploration** -- Ted is a geologist with more than 40 years of mineral industry experience. For more than 20 years he has been involved in virtually every geologic function within the gold industry – exploration, pre-development and development programs, and mine geology. He has managed exploration programs that resulted in the discovery and development of seven gold mines in Nevada and Western Australia. Ted has served in a variety of technical and managerial roles with Freeport McMoRan, Independence Mining, Kinross Gold and Queenstake Resources. He is a graduate of New Mexico Institute of Mining and Technology, where he majored in geology. Ted is a Registered Professional Geologist by the US states of Kentucky and Wyoming. **Kelly Arychuk—Vice President—Mine Support Services** -- Kelly brings over 10 years experience in the mining industry focused on Human Resources, people development, supply chain, camp management & start-up dealing with larger scale operating mining companies in Northern Canada. Kelly also held senior managerial human resource positions at BHP Billiton and the City of Yellowknife. Kelly is active in many boards and agencies around training and development and is currently the NWT President of Skills Canada and the Chair of the NWT Mine Training Society.

SUMMARY & CONCLUSION

On the basis of its flagship property in the Yukon, this stock looks significantly undervalued. Bolstering my confidence in this project is the fact that very smart investors at Sun Valley Gold as well as my friend Florian Siegfried of Precious Capital (Switzerland) are invested in this stock. The presence of Kinross must not be overlooked, as they could become a partner, perhaps a suitor of Victoria Gold in the future. Overall, some 65% of the company's shares are held by institutions. In other words, some pretty smart money has done due diligence and has chosen to invest in this bright prospect.

There is never a risk-free stock anywhere in the universe. Least of all do I expect to find them in the very high risk/high return world of mine exploration. But this company appears to be on its way to establishing a successful gold mining operation. And if I am right about that, these shares should begin to move rather dramatically in the not too distant future.

New Buy Recommendation

Auriga Gold Corp.



Business: Exploration and development of gold mining projects in Manitoba. The company's Maverick Gold Mine is nearing production.

Traded TSX:	AIA
US OTC:	AGRDF
Shares Outstanding:	40,605,478
Recommended 10/21/11:	US\$0.346
Price 11/18/11:	US\$0.34
Market Cap:	\$14 Million
Cash 6/30/11:	\$1,310,222 ⁽¹⁾
Fully Diluted Shares:	58,173,269
Cash with complete exercise:	\$6,862,516
Gold Resource (ounces):	740,000
Progress Rating:	A3
Telephone Number:	416-214-2785
Web Site:	www.aurigagold.ca

⁽¹⁾Subsequent to 6/30/11, the company raised \$2.1 million in private placements

SUMMARY: Auriga Gold Corp. came onto my radar screen when I recently interviewed the company's president, Dr. Richard Sutcliffe. By the end of this month a preliminary economic study (PEA) is expected and in my view could cause this minuscule market cap company to double. Here are some of the features that cause me to think this little company is a highly attractive junior gold stock, given its small market cap of only about \$14 million:

- The company has a resource of 740,000 ounces.
- The company expects to produce 40,000 ounces per year at a cost of \$750 per ounce with production beginning in approximately one year. With \$1,600 gold, that would leave the project with annual cash flows of \$34,000, or 2.5 times the company's current market cap.
- There is excellent potential to increase the gold resource to a much larger level and with that to increase production from higher-grade underground mining. A 1,000-tonne-per-day mill provides significant capacity to leverage up and in the process reduce unit costs.
- Manitoba is an excellent pro-mining province and all infrastructure is in place.
- With a market cap of \$14 million, the market is paying less than \$20 per ounce in the ground despite the fact that the company has a 1,000-tonne-per-day mill and all infrastructure is in place. Some gold mining projects in similar politically safe jurisdictions with infrastructure in place have valuations of 5 to 15 times what the market is paying for Auriga.

Following is a transcript of the interview I carried out with Richard Sutcliffe on the 11th of October.

Jay Taylor: Welcome, Richard, to *Turning Hard Times into Good Times*.

Richard Sutcliffe: Thank you very much, Jay I'm looking forward to telling you about Auriga Gold.

Jay: Well, let's hear about it. I know that Auriga Gold has a very advanced-stage project in Manitoba, in what is known as the Flin Flon Greenstone Belt. Could you briefly tell our listeners, perhaps in lay terms, why the Greenstone Belt is so prospective for gold exploration and production?

Richard: Absolutely, Jay. Auriga Gold was a company that was focused on advancing gold projects in Central Canada. We particularly like Manitoba for putting properties into production. The Flin Flon Greenstone Belt, which we're located on the north boundary of, is a prolific region for mineral deposits. Biggest deposits known in the area are the base metal deposits that are mined by HudBay.

But there is also a long history of gold mining in this structure. The new Britannia Mine is probably the best known and the longest operating mine in the Flin Flon district. It has produced I think 1.4 million ounces of gold to date. So this is an area with a pretty significant mining history and future.

Jay: Okay, what is the name of your project?

Richard: The key project, 90% of Auriga Gold's effort, is the Maverick Gold Project. It is a 66-square-kilometer property. That's a good size property that comprises actually three property packages. The most important part of that is the past-producing Puffy Lake Mine. We acquired this property from Barrick Gold in 2010. It's a past-producing gold mine that operated in the '88, '89 period, shut down then due to declining gold prices.

So I don't say it's rushed into production; they didn't do enough development work to really understand the deposit properly. In the current gold price environment it's just a tremendous opportunity to get back into production.

Jay: I believe you said you have something like 740,000 ounces in various categories there. Is that right?

Richard: Absolutely.

Jay: What sort of grades are we looking at?

Richard: When we acquired the property there was a historic resource of just over half a million ounces, and it was historic because it predated the 43-101 policy. Over the last year we have done some confirmation drilling and expansion drilling to bring that historical resource up to 43-101 standards. In the process of course with the current gold prices, it was an opportunity to reduce the cutoff grade. That enabled us to bring the resource up to a total of 740,000 ounces.

Most of this should be accessible as an underground mine, with a blended grade of 6 grams per ton. However, we also really like the opportunity to start this off with some near-surface pits, because surface mining is less risky than underground. And we have 42,000 ounces at a blended grade of 4 grams for the surface mining.

Jay: It's pretty good grade for surface for sure.

Richard: Absolutely.

Jay: And you also have, I believe, a 1,000-tonne-per-day mill in place?

Richard: That's definitely a key feature of our opportunity here. There is a very good mill on the property, 1,000 tons per day. And it is intact, although we have got some refurbishing to do. It hasn't operated for 20 years but all the major components are there, all the significant infrastructure is in place. So we have an opportunity for fast production.

Jay: When you talk about fast production, what is your timeframe?

Richard: Having recently completed that 43-101 resource estimate and seeing some good results on that, we are now turning around and putting a PEA together and that will provide the timeframe for this. But my vision is to have it pouring gold in the next 12 months.

Jay: And when do you expect your PEA to be finished?

Richard: We'll have that announced this month, by the end of October.

Jay: We'll certainly look forward to it then.

Richard: It's a very near-term value driver.

Jay: I look forward to that because as I view a \$14 million market cap with 740,000 ounces, it seems like a very good opportunity for investors. That leads me to ask you, what are the possibilities of increasing that resource?

Richard: They are great. We are located, as I said at the start here, at the north edge of the Flin Flon Belt. We've got 20 kilometers of strike length of the major gold mineralizing structure. The current resource is only a part of that. We have numerous drillings on strike. We've got a pretty aggressive exploration program to expand the resource and we see excellent opportunity for a significant upside on that.

Jay: I think I saw somewhere that you're looking to produce something on the order of 40,000 ounces to start with. That's not a large amount of production. Very often the markets and market capitalization improve when you scale up production. You've got a 1,000-TPD mill. Is there a chance of scaling up? Let's say that you find substantially more ore that could be fed into this mill; how difficult would it be to scale up the mill?

Richard: With the 1,000-TPD mill, we've got excellent opportunity to expand that production profile beyond the 40,000 ounces per annum that we're targeting for the initial phase. It is really based on the initial surface mining. The grade there is 4 grams per ton. As we go underground, we'll be looking at higher grades and as soon as we get into that underground, we'll be looking at scaling up the ounces to the full capacity.

Then we'll be looking at the regional opportunities to bring those into the Puffy Lake Mill, and of course as soon as we've got the wherewithal to potentially expand the mill and add additional capacity, we'll be looking at that too. But the initial step forward, from 40,000 upward, will take place once we move to higher-grade underground ore.

Jay: I know that you indicated when we first started talking that 90% of your attention is going into the Puffy Lake facility. But you do have some other prospects in Manitoba, I believe, do you not?

Richard: Absolutely! There are two other properties, Jay. We've all sort of focused in this strategic mining area of Central Manitoba and actually into Saskatchewan. We've got a property that we call the Mokoman Copper Gold Property that's also in the Flin Flon Greenstone Belt—it's actually just across the Saskatchewan border from Maverick. That has a pre 43-101 resource of 6 million tons grading 1% copper equivalent. It is open pitable and it has some significant exploration potential as well.

And then we have a really interesting exploration property in Northeastern Manitoba in what's called the Fox River area. That's primarily a PGM property, but it's in a belt scale property package that's kind of the link between Raglan and Thompson, two major nickel and precious metal ore mining camps.

Those are properties that we'll have some activity where we will be looking to add value. But the real focus and the upside at Auriga Gold over the next couple of years will be driven by the Maverick Property.

Jay: For sure. I know you can't really know what your costs will be, even after a feasibility study is done. You won't know for sure until the project is put into production. But I just keep looking at this \$14 million market cap and wondering why with a project like the Maverick it is so low. Of course what we would really like to know is what those PEA numbers are going to be, what your Capex might be, and what your operating cost might be. To what extent could you give our listeners some sense of those numbers? Can you give us a wide range of what the economics of the Maverick gold mining operation might look like?

Richard: Well, you're absolutely correct, Jay. Even with feasibility, sometimes there are some uncertainties, but we do have the advantage with this property of the fact that it was previously in production. We know what some of the history looked like at that time, so that takes out some of the unknown.

And our capital to put this into production is going to be much, much less than most situations because a lot of the major expenditures—the mill and the ramp to the underground deposit—are some cost to the previous operators. And so ballpark numbers we're targeting at this point are in the \$15 million to \$20 million range for capital to put it back into production. And with 4 grams surface material open pit, I think we are certainly anticipating cost per ounce being under \$750 an ounce.

Jay: Well, unfortunately, that's all the time we have. But this certainly does look like an interesting story with \$1,600 gold and a possible operating cost of \$750 per ounce and a market cap of only about \$14 million. I want to thank you very much for talking to us, Dr. Sutcliffe, and I look forward to having you back again sometime in the not too distant future.

Richard: That's great, Jay. We look forward to doing it. And I'm sure when we speak to you again we'll have some pretty significant updates to give you on our progress and some of those parameters for producing ounces at Maverick Gold.

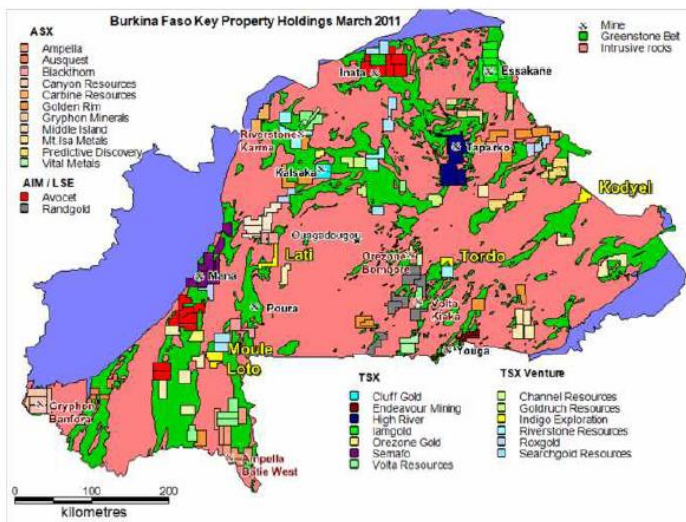
Jay: That's what we really like to see so we can get a sense of what the value is, relative to the current minuscule price. Thank you very much.

Indigo Exploration Inc.



Business: Exploration and development of gold projects in Burkina Faso, West Africa

Trades TSX:	IXI
OTC USA:	IGXEF
Price 11/18/11:	\$0.165
Shares Outstanding:	32,760,982
Fully Diluted Shares Outstanding:	41,697,272
Market Cap:	\$5.4 million
Cash:	\$2 Million
Progress Rating:	A4
Telephone Number:	604-681-3422
Web Site:	www.indigoexploration.com

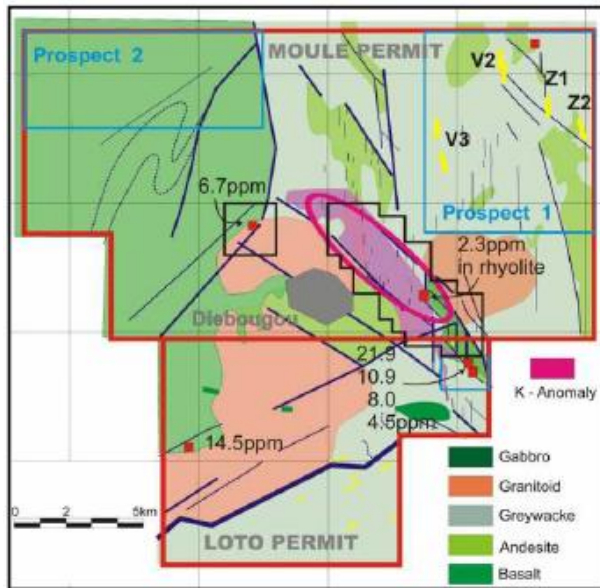


Indigo Exploration Inc. is focusing its efforts in Burkina Faso. Its flagship property would be the Lati Project were it not in the area of a border dispute between Burkina Faso and Niger. Management believes the border dispute will be solved soon. In the meantime, the company's Moule Property, which has the potential to host a multimillion-oz. gold deposit, provides investors with substantial upside potential, especially given the company's current very low market cap.

MOULE PROJECT

The Moule Project covers a 342-sq.-kilometer area. There are several areas of prospective mineralization.

Prospect 1, which measures 7 kilometers long by 6 kilometers long, is characterized by extensive artisanal workings that are over 1 kilometer long. In other words, with the natives mining we know there is gold in the system.



A total of 4,992 meters has been drilled in 44 reverse circulation holes (RC) in Phase I. In Phase II drilling, which was completed in July 2011, 0.47 grams per tonne (gpt) gold was intersected over 13 meters in Vein 2, along with numerous other samples in the 0.27 gpt to 1.43 gpt range that have been recorded. And in the Zelingpe 1 Zone, which is a 1-km-long by 300-meter-wide IP anomaly under a laterite cap, early drilling discovered an intersection grading 1.12 gpt gold as well as 4.53 gpt gold over 5 meters. While these kinds of numbers are hardly earth shattering, combined with artisanal workings they do give reasons for optimism. The likelihood of finding near-surface gold mineralization along the 1-km-long artisanal workings or elsewhere on this 7-km-by-6-km property remains high in my view.

An area of definite interest to Indigo is a 9-km-by-1.5-km radiometric area. A thorium/potassium low suggests hydrothermal alteration. This will be a priority drill target in the new year.

KODYEL PROJECT



Another very promising property with multimillion-oz. potential is the Kodyel Project. The claims measure 238 sq. km. There has been a recent gold rush here with as many as 10,000 miners using primitive means to win gold from the ground.

There are three targets here. Prospect 1 is based on historic work carried out by SEMAFO. Its best hole was 43 meters grading 4.3 grams/tonne gold. Prospect 2 has had historic BLEG anomalies identified but that has yet to be tested. And Prospect 3 is an area mined by the natives that measures 1,500 meters by 100 meters.

Regarding Prospect 3, Indigo has traced multiple parallel veins over a distance of 1.5 kilometers, but based on their geological observations, the strike length of these veins could extend to 3,000 meters.

The picture you see on your left is of open cuttings carried out by local artisan miners. Individual veins measure up to 10 meters wide. Local miners have reported grades of over 10 gpt gold. Airborne survey and grab samples (which have averaged 4 gpt gold, have recently been completed and a drill program is planned for 2012.

LATI PROJECT

As mentioned above, this would be the company's flagship property if it were not for a border dispute between Burkina Faso and Niger. The two countries have come to an agreement, but it needs to be finalized before management will begin working on it in earnest. Until then, the focus is on the Moule Project.

The Lati Project is also large. It measures 246 sq. kilometers. There are three targets on this property. The first prospect definitely has multimillion-oz. potential. It is the site of a new gold rush with expanding artisanal workings—two new artisanal sites discovered in the last six months. For example within an overall area measuring 8 km by 2 km of anomalous rocks and soil, local miners have been working an area 4.75-km-long and widths of between 100 to 700 km. Another such area measures 1.5-km-long by 250- to 350-km-wide. Historical drill results revealed 2.5 grams gold/tonne over 12 meters. Recent grab sampling has highlighted upward to 12.65 gpt. Expanding artisanal sites show the workings are concentrated on contact zone between volcanics and sediments. Such zones await drilling by Indigo. Naturally, one would expect some good intersections should be forthcoming.

MANAGEMENT

R. Tim Henneberry, P.Geo. – President, Director and Chief Executive Officer Co-Founder. Seasoned public company executive and international geologist with experience in southwestern United States, South America and Africa. **Paul Cowley, P.Geo** – Director - Successful exploration geologist in South America and northern Canada, instrumental in the discovery and advancement of four major gold deposits in the Canadian Arctic.

Rob McMorran, CA – CFO Experienced CFO with over 20 years experience in dealing with administration of public companies. **Tom Smale** – Director, Marino Sveinson – Director **Arden (Buck) Morrow** – Director Former Chairman of Wega Mining, at which time Wega merged with Avocet Mining PLC to complete the construction of the Inata Gold Mine and associated mill facility in Burkina Faso and currently produces more than 120,000 ounces annually. **Dr. Demetrius Pohl** – Advisory Board - Dr. Pohl was instrumental in assembling the current Indigo Burkina Faso land package. Dr. Pohl spent 9 years working in West and East Africa as the principal geologist for BHP Minerals Africa, primarily engaged in gold exploration during the period from the late 1980's to mid-1990's. He was involved in the early identification and development of the Syama and Sadiola deposits in Mali, the Essakane deposit in Burkina Faso, and the Golden Pride deposit in Tanzania.

SUMMARY & CONCLUSION

The three properties noted above all have the potential to host multimillion-oz. gold deposits. If so, this company's market cap of around \$6 million should rise by a factor of many fold. Its huge exploration potential and low market cap provide the reason to speculate in this stock. If things work out, it could be a huge win. On the negative side, however, keep in mind that this is an early-stage exploration play, so a considerable amount of work will need to be done before anything like an economic picture can emerge. And perhaps the biggest risk for this and other early-stage exploration stocks may be a prolonged downturn in the equity markets in general that bring with them low share prices for junior exploration stocks, no matter how promising their projects may be. With those low prices, of course, emerges one of the biggest risks to junior mine shareholders—the risk of dilution.

Overall risks should be mitigated to a degree with a summary of the company's most recent drill results, which should add pieces to the three jigsaw puzzles described above. The more advanced these properties become, the more certain some value should emerge even in the most dire market environments.

Remember, it is exactly the underlying credit contraction phase we are in that makes this a bull market of a lifetime for the gold sector. We are seeing huge profit gains by the senior mining companies. The more advanced projects will be sought after by the majors and hence will fetch some value. What does mitigate the risks for those who buy these shares now is that the current share price is minuscule. It's hard to imagine this company not being able to generate value in the ground at least equal to its current share price. Also, the company's current cash position of \$6.5 million means it should not need to feel pressed to raise capital in the near term if the markets remain soft.

On balance, I think this company has tremendous upside potential for those who buy the shares at current levels. As always, because of the high risk of these shares, we would suggest you not allocate more than 5% of your portfolio to this or any other one stock at time of purchase.

Helio Resources Corp.



Business: Exploration and development of gold projects in Tanzania and Namibia

Traded TSX:	HRC
OTC-BB:	HELOF
Cash (6/1/11):	\$8.2 Million
Recommended 8/26/11:	\$0.32
Price 11/18/11:	\$0.31
Shares Outstanding:	104,977,959
Price 11/4/11:	\$0.32
Market Cap:	\$33.6 Million
Management & Insiders:	9.4%
Institutional Holdings:	55%
Fully Diluted ⁽¹⁾ :	132,060,459
NI 43-101 Gold Resource (all categories):	940,000 Oz.
Progress Rating:	A3
Web Site:	www.helioresource.com

⁽¹⁾Warrants 20,822,500 @ \$0.40 to \$0.81

On my October 25 radio show, I interviewed Richard Williams, the president and CEO of Helio Resource Corp. Following is a transcript of my discussion with Richard, followed by some of my own comments regarding that discussion.

Jay Taylor: Welcome, Richard, to *Turning Hard Times into Good Times*.

Richard Williams: Thank you, Jay; thanks for the opportunity today.

Jay: Really good to have you. I am always interested in junior mining companies that have the potential to become something more and bigger, and that seems to be the case, which is why I have selected your company for my newsletter. Helio has two promising gold exploration projects, the more advanced being the SMP Property in Tanzania. Then you have a second project called the Damara Gold Project.

Richard: That's correct.

Jay: Those are in Namibia. And you have a 43-101 resource, I think of around 940,000 ounces on your Tanzania project. I understand this resource is considered to be an open-pit target but that you also may have the potential to develop an underground mine there as well. Can you tell our listeners about your SMP Project?

Richard: Certainly. We acquired the project in early 2006, and over the course of the last couple of years, we've grown the project to its current size, which is about 240 square kilometers. So it's a large land package and what's really attractive about it is that it covers the 35-kilometer section of what's called Saza Shear Zone. It also includes what was Tanzania's second-largest gold mine back in the 1930s, '40s, and '50s. That was an underground mine, so we do know that there are zones of mineralization that can support significant underground operations. That mine produced just over a quarter of million ounces at around 7.5 grams, or a quarter of an ounce per ton.

And what we've been looking at that no previous explorers have really looked at is the open pit potential. We've identified 30 outcropping mineralized zones within the project area. We have advanced two of those and that's where the 940,000 ounces currently comes from. But seeing that we have an additional 20-odd targets to add to that resource, in our minds the project represents a very significant potential to develop what ultimately will, in our minds, become a multimillion-ounce resource.

Jay: Well, let's talk about that and explore why you think that's true. As I look at a map of the various showings that you have, your property boundaries extend some 35 kilometers or something like that.

Richard: That's right, it's almost 40 kilometers east-west and we have got five licenses that we started within that area. We have completed the earn-in to a 100% ownership on four of the five licenses, and the fifth license will be completed in early 2013. The property vendors are Tanzanian small mining companies, so we do have local partnerships there, which is always a good thing to have in these jurisdictions. They would retain a 2% royalty, which we can reduce to 1%.

Now what's interesting here is that we have tested 11 or 12 targets along about a 20-kilometer section of the Saza Shear Zone, and every time we have crossed that south zone, we've hit mineralization. So we know that we are dealing with a very extensive, wide-spread mineralized event.

We have focused in the last few years on what we call the Porcupine and Kenge targets. Porcupine is on average up to 40 meters wide, it outcrops at surface, and the Porcupine area represents about 55% of the existing resource. We've drilled it from surface to a vertical depth to around 300 meters, and the deepest hole that we drilled went through 28 meters of 5 grams per ton gold.

So, that's where we see the potential to extend from open-pittable resources into underground resource potential.

Jay: Would you see 300 meters as being pretty much the depth of the pit, or how deep do you think you could open-pit mine here?

Richard: I think currently, from what we've seen on the project, around 250 meters would be the limit. But obviously that's contingent on the gold price at the time. However, if you look at some of the comparable deposits we have that are similar geologically to Newmont's Ahafo Mine in Ghana, it could go deeper. That mine has a pit depth of around 400 to 450 meters. And so I think if we continue to get targets similar to Porcupine, that's not beyond the realm of expectations.

Jay: Let me ask you before we go further, what is the intent of your company? Is it to become a producer or an exploration company? To build up a lot of ounces and then hand it off to a larger company that has the resources to produce? What does your business model call for?

Richard: I think if you look at the management makeup of the company ([headed by] my cofounder/business partner, Chris MacKenzie, and me), our strength is in the exploration side. And we have always been very quick to get into geological belts that we feel are underexplored but have significant exploration potential. I think there is a real need from the producing companies to find new multimillion-ounce resources, and that's where we can add most value.

Now what we've been doing in Tanzania is moving the project through all of the risk aspects associated with any exploration project. We've identified an initial resource, which is, just for starts, close to a million ounces. We've completed initial metallurgical test work, which shows a very straightforward, simple recovery process. We are seeing recoveries on the order of 95% gold, which is very high. The gold occurs as free gold, which means the recovery process is very straightforward.

And I think that's supported by one of our key shareholders, the International Finance Corp. (IFC), which is a member of the World Bank, as our largest shareholder. They obviously recognize the potential to take this project from where it is today into a mine. So, we are not going to sit here and just continue spinning the wheels and continuing to drill; we'll keep moving the project forward to add value to it, increase the resource, check off all the check boxes, and reduce the project risk as we continue on.

And at some point, I think somebody is going to come along and say, "That looks attractive. We have to have that asset." So that's our job as an explorer.

Jay: Speaking of checking off boxes, what about infrastructure? Is this a remote project? How easy is it to get to it? What about water? What about power? Those are always concerns for mining projects.

Richard: Sure; within the western part of Tanzania, we are about 80 kilometers to the north of the main regional town called Mbeya. The best road in Tanzania, a paved road from the coast to the Indian Ocean at Dar es Salaam through Mbeya, which extends up into the Zambian Copper Belt, provides excellent access.

There is also railroad access to Mbeya. We've got power into the project area. Currently it's not sufficient to run a mine, but the grid infrastructure is there and there are some small villages in the vicinity of the project, but none of the targets that we have been testing would be impacted by proposed open-pit mining. Those are all aspects that the IFC has looked at and they see the impact on the local economy as being very positive. And it's an area in western Tanzania that really has a mining history but hasn't had much exploration done on it in recent years.

As for water sources, we are very close to a large regional lake, which is about 200 kilometers long. And there are no national parks in the area. And so we are well served, infrastructure wise. I would actually say that we are in a better position than some of the original mines that African Barrick now operates in northern Tanzania.

Jay: So you already have nearly a million ounces with only a small portion of your prospective ground drilled. How much drilling are you currently doing, and when might you expect to update that resource within a new 43-101 resource number?

Richard: This year's program was planned to drill up to 20,000 meters in Tanzania and that was a \$5 million budget. We've got drill results due to come from the Porcupine resource area, which we expect in the next two weeks.

We have recently tested a new target called Tumbili, which is a 2-kilometer-long golden soil anomaly that has artisanal workings scattered along it, so we know that there is high-grade gold mineralization associated with that. Results from there are due to come in the next month and we are currently drill testing what we call the Konokono Target, which is midway between Porcupine and Kenge. It's a corridor with strong structural action and good ground preparation for mineralization, and the last drill hole we drilled there came back with almost four grams over 30 meters. So, it's wide open and that's the ongoing drilling.

So, from a resource perspective with success in the current targets we are testing, we'd like to see potential for doubling the resources for the next six months to twelve months. That's how we expect to see that resource get closer to 2 million ounces within the next year.

Jay: Okay, we have \$35 million market cap and you would think if you reach that level, it should boost the value of Helio. You are shooting for 2 million ounces within a year. What do you think might be the threshold level to gain the interest of one of the big mining companies?

Richard: In Tanzania in particular you've got African Barrick, which currently has four gold mines in production. Their objective over the next two years is to be producing at least a million ounces per year from Tanzania, and they had started with a target size somewhere in the order of a million ounces mineable 100,000 ounces a year production, so, obviously, we are in that kind of ballpark already.

AngloGold Ashanti has a very large mine called Geita in production in northern Tanzania, Resolute Mining from Australia is there, Gold Fields IAMGOLD have been active in Tanzania. So, there are a lot of the companies that are active throughout Africa that recognize Tanzania as having a potential to develop the types of deposits that these larger companies like to see.

Jay: Well, the SMP Project is certainly the most advanced project that you have, but you are also involved in Namibia. Can you tell us a little about that project known as the Damara Project?

Richard: Yes, Namibia is actually the country where we started the company as a private concern in 2001. It's probably ranked as one of the lowest-risk countries to operate in Africa. It's got a long mining history through diamonds, uranium, copper, zinc, and more recently gold.

There is one gold mine in the country now operated by AngloGold Ashanti called Navachab, and this has now been in production 22 years. It was initially built with the view that it would be a ten-year mine life, so it's already 12 years past its end-of-life date. And the resource, which started off with 800,000 ounces, is now in excess of 6.5 million ounces, and I think that speaks to the potential in this belt that's never been properly explored . . . and our licenses are immediately to the east of Anglo's operation.

More recently a company called Aurix Gold—also listed on the Toronto Stock Exchange—acquired what was called the Otjikoto Project, which is about 150 kilometers northeast of us. They are currently being acquired by B2Gold, well known previously as Bema Gold, but, again, that speaks to the potential in the country to do good transactions like this and also the ability for companies to come in and build the mine. Both countries, Tanzania and Namibia, have shown a willingness to see new projects being built quickly and to benefit the economy as quickly as possible. So, from that aspect Namibia is a great place to operate.

Jay: How much work has been done there so far on your property in Namibia, and how much are you doing now?

Richard: We have four licenses that make up the Damara Gold Project; they cover just over 3,000 square kilometers—again, a very large land package. The two licenses closest to Anglo's Navachab Mine had some work done nominally in the 1990s/early part of the last decade. Some of the shallow drilling that Anglo completed ended in some very good grade mineralization, examples being 4 meters of 8.5 grams gold, a meter of 71 grams gold, 6 meters of 6.5 grams gold. And due to the depressed gold price at that time, basically there hasn't been any exploration done on those licenses since that time.

Now we own the project 100%, we have a \$2 million work program ongoing for this year, and we've completed around 9,000 meters of drilling. We have made a new discovery at what we call the Gold Cap Target, where the first diamond drill hole came back with 50 meters of 2.1 grams, 0.8% copper and half-ounce silver, but that was from about a 50 to 100 meter depth. We also did some reconnaissance reverse-circulation drilling over about a 1.5-kilometer strike land around that discovery, and 300 meters away we went through a zone that was 4 meters of 11.5 grams gold and another one 8 meters of 2.0 grams gold.

And about 100 meters south of new discovery we actually went through a very broad zone that's about 250 meters wide of just short of half gram gold mineralization, which is fairly typical of both tonnage systems that you see at Navachab. It's a combination of low-grade mineralization around higher-grade zones like the 50 meters of 2 grams that we found.

Jay: Well, you certainly have two excellent, exciting properties. How is your budget? How much money do you have in the till? Are you going to need to raise some more money?

Richard: Our budget for this year was around \$7 million. We started the year with around \$11 million; with G&A we are looking at ending the year with around \$2.5 million in the bank. We've got news, obviously, to come—from two different targets in Namibia and three different targets in Tanzania, and with the success we have been having from a money-raising perspective, we don't need to raise any money in the near term.

Jay: That's a very exciting story for a company with a very miniscule market cap and obviously, most likely, some more gold ounces to be reported in the near future. Really look forward to keeping up with all that's going on, Richard. Thank you very much for coming and sharing this story with our listeners.

EDITOR'S COMMENT

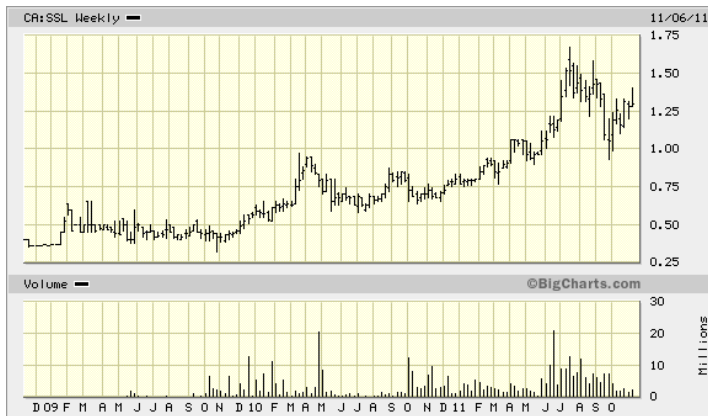
This is a simple exploration story that has the potential to provide a tenfold increase for those who buy shares at these prices. Here is the logic. With only two of 20-plus targets yet drilled, an open pit resource of nearly 1 million ounces of gold have already been outlined. There are never any guarantees in this business, but based on work carried out thus far, the odds would seem to suggest the potential for this company to outline many more millions of ounces of gold on this the company's most advanced project, the SMP property. I'm guessing that the current drill program can expand the resource up toward if not in excess of 2 million ounces, with the potential for lots more to come.

The second target, the Damara Gold Project in Namibia, is also very exciting and should provide pipeline growth as the SMP progresses.

Relatively low-cost exploration in relatively safe countries with minimal infrastructure concerns all bode well to a possible homerun. I like this stock very much and have recently purchased some for my IRA. This is certainly a stock worth owning for speculative investors in the junior gold exploration space.

Sandstorm Gold Ltd.

The earnings begin to flow



Business: Gold royalty company applying the Silver Wheaton model

Trades Toronto:	SSL
US-OTC:	SNDXF
Fully Diluted Shares O/S:	392 Million
Shares Outstanding:	332 Million
Initial Recommendation 5/22/09:	US\$0.358
Price 11/11/18:	\$1.31
Market Cap:	\$475 million
9 Mo. Earnings	\$7.6 Million
Operating Cash Flow:	\$11.2 Million
Progress Rating:	A-1
Telephone:	604-689-0234
Web Site:	www.sandstormgold.com

2011 has been a rough year for gold mining companies and for junior mining companies in particular. And, the stock charts of most of the companies we follow in this letter are not pretty. One of the better looking charts, however, is shown above. That is the chart for Sandstorm Gold Ltd. It is really reflecting a very solid, fundamental foundation for this company, which is the spitting image of Silver Wheaton, except that Sandstorm is doing in the gold mining industry what Wheaton did in the silver mining industry.

Essentially, Sandstorm provides financing expertise and capability for struggling junior gold miners who have excellent projects but are weak in funding and, in some instances, in overall management of their businesses. The model required a large number of shares to be issued to raise capital in the early goings, but at this point in time, Sandstorm is starting to hit the sweet spot of its business model, because it is starting now to realize earnings and cash flow, from which it can now grow organically.

Sandstorm puts up capital to get a viable gold mine into production. That capital never needs to be paid back in cash, but in exchange Sandstorm gets to buy a percentage of future production from the mine at a price that is approximately the cost of production as outlined by feasibility work prior to production. So for example, a typical deal that was structured a few years back would allow Sandstorm to purchase perhaps 20% of all future production from a mine at \$400 or \$500 per ounce.

Certainly, before it puts capital into a project, Sandstorm studies the project thoroughly. In addition to being satisfied that the project will be a successful producer, it also looks for long-term growth potential. And this is what really makes this company attractive in my view. Not only does Sandstorm have a growing number of projects in which it is buying gold at way below market prices, but also, the projects it has invested in all have considerable upside production potential, which means that Sandstorm can continue to buy gold production way below the current market price. This should result in a very rapid growth in earnings for this company.

With regard to earnings, following is an announcement of the company's unaudited third-quarter results. The company earned \$4.4 million for the quarter. That may not sound like a lot for a company with 331 million shares outstanding. But keep in mind that earnings can be expected to grow very rapidly from now on as, (a) more of the funded companies commence production, and (b)

production expands at many of the projects it has funded. Of course a gold price that has risen dramatically also provides strong tailwinds for this company.

The following, taken from the company's press release, provides an excellent overview of this company's progress to date and also gives an idea of its upside potential.

Sandstorm Gold earns \$4.4-million (U.S.) in Q3

2011-11-09 18:27 ET - News Release - Mr. Erfan Kazemi reports

SANDSTORM GOLD ANNOUNCES RECORD GOLD SALES AND CASH FLOW FROM OPERATIONS OF US\$8.6 MILLION

Sandstorm Gold Ltd. has released its unaudited results for the third quarter ended Sept. 30, 2011. All dollar amounts are in U.S. dollars.

Third quarter highlights:

- The company had record operating cash flow of \$8.6-million, a 223-per-cent increase from the previous quarter.
- The company had record gold sales of 5,561 ounces, a 50-per-cent increase from the previous quarter.
- Net earnings were \$4.4-million, a 90-per-cent increase from the previous quarter.
- The company completed a gold stream with Donner Metals Ltd. to purchase 17.5 per cent of the life-of-mine gold produced from the Bracemac-McLeod development project at \$350 per ounce.
- Gold production has reached feasibility levels at both the Aurizona mine and the Santa Elena mine.
- Significant progress has been made on the development of the Ming mine, which is expected to begin operating by early 2012.

"A significant ramp-up in gold production at multiple mines, together with an all-time-high average realized gold price, has resulted in exceptionally strong operating cash flows for Sandstorm," said Nolan Watson, president and chief executive officer. "With our cash on hand and robust future operating cash flows, we are well positioned to continue to grow the company through the acquisition of additional gold streams."

Financial results

Revenues

Sandstorm recognized revenue of \$9.6-million in the third quarter of 2011, representing a 71-per-cent increase from the \$5.6-million in revenue generated in the second quarter of 2011. Increasing production at the Aurizona mine, Black Fox mine and Santa Elena resulted in the sale of 5,561 ounces of gold, an increase of 50 per cent from the previous quarter.

Costs and expenses

Average cash cost per ounce in the third quarter of 2011 was \$428 per ounce, which resulted in cash operating margins of \$1,297 per ounce.

Earnings and operating cash flow

Net earnings in the third quarter of 2011 were up 90 per cent at \$4.4-million, compared with \$2.3-million in the second quarter of 2011. Cash flow from operations was \$8.6-million, compared with \$2.6-million for the second quarter of 2011, a 223-per-cent increase. The increase in net earnings and operating cash flow is attributable to a combination of factors, including a 50-per-cent increase in gold ounces purchased and sold from the Aurizona mine, Black Fox mine and Santa Elena mine, as well as a 15-per-cent increase in the average realized selling price of gold.

Balance sheet and capital resources

As of Sept. 30, 2011, Sandstorm had cash of \$10.7-million and working capital of \$10.2-million. Sandstorm intends to use its cash on hand and cash flow from operations to complete additional gold streaming transactions.

Operations highlights

Producing assets

Luna Gold Corp.'s open-pit Aurizona mine is located in Brazil. Aurizona has reached full feasibility production levels by achieving an average of 4,500 tonnes processed per day and producing approximately 13,500 ounces of gold. The exploration team at Luna recently completed a 40,000-metre drill program, which will be the basis for a National Instrument 43-101 resource update in the fourth quarter of 2011. Recently released drilling results extending mineralization well beyond the current open-pit boundaries have been reported in recent Luna press releases. || **SilverCrest Mines Inc.**'s open-pit Santa Elena mine is located in Mexico. During the third quarter of 2011, Santa Elena reached full commercial production with 8,805 ounces of gold produced. The crushing circuit is

currently operating above the daily designed throughput capacity of 2,500 tonnes per day, with an average of 2,755 tonnes per day during the quarter. || **Brigus Gold Corp.'s** open-pit and underground Black Fox mine is located in Ontario, Canada. During the third quarter of 2011, Black Fox produced 16,838 ounces of gold. Brigus announced at the end of June that it was proceeding with an expansion of the Black Fox mill, which is expected to be completed and in service during the first quarter of 2012. This initial expansion will increase processing capacity at the Black Fox mill to up to 2,200 tonnes per day. || **Santa Fe Gold Corp.'s** Summit mine is located in the United States. During the third quarter of 2011, Sandstorm agreed to defer Santa Fe's production guarantee deadline in exchange for the sale of 700 ounces of gold plus an additional three ounces per day starting July 1, 2011. The company received the 700 ounces of gold during the three months ended Sept. 30, 2011.

Development assets

Rambler Metals and Mining PLC'S Ming copper-gold mine is located in Canada. During the third quarter of 2011 Rambler received final construction approval from the government of Newfoundland and Labrador for the Ming mine. Rambler has begun commissioning of its copper concentrator facility and has completed the erection of its 9,500-wet-metric-tonne concentrate storage facility, and initial ore processing is anticipated to begin in November, 2011, through the gold hydromet circuit. Initial gold production is expected during the first quarter of 2012. || **Metanor Resources Inc.'s** Bachelor Lake gold mine is located in Quebec, Canada. Bachelor Lake is projected to produce an average of 60,000 ounces of gold per year and will be using the low-cost long-hole mining method, along with an existing and fully functional operating mill and surface infrastructure. Over this year, Bachelor Lake has completed the sinking of the shaft and begun the lateral underground development required for bulk sampling and production. In addition to this work, Metanor has undertaken a successful drilling program on the Bachelor Lake property. Production is expected to commence by the end of 2012. || **Donner Metals Ltd.** is the owner of a 35-per-cent joint venture interest in the Bracemac-McLeod mine, which is operated by Xstrata Canada Corp. Xstrata plans to use the existing Matagami mill to produce concentrates of zinc and copper. The Bracemac-McLeod mine will be an underground mine, accessed by a ramp, and is expected to begin ore production in early 2013. The Bracemac-McLeod ramp is currently passing 2,070 metres and is progressing well. Construction of access and haulage roads, mine support infrastructure, and electrical supply has been mostly completed.

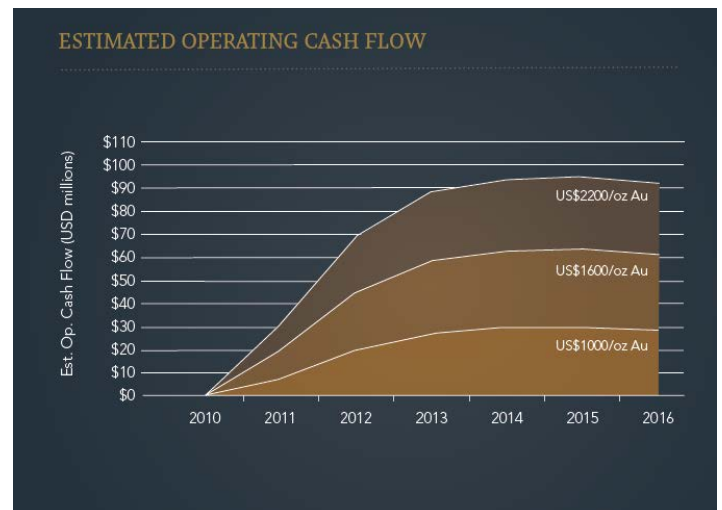
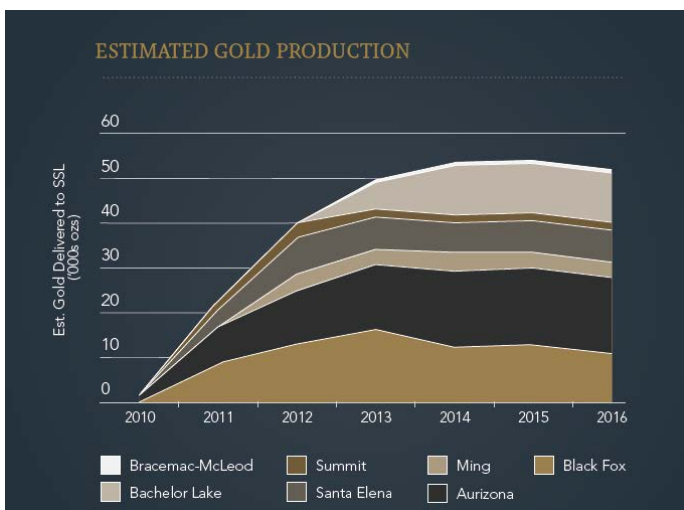
Further details of the individual gold streams can be found in the management's discussion and analysis section of the third quarter 2011 report and on the company's website.

Outlook

Sandstorm has increased its 2011 attributable gold production guidance as a result of the increasing production at Aurizona, Black Fox and Santa Elena. Forecasted 2011 attributable production is 16,000 to 18,000 ounces, increasing to over 50,000 ounces of gold per year by 2014. This growth is driven by the company's portfolio of gold stream agreements with mines, all of which are either currently producing or expected to commence commercial production by 2014.

EDITOR'S COMMENT:

This is a very low-risk way to play the junior gold share markets. Diversification combined with a guarantee to buy gold production at prices that are far below market prices and the ability to participate in project growth without being required to continue plowing more money back into the project makes this a very sweet deal. And sweet is the word for Sandstorm now, because they are just beginning to enjoy what should be dramatic growth. The following charts provide an idea of what management is projecting in the way of gold production and cash flows over time and under various gold price assumptions.



Review

Premium Exploration

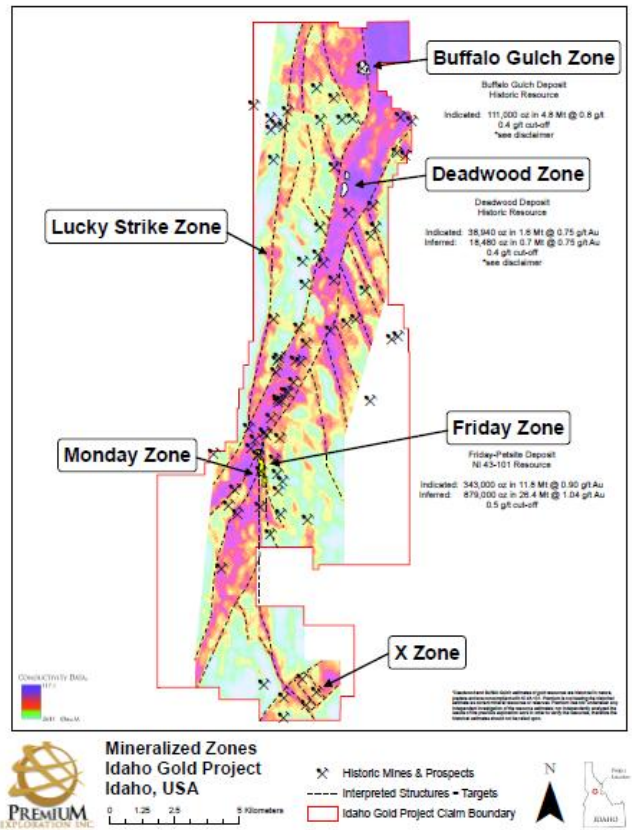


(Traded TSX-PEM-\$0.24- 131,105,519 Shares Outstanding)

I recently met with the management of Premium Exploration in New York and once again was struck by the amazing exploration potential this company has on its Idaho Property. The company just announced some very positive drill results that expand the gold mineralization on the Friday Zone. This has validated mineralization on 1,700 meters of a 5,000-meter trend on the Friday Zone—one small portion of the company's overall Idaho Property, which extends now some 30,000 meters in a north/south direction. Continuity of gold mineralization has been demonstrated in part by the fact that all holes now drilled into the 1,700 meters of the 5,000-meter strike length boost confidence that most of if not the entire

5,000 meters is likely to be mineralized. So, the potential here would seem to be for the company to develop a gold resource in the 2.5-million-oz. to 3-million-oz. range in this minor portion of the company's overall claim area. Also, based on most recent work carried out by the company, it seems very possible if not likely that mineralization could extend to the south of that 5,000-meter strike length.

Longer term, I believe it is entirely possible that Premium or another company that could conceivably take them out will discover a lot more gold to the north. However, what is important now for Premium is the Friday Zone. If Premium can prove up 2.5 million oz. or more, the company's shares will hopefully rise in reflection of that fact, in which event, future exploration work could be funded much more efficiently. For now, I think it is interesting to note that two respected research firms have suggested a much higher price for Premium. Fraser Mackenzie has set a price target of \$1.70, while Industrial Alliance Securities has set a price of \$1.15. Based on my belief in what this company has, I have no problem seeing those kinds of targets ultimately being met. However, Premium, like most other juniors, is facing some strong headwinds related to the general overall debt deleveraging process that throws into reverse the economic expansion that is caused by the excessive creation of money and credit. So if we are getting ready for another major decline in overall stock prices, as I believe we are, don't expect a rapid rise in the price of those shares even as it becomes apparent that something big is transpiring on this Idaho gold project. In other words, patience may be required. In the end though, as a multi-million oz. deposit unfolds, there is little doubt in my mind that investors who buy at current levels should do exceptionally well.



Update

Riverside Resources

Other than the stock price, there is nothing I don't love about this stock. And in fact, I kind of like the weakness in these shares because it means I can buy more at under \$0.80, which is, in my mind, a definite bargain.

Just looking at a couple of the company's most recent headlines is reason for believing the chances are good for this stock to become one of my biggest winners. For example:

Sierra Madre, Riverside drill 88.4 m of 0.81 g/t Au

2011-10-24 11:00 ET - News Release - See News Release (C-SMG) Sierra Madre Developments Inc

Mr. Carl von Einsiedel of Sierra reports - DRILLING AT EL CAPITAN CONFIRMS POTENTIAL FOR A BULK TONNAGE, LOW GRADE GOLD DEPOSIT

Guerrero drills three m of 11.6 g/t Au at Chapalota

CHAPALOTA FIRST PASS DRILL PROGRAM SAMPLE RESULTS INCLUDES THREE METRES OF 11.6 G/T GOLD –

Riverside, Mexigold identify gold targets at Catrina

2011-10-11 12:05 ET - News Release Dr. John-Mark Staude reports - RIVERSIDE RESOURCES AND PARTNER MEXIGOLD CORP. IDENTIFY TWO NEW GOLD TARGET AREAS AND PROVIDE POSITIVE EXPLORATION RESULTS FROM THE CATRINA GOLD PROJECT IN DURANGO, MEXICO

Riverside drills 9.91 m of 1.76 g/t Au at Sugarloaf

2011-10-06 09:57 ET - News Release - Dr. John-Mark Staude reports - RIVERSIDE RESOURCES AND PARTNER CHOICE GOLD CORP. INTERSECT 9.91 METRES OF 1.76 G/T GOLD IN NEWLY DISCOVERED OXIDE ZONE AT THE SUGARLOAF PEAK GOLD PROJECT IN ARIZONA, USA

Riverside acquires iron oxide Cu Au projects in Jalisco

2011-09-19 12:06 ET - News Release - Dr. John-Mark Staude reports - RIVERSIDE RESOURCES HAS ACQUIRED THREE IOCG PROPERTIES IN JALISCO, MEXICO WITH ALLIANCE PARTNER CLIFFS NATURAL RESOURCES EXPLORATION INC., AND HAS COMMENCED AEROMAGNETIC SURVEY

Most of our A-1 Gold Stocks including San Gold Are Now Profitable

It is a pleasure to see the “baby gold companies” now coming into their own. One of my favorites, San Gold, reported its first ever quarterly profits. The dramatic improvement in the operations of this company can quickly be seen from the financial highlights shown later in this week’s report. Last year San Gold lost \$4.6 million in the third quarter. This year it turned a \$1 million profit. Last year after nine months the company lost \$15.3 million. This year its loss has been narrowed to \$8.3 million. All aspects of the company’s operations have improved since George Pirie took over as the company’s President and COO. And importantly the tendency has been to under promise and over deliver. I am also very much encouraged by what was said above regarding San Gold’s exploration efforts. And I continue to recall what Mr. Pirie told me on my radio show, namely that the gold resource at the company’s Rice Lake complex will grow exponentially. That was believable to me given the enormous 300,000 meter drill program. I do not believe the markets are focused on this company as a growth story. Now that Pirie has this company generating positive cash flows, the focus can be on growth and ultimately I believe into becoming a much larger gold mining operation. Indeed Pirie told me on my radio show that once this aggressive drill program is completed and possibly another in 2012, management will begin to think in terms of a new and larger operation. If you would like to hear my interview with George Pirie, here is the link. <http://www.voiceamerica.com/episode/54413/the-clash-of-cannabinomics-and-big-pharma-medicine/54844>

PORTFOLIO SCORECARD

<i>Gold Stocks</i>	Exch	Ticker	R	Company Activity/Comments	Price	Initial	Initial	Price	2011	Overall	Buy/	
Security					1/1/11	Date	Price	11/18/11	% 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	\$6.49	-20.73%	88.7%	BUY
Aurizon Mines Ltd. *	A	AZK	A1	Gold production in Quebec	\$	7.32	9/3/10	6.65	\$5.48	-25.14%	-17.6%	BUY
Barkerville Gold Mines	T	BGM	A1	Gold mining, explore, development in central B	\$	1.47	1/29/10	0.81	\$1.06	-27.97%	30.5%	BUY
Brigus Gold *	A	BRD	A1	Gold production in Ontario	\$	2.10	12/12/08	1.00	\$1.31	-37.62%	31.0%	BUY
Crocodile Gold *	T	CRK	A1	Gold production in northern Australia	\$	1.50	4/23/10	1.56	\$0.33	-78.31%	-79.1%	BUY
Dynacor Gold Mines *	T	DNG	A1	Gold exploration & custom milling in Peru	\$	1.30	8/13/10	0.32	\$0.87	-33.50%	170.7%	BUY
Great Panther Silver Ltd.	A	GPL	A1	Silver mine exploration/development in Mexico	\$	2.79	5/29/09	0.49	\$2.23	-19.98%	354.9%	BUY
OceanaGold Corp. *	T	OGC	A1	Gold Mining-New Zealand, project-Philippines	\$	3.74	2/27/09	0.48	\$2.17	-41.93%	352%	BUY
Petaquilla Minerals Ltd.	T	PTQ	A1	Gold production-Panama, Portugal, Spain	\$	0.90	9/16/11	0.90	\$0.68	-24.30%	-24%	BUY
San Gold Corporation *	T	SGR	A1	New, smaller gold producer in Manitoba, Ca.	\$	3.98	9/30/06	1.27	\$1.85	-53.51%	45.6%	BUY
Sandstorm Gold Ltd *	T	SSL	A1	Gold royalty co. applies Silver Wheaton Model	\$	0.80	5/22/09	0.36	\$1.31	63.92%	267.0%	BUY
Timmins Gold Corp *	A	TGD	A1	Gold produce/explore/develop in Mexico	\$	2.25	6/16/11	2.25	\$2.14	-4.89%	-4.9%	BUY
J Taylor's Average Gain (Loss) on Progress A1 Gold Stocks									-25.33%	101.2%	---	
GOLD & SILVER EXPLORATION STOCKS ("A2", "A3" & "A4" Progress companies)												
American Bonanza Gold	T	BZA	A2	Gold mining, explore, development in N. Americ	\$	0.35	3/19/10	0.18	\$0.53	49.87%	192.0%	BUY
Golden Minerals Co. *	O	AUMN	A2	Explore & develop mining/services Latin Americ	\$	26.70	9/11/09	4.15	\$7.11	-73.37%	71.3%	BUY
Klondex Mines *	T	KDX	A2	Explore/Develop high grade gold in Nevada	\$	2.51	12/5/10	2.29	\$2.32	-7.52%	1.2%	BUY
Metanor Resources, Inc.	T	MTO	A2	Explore/Develop gold mine in Quebec	\$	0.35	10/14/11	0.35	\$0.37	5.22%	5.2%	BUY
Prodigy Gold Inc *	T	PDG	A2	Explore/Develop open-pit Magino gold	\$	0.60	6/16/11	0.60	\$0.69	15.18%	15.2%	BUY
South American Silver	T	SAC	A2	Explore/Develop Silver in South America	\$	1.70	10/27/11	1.70	\$1.60	-6.10%	-6.1%	BUY
Trevali Mining Corp	T	TV	A2	Producer-zinc/lead/silver/gold/copper	\$	1.45	6/24/11	1.45	\$0.81	-44.29%	-44.3%	BUY
Auriga Gold Corp.	T	AIA	A3	Explore & Develop gold in Manitoba	\$	0.35	10/21/11	0.35	\$0.34	-1.54%	-1.5%	BUY
Aurivista Gold Corp.	T	AVA	A3	Explore & Develop gold in Quebec	\$	0.29	9/30/11	0.29	\$0.39	36.13%	36.1%	BUY
Calais Resources Inc. *	O	CAAUF	A3	Gold & Silver Explore/Develop in CO & NV	\$	0.27	2/4/11	0.27	\$0.15	-43.40%	-43.4%	BUY
Calico Resources Corp. *	T	CKB	A3	Explore & Develop gold in BC & Oregon	\$	0.46	4/14/11	0.46	\$0.41	-10.46%	-10.5%	BUY
Cangold Ltd. *	T	CLD	A3	Early Stage gold exploration project in Mexico	\$	0.45	6/23/03	0.40	\$0.29	-35.24%	-26.1%	BUY

Gold Stocks		Exch	Ticker	R	Company Activity/Comments	Price	Initial	Initial	Price	2011	Overall	Buy/
Security						1/1/11	Date	Price	11/18/11	% Gain	Gain	HOLD
Carlisle Goldfields Ltd. *	T	CGJ	A3	Explore/Develop gold properties in Manitoba	\$	0.37	7/1/11	0.37	\$0.18	-51.33%	-51.3%	BUY
Clifton Star Resources Inc.	T	CFO	A3	Explore & Develop of past gold prop. In Quebec	\$	5.38	3/20/09	1.89	\$2.82	-47.54%	49.3%	BUY
Columbus Gold Corp. *	T	CGT	A3	Develop gold-French Guiana + project gen.	\$	0.83	7/1/11	0.83	\$0.63	-23.78%	-23.8%	BUY
Eurasian Minerals, Inc	T	EMX	A3	Prospect generator explore for precious metals	\$	3.31	3/11/11	3.31	\$2.24	-32.37%	-32.4%	BUY
Everton Resources Ltd.	T	EVR	A3	Gold Explore & Develop gold in Dominican & Cz	\$	0.35	5/14/10	0.27	\$0.15	-58.37%	-45.1%	BUY
Golden Hope Mines Ltd.	T	GNH	A3	Exploring gold in Beauce region of Quebec	\$	0.41	7/30/10	0.53	\$0.16	-61.62%	-70.8%	BUY
GoldQuest Mining Corp. *	T	GQC	A3	Explore/Develop gold in Dom Republic/Spain	\$	0.37	12/3/10	0.34	\$0.09	-76.05%	-74.2%	BUY
Goldrich Mining Co. *	O	GRMC	A3	Gold mining and exploration in Alaska	\$	0.31	8/31/09	0.35	\$0.19	-40.32%	-47.1%	BUY
Helio Resources Corp.	T	HRC	A3	Gold/silver explor in Tanzania and Namibia	\$	0.32	8/29/11	0.32	\$0.31	-2.67%	-2.7%	BUY
Kent Exploration Inc.	T	KEX	A3	Gold/silver explor-New Zealand/Canada/U.S.	\$	0.07	7/8/11	0.07	\$0.05	-33.33%	-33.3%	BUY
Legend Gold Corp.	T	LGN	A3	Explore/develop gold in Mali, West Africa	\$	0.41	3/11/11	0.41	\$0.24	-41.55%	-41.6%	BUY
Magellan Minerals Ltd.	T	MNM	A3	Explore/Develop large scale near surface in Bra	\$	1.63	4/10/09	0.49	\$0.73	-55.31%	49.3%	BUY
Majescor Resources Inc. *	T	MJX	A3	Explore/Develop gold properties in Haiti	\$	0.26	12/17/10	0.17	\$0.24	-6.60%	40.7%	BUY
Marathon Gold Corp.	T	MOZ	A3	Explore/Develop gold-Newfoundland/Idaho	\$	1.36	10/14/11	1.36	\$1.28	-6.04%	-6.0%	BUY
Meadow Bay Gold Corp.	T	MAY	A3	Explore/Develop gold in est central Nevada	\$	1.08	9/9/11	1.08	\$1.23	13.14%	13.1%	BUY
Merrex Gold Inc	T	MXI	A3	Exploring & Developing gold projects W Africa	\$	0.44	4/2/10	0.59	\$0.40	-9.25%	-32.1%	BUY
Millrock Resources, Inc	T	MRO	A3	Project generator in Alaska and Arizona	\$	0.94	7/23/10	0.42	\$0.38	-59.18%	-8.5%	BUY
Nautilus Minerals Inc. *	T	NUS	A3	High grade gold & base metals mining ocean flc	\$	2.26	5/26/06	2.85	\$2.43	7.46%	-14.6%	BUY
NioGold Mining Corp.	T	NOX	A3	Develop ungrounded mines eastern Canada	\$	0.38	12/8/06	0.21	\$0.32	-16.92%	54.3%	BUY
Northern Gold Mining, Inc*	T	NGM	A3	Exploration & Development for Gold in Ontario	\$	0.50	2/25/11	0.50	\$0.26	-47.02%	-47.0%	BUY
Northern Tiger Resources *	T	NTR	A3	Exploring for Gold in the Yukon	\$	0.39	10/4/10	0.70	\$0.18	-53.92%	-74.3%	BUY
Paramount Gold & Silver	N	PZG	A3	Gold & Silver Exploration in Mexico & Nev.	\$	3.99	2/5/10	1.69	\$2.42	-39.35%	43.2%	BUY
Premium Exploration, Inc *	T	PEM	A3	Explore/Develop in Idaho, Montana, Mexico	\$	0.48	6/5/09	0.17	\$0.24	-50.42%	44.5%	BUY
Pretium Resources, Inc *	T	PVG	A3	Develop large gold/silver deposit in NW B.C.	\$	6.32	1/14/11	6.32	\$9.14	44.61%	44.6%	BUY
Prophecy Platinum Corp	T	NKL	A3	Explore/Develop Nickel/PGM in the Yukon	\$	5.55	8/26/11	5.55	\$2.66	-52.12%	-52.1%	BUY
Riverside Resources, Inc *	T	RRI	A3	Gold Exploration in Yukon & Mexico	\$	1.01	8/27/07	0.50	\$0.84	-17.29%	67.4%	BUY
Romios Gold Resources Inc.	T	RG	A3	Explor/develop gold projects in British Columbia	\$	0.50	7/29/11	0.50	\$0.20	-60.09%	-60.1%	BUY
Rye Patch Gold Corp.	T	RPM	A3	Exploration for gold deposits in Nevada	\$	0.32	1/28/11	0.32	\$0.43	35.35%	35.4%	BUY
Southern Silver Expl. *	T	SSV	A3	Gold & Silver Exploration in Mexico, NM, AZ	\$	0.31	12/31/10	0.31	\$0.14	-56.04%	-56.0%	BUY
Takara Resources, Inc *	T	TKK	A3	Explore & Develop gold in Guyana, S America	\$	0.33	12/3/10	0.30	\$0.05	-85.06%	-83.7%	BUY
Typhoon Exploration Inc.	T	TYP	A3	Explore & develop gold properties in Quebec	\$	0.83	9/17/10	1.60	\$0.51	-39.14%	-68.4%	BUY
Victoria Gold Corp.	T	VIT	A3	Explore & develop gold properties in Yukon	\$	0.46	11/4/11	0.46	\$0.44	-4.78%	-4.8%	BUY
Western Pacific Resources	T	WRP	A3	Explore & develop gold in Idaho and Nevada	\$	0.68	4/8/11	0.68	\$0.35	-48.47%	-48.5%	BUY
Cosigo Resources Ltd. *	T	CSG	A4	Exploring for gold in Brazil and Columbia	\$	0.59	5/28/10	0.34	\$0.24	-59.32%	-30.3%	BUY
Golden Valley Mines Ltd. *	T	GZZ	A4	Project generator for gold & base metals	\$	0.51	8/20/10	0.28	\$0.36	-29.60%	27.6%	BUY
Pelangio Exploration Inc. *	T	PX	A4	Gold Exploration in Ghana & eastern Canada	\$	1.03	9/26/08	0.11	\$0.52	-50.02%	391.3%	BUY
Renaissance Gold Inc. *	T	REN	A4	Explore for gold/metals. Project generator mode	\$	1.80	12/3/10	1.72	\$1.14	-36.86%	-33.8%	BUY
Revolution Resources	T	RV	A4	Gold exploration in North Carolina	\$	0.48	12/17/10	0.49	\$0.42	-11.97%	-14.1%	BUY
J Taylor's Average Gain (Loss) on Progress A2, A3, A4 Gold Stocks										-27.57%	-0.1%	---
Energy Stocks												
Leader Energy Services Ltd	T	LEA	A1	Canadian Oil & Gas Service in Alberta	\$	1.05	2/18/11	1.05	\$0.83	-21.21%	-21.2%	BUY
Mart Resources Inc	T	MMT	A1	Rapidly growing crude producer in Nigeria	\$	0.71	6/3/11	0.71	\$0.63	-10.89%	-10.9%	BUY
Van Eck Nuclear Eng. ETF	O	NLR	A1	Nuclear Energy ETF	\$	25.35	1/1/09	19.67	\$17.65	-30.37%	-10.3%	HOLD
Baja Mining Corp.	T	BAJ	A2	Development Copper Project in Baja, Mexico	\$	1.04	1/28/11	1.04	\$0.85	-18.58%	-18.6%	BUY
Prophecy Coal Corp	T	PCY	A2	Coal mining & electric gen. in Mongolia	\$	0.72	9/2/11	0.72	\$0.52	-28.35%	-28.4%	BUY
Uranium Energy Corp.	A	UEC	A2	10.2 million lbs. U3O8 Resource + Much more f	\$	6.04	6/23/06	2.80	\$2.93	-51.49%	4.6%	BUY
Concordia Resources *	T	CCN	A3	Gold, Uranium and other Min. Exploration	\$	1.56	1/31/07	2.29	\$0.76	-51.46%	-66.9%	BUY
Athabasca Uranium Inc.	T	UAX	A4	Exploring high-grade uranium in Canada	\$	0.38	12/22/10	0.24	\$0.25	-34.78%	2.4%	BUY
J Taylor's Average Gain (Loss) on Outstanding Inflation Hedge Stocks										-30.89%	-18.64%	----
Technology Stocks												
American Manganese *	T	AMY	A1	Explore and develop manganese in Arizona	\$	0.36	1/28/11	0.36	\$0.42	16.26%	16.3%	BUY
Diagnos Inc. *	T	ADK	A1	Own/Develop healthcare, mining, music softwar	\$	0.30	4/19/10	0.44	\$0.29	-4.48%	-35.3%	BUY
Average Gain (Loss) on Oil and Gas Stocks										5.89%	-9.5%	
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	\$1,724.50	21.31%	342.2%	BUY
Silver *	N/A	N/A	N/A	2nd Best Money Ever Discovered by Humankind	\$	30.91	11/15/97	5.29	\$34.24	10.77%	547.3%	BUY
Prudent Bear Fund *	O	BEARX	A1	Shorts Equity Markets - Long Gold & Gold Eq.	\$	4.73	1/1/09	6.69	\$4.55	-3.81%	-32.0%	BUY
World Prec. Metals Fund	O	UNWPX	A1	Frank Holmes - Produce. And Expel. Gold Stoc	\$	22.28	3/20/03	9.70	\$16.65	-25.26%	211.0%	BUY
Global Resource Fund	O	PSPFX	A1	Fank Holmes - Energy & Metals Resc. Stocks	\$	11.91	1/1/11	11.91	\$9.94	-16.54%	-16.5%	BUY
OCM Gold Fund	O	OCMGX	A1	Major and junior gold mining mutual fund	\$	28.93	2/7/08	23.52	\$27.23	-5.88%	15.8%	BUY
Central Fund of Canada *	O	CEF	A1	Holds Gold and Silver Bullion	\$	20.73	1/7/00	7.42	\$22.26	7.43%	201.5%	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%, Richfield Ventures +706.8%, Allied Nevada +737.4%, Adventure Gold 166.8%, Augen Gold Corp +32.3%, Coral Gold +45%, Gold Bullion Development -54.5%, Maudore Minerals +624.6% and Yale Resources +24.5%. || 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.**