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Know when to hold-em!
Know when to fold-em!
Know where to set stops!
Know when to run!
Never count your portfolio
Until the sells are done..

Comex Silver



Silver prices broke through \$18 last week and the chart is now looking like the Gold one with a significant higher high. Many believe it is Chinese demand driving Silver higher. **Ironically here is a China based silver company they have over looked, well for now at least.**
<http://www.marketslant.com/articles/china-behind-silvers-rally>

Minco Silver TSX:MSV OTC:MISVF Recent Price C\$1.35

Shares outstanding 59.7 million Minco Gold owns 18.45%

Minco has \$53 million in cash and no debt or about 89 cents per share in cash.

This means their advanced Fuwan silver project with Feasibility and near final permitting along with their Changkeng Gold Project are being valued by the market at only 46 cents per share, C\$27.5M market cap or US\$21.5 million.

Fuwan has 84.3 M ounces indicated resources at 188 g/t. At 60 to 1 ratio that is 1.4 M ounces Gold. **In my Alert I added in reserves but they were part of the resource, but valuation is still cheap.**

They have 51% interest in the Changkeng Gold project that is adjacent to the Fuwan project and it has 623,100 ounces indicated resources at 4.89 g/t. Minco's share would be 311,550 ounces

With both projects they have over 1.7 million ounces Gold and the market is valuing this at only US \$12.65 per ounce.

This is ridiculously cheap. I don't know how long that will last, but thank the bear market of the past few years to give us this bargain today, even though it has move up from it's 40 cent lows.

Minco Silver Corporation commenced operations on October 2004 and listed its shares on the Senior Board of the Toronto Stock Exchange in December of 2005 (TSX:MSV) Minco Silver is involved in the exploration and development of silver dominant projects, and has carried out extensive programs on its flagship project, the Fuwan Silver Project, including exploration, a Preliminary Economic Assessment (P.E.A.) in 2007, and an International Bankable Feasibility Study (I.B.F.S.) in 2009, details of which can be found on the web site.

Management

Dr. Ken Z. Cai President, Chairman & Chief Executive Officer

Dr. Cai holds a Ph.D. in mineral economics from Queens University in Kingston, Ontario, Canada and has 24 years of experience in mineral exploration, project evaluation, corporate financing and company management. Dr. Cai has served as a director of several publicly-traded and private Canadian and Chinese companies. He also serves as the President, Chairman and Chief Executive Officer of Minco Gold Corporation and a Director of Minco Base Metals Corporation.

Mr. George Lian Lead Director

Mr. George Lian holds an MA degree in Economics from Concordia University in Montreal, Quebec, Canada, as well as an MBA degree from Shanghai Jiao Tong University in Shanghai, China. He practiced as a licensed lawyer for 6 years in Guangzhou, Guangdong, China. During his career, he also acted as an advisor for many private investment and media companies in Canada. Mr. Lian is the President of the Canada-China Business Association in Canada, and has been the Chief Financial Officer of Arcland Resources Inc. from August 2010 to present.

T. Wayne Spilsbury P. Geo. Director - Qualified Person

Mr. Spilsbury received his B.Sc. (Honors Geology) in 1973 from the University of British Columbia and his M.Sc. (Applied Geology) in 1982 from Queens University in Ontario. He brings over 35 years experience in mining, including 28 years with Teck-Cominco Limited and is their former General Manager, Exploration - Asia Pacific. He has worked throughout Western Canada, the United States, Asia, and Australia. Mr. Spilsbury is a Member of the Association of Professional Engineers and Geoscientists of British Columbia, a Member of the Australian Institute of Geoscientists and a Fellow of Australasian Institute of Mining and Metallurgy (CP).

Properties

The Fuwan Silver Project

The project is situated approximately 45 km southwest of Guangzhou City, the capital of Guangdong Province, and the fourth largest city in China with a population of 13 million people. The location is

exceptional, from a development perspective, due to its proximity to well-developed infrastructure, with a paved Highway running by the property (left photo shows drill rig and highway) and nearby water and fuel with a high-voltage power line crossing the property. The adjacent Xijiang River (right photo) also provides access to the South China Sea, which serves as an international waterway for shipping.



Mining in China means lower capital and operating costs than most mining jurisdictions, close to smelters and silver consumers. China is the 3rd largest silver producer.

Minco Silver holds three exploration permits, totaling 125.74 km². To date, the Company has only worked on approximately 2.8 km of a 10 km strike length.

The project has Probable reserves of 55.3M oz silver at 189 g/t within an Indicated resource of 84.3M ounces at 188 g/t.

The Feasibility Study was based on the 55.3M ounces probable reserves and indicates 9.2 years mine life, 91% silver recovery with Cash costs of just US\$5.65 per ounce. Capex is only US\$73 million, IRR 33.2% and only 2.3 years payback. **It is important to note that the silver price used in the feasibility was only US \$13.57 per ounce.**

Final Mine permits are nearly complete. Minco Silver, through its operating Company Foshan Minco, beneficially owns 100% interest in the Fuwan Silver Project. Subject to a 10% net profit interest by Guangdong Geological Exploration & Development Corporation, a government entity

Changkeng Gold Project

In July, 2015 Minco Silver acquired a 51% in interest in the Changkeng Gold Project, a “Carlin-Style” gold deposit extending from surface to 250 m depth. Changkeng is adjacent to the Fuwan Silver deposit and previously Minco Silver had a 51% interest in the silver resource only. Obviously excellent infrastructure like the Fuwan project.

NI 43-101 Gold Resources Estimate* at 1.2 g/t AuEq** Cutoff Grade:

Classification Tonnes	Au (g/t)	Au (oz)	Ag (g/t)	Ag (oz)
Indicated 3,961,000	4.89	623,100	11.2	1,423,000
Inferred 4,001,000	3.01	386,800	9.5	1,218,000

Financial

As mention above, Minco is sitting pretty with C\$53 million cash. They last financed at the top of the market in March 2011 with a public offering of 7,600,000 common shares of the Company at \$5.95 per share, for total gross proceeds of \$45.22 million.

In September 2010 Minco Silver announced that, it received conditional commitment of a project debt facility in the amount of RMB 300 million (approximately US\$44.17 million) from the Guangdong Branch of the Industrial and Commercial Bank of China ("ICBC" or the "Bank") for the Company's Fuwan Silver Project. The debt facility represents approximately 60% of the total projected capital expenditure of US\$73.1 million for the Fuwan Silver Mine construction, as outlined by the Bankable Feasibility Study announced on September 28, 2009.

The main condition was receiving a mine permit which should be getting close. In any case I think they will have no trouble with financing given the robust economics, rising silver price and their strong cash position.

Summary

Although the stock has moved up from it's low, it is very cheap at just over \$12 per ounce of Gold equivalent in the ground, especially for it's great location, infrastructure and robust economics.

There is still strong upside on both projects so Minco can easily grow resources using cash flow from the mine once in production. Near term catalysts to move the stock higher is continued improvement with investor sentiment and silver prices. Obtaining the final mine permit a biggy!!!



There is resistance around \$1.50 and we did retreat from that in early May. It will break through that at some point and then there is not much resistance to we get above \$2.50.

<http://www.mincosilver.ca>

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***** UPDATES *****

Coeur Mining
Entry Price \$3.77

NYSE: CDE

Recent Price \$11.26
Opinion – hold. Move stop/loss to \$7.00

The stock has been on a tear, jumping 354% on the year. We acquired CDE with the Paramount Gold takeover and that has certainly proven a good move for Paramount shareholders. The stock has basically been moving with better silver prices and from a ridiculous over sold condition like others.

End of April CDE reported first quarter 2016 revenue of \$148.4 million, adjusted EBITDA of \$34.6 million, adjusted net loss of \$0.04 per share, and cash flow from operating activities of \$6.6 million. The Company sold 3.5 million ounces of silver and 79,091 ounces of gold and during the quarter.

Adjusted all-in sustaining costs per realized silver equivalent ounce of \$13.73 dropped 14% compared to the same quarter last year (9% decline assuming a constant 60:1 ratio). Adjusted costs applicable to sales per realized silver equivalent ounce of \$11.08 declined 14% compared with the first quarter last year (12% decline assuming a constant 60:1 ratio). Adjusted costs applicable to sales per gold equivalent ounce of \$721 declined 10% compared to the first quarter last year.

Silver production was 3.4 million ounces and gold production was 78,072 ounces, or 8.1 million silver equivalent ounces. Cash and equivalents of \$173.4 million at March 31, 2016

Everyone thinks of Coeur as a silver company but actually 58% of production is Gold

The stock has moved up from just over \$7.00 at the beginning of June to over \$11.00 now so I picked the \$7.00 stop/loss based on that move.



<http://www.coeur.com>

Avino Silver
Entry Price \$1.42

TSX/NY:ASM

Recent Price C\$3.42
Opinion – hold move stop/loss to \$2.60

On June 13th Avino reported that the newly constructed dedicated power line to the mine site was energized and tested on June 8 during management's visit. The test was successful and the line is now fully functional at the design capacity of five megawatts. Current power consumption at the mine is approximately two mw, leaving sufficient additional power for near-term expansion projects that are currently being organized, such as the oxide tailings heap-leach/Merrill-Crowe precipitation project (which would require one mw) and a possible expansion of the processing plant, which would require a further one mw. Additionally, the existing power line will be left in place to service local communities and provide backup power for the mine.

June 29th - The concentrates prepayment agreement with Samsung C&T U.K. Ltd. originally announced on July 9, 2015, has been extended one further year from July, 2017, to July, 2018.

Pursuant to an amending agreement, Avino will sell silver concentrates on an exclusive basis to Samsung until July, 2018. Samsung has previously advanced to Avino the sum of \$10-million (U.S.) as prepayment of such concentrates, and the facility will be repaid with interest using Avino's future shipments of concentrates. Avino will make an initial payment of \$666,666 (U.S.) in June, 2016, and Avino will repay the balance with interest by 14 additional monthly installments commencing June, 2017, and ending July, 2018.

What this says loud and clear is that end users must be concerned about silver supply and prefer to make a deal directly with a producing mine.



The stock cruised quickly from \$2.00 to \$2.75 making two more higher highs and now after consolidation an all time high. I expect it to continue higher and set the stop/loss based on new support around \$2.65 and there is also support around \$3.20

<http://www.avino.com>

Levon Resources
Entry Price \$0.09

TSX:LVN

Recent Price - \$0.31
Opinion – hold, buy on break out

Nothing knew fundamentally with Levon, but as I mentioned before they have a strong cash position of \$15 million and Cordero is one of the largest undeveloped silver resource with 448.5 million ounces silver indicated.

The new PEA will show a substantial improvement as it will contain the center portion of the deposit that Levon did not own when the original PEA was done. This will have a huge positive impact on the open pit design.

We are up substantially on the stock, but it looks like it might break out of it's sideways consolidation. If you don't own it, I would consider buying on a break out, say a close at \$0.34 or if it pulls back again, at \$0.26 area.



<http://www.levon.com>

Silver Spruce **TSXV:SSE**
Entry Price \$0.075

Recent Price \$0.065
Opinion - buy

Silver Spruce is my top new exploration pick for 2016 and is all about silver. I see their project as a look a like to Paramount's San Miguel. At one time during the discovery phase at San Miguel we were up 400% on PZG stock and that was from a \$1.00 entry price. This time around, thanks to a bear market we are starting at 7.5 cents. I expect we will start to see the first exploration results on the project this fall.

The stock has been in a sideways pattern between \$0.055 and \$0.09, so I see little downside here

<http://www.silverspruceresources.com>

This updates our silver stocks. Many of our Gold stocks have seen continued strength and rather than some updates, I think this chart on the HUI Gold Bugs Index is most important.

I don't mean to gloat, but I am one of the few if any that has called the market correctly. Most are trading past chart patterns and waiting for corrections and that means there is huge buying waiting on the sidelines. This is one of the main reasons I said there would be no meaningful correction, too many buyers who missed the move and are still waiting for corrections.

And worst still is many retail traders are still trying to short Gold stocks with ETFs like DUST and they keep getting their heads handed to them in a basket. Today will make the 3rd time that DUST Sheep are herded over a cliff.

In my early May 2nd update <http://www.playstocks.net/images/sampleddata/Member2016/May2-GLD.pdf> I highlighted an HUI chart and drew in what I thought would be a sideways pattern for a while between 200 and 250 and then break higher. That is exactly what has happened. **The drop to 200 was the correction most missed.**



There is a bit of resistance around 285, but not much. My next target is 400, but I think that will take some time, probably into the fall/winter of 2016.

Today it is official. For the past year or so, I commented numerous times that our Selection List would see triple digit gains this year after such a brutal bear market. On Monday we were at 99% average gain and many of our stocks are poised to open higher on Tuesday so will easily hit the 100% mark or better. And as you see from the HUI chart, we are headed higher still.

Next page is the DUST etf. Again it is 3 times short the Gold stocks. It is pretty sad that a number of investors have taken a bath 3 times. I would hope it is not the same investors over and over again, but this last plunge only took a week to happen but it looks like the daily number (volume) of sheep is up.



The worst thing about this is the 30% or so plunges are occurring with gaps down at the open so no opportunity to cut losses with stop loss orders.

You probably heard the saying “Fool me once shame on you – fool me twice shame on me” There is nothing for a 3rd time but ad lib. I would say a 3rd time “you are the fool”.

There are many cliffs and steep slopes ahead for DUST. It is headed to \$1 to \$2 again and then they will adjust it back up 10 times to slaughter some more sheep. I watch this for a signal that the retail and small investor are coming back into precious metals, so far looks like a long way off.

And that brings me one more final but important point. If you go back up and look at the chart on CDE you see an obvious volume spike to over 25 million on triple witching day (4 times per Year). I noticed this with many Gold stocks too, like NewGold, Kinross and Yamana. I have not seen this in a long time, if I remember at all.

What this is saying loud and clear is the precious metal stocks are back in play by the big money. They could be long or short, but there is no doubt shorts have been taking it on the chin. [My Gold Stocks Short barometer](#) should help us here. It popped up 34 million to 377 million for the mid June reporting period and they are now losers. Will be interesting to see what the June 30th short reports reveal.

I have created one for Silver stocks too, but waiting on one month historic data to complete the chart and then I can keep it updated bi-monthly.

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