Marin Katusa: Oil, Steel & Diamonds on the Natural Resources Radar

January 3, 2019

Erik: Joining me next on the program is natural resource guru, Marin Katusa. Now, as many of you know Marin was our most requested guest speaker for MacroVoices Live. Unfortunately, we couldn't get him on the schedule because Marin is one of the sponsors of the Vancouver Resource Investment Conference (which starts the very next day) and has a lot of responsibilities. The tradeoff was we were able to get him on the show a couple of weeks ahead of time.

So, Marin, thanks so much for taking time out of your busy schedule to join us on the program today.

Marin: It's a pleasure, Erik, always a pleasure.

Erik: The first time that I interviewed you on this program, you described an opportunity to buy Nevsun on speculation because you thought it was a takeover target. And you became something of a rock star in the eyes of many of our listeners because that stock just shot up like 50% two days after your interview.

But, as much as that was a great call, and you deserve credit for that, by your own admission the timing that it happened two days after you made that call was pure dumb luck. It was a stock that you and your subscribers had been watching for several months before that happened.

So, Marin, I'm going to hold you accountable because the next time that you were interviewed on MacroVoices you told us that you had just recommended a private placement in a uranium streaming company. And at the time you were not able to tell us the name of the company out of respect for your paying subscribers. But you were very excited about it.

So, now that plenty of time has passed, I'm hoping that you can tell us the name of the company and also how it has performed since your recommendation. Because, needless to say, the rest of the market has suffered pretty badly.

Marin: The markets have been very volatile. The company that we were specifically referring to during your podcast was a company called Uranium Royalty Corp. And what I like about them is they are unique. They were the first in the world to do what they're doing.

It's run by a very competent and, more importantly, invested management team. So when we got in at the same price as the insiders and management team at a dollar, the company is literally right now closing another financing at $1.50. So it's a 50% jump from where we're in at.

And it's still very early days in the story. I do believe the company is going to do a lot more.

And where is the uranium market now? Well, in the last 12 months uranium is up a little over 40%. But, more importantly, the assets of this company – they are the largest shareholder of a UK listed holder of uranium called Yellow Cake – is up over 40%. And their streams are what I call non-AK-47 nations, meaning relatively politically stable.

After you invest in resources for a while, you'll find out there is no such thing as no risk. Every jurisdiction has some sort of risk. The question is, how high is that risk? So Uranium Royalty Corp. has done fantastic for myself and my subscribers thus far. It's going to be volatile, just like the markets. But, thus far, the management have exceeded my expectations. I do believe they will continue to do that and I think we'll do very, very well on that story. So we're up 50% in a market where most people are down.

Erik: Congratulations on that. It's fantastic that you're up so much, considering the market overall. But that leads me to my next question, because the market overall is a serious concern.

As we all know, natural resource companies tend to be fairly volatile to start with. A lot of people, myself included, think that we're headed toward weaker economic times, possibly into a recession in the next 12 to 18 months.

So how do you manage a natural resources portfolio if you have a view that maybe the economy is going to get weaker? Do you hedge your longs with short positions? Or do you just wait for the opportunity to buy when there's blood in the streets? Or what's your strategy? How do you manage this?

Marin: That's a great question. We've written extensively over the last 12 months how much I believe how volatile we're going to get. And I've talked about how oil is going to go down and how copper has more downside.

Now, I'm very bullish both on long-term prices for those and gold. But what we've been very fortunate in is I've kept emphasizing in 2018 how the US dollar will outperform other currencies. So, number one is you can't take advantage of market capitulation in any market – and I focus on the resources – if you don't have cash.

The other factor is if your currency is depreciated at a level compared to the US dollar, you're also at a disadvantage. So we've been heavy US dollar. We've been very happy with that.

But I also have a strategy of being an alligator. And when it comes to investments in the resource sector – what I mean by investment is something that pays a dividend, is the lowest cost quartile producer, is in a jurisdiction that I'm comfortable (and not just going myself but taking my family to). Because I've been around the world; I've put on body armor to go to assets when I was younger.

I've kind of figured out that those are more bull market phenomena. When you really come to the Warren Buffett style you just want the bread and butter: lowest-cost quartiles with a good balance sheet and stay away from the debt.

So I have got a strategy for the investments. And I never allow any one investment to make up more than 10% on my resource portfolio.

Now, for the speculations, I never allow my subscribers – I really emphasize never to put over 5% of your resource portfolio in any one speculation. And then the key is to reduce your risk.

So that's where I'm very big. We were joking earlier about the Katusa free ride, but the reality is you have to remind your subscribers to take profits because, especially in the resource market, my favorite thing is a portfolio full of warrants and free rides and a lot of cash. That's the best way to take advantage of a distressed sector.

Erik: I want to stay on that distressed sector subject because I think economically we probably haven't seen the worst yet. But when I look at oil specifically, it feels to me like a lot of this price slide has been driven by this whole Jamal Khashoggi murder fiasco where, obviously, Saudi Arabia has embarrassed themselves to the point where it's very difficult for them to be aggressive in their policy.

Is it time already to be thinking about buying oil? Or is it something that we want to wait out? Do you think it still has more downside? Or are we seeing it starting to bottom here?

Marin: I personally believe we're going to see it break $40. That's the US WTI pricing. Now, a lot of people may not know this, but in other parts of the world it's been under $20 per barrel in US-dollar-equivalent prices. So that's in places – the Western Canadian Sedimentary Basin (WCSB), which is Alberta mainly, in Canada.

There's been times in the last three months where the gas has been negative, meaning the producing companies had to pay to get rid of their own gas. Think about that. So there's a negative cost. That's actually happened in the oil patch.

So I believe that the US will significantly increase their oil production. They're the world's number one oil producer right now. And I think that's going to continue by at least another half a million barrels a day at the end of 2019.

What will happen with Venezuela, a lot of people are expecting Venezuela to fall apart. I don't think they'll allow the production of oil to fall apart as much as the market expects, because its only generating cash flow asset is the oil.

And then the question of OPEC. They came out and said we're going to cut. Do you really believe OPEC? Can the countries actually stick to it? I doubt it.

And then the Russians always increase their market share during a market pullback because of the nature of the producing assets.

So I do believe, Erik, that oil will go lower. And that's music to my ears because what I want to buy is big productions at a huge discount.

I'm publishing on that today where strong balance sheets that if oil goes below $30, their dividend is rock solid. That's what I want. And you can get in the market now. Companies with strong balance sheets paying an 8% yield that are down 50% over the last, say ,90 days.

But nothing's really changed with the company other than market sentiment. That's how you take advantage of the oil markets.

Erik: And is it time now? Are you recommending buying oil companies that obviously are depressed dramatically in the last 90 days? Or do you think that it's something we want to wait out in order to get to lower price targets?

Marin: I have a tranche method. We have actually today published our buyer first tranche, which is your first 25% of an investment. So that's 2.5% of the portfolio. And I said buy under $4 on the specific stock. It was $4.10, so I expect within the next 10–15–20 days that the price will hit, as I believe oil will come down a little bit.

Oil had a little bit of a pop today – today's January 2 – mainly because of OPEC came out with some bullish we're going to pull back and we're going to hold the markets. There's only so much you can believe OPEC.

Erik, you and I have been doing this a long time. Go back to all of the comments OPEC has stated. Yes, their comments have kind of propped the market in this last run, but I really think oil can pull back another 10% at least.

Erik: I agree with you on that. So for oil stocks it sounds like you're starting to average in. But only at these prices are you just starting. And you're keeping a little bit of dry powder for even better buying opportunities on the horizon.

Marin: Correct. And I have a specific buy under. So we're fairly disciplined in our style. We call it the way of the alligator. An alligator just sits back and, when it's time, he pounces. It's more like a predator mentality. That's where I am in these markets.

I'm staying away from high-risk juniors. I want to buy value at a significant discount where it would cost the management teams of these companies more to build these assets than they're trading for in the market today. And you've got all of that execution risk out of the market because they're producing over 100,000 barrels a day.

So those stock prices are liquid. It doesn't trade by appointment. That's where I want to be in this market.

Erik: And do you publish what all of your price targets are for future tranches? Or do you you wait out the market and just see where it takes us over time?

Marin: No, I actually have targets. So, for this specific oil target I said I think this is going to bounce within the next three to six months by about 25%. And at that point we're either going to close the position or, at a minimum, take the free ride. It's just, with an 8% dividend that's pretty juicy. But I put a specific how to buy and when I think we'll sell the target.

Erik: Now, I know that you are also following the steel sector. And I should probably disclose in the interest of full disclosure that I am a subscriber to your newsletter myself, so I know some of what you're writing about.

Help us understand why you would be looking at steel. A lot of people think a recession is coming. Historically, people kind of associate steel and copper as things you buy at the very bottom of a recession, not when we're just maybe coming into one. So why are you looking already at these sectors?

Marin: Great question. Now, to be a contrarian – you know, you truly have to be a contrarian, and everyone likes to think they're a contrarian – but you have to have an outward thinking mentality.

If you look at what's going on with the American and Chinese tariff situation, who are the victims unintentionally? Well, the non-US producers of steel. When you start going through the list of global steel producers, you see that many of them have incredible amounts of debt that they've put on because to build a steel mill is not cheap. So companies have billions and billions of debt where they're two or three times their debt is what their market cap is.

But when the tariffs came in almost across the board, these steel producers have been down 25–30–40–55%. And yet the lowest-cost quartile producers who have no debt on their balance sheet have gone down just as much as the worst-run steel companies in the world.

And you sit there and go, okay, let's dig down a little deeper. So we see the market sentiment is so negative on steel producers. And yet why are they trading the way they are?

But let's actually look at steel prices. They're still holding very strong. And what type of steel are they producing? Hot-rolled, cold-rolled? There's different forms of steel, different areas, different cost structures.

And what we've started with is your first tranche, so your first 25% of your desired position. These positions sometimes take 12 months to buy, the way I do this. It's not like, okay, I've got $200,000 and I want to buy all the stock today. That's the wrong way of buying resource stocks.

First you have to educate yourself. Understand the sector, understand the company, get familiar with the way the stock trades. And then start building your different tranches. And I think that some of these companies – specifically one that I'm in at the same price as my subscribers, is significantly oversold. It's the lowest-cost producer in North America, has no debt, pays a strong dividend.

I'm comfortable with that type of position. But I'm also only in on my first tranche. So it will take me about 12 or 18 months to build my full tranche position.

Erik: That phenomenon you just described never ceases to amaze me, the way that the industry will look at something and say, okay, steel producers, really heavy debt sector, sell them, they're going to be in trouble because of their debt load. And they're selling the whole sector without regard to which company has a lot of debt and which doesn't.

And it happens in all industries. It's really amazing how the industry tends to just look at a sector as being weak for some reason – and then sell the companies that *are* weak for that reason and sell the companies that *are not* really weak for that reason, all together in a batch. It's kind of like racial discrimination for stocks. It's an amazing phenomenon.

I want to move on to another sector I know you've been looking at, which is diamond mining. Why diamonds? Especially as we think maybe coming into a recession, it's not time for people to be spending a whole lot of extra spare money they don't know what to do with on luxury items like jewelry.

So why diamond mining at a time like this?

Marin: Again, it's a contrary bet. When people think about diamonds, what do they think about? They think about blood diamonds. They think about man-made diamonds. And a lot of that is true.

First of all, if you're going to look at a diamond company, stay away from what I call small-carats production. And stay away from dirty diamonds, obviously. And those are in – a blood diamond comes from an AK-47 nation, the way I call it.

So, again, you look at the diamond companies because of the threat of man-made diamonds and, more specifically, what's been called Lightbox, which is owned by De Beers, who is the world's largest producer in dollar volume. (The largest producer of diamonds is actually the Russians with Alrosa.)

De Beers has been involved in mining for over 100 years. Man-made diamonds first started in the 50s. It's gotten to the point where De Beers is able to make a small man-made sub-one-carat diamond for about $800. Now, I don't want to be competing with that. There's an old saying: Buy bonds; wear diamonds.

And yet when you look at the plus-ten-carat diamonds, big ones, they're actually going up in value year-over-year because of the concentrated wealth, if you look at the auctions for the big diamonds.

You want to stay in the highest quartile of value but the lowest quartile of cost, in a built mine. I'm staying away from any exploration of diamond; I have no interest in high risk.

I'm coming in now and buying an asset at a significant discount to where it traded even 6 to 12 months ago. That is a low-cost producer. It essentially has a monopoly in the big diamonds, which have a huge value. The price of diamonds is exponential as they get bigger. A lot of people don't understand the diamond pricing.

People talk about buying gold for value as a safe haven. Well, with the uber-rich, you actually buy big diamonds because where are you going to store all that gold? So the big diamonds has its own market, a very niche market.

The company I'm talking about pays an incredible dividend, over 7%, has no debt, and it's the Ferrari of the diamond world. So that's another alligator concept of buying things that are unloved for the wrong reason.

And you wouldn't believe how many analysts, Erik, have talked about the company and combined it with the low-carat producers like the small carats, the sub-two-carat diamond producers. And I'm going, are these analysts morons? Do they not understand the profile of what this company produces? It's all about the big diamonds.

And moving forward, I think those will trade at a premium, which, actually, in the market they are, and stay away from the small-carat producers like Alrosa. They are the world's largest producer of diamonds, but they also produce those micro diamonds, which are going to be competing with man-made diamonds. I don't want to compete with man-made diamonds. I want to cater to the uber-rich I call it, and that's the big diamond sector.

Erik: You mentioned gold a minute ago. I want to come back to that because something that you and I have agreed on in the past is we both feel that there is a very strong macroeconomic argument for the US dollar to strengthen even further. And that's led both of us to agree that gold is probably going to face some serious headwinds.

Well, we got the dollar part of that call right. The dollar has been strong, just as we expected it to be. But look at this gold chart. It's really surprised me. It seems like gold has kind of changed its personality and it's trading more as a safe haven asset as opposed to an anti-dollar trade.

What do you think is driving the change? And has it changed your view on gold? Last I spoke to you, you and I both were kind of not necessarily bearish, but kind of meh on gold. And it's been up since then.

Marin: Yeah, it's up. If you're a producer, say, in Canada or Australia – I teased an article many months ago called "The Commonwealth Takeover." When you're producing in a lower currency such as, even the Russians, or the Chinese are the world's largest producer of gold (a lot of people don't know that) – but when you're producing in a weaker currency such as the Canadian dollar or Aussie, relative to the US dollar, it's touching now about $1,700 an ounce, so that's your Canadian cost relative.

So where I think – will it go to $1,400, $1,500 in the near term? No.

But for US dollars, if these producers are in debt in US dollars – when you build a mine it's always US dollar debt. A lot of people don't know. When you build – if you try to buy a fleet of 30 big trucks from Komatsu or wherever, it's always in US dollars. Or big shovels. The steel, the mills, the ball mills, the sag mills, it's always US dollars. So it's priced in US dollars.

It's held well. Has it really gone front page yet? No. Have the share prices of the senior producers done well relative to gold? No. So it's not done well enough to spill over into the producers' area. And I don't see that happening in the next little while, near term, meaning the next few months.

And I think gold will be very volatile, sub-$1,300. I think it will touch $1,180. I think it will easily break $1,200. But I think it's range-bound for the next few months.

Erik: Range-bound for the next few months before a move in which direction? Or don't know? Or what's your perspective on what comes next?

Marin: This is where I'm going to get more hate from not just your viewers but also my viewers. There's almost this mentality that if you invest in the resource sector you have to be a gold bug or you have to cheer for higher prices. I think gold goes lower. I think we'll see $1,180 gold before we see $1,400 dollar gold.

Erik: And is that because of the dollar expectations or for another reason?

Marin: A few reasons. I believe the US dollar, like you stated, I believe it will do well. I think the next few months it will be bouncing around. It's just trying to find itself. But I think the next leg of the dollar is higher.

Therefore, the producers in non-US regions like Canada, Australia, Africa, Russia, they'll be able to produce more – meaning you can start processing your lower grades of gold, which may be at $1,600 – a Canadian equivalent gold. For $1,250 you can't, but at $1,300 you could. But because of the FX reasons.

Number two, there is no shortage of gold mines. I know a lot of people talk about peak gold. I actually don't buy that. What it is is what price to you need gold to be? And everyone thinks in US dollars on the cost.

But if you go to enough mines and I've been to – If you can get non-US dollar funding – so, let's say a partner from the Chinese or the Russians – there will be more supply come on. So I think in a few years we'll see $1,700, $1,800, maybe even $2,000 dollar gold. But not this year for sure.

Erik: Marin, I want to pick up on something you said a minute ago about gold where you said almost everybody expects that you have to be on the cheering squad for it.

You know, a lot of people, they want to pick a really solid – and I'm talking about stock investing generally now – they want to pick a really solid company that has a future that they can believe in and buy and hold it for several years. Something I've noticed about your style is you very, very rarely hold positions for that long.

So give us a little bit of perspective on what your strategy is. And is it that it's just Marin Katusa is different from other investors? Or is it that the natural resource sector is different from other sectors in terms of how you have to approach it?

Marin: That's a really good question. I think the answer, quickly, is I think I'm very different than most commentators or writers in the sector such that I'm a very large investor in the sector. So I've got significant skin in the game, whereas many newsletter writers aren't actually allowed to buy any stock so they're more armchair analysts.

The second thing is I really do believe the resource sector is different than many other sectors. Now, I solely focus on the resource sector. But it's so cyclical, so volatile, that you have to be very active.

And the absolute key is risk mitigation. There is a reason why my fund is one of the top funds over the last decade and it's about mitigation. When the times are great – just think about this from a broad perspective.

In 2017 in Q1, I was offered hundreds of millions of dollars to manage by very well-known names in the industry. And I said this is ridiculous. A year and a half ago, when I made my big moves on Northern Dynasty and these other deals, those same individuals thought I was crazy.

But the reason is they get all this capital allocated to them when things are good and then it trickles down to the best money managers. And then they're almost forced to invest in the sector.

The only way to truly be successful in the resource sector is to be actually a true contrarian. And to be a true contrarian, even if you find a stock that you really like – look at the one that we just did in December as our number one tax loss. We had a strategy, we thought it was a fantastic story, I had a very specific buy-under-this price. And in less than a month it's up over 40% and change. And today we published to take a Katusa free ride at a minimum or close the position because that's not really a realistic gain in one month.

So if the market gives it to you, take it.

And you have to have dry powder. You have to have cash on the side to take advantage of these markets. That's something I've learned about, doing this for almost 20 years: The guys who've made the biggest scores were the ones who were able to take advantage of the markets when no one else had cash.

So you can't fall in love with these cyclical stories. For example, everyone is talking about Kirkland Lake today. But the true asset of Kirkland Lake is an asset, Fosterville, which was in a company called Newmarket.

I wrote the first report on Newmarket and it was the first thing I ever published under Katusa Research. I bought 10% of the company. Doug Forster, who ran the company, the first meeting he took as the president of the company when he took over a company called Crocodile Gold was in my office in Vancouver. And I literally wrote up a 17-page report on it. It's still on my website. And saying I'm going to be buying 10% of this company and here's why.

Now that stock went from under a dollar to – today it's like $35 a share, today's Kirkland Lake. But at $2 and change I had a double, so I sold half my position and the rest was free. And I sold half my position to a guy named Eric Sprott who is the chairman of the company that bought out that stock. And he is the chairman today of Kirkland Lake.

So what I'm trying to get at is, sure, in retrospect, if I held the whole position – but this game is about risk mitigation. So if I can have a free round, or a free position like the one that we just took today on Sun Metals – this business is so cyclical, so risky, anything can happen.

You try to just build your positions, reduce your cost base, and grow your net worth. It's kind of a boring strategy. You have to stay active. But it works. So stick with it.

Erik: Well, I think it's a very important commentary on how this market sector is unlike a lot of other stock sectors. You've got to be on top of this stuff. You can't just sit back and buy something and look at your portfolio again for the next time in six months and see how it's doing. You've got to be an active investor in order to speculate in the kind of stocks that you get involved with.

But, Marin, I want to come back to the question I asked you a minute ago about the way that you move into these positions and tranches where you start with your first quarter or your first third of the position.

I've noticed from following your newsletter, you don't always get filled on all of those, or at least you haven't in the time that I've been reading your newsletter. Do you adjust your positions?

In other words, if you've decided you're going to buy so much of a certain company, if you don't get your price do you eventually move your limits up and buy it at a higher price? Or do you just pass and say, okay, if I couldn't get the price I wanted then I'm going to pass on that trade and look for a different opportunity down the road?

Marin: I'll share the two ones that you're talking about in the newsletter. The chairman of the company and the founder of the company is a very, very, very close friend of mine and he calls me a very stubborn individual. He's like, just move your price up. And I said, I'm not.

Because I do believe that the market will pull back – meaning gold and silver prices, the spot prices for these, will come down a little bit. And I'd rather be patient. And these are world class companies run by great management teams, lowest-cost producers, no debt on their balance sheets.

But I've done this long enough that – if you're looking for a newsletter that you want seven stocks to buy today and put your whole portfolio into gold, I think that's wrong and that's not my strategy and I'm not the type of publication you should follow.

My strategy is what I've been doing with my own money and my fund. And I'll put my track record in the resource sector against anybody's. It's not the most sexy or entertaining newsletter, but this is how it's done properly.

In that one specific stock, look, it just took over another stock that had a lot of shareholders that have been locked up in the company. If the silver price pulls back a little bit and those sellers, now they've been taking out by the bigger company and they want to hit the bid, that's two extra events that will cause selling pressure. Potentially. It doesn't mean it will, but potentially.

So if I can pick the stock up for, say, 15% or 25% below where it is today, that's really good. But, also, I missed it by 40 cents the last pullback in silver, which was almost 60 days ago. That's telling me that just a little bit of a pullback in the market and that price will come back to me.

So I'm fairly stubborn. And usually, if you're patient enough, the market will come back to you. I'm a big believer in don't chase stocks.

Erik: Well, certainly, what you're doing is working, because your track record, as you say, is very well respected. And with some of the calls you've made just on this program – like Nevsun and Uranium Royalty Corp., you're certainly doing very well.

Patrick has been trying to wrestle with your staff to get them to let us publish a current issue of one of your newsletters, and they've explained you just can't do that because your paying subscribers would be too upset if you did.

But we have managed to get permission to publish the July issue of your newsletter in which you made the argument for Uranium Royalty Corporation so that our interested listeners can get a sense of how you do what you do. Now it's probably already too late to buy that one because it's already up 50% from the time that you made that recommendation back in July. But, just as a sample of the approach you take, we've got that linked in your Research Roundup email. So listeners, you'll find the download link there.

Again, that's not a recommendation that you're making to buy it now, because it's already moved up dramatically.

Patrick also persuaded your staff to repeat your deep discount offer which you did for us before on MacroVoices. Before we cover that, I feel obliged to explain this really is not for everyone. You have a fantastic reputation and a fantastic product. But, frankly, it's not cheap. The regular price is $3,500 a year.

So who is this actually a match for? How big of a natural resource portfolio does an investor need to have before a higher-price-tag newsletter like this makes sense?

Marin: I really believe that if you're an active investor who wants to, number one, educate themselves on how the resource sector really works, number two, you want to get to the point where you're accredited – if you're an accredited investor it's a no brainer – the December issue alone would pay for five years of the newsletter in profits.

But really this is not for day traders. This is not for someone that just kind of wants to have a stock pick and they don't care about anything else. This is really an education. We dig deep into the fundamentals of the stock.

And then, also, when I do my site visits I bring my film crew. It's kind of like a documentary style. You get to watch me going underground or to the wellhead or to the copper mine, gold mine, whatever, the uranium facilities. We're one of the few people to get approval from Areva to go into the world's largest uranium facility.

And then I bring the film crew and they get to see how I interact with management. They get the one-on-one interviews with the management team, the workers at site, just to see what I see when I go on site. You get the written reports. You get all the videos online. And the whole archive of what I've been writing for now four or five years. So it's all there online.

I started out as a teacher in math and physics. And what I try to write it for is that person who wants more. If you want more out of your finances, I've got a personal logo that is "personal freedom through financial independence." And I guess anyone who wants that, my newsletter is for you.

Erik: Okay. Again, with the caveat that it is for investors with a significant portfolio because if you've only got $5,000 it doesn't make sense to spend half of it on a newsletter. I just want to make sure that we're clear about that.

We were able to knock you down quite a bit from the $3,500 regular subscription price to $1,995 with a 30-day money-back guarantee for MacroVoices listeners only. Listeners, you'll find the link to that special offer in your Research Roundup email or you can just go to katusaresearch.com/macrovoices.

Marin, I know that you have specific stock recommendations for oil, steel, and diamonds that we were not able to mention in this interview out of respect for your paying subscribers. Patrick asked your staff to make up a report for MacroVoices listeners who subscribe to your letter detailing those four picks. So that will be available to anyone who subscribes.

We were going to get four. We're only getting three. So I'm guessing that was Sun Metals that by the time we could get it out you're taking profits.

Marin: Remember, when we discussed this it was before Christmas. First of all, we've never done this before where we've given a publication out. But I look at you and Patrick as kind of like Batman and Robin. I like you guys. I only work with people I like.

Number two, I love to put my stuff out there. And with that comes the good, the bad, and the ugly. You get people that love your stuff. And you get trolls and haters. And I have fun with them.

Number three, we were going to have four. But the Sun Metals, we're taking a free ride today for the subscribers. It's liquid. There is a big fund trying to buy stock in it. So why not mitigate all your risk as a subscriber and see what the drill bits find for free? It really is what I call smart speculation.

So you'll get all the research part of that. But when they sign up they're not just going to get the three stock picks that they can buy now and following the tranche pricing, because the prices are where I'm buying them now. But more importantly it's how to use my newsletter.

There is kind of a starter's guide because, truthfully, you're probably going to be overwhelmed with the content on the site. Every month, I publish somewhere between 20 and 30 pages of research.

Sometimes there may be multiple issues between months if I find that the markets may need an update or our price target gets filled or if there is a take of profits or sell-up position. So there is a How To Use This Newsletter guide which explains my tranche concept and how to buy and how to sell.

Also, where do you go to buy these stocks? Do you use a full service broker or a discount online broker? I talk about the pros and cons of each. So they'll get the How To Use guide, the top three, and instant access to everything I've written in the history of the firm. And all the videos too.

Erik: Marin, let's move on to January in Vancouver. We had hoped to get you to come and speak at our MacroVoices live event at the Hyatt. Unfortunately, you had to decline because you are one of the major sponsors of the Vancouver Resource Investment Conference. And your counteroffer was to very generously give all of our attendees at MacroVoices live free passes to come to VRIC, which most of us are intending to do. I'm actually speaking on a couple of panels there myself. Looking forward to that.

Give us a little bit of perspective on what VRIC is and what people can expect to find there when they get there.

Marin: It's the largest conference for junior mining and mid-tiers in the world. It was started over 30 years ago by the Martin family. So Joe Martin started it. His son Jay Martin took it over about four or five years ago.

I don't know if you know this, but I am a partner with them on the Vancouver Resource Investment Show – VRIC. So I get involved in who speaks at the show and that's why you and Patrick are talking at the show.

And I love bringing controversy. I'm not just about pushing what I believe. I like being challenged. So you'll see my buddies like Grant Williams and Doug Casey and Rick Rule – all the different guys I bring up onstage. And we'll challenge each other. Grant and I had the great debate on why he thought the US dollar was going down and I said, no, it's going up.

And you get to see in live form different people's opinions – these are all smart people – and see where it goes.

In this show you're going to have six different workshops with many, many well-known speakers. And in the main hall you'll be onstage – I'll be moderating – you and Peter Schiff and a few other people. It will be fun.

There's a lot of guys that I don't agree with and I'll challenge them in front of everyone. Because I think our styles are pretty same, Erik. We say what we think. I don't tolerate bullshit very much onstage. And I call people out on their calls. You can't just be a gold bull for 35 years because you'd be broke.

Erik: Some people are – they manage anyway.

Marin: And I just don't understand how they do it. If a guy has been right once every 25 years, how long can he milk that for?

You won't see any of these paid newsletter writers at my show. I'm a big believer in skin in the game. And it's not like everything I do is perfect. I've got lots of losses in my track record. But I move along and I wear those losses with my subscribers.

The key is try to find the best ideas and submerse yourself with the best minds in the business. So that's what I try to do.

At the show you'll see many geologists talking, engineers talking about feasibility studies and what they mean and what to look out for.

We also do a cool thing on the Sunday night, something I'd love to share with your people. They may not know what we do, but we induct a someone who has done something excellent in the industry and they get inducted into the Resource Hall of Fame. For everyone at the show, we open up the bar and they get to drink and listen to how did he get into the Hall of Fame. What was it about his career?

This January, we're inducting an individual who's built five copper mines throughout his career. Now, to build one copper mine is an achievement. To build five major copper mines – and then he's going to walk through how he did it.

So if you have a chance, I know it's a Sunday and most people are going to be watching the playoffs. But do your portfolio a favor and come out and hopefully you'll be at least educated and hopefully entertained.

Erik: Well, fantastic. I look forward to seeing you there. Meanwhile, Patrick Ceresna and I will be back as MacroVoices continues right here at macrovoices.com.