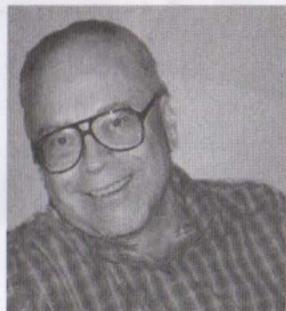


Grizzled old pro explains why gold fell \$500; why it's coming back



Dan Rosenthal

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Made his first million when he put \$39,000 into gold shares and sold them for \$1.1 million.

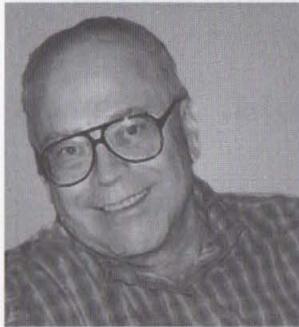
Recommended 10 little-known US gold bullion coins just before gold's recent crash. 9 rose even though gold fell \$500.

If you want to stop losing money in gold and start making it, you've come to the right place.



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Why gold fell \$500, and why it's now coming back



Dan Rosenthal made his first killing in gold as a young man, turning a \$2,400 investment into \$26,000.

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Recommended 10 US gold bullion coins that you probably never heard of just before gold's recent crash. 9 rose even though gold fell \$500. The one loser is down less than 3%.

Rosenthal was not only around in 1980, but he saw a sharp **EXPANSION** of mine production of gold combined with a sharp **CONTRACTION** in retail demand for gold.

He emphatically warned of a major bear market in gold.

He was so bearish, the hard-money gurus mockingly called him "The Gloomy Gus" of the gold market. He loved the sarcastic nickname, especially since he turned out to be so right. 1980 turned out to be the start of a 25-year bear market in gold.

Today, Washington and Wall Street are telling you that the great 10-year bull market in gold is done. Kaput. "Gold is done for now." "Gold is in flight." "Where are

-- explained by a grizzled old pro who's been making a very good living in gold for 57 years

If you want to stop losing money in gold, and start making it, you've come to the right place.

Dear Gold Investor:

There aren't many gold analysts around who lived through the catastrophic bear market in gold that began in January 1980. That was the moment the market switched from bullish to bearish, and the blood-letting began.

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the stops?" "Gold to underperform the Dow."

But Rosenthal warns the bears that the situation is the exact opposite of what it was in 1980.

- ** Instead of mine production expanding wildly as it did in the '80s, today mine production of gold is contracting sharply.
- ** Coin melt and other secondary supplies of gold, which was booming back then, is contracting now.
- ** Central banks, which were selling huge amounts of gold back then, are now buying huge amounts -- some 350 tonnes per year.
- ** And retail purchases of gold (gold jewelry, small gold bars, and gold coins), which dried up in the 1980s, are booming today to all time records.

So Rosenthal says "No!" to Washington and Wall Street: "This is not like 1980, when the gold market was obviously very bearish. The situation today in the gold market is extraordinarily bullish."

**So why did gold crash \$500?
And the unintended consequences that mean
gold is going back to where it was and beyond**

In April, two big-foot investment firms conducted a classic bear raid on the gold market. They sold -- on the futures market -- 400 tonnes. That's about 3 months of gold production from all the mines in the world. And they sold it in two hours. It completely overwhelmed the gold futures market.

As gold crashed below \$1,600, stop loss orders from ordinary investors were triggered, speeding the decline. Gold finally came to rest at \$1,192.

That had two unintended consequences for the bears. First, ordinary investors seized upon these low gold prices as a marvelous opportunity to buy. And gold demand in India and China (the world's two largest gold markets) exploded.

Retail demand from India was up 71% year-on-year. The

World Gold Council said this was the strongest showing in 10 years.

And in China, the Shanghai Gold Exchange made deliveries of about 1,500 tonnes of gold in six months. To put that into perspective, that's more gold than was mined in the whole world during those six months.

In Thailand, another hub of the gold market -- with about 1% of the world's population -- is eating up about 15% of the world's total mine production of gold.

Second, the \$500 drop in gold prices is causing gold mines of every stripe to cut back on mining their lower-grade ore bodies. The reason is simple: They just can't make money on them with the lower price of gold.

And the low-grade gold ore bodies are the common ones. The bread and butter of gold mining. But with \$1,300 gold, it costs more to mine an ounce of gold than the gold is worth at many of the mines. So gold production has to contract. There's no two ways about it.

- Freeport McMoRan, with the world's single largest gold mine, expects output to be cut 20% this year.
- Polymetal, the Russian mining giant, closed its huge Birkachan open pit gold mine, again because the gold ore was low-grade and their cost to extract an ounce of gold was \$1,440.
- Newcrest Mining, Australia's largest gold miner, wrote down its mines by \$5.6 billion, the largest write-down in gold mining history.
- Kinross, the world's 4th largest gold miner, just canceled a big gold mining project because it was low-grade ore. They took a \$720 million write down.
- Barrick Gold, the world's largest gold producer, dumped three whole mines because their ore was too low-grade to mine profitably. That's cutting their annual production by 452,000 ounces of gold a year.
- AngloGold Ashanti, South Africa's largest gold miner,

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has very old mines. The rich ore is long gone. They cut back on production 8.4%, on top of two previous cutbacks.

Because of the enormous surge in retail gold buying and the sharp contraction in mine production of gold, the price of gold has been saw-toothing up.

But each dollar that gold rose was costing the bears about \$12.8 million. So when gold rose above \$1,300, in an effort to abort the comeback in gold, they dumped another 100,000 more ounces of gold on the futures market in just 10 minutes.

Again, they whacked gold down. But this time the impact was much less. Gold retreated just a few percent, and immediately rallied. It's now at \$1,350 and rising.

The nice thing about the \$500 drop is if you buy the right gold stocks, gold shares, or gold coins, you're going to get in cheap, and be on the right side of the market.

**The right gold stocks to invest in
are probably NOT what you think they are**

They're not the household names -- the famous gold miners you see plugged on the Internet and in the newspapers all the time.

Mr. Rosenthal recently did a study of 7 of the most famous gold mines. Over the last 10 years, while gold was rising \$950, the shares of these household names lost an average of 42%. They couldn't even make money for their shareholders in a romping, stomping bull market where the price of gold more than tripled.

Rosenthal's Research Report, "7 Gold Stocks I wouldn't be caught dead with" is red hot. It explodes the contentions, the half-truths used to promote these stocks.

Three are North Americans. Two South African gold miners are included. Because they're so heavily promoted, these contain many of the gold mines most popular among hard-money investors.

You can buy the report outright for \$36, or you can

get it free as YOUR FIRST BONUS when you subscribe to Rosenthal's NATURAL RESOURCE HUNTER.

Your 2nd free bonus:

A small company with one of the largest, richest gold mines in the world

The company has proven and probable reserves of more than 20 million ounces of gold.

The economics of this mine are very robust. When this property goes into production, it's going to have average extraction costs of about \$600 per ounce. That by itself makes for a very profitable mine.

With gold so low, the company now plans a modest open pit operation (where the higher-grade ore is located). That should produce 100,000 ounces of gold a year.

Then, if and when gold recovers to the \$1,600s or \$1,700s, this small company would develop the lower-grade underground portion of the mine that could bring production up to 696,000 ounces of gold a year.

Their ore is extremely rich in copper and silver. The company estimates that by selling the by-products, they can bring the cost per ounce of producing gold down to \$18 an ounce. But the way Rosenthal reads the tea leaves, most of the copper and silver is found deeper down, and the \$18 is overly optimistic.

But still, going from overly optimistic to overly conservative, Mr. Rosenthal thinks you can count on a mining cost (after selling off the by-products) of no more than \$400 an ounce. And that's going to be very profitable even with gold at \$1,300 an ounce.

Under these extremely conservative estimates, he expects this company to bag \$90 million in gross profits and \$29 million in net profits from its first mine.

That comes to about 29 cents per share in earnings. So at current prices, this company's shares are currently being valued at ONLY 2.4 times forward earnings.

Compare that to famous gold blue-chip RandGold, which

More...

trades at a price/earnings ratio of 21. Or compare it to other famous gold blue chips like Freeport McMoRan (11-to-1 p/e ratio) or Yamana (28-to-1) and you can see the potential profits from this tiny company shares are enormous.

Mr. Rosenthal's special situation report on this little company with one of the world's largest, richest gold mines is going for \$24. Or take it free as your second bonus with a trial subscription to his NATURAL RESOURCE HUNTER.

Your third bonus:

**Mr. Rosenthal's favorite stock for the 2010s:
Has only 24 employees and doesn't own a single drill rig.
Yet it gets tons of gold for about \$435 an ounce**

This company provides financing to gold, silver, and base metal mines in exchange for a piece of their future gold production.

This is how the company acquires gold without doing any digging or mining on its own. One deal, for instance, should give it about 120,000 ounces of gold a year, for slightly more than \$400 an ounce.

Even if gold doesn't rise a penny, they're going to be making upwards of \$800 an ounce on 120,000 ounces of gold, and that sounds like a good business.

If you've read this far, you probably agree with Mr. Rosenthal that gold is going to be significantly higher in 5 years than it is today. So this company's profits are sharply leveraged to the upside.

Moreover, since this company has about two dozen deals, it's nicely diversified. If one mine goes bad, it's a hiccup to its earnings. So this company combines both large profit potential to the upside and conservative downside risk.

Mr. Rosenthal's Special Report on this unknown giant of the gold market is yours for \$19. Or take it free as your THIRD BONUS when you subscribe to his NATURAL RESOURCE HUNTER.

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A 1-year (12 issues) subscription to the NATURAL RESOURCE HUNTER normally costs \$144. As part of this special

introductory offer, you can subscribe for only \$92 -- a 36% discount. In addition, you receive the 3 bonus reports:

- ** "7 Gold Stocks I wouldn't be caught dead with" (\$36)
- ** "A small company with one of the largest, richest, gold mines in the world" (\$24)
- ** "Behind the scenes giant of the gold market" (\$19)

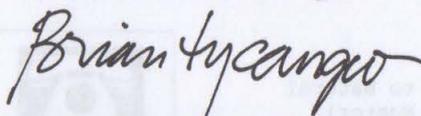
Mr. Rosenthal's recommendations helped subscribers bag up to 270% in European Goldfields, 122% profits in Dominion Mining, a loss of 18% in Bear Creek, 254% and 399% profits in Noble Group, and up to 558% profits in Chinese gold miner Zijin. His open recos stand at up to 208% gains despite the \$500 drop in gold.

If you want to stop losing money in gold, and start making it, Mr. Rosenthal with his 57 years in the gold market can help. Many of his forecasts are already coming true.

So if you're sincerely interested, don't delay. If you wait, you may miss out on the major part of the move.

So send in the coupon on the back page, or phone Reid now at 1-866-500-6746 (toll-free in the US and Canada) or 1-843-388-1572. He'll get you on board Natural Resource Hunter and rush you your 3 bonus reports.

Yours sincerely,



Brian Tycango
Associate Editor
NATURAL RESOURCE HUNTER

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Brian Tycangco, Associate Editor
Natural Resource Hunter

Dear Brian: Please sign me up for ...

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- ** "A small company with one of the largest, richest, gold mines in the world"
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