THE $1 PLATINUM MINER SET TO HIT $100

Bill Patalon

MONEY MORNING
PRIVATE BRIEFING

MONEY MORNING
PRIVATE BRIEFING

Investor's Report
From: William Patalon III,
Executive Editor, *Money Morning*

The $1 Platinum Miner Set to Hit to $100

Dear Reader,

Right now, there's an incredibly rare event taking place in precious metals markets.

It's something that has occurred ONLY twice in the past 20 years. And both times it produced massive cash windfalls for those who knew where to put their money.

The first time it created **$1.25 billion** in new wealth – virtually overnight.

The second time it created a cash windfall of **$6 billion**.

And now it's happening again – for only the third time in recent history.

Only this time we expect the cash windfall to reach a whopping **$13 billion** – more than double the last time.

I call it the **Gold Market Anomaly**.

Today, I want to tell you about this anomaly – about what makes it so rare and the potential profits so big.

You see, there are certain relationships between precious metals that bear watching, especially when they get out of whack.

And right now the relationship between the price of **gold** and **platinum** is clearly out of whack.

Fact is, platinum is nearly always more expensive than gold – **by an average of 27%**.

So if gold is selling for $1,220 an ounce, then platinum should be selling for $1,549 an ounce.

But it's not.

As of this writing, it's selling for $944.20 per ounce.

In fact, this is only the second time in the past 24 years and only the fourth time it has been cheaper than gold – ***ever***.

Platinum Consistently Trades for More than Gold

Now, if this ratio simply returns to historic norms, then investors who plug into the platinum market today will make millions in the near future.

This is why dozens of big-name **"Legal Frontrunners"** – financial institutions like **BlackRock Fund Advisors** and **Genesis Asset Managers** – are quietly adding a number of platinum positions to their holdings right now.

But I think there's a lot more in store for platinum than the norm.

In this ***Private Briefing*** **Special Report** – exclusively for members like you – I'll show you why that's true.

And I'll also reveal to you the single best way to ride platinum's coattails as it makes its comeback…

Why Platinum Outshines Gold

There are plenty of good reasons platinum is normally priced higher than gold.

Let's start with the simplest: Platinum is 30 times rarer than gold –occurring at a concentration of only 0.005 parts per million in the earth's crust.

And like its distant cousin silver, platinum has a dual personality. It has the characteristics of both a precious metal and an industrial metal.

Platinum contains a myriad of chemical properties that makes it highly desirable to industry. It contains properties needed to turn auto emissions into carbon dioxide and water… extract gasoline from crude oil… enhance magnetic properties… and convert ammonia to nitric acid.

As a result, this rare and precious metal can be found in everything from catalytic converters and pacemakers to chemotherapy drugs and other lifesaving medicines.

Platinum is also needed to make fiberglass, liquid-crystal displays (LCD), flat-panel displays, and cathode ray tubes. Plus, it's used to make hard drives for computers.

In fact, platinum is found in practically every electronic technology known to man, including integrated circuits, sensors, imaging film, and even rearview mirrors.

Its use is so widespread that industrial demand consumes **40%** of annual platinum production.

But there's more to the coming explosion in platinum prices than scarcity and the gold-platinum ratio. A whole lot more.

In fact, a perfect storm is forming around platinum – one that will send platinum prices soaring to staggering all-time highs.

Here's why...

85 Million Cars Each Year Need Platinum

At the exact same time this **Gold Market Anomaly** is occurring, the world is facing a severe platinum shortage.

To understand why this shortage exists, you only need to know just one simple fact: Investment and industrial demand for platinum is growing, and production can't keep pace.

The primary reason is simple. Platinum is one of only three metals used in automobile **catalytic converters**. The others are its group metal cousins: **palladium** and **rhodium**.

Approximately 85 million new cars and trucks are built around the world each year. And every single one of those vehicles will need a new catalytic converter.

This gives platinum a huge, built-in source of industrial demand. In fact, automobile use is responsible for up to 50% of demand.

As laws against pollution emissions get stricter and become more widely adopted around the globe, the demand for platinum will continue to rise.

According to the **World Platinum Investment Council**, automotive demand will consume another 3.4 million ounces of platinum thanks to continually strong car sales.

And right now auto demand is skyrocketing – especially in **China**, where sales of passenger cars are booming.

In fact, through August, the Chinese have bought nearly 14.7 million cars, trucks, and SUVs this year. When you consider that each vehicle consumes approximately 7 grams of platinum at $36/gram, you're looking at $5.2 billion worth of platinum in China alone.

But there's another region that will blow demand for platinum sky high **-- Europe**.

You see, the relatively low temperature of diesel exhaust means that platinum is the only metal that must be used in diesel catalytic converters. And diesel-powered automobiles make up 50% of Europe's fleet, compared with only 2.8% in **North America**.

A far stronger American automobile market and a weaker European automobile market is partially responsible for platinum's underperformance versus gold.

But the **European Central Bank** is pumping billions of newly printed euros into the European economy. Increased demand for new cars should follow – just like they did in the **United States** following the **Federal Reserve's** money-printing spree on this side of the pond.

And it's not just the auto industry tapping into all the available platinum.

Investment demand alone is expected to rise another 15% this year, as currencies continue to fall and platinum grows as a safe-haven investment.

Of course, sales of platinum jewelry are another area of huge growth on the horizon

When you add to that the fact that platinum is such a rare commodity, the supply-demand gap will only continue to widen, pushing prices up even further.

That's why platinum prices are set to steadily march higher over the next 10 years.

I'm not the only one saying this. ***Creamer Media's Mining Weekly*** is saying the same thing: "Platinum production needs to increase to nine million ounces by 2025 to meet a 1.5% global demand growth for the metal."

Over the past four years, platinum has been in a deficit as demand has increased and supplies have dwindled – all as platinum stockpiles fell.

As a result, platinum production stalled, as banks were unwilling to finance new mines or production.

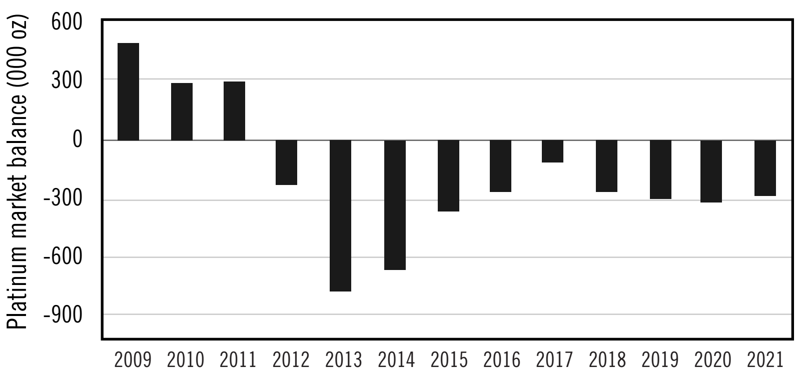
In 2015, the supply deficit hit 860,000 ounces according to **British** specialty chemicals multinational **Johnson Matthey** based on strong demand and a drop in recycling. And it's not getting better soon.

That hit home this year, as gold prices started to rise and investment demand started pushing platinum prices higher – all as stockpiles continued to fall and production could not meet auto, jewelry, electronic, and investment demand.

A report commissioned by the **World Platinum Investment Council** in January 2016 concluded that the platinum market from 2016 to 2021 will chalk up an average annual deficit of roughly 250,000 ounces.

We Like This Deficit

This analysis forecasts an annual platinum deficit of close to a quarter of a million ounces between 2016 and 2021. To me, this demonstrates that market fundamentals will support higher prices over this period.



Source: Glaux Metal, ***Private Briefing*** staff research

It's simple supply-and-demand economics.

And you know what that means: When demand is high and supplies are low, the price goes only in one direction…

Up.

This is why we estimate platinum could rise to **$2,178** by 2020. That's 118% higher than it is right now.

And I've discovered the very best way for you to cash in immediately. And it's not by buying bullion, platinum coins, or wafers or investing in an index or exchange-traded fund.

You see, the last two times the **Gold Market Anomaly** hit, small platinum miners were the biggest winners.

When platinum soared past gold in 1996, **Stillwater Mining Co. (NYSE: SWC)** saw its stock price rise **343%** and **Impala Platinum Holdings Ltd. (OTC ADR: IMPUY)** saw its stock price jump by **800%**.

During the rally in 2008, Stillwater racked up **807%** gains, and **Wellgreen Platinum Ltd. (CVE: WG)** jumped a whopping **2,215%**.

Those numbers tell me that small mining stocks are the place to be when platinum begins its inevitable march to new highs.

Here's what you need to know...

The Tiny Mining Company You Want to Own Now

Unlike gold, which is mined at numerous locations throughout the world, approximately 90% of platinum comes from just four major mines: three in **South Africa** and one in **Russia**.

And the big mines are in South Africa, where roughly 80% of all platinum is extracted.

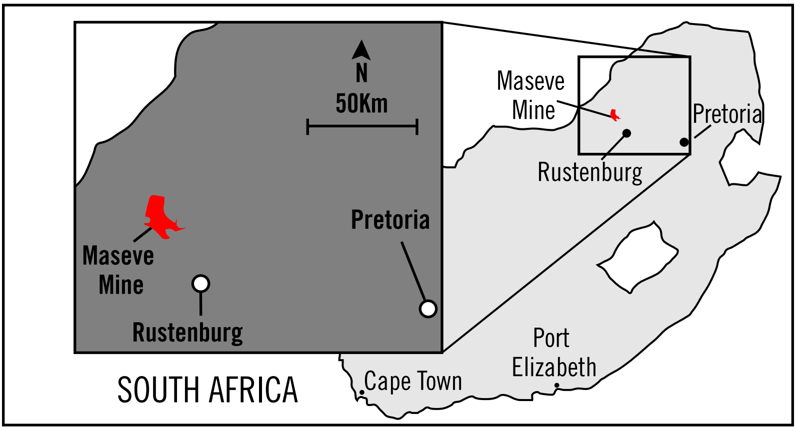
But now, one small miner has identified new sources of platinum in South Africa and is currently bringing new mines onto the market.

Platinum Group Metals Ltd. (NYSE MKT: PLG) is based in **Johannesburg, South Africa**, and **Vancouver, Canada**.

And as an innovative exploration and development firm, Platinum Group has hit pay dirt with two mines whose platinum reserves are worth billions.

Platinum Group has just opened the new **Maseve Mine** approximately 35 kilometers northwest of the town of **Rustenburg, South Africa**, the global hub of platinum production.

Maseve Mine



Source: Glaux Metal, ***Private Briefing*** staff research

The Maseve Mine is an important new source of platinum and has been in development since 2004.

Platinum Group owns 83% of the mine, which is expected to produce 275,000 ounces of platinum, palladium, rhodium, and gold annually for the next 22 years.

The mine should add $111 million to the company's sales this year and nearly $236 million each and every year for the next 22 years. That comes to nearly **$5.2 billion**.

The Maseve Mine (formerly known as the **Western Bushveld Joint Venture, Project 1**) has been the company's flagship asset since initial acquisition in 2004.

But Platinum Group Metals is no one-trick pony.

Once the Maseve is in full production, the company intends to start work on another mine in the same **Western Bushveld Project**. That new mine deposit has indicated resources of approximately 1.24 million ounces of platinum, 524,000 ounces of palladium, 78,000 ounces of rhodium, and 97,000 ounces of gold.

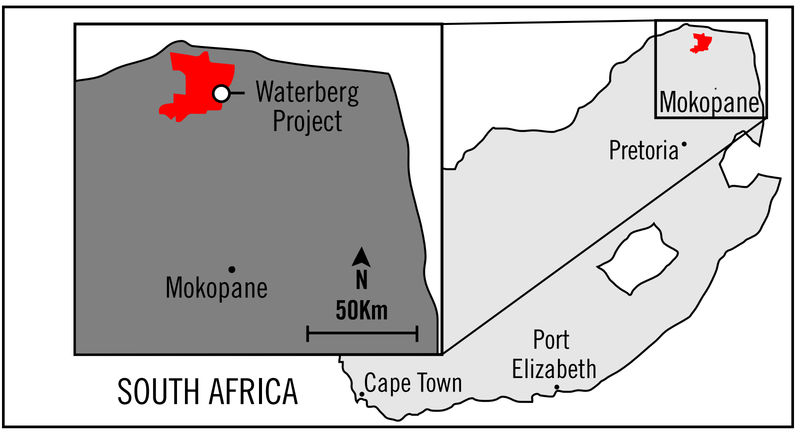
But those numbers are almost certainly low because intense exploration may result in further expansion of the new deposit.

And there's more. Lots more.

Another Massive Platinum Deposit

But the true crown jewel of Platinum Group's holdings is the recently discovered **Waterberg Project**, in the **Limpopo** province of South Africa.

Waterberg Project



Source: Glaux Metal, ***Private Briefing*** staff research

Here's why...

The Waterberg Project contains reserves of 6.6 million ounces of platinum. On top of that, it contains 13.4 million ounces of palladium, 2 million ounces of gold, and significant amounts of **copper** and **nickel**.

Platinum Group owns 58.6% of the deposit, with **Japan Oil, Gas and Metals National Corp.** and **Mnombo Wethu Consultants CC** splitting the rest.

Indications are the Waterberg Project could contain as much as 29 million ounces of precious metals and should produce 655,000 ounces annually, including $194 million of platinum, $85 million of palladium, and $31 million in gold.

That translates to Platinum Group racking up another $175 million each and every year when this new mine comes on line.

There are two big reasons for investors to get excited about this new discovery.

The Waterberg Project has two huge advantages over other deposits…

1. It is shallow.

2. It has thick zones of minerals.

Some parts of the deposit are only 130 meters below the surface, while other deposits in the area are at depths of 1 to 2 kilometers.

And the mineral deposits are up to ***60 meters thick*** – as tall as a 13-story building – while other local deposits are only 0.5 to 1.5 meters thick.

What's more, the Waterberg Project's topography lends itself to fully mechanized mining.

Mechanized equipment allows fewer individual miners to process greater ore throughput and to mine more effectively relative to conventional methods.

As a result, the Waterberg Project will have lower operating costs, providing Platinum Group with significantly higher operating margins.

Wider operating margins will translate into more profits as the Waterberg adds another **$15.8 billion** to Platinum Group's revenue over the years.

On top of that, Platinum Group also owns 87% of the **Waterberg Extension**, an unexplored but promising land claim to the north which means that the resources of the entire deposit should increase significantly.

Altogether, with its portion of the Maseve, Western Bushveld, and Waterberg mines, Platinum Group Metals controls indicated resources of over ***37 million ounces*** of precious metals – not to mention the vast untapped exploration potential of the Waterberg Extension.

Let's add this up…

1. Maseve Mine: **$5.2 billion**.
2. Western Bushveld: $??
3. Waterberg Project: **$15.8 billion**.
4. Waterberg Extension: $??.

In other words, Platinum Group is sitting on more than **$28 billion worth of metals** – at today's prices.

Compare that to Platinum Group's current market cap of $183.6 million and you can see how undervalued shares are today.

Two Mining Masterminds Join Forces

There's a reason why this small mining company is leading the charge toward the opening of new mines in **South Africa**.

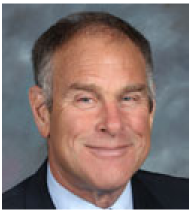
Platinum Group Metals Ltd. is headed by **CEO R. Michael Jones**, one of the savviest minds in the business. Jones cut his teeth in the mining business and knows what it takes when it comes to staking out valuable ground.

Jones's father was a geology professor, so he learned geology from when he was just a toddler.

By the time he was in his 20s, he was founding companies and raising money to explore in **Canada**.

He has bought and sold mining companies from Canada to Mexico, including a $424 million deal for **Lakeshore Gold** in 2009. He also cofounded **MAG Silver Corp. (NYSE MKT: MAG)**, another market darling.

In other words, this is a guy who knows the mining business and how to make deals.



But Jones may have made one of his smartest moves ever when he recently teamed up with **Rick Rule**, the president and CEO of **Sprott U.S. Holdings Inc.**

Rule is nothing less than an icon in the resource investing business and has a worldwide network of contacts in the natural resource and financial worlds.

He's a frequent speaker at industry conferences, and has been interviewed by

Two Mining Masterminds Join Forces (cont'd)

hundreds of media outlets covering natural resource investments.

He's particularly active in private placement markets and has originated hundreds of debt and equity deals with both private and public companies.

So Rule is nobody's fool when it comes to investing in mining businesses.

Now, it's no secret that it takes a lot of capital to get a platinum mine up and running.

And to bridge the path to commercial production for the **Maseve Mine**, Jones arranged to borrow $45 million from Sprott.

Prior to finalizing the deal with Platinum Group, Rule sent **Andrew Jackson**, Sprott's chief geologist, on a site visit to the Maseve Mine to inspect the **Waterberg Project** in February 2016.

In his report, Jackson said, "The deposit is similar to **Ivanhoe Mines Ltd Platreef Project**, with much thicker than average platinum, palladium and gold mineralization."

That's important because the Platreef Project contains an estimated ***42 million ounces*** of platinum and other precious metals, meaning Platinum Group may have even more extractable precious metal than predicted.

At a minimum, Jackson found enough evidence to support the massive projections for the three Platinum Group mines... enough to convince Rule to have Sprott make a $45 million bet on Platinum Group.

What's more, an independent pre-feasibility study completed by international engineering firm **WorleyParsons** was just published on Oct. 19, updating the reserves and resources.

The study concluded that Waterberg contains indicated reserves of 24.9 million ounces of platinum, palladium, rhodium, and gold, confirming Jackson's opinions.

Here Come the "Frontrunners"

In order complete the deal with **Sprott U.S. Holdings Inc.** (see **"Two Mining Masterminds"** sidebar), Platinum Group issued 22 million new shares.

Naturally, shortsighted Wall Streeters saw this as a huge negative, temporarily driving share prices down to the ridiculously low price of $1.64 per share.

At that price, the market valued Platinum Group for less than what the company will produce at the Maseve Mine alone. And even then the shares are undervalued by a wide margin.

So, if you "Buy" Platinum Group now, you're getting the Western Bushveld and the Waterberg mines virtually for free.

In reality, this is an incredible opportunity for us to take a bargain basement-priced position in the shares and ride them back up in the coming weeks.

There's little doubt that when the market realizes the amount of platinum that's in Platinum Group's mines it won't take long for shares to leapfrog higher.

And I'm not alone in this assessment.

The big boys on Wall Street are also jumping on the Platinum Group bandwagon.

Here's why that's important

With a stock that's down from its highs, there's no single better **"Buy"** indicator than **insider buying**.

And in cases where there was no insider buying, purchases by **"knowledgeable outsiders"** – a successful activist investor such as **George Soros** or **Carl Icahn**, or a specialist hedge-fund manager – can sometimes serve as an acceptable "proxy" for corporate insiders.

I refer to these folks as **"Legal Frontrunners"** – because they identify big profit opportunities... before the stocks make their run.

We're not talking about <u>all</u> hedge funds – but rather those with a known specialization, or expertise – like the **Baker Bros.** in biotech.

And when it comes to Platinum Group, here's what the "Legal Frontrunners" are doing…

- **Franklin Resources,** a global investment management company more commonly known as **Franklin Templeton Investments,** owns roughly 18% of the outstanding shares, an investment of more than $56.3 million.
- **Liberty Mutual Group Asset Management**, a heavy-hitting hedge fund specializing in resource investing, has sucked up over 15 million shares worth more than $51 million.
- **Blackrock Advisors**, another hedge fund behemoth, has chimed in by purchasing 6.6 million shares worth $15.6 million

Together with another hedge fund, **Genesis Asset Managers**, these Frontrunners control more than 47% of Platinum Group's outstanding float.

And analysts on Wall Street are also advising investors to jump on the shares.

Despite the recent downturn in the shares, analysts who follow the company have a consensus target on the stock of $6.96.

That would be a whopping **340% leap** from where it is now.

It's pretty rare for guys who make their living predicting prices to call for a moon shot like this on the hottest of penny stocks, let alone a boring little mining stock.

So here we have a small but ore-rich platinum mining company, led by a battle-tested industry veteran, convincing one of the smartest resource guys on the planet to lend him $45 million to start pulling an underpriced resource out of the ground.

Meanwhile, in-the-know analysts are projecting a massive jump in the shares.

And it's all backed up by some of the sharpest "Frontrunners" on the street, sucking up shares like there's no tomorrow.

If it's good enough for them, it's good enough for us little guys.

We see a hefty upside for **Platinum Group Metals Ltd. (NYSE: PLG)**.

But there's a strategy for maximizing your gains here.

You'll want to give yourself time for this to play out – and the best way to do that is to split your purchases into several "tranches" … and then look to hold the stock for 18 months to two years.

Buy your first block here – and if the stock runs way, don't chase it. Buy the second block if the stock retrenches 15% from your purchase price and the third if it falls an additional 15%. Don't overload.

And know that we'll keep an eye on this one for you.

[Editor's Note: Unless otherwise directed, as we've done here, we recommend investors employ a 25% "trailing stop" on all holdings.]

Please Note: From time to time, Money Map Press will recommend stocks or other investments that will not be included in our regular portfolios. There are certain situations where we feel a company may be an extraordinary value but may not necessarily fit within the selection guidelines of these existing portfolios. In these cases, the recommendations are speculative and should not be considered as part of Money Map Press philosophy.

Also, by the time you receive this report, there is a chance that we may have exited a recommendation previously included in our portfolio. Occasionally, this happens because we use a disciplined selling strategy with our investments, meaning that if a company's share price falls below a certain price level, we immediately notify our subscribers to sell the stock.

NOTE: Money Map Press is not a broker, dealer or licensed investment advisor. No person listed here should be considered as permitted to engage in rendering personalized investment, legal or other professional advice as an agent of Money Map Press. Money Map Press does not receive any compensation for these services. Additionally, any individual services rendered to subscribers by those mentioned are considered completely separate from and outside the scope of services offered by Money Map Press. Therefore if you choose to contact anyone listed here, such contact, as well as any resulting relationship, is strictly between you and them.

MONEY MAP PRESS

Copyright 2007-present, Money Map Press,
16 W. Madison Street, Baltimore, MD 21201
Phone: 888.384.8339 or 443.353.4519

All rights reserved. Money Map Press provides its members with unique opportunities to build and protect wealth, globally, under all market conditions. The executive staff, research department and editors who contribute to Money Map Press recommendations are proud of our history and reputation. We believe the advice presented to our subscribers in our published resources and at our meetings and seminars is the best and most useful available to global investors today. The recommendations and analysis presented to members is for the exclusive use of members. Copying or disseminating any information published by Money Map Press, electronic or otherwise, is strictly prohibited. Members should be aware that investment markets have inherent risks and there can be no guarantee of future profits. Likewise, past performance does not assure future results. Recommendations are subject to change at any time, so members are encouraged to make regular use of the website and pay special attention to Money Map Press updates sent out via e-mail. The publishers, editors, employees or agents are not responsible for errors and/or omissions.

Privacy Notice

You and your family are entitled to review and act on any recommendations made in this document. All Money Map Press publications are protected by copyright. No part of this report may be reproduced by any means (including facsimile) or placed on any electronic medium without written permission from the publisher. Information contained herein is obtained from sources believed to be reliable, but its accuracy cannot be guaranteed. Money Map Press expressly forbids its writers from having a financial interest in any security recommended to its readers. All Money Map Press employees and agents must wait 24 hours after an Internet publication and 72 hours after a print publication is mailed prior to following an initial recommendation. Money Map Press does not act as a personal investment advisor, nor does it advocate the purchase or sale of any security or investment for any specific individual. Investments recommended in this publication should be made only after consulting with your investment advisor, and only after reviewing the prospectus or financial statements of the company.