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The Nuggeteer



6 May 2020

Tonight's precious metals spot prices per Troy ounce were:
Gold \$1701.25, Silver \$15.13, Platinum \$774.35, Palladium
\$1880.70, Rhodium \$6300.00.

A message from the Chapter President
Tim's Tidbits
Greetings Fellow Prospectors

"Fellow members, do what the Governor and the CDC wants while the COVID-19 pandemic is going on. The Gold will still be there when this is all over. Stay safe".

Tim

Here are a couple of pictures from Scott Leidenberger. He purchased some the Reserve Pay Dirt XL from Lynch Mining. (lynchmining.com). He ended up with 2.07 grams of Gold in his pay dirt. He wanted to share what he got.

Thanks Scott



May 6th, 2020 COSGPAA Chapter Update

The May 6th, 2020, monthly meeting was cancelled in compliance with Colorado Executive Order 2020-44, signed April 26th; and the CDC guidelines to limit personal contact during the COVID 19 Pandemic. Although this space in the Nuggeteer is reserved for meeting minutes, since there was no meeting, we will answer some of the questions that might have been asked at the meeting. If we missed your question, please send it to us for the next meeting/newsletter.

Q: Why didn't we have a meeting again this month?

A: On March 11th, The Governor declared the COVID 19 Pandemic a disaster emergency in Colorado and placed extraordinary restrictions on social interactions and travel. By Law, these restrictions expire after 30 days if not extended. On April 26th, the Governor renewed the emergency status which resulted in cancellation of the May Chapter Meeting.

Q: What provisions in the emergency declaration affect our meetings?

A: The virus is spread from person to person. To prevent the spread, social distancing restrictions were implemented. All non-essential businesses were closed, all schools were closed, non-essential travel was prohibited, people were directed to stay at home and to maintain a 6' separation to others, and gatherings of 10 or more people were prohibited. We will continue to plan for a meeting the 1st Wednesday of each month and only cancel if the emergency declaration is continued.

Q: The new Executive Order is called Safer-at-Home and allows businesses to re-open. Can we have meetings and outings again?

A: The reduced restrictions apply to businesses and not social gatherings. Sorry, our Chapter meetings and outings are not considered a business.

Q: Mining and prospecting are essential businesses and have continued during the COVID 19 Pandemic. Aren't our activities the same thing?

A: Good point. However, our Chapter is not involved in professional mining. If we were treating our Colorado GPAA claims as a business, we would be required to have permits based on approved Plans of Operation. Also, the public access areas in Colorado are only open to "recreational activities."

Q: Why can't we go out panning as individuals or a small group of less than 10, and be legal?

A: If you have some place to go that is in your community and within 10 miles of your residence, you probably can. But you can not go to Summit, Eagle, Mesa or Park Counties, just to name a few, unless you are a permanent, full time resident there. These counties and others that have limited medical facilities or first responder capabilities do not want outsiders coming into their communities and straining their resources.

Q: In the last newsletter the Chapter had an outing to Jefferson Lake planned for June 6th. Is that still on?

A: The outing has been cancelled by our host, Johnny's Jamboree.

continued on next page

May 6th, 2020 COSGPAA Chapter Update, continued

Q: Is the GPOC (Gold Prospectors of Colorado) still holding meetings?

A: According to a post on their Facebook page dated April 22d, their May meeting has been cancelled. Their page also shows that Territory Days in Old Colorado City for Memorial Day Weekend has been cancelled, and that Donkey Derby Days in Cripple Creek has been rescheduled from June 27-28 to September 5-7.

Q: I heard that the Western Museum of Mining and Industry was open.

A: May 8 & 9, Friday and Saturday, they will be open for Outside, Hayride-Style Tours, that include the Yellow Jacket Stamp Mill. Bring a mask, bottled water and dress for the weather. Tours are FREE (donations accepted) with tour times at 10 & 11 am and 1 and 2 pm. A second round of outside tours will be held May 16 & 17. Indoor tours should resume on Monday May 18. For more information call 719-488-0880 or visit their website: www.wmmi.org.

Winners from the May 6th 2020 meeting:

Since we did not have a meeting this month we did not have the drawing so there was no winners.
Such a sad thing about the Corona Virus.

**"The way to get started is to quit talking and begin doing."
Walt Disney**

The Nuggeteer is published monthly after our meeting every month. It will be emailed out and published on our web site usually by Friday after our meeting.

COLORADO SPRINGS CHAPTER GPAA MEETINGS

Meetings are held on the First Wednesday of each month
From 7:00 PM - 9:00 PM at:
The Salvation Army building:
208 Cunningham Drive
Security, CO 80911

Meeting Dates:

Future meeting dates are dependant on the COVID-19 pandemic.

June 3 2020

July 1 2020

August 2020

August 8 2020 Club Picnic

September 2 2020

October 7 2020

November 4 2020

December 2 2020

December 5 2020 "Christmas Party"

"If you set your goals ridiculously high and it's a failure, you will fail above everyone else's success.

"James Cameron

Colorado Springs Chapter GPAA Officers:

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May Member Profile:

This month I am going to try to profile our President of the Colorado Springs Chapter of the GPAA, Tim Pitney Thanks Tim for letting me do a profile of your life.

I asked Tim how old he was and he said that he has been prospecting and mining for 50 years. Since Tim is only 49 years old some thing did not add up. I wonder what anniversary of 49 years that is. Just joking, Tim is a very private individual and does not give out much of his personal information. I can respect that. In this profile I will try tell you what I can. Tim has had his identity stolen several times so that makes him leary of giving out much of his personal information.

Tim was born in Montrose Colorado so he is a Colorado guy. His father and grandfather were also both miners and prospectors so prospecting and mining is in his blood. Tim is very knowledgeable about mining laws. If you want to know anything about mining laws Tim can give it to you straight and you can take it to the bank. Tim prefers underground mining to surface mining.

Tim has been our president for a little bit over 2 years. He enjoys being the president of our club. Tim is a very honest person and respects people that are honest with him. If Tim says he is going to do something you can believe what he says.

Tim also likes looking for all kind of gems and minerals. Tim especially likes looking for crystals. Before Tim goes out prospecting or looking for gems he does his research on the area he is going to. He loves riding his 4-wheeler while going out prospecting. He also likes to search out old mining sites and ghost towns too. Tim told me a neat story about when he was out on his 4-wheeler just looking at old mining camps. He had stopped to look around and saw several Bald Eagles setting up in a tree. Him and his family watched the Bald Eagles for a while. When he left one of the Bald Eagles flew along side him for about 3 miles.

Tim is a very interesting person to set down and talk to. He has some great stories about prospecting and treasure hunting. I hope I have given or members a brief look at Tim.

I also found out the singer and song writer from the 60's Gene Pitney was his uncle. Small world we live in.

The Bull Case for Gold

by MATTHEW WORLEY



By Matthew Worley

"If it ain't broke, don't fix it," my father always liked to say. Status quo momentum is something in which we take comfort. On the flip side, something that is broken is bothersome, something that sticks in the craw of the human desire for justice and rectitude. Gold prices are broken.

The 1970s saw a tremendous rise in gold prices alongside inflation, followed by a choppy downtrend in the 1980s as the Fed put the interest-rate breaks on, and sharp fall through the 1990s as the good times rolled. After the Dotcom Bubble burst and the tragedy of 9/11, gold enjoyed a rally through 2012 that was almost as impressive as that of the 1970s. But since? Eight years of range-bound doldrums, and in inflation-adjusted terms the 1980 peak has not since been reclaimed.

To which period can we liken the current gold price environment? A global pandemic has not yet reached its zenith, oil is near \$20 a barrel on the back of an OPEC-Russo price war, the Dow Jones Industrial Average is down more than 24% year-to-date, and 3.238 million people filed for unemployment in the week ending March 21. This seems the perfect storm for a gold haven, yet in the last 30 days gold prices have decreased .56%. How can we possibly explain this?



First, if I were able to perfectly predict the price action of gold or any asset, I would own my own island. Prices will fluctuate, but it is the trend that we seek to explain and predict, in a manner similar to how the Fed treats inflation. This at the top of mind, let us explore together a few of the levers of gold prices, to see if prices might be unstuck from the morass of the prior eight years.

Gold as an inflationary hedge is one of its conventionally accepted qualities. Widely accepted economic theory attests that the price of any commodity valued in dollars is generally going to rise as the dollar falls. It makes sense that if a dollar is worth less it can buy less of anything priced in it, so price of those things has risen. How does the data fit with the periods prior discussed?

Decade	CPI change	Gold price change
1970s	106%	801%
1980s	64%	-63%
1990s	32%	-48%
2000s	28%	196%
2010s	19%	23%

CPI data taken from usinflationcalculator.com Gold prices inflation-adjusted from macrotrends.net

Inflation marches ever on, while gold prices ebb and flow. The correlation between gold and inflation is not so simple as an if then statement. What we see from the table above is not a paced match to inflation's increase, but perhaps a movement indicative of the relationship between the velocity of inflation and the price of gold.

The 1970s were a period of accelerating inflation and accelerating gold prices. The 1980s were a time in which inflation decelerated in response to the Fed's action raising interest rates to slow it down. The 1990s saw a low-interest rate environment as business boomed.

The decades starting in the year 2000 and 2010 were very different. In the 2000s inflation growth barely changed at all, a frightening prospect to fiscal policy makers. In a developed country, if inflation continues at the same clip as GDP levels out with small annual growth, the rise of prices will outweigh the rise in production. This imbalance in supply and demand will exacerbate the situation further, leading to hyperinflation. Gold's rise in this period was a testament to the one crucial element that was lacking in the late 1980s and in the 1990s: Fear.

Those that try to explain the movement of gold as a function of inflation, or when stocks are down, miss the simple, fundamental truth that requires no charts and figures to explain: It is in times of great fear that the price of gold rises. In the 1970s the fear of uncontrollable inflation sapping away the paychecks of Americans was rampant. After 9/11 the fear of national security was and still is at the forefront of American interests. The Great Recession ushered in the notion of historically unshakeable assets like real estate values evaporating overnight, and the fear of a future cataclysmic chain of events developing because of algorithms and passive index funds dominating stock market volume is real and unpreventable, barring legislation.

Fear doesn't come and go within the world, any more than it comes and goes in the individual human heart; fear sleeps and wakes. One may conquer a powerful fear, but it will be born again in another place, to sleep and wake and gather strength until it is conquered and reborn again. Fear has woken in the markets again, for quantitative easing did nothing but put the Great Recession fear to sleep.

The Government of the United States and the Federal Reserve have made moves to arrest the panic that persists in the markets. The Federal Reserve cut interest rates back to near zero back to where they went after the Great Recession (monetary policy). The Fed can do little else. The Government has passed the CARES act to use fiscal policy to inject \$2.2 trillion into the economy in relief. More is expected.

The rush to buy toilet paper was a clear symptom of mindless fear, and it is in this environment that gold begins a relentless climb. In times of concern the peacetime dynamic changes completely. Investors are no longer looking to find the most aggressive growth; they are looking to safe havens to weather the storm. No currency, no government debt, no business is unaffected by the soulless ravages of a dispassionate pandemic. It cannot be negotiated with; it cannot be stopped by man's machinations. It can only be slowed.

If there is so much fear, why have gold prices not shot skyward like they did in 2007? There is so much money supply in the economy after quantitative easing and government stimulus programs that gold price movement lags the fear. Central bank policies and government bailouts have been used to synthetically put fear to sleep and break gold. The natural order of things means the flip side of my dad's phrase is about to have its day: If it is broke, fix it. Take it for what it's worth, but it is of my opinion that the time has come to start gathering gold immediately.

Matthew Worley is a seasoned financial writer with published work on equities, commodities, currencies, and macro and geopolitical concerns in publications such as Forbes (as a ghostwriter), Motley Fool, Investopedia, Seeking Alpha, and WorldFirst to name a few.

OUTING INFORMATION

Due to the COVID 19 Pandemic restrictions in Colorado, there are no Chapter Outings or Events being scheduled until further notice.

Q. In the last newsletter the Chapter had an outing to Jefferson Lake planned for June 6th. Is that still on?

A: The outing has been cancelled by our host, Johnny's Jamboree.



**"Always remember that you are absolutely unique. Just like everyone else."
Margaret Mead**