



MARKET COMMENTARY

eResearch Corporation is pleased to provide an investment newsletter, courtesy of **Rick Mills** of **AHEADOFTHEHERD.COM**. (Referred to as AOTH)

Rick Mills publishes pertinent investment articles on his website on a regular basis. He also publishes a regular investment newsletter.

Richard Mills is owner and host of **AHEADOFTHEHERD.COM**. His articles have been published on over 400 websites.

If you want to sign up to Rick's website/blog, and subscription is FREE, you can do so here: www.Aheadoftheherd.com.

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Telling you things everyone else doesn't already know.

As a general rule, the most successful man in life is the man who has the best information

[We are the Lemmings](#)

August 1, 2018 was Earth Overshoot Day. What does that mean? Well, Earth Overshoot Day is the day of the year when humanity has used more resources from nature than can renew in that entire year. The date is moving closer to January, meaning every year we use up more natural resources, faster.

That is a problem, because without a way to replace all the resources we consume - harvested food, fertilizers, energy, metals, etc. - we are gradually depleting nature's bounty, at a rate that is unsustainable, long-term. If we keep going, and economies keep growing, we are eventually going to run out. The problem is made worse by the global population increasing, along with the continuing wants of people in the developed world ("the West") and in less-developed countries (who are demanding houses, cars, fridges, cell phones, etc.), putting more pressure on our finite resources.

This article will take a look at how unsustainable our voracious consumption has become, and how we might live more sustainably in order to #MoveTheDate, in Twitterspeak, back not forward.



[Plunging inventories have zinc bulls ready to run](#)

On Tuesday zinc inventories in London Metal Exchange (LME) warehouses sunk into territory that one metal analyst believes could signal a major price kick for the base metal, used mostly for galvanizing steel to prevent corrosion. LME inventories have been falling steadily, touching the 108,425-tonne mark as of Feb. 11 - a 52-week low. It is a long way from the annual high of 256,175 tonnes reached in August.

Could we be looking at another run in the zinc price like in 2017, when it spiked from \$1.19 a pound to \$1.61 within only six months (+35%)? Recall zinc had the hot hand that year, with many juniors roaming around with boots on the ground trying to find the next zinc deposit, with the price getting a nice uplift from mine closures and an expected long-term structural supply deficit.

This article is all about the VMS metals - zinc, lead and silver.

[The global infrastructure deficit - the road not yet taken](#)

Infrastructure is the physical systems – the roads, power transmission lines and towers, airports, dams, buses, subways, rail links, ports and bridges, power plants, water delivery systems, hospitals, sewage treatment, etc. – that are the building blocks, the Legos, that fuel a country's, a city's, or a community's economic, social, and financial development. There is an undeniable, an unarguable connection between the quality of a country's economic competitiveness and its infrastructure yet both Canada and the USA are facing significant infrastructure deficits, meaning the money that is being allocated for upgrades to water lines, sewers, bridges, roads, dams, power plants, public buildings, etc., is not enough to cover maintenance let alone replacement costs.

In this article, we will show how dire the North American (Canada and USA) infrastructure deficit is, but we will go further and talk about how much the deficit is costing us, what metals we need to acquire to address it, and how we might go about finding the means to repair and build our North American infrastructure without the need to import materials from countries that are not our friends.

[Where will the US get its lithium from?](#)

The lithium bears took another bullet to the backside on Tuesday with news of setbacks from two mines that are on the runway to production. Bears have been arguing that the market for lithium will be hit by an onslaught of supply from new producers. Nothing could be further from the truth.

Where will all the lithium come from that needs to be put into electric vehicle batteries? Not to mention lithium's other uses in lithium-ion batteries for defense applications, consumer electronics, and power tools?

Let's take a run through the numbers.



[Max Resources free gold elephant](#)

Max Resources (TSX.V:MXR) latest update explains the sampling protocol being used on their [Choco Precious Metal Project](#) and tells us to expect initial sampling analysis results sometime next week. The company has determined that the best way to obtain the grade of the gold-bearing conglomerates is to crush the conglomerate and then process the material to recover the free gold from the sample, rather than assaying the samples.

The plan for the bulk sampling program is to 1) substantiate reports of free gold within the hard rock conglomerate, and 2) determine the thickness of the gold conglomerate and how far it extends laterally.

The as yet unanswered question is, what are the grades? The answer will be provided in the next news release.

Richard (Rick) Mills

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