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**West Vault
More upside, less risk.**

BUY WEST VAULT MINING INC (WVM \$1)

Executive summary

Buying the dips is the proper investment attitude in any established bull market. But it is always difficult to maintain this type of discipline in a depressed sector. So adding a stock customized for a buy and hold strategy makes sense.

West Vault has a permitted economic deposit with a very robust pre-feasibility study at current gold prices

Their great deposit will sit as it is with no adventurous spending or development until the bull market matures and the whole company can be sold at much higher prices to a producer.

So basically, it is like owning the yellow metal itself but with leverage and less risk.

Introduction : A 17-month correction or a bear market?

After 2 good years in 2019 and 2020, gold stocks have been in a major correction for the last 17 months.

The GDJ gold index lost a dramatic 36.8 % from 45.7 to a recent low of 28.9. A lot of quality of junior gold stocks are down more than 50%! And although the fundamentals for gold have rarely been better, the level of pessimism among precious metal investors is huge. Not unusual after a 500 days downtrend! Not surprising when the GDJ gold mine index has hit recently the very unusual over sold level of 10 on its RSI.

The climatic low of Wednesday, 15 December 2021 and the strong reversal the very next day gives us hope that we are forming a double bottom around the important support level of 37.50.

But could this be just a blip in this severe downward trend?

SWISS MINING INVESTMENT CLUB



Buy the dip

The theory is that in a bull market you should be buying the dips!

But after a 17 month correction you have probably done that already and the deeper and longer the correction, the more unsecure we all become. Normal psychology!

If you add another gold position, you would like to buy stocks which are indestructible!

But gold stocks are dicey, speculative and fraught with risks?

The minute you buy a producer, heavy rainfalls will flood their largest mine or illegal blockades will bring production to a halt!

The minute you buy a developer, their new capex estimate will skyrocket or COVID will delay construction.

The minute you buy an explorer, the new drilling results will be disappointing and the company will run out of cash leading to fatal dilution! This cannot be the case with West Vault since they are just sitting on their permitted property in Nevada.

West Vault = gold in the ground: noting more, nothing less!

- Measured 143 koz Au
- Indicated 784 koz Au
- Inferred 136 koz Au

A total of 1,063,000 Oz in one of the safest jurisdiction in the world: Nevada.
Only \$60 per ounce for an economic, permitted deposit in the US!

West Vault better than a physical gold ETF!

The burn rate of the company is very low. 1 M\$ per year and they have 5.7 M \$ in cash. So it is like holding a gold ETF but with a lower expense ratio. And gold in the ground cannot be loaned out or stolen!

West Vault: the tightest share structure of any permitted deposits.

A very good prefeasibility study and only 60 million shares fully diluted. The icing on the cake is that total capital expenditure would only be 47M \$.



West Vault : the best shareholder base of any Junior

- Sun Valley Gold 46%
- Ruffer 17%
- Eric Sprott 5%
- Konware AG (Erich Meyer) 4%

The best hands in the business control 72% of the shares.

West Vault: Massively undervalued

At \$1800 gold, after tax NPV is 295M \$USD with an IRR of 92%, for a market cap under 50M\$ NPV per share is \$5,08, much higher than the current market price of \$1,04.

West Vault: massive leverage to the gold price

Even if gold falls back to \$1400, the after tax NPV is still 165M USD, more than 2 times the current market cap. But at \$2500, the after tax NPV reaches 538 M\$ 10 times today's ridiculously low valuation.

West Vault has a New CEO

Sandy McVey has just been nominated. This bodes well for the company because of his 30 years' experience as mining engineer.

West Vault : the Peter Palmedo put.

The S&P, the Nasdaq and many other markets are in bubble territory. This would not have been possible without the Central banks massive money printing. The Greenspan put turned into the Bernanke put, and now the Powell put.

This is getting long in the tooth to say the least. It might be wise to now go for the Palmedo put. This legendary money manager runs the Sun Valley fund. He is also the chairman of West Vault.

At 0,2 times NAV it would be easy for him to buy more West Vault at \$1, confirming this as a floor to the stock. And if he does not do it other sophisticated long term investors will do it.



Conclusion: less risk more upside!

West vault is a precious metal stock that can be bought today around one dollar with very little downside risk but with huge upside.

Do not expect any big news item to move the stock in the short or even in the medium term. But this investment will behave as a leveraged but low risk play on the yellow metal.

Claude Bejet