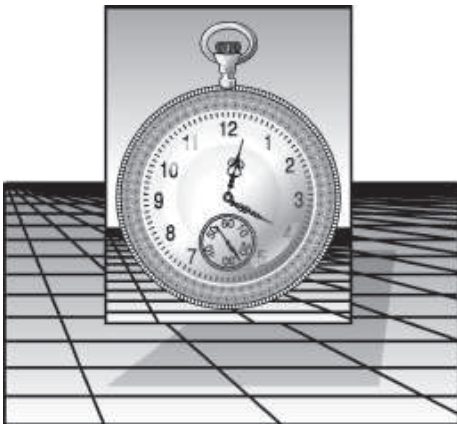


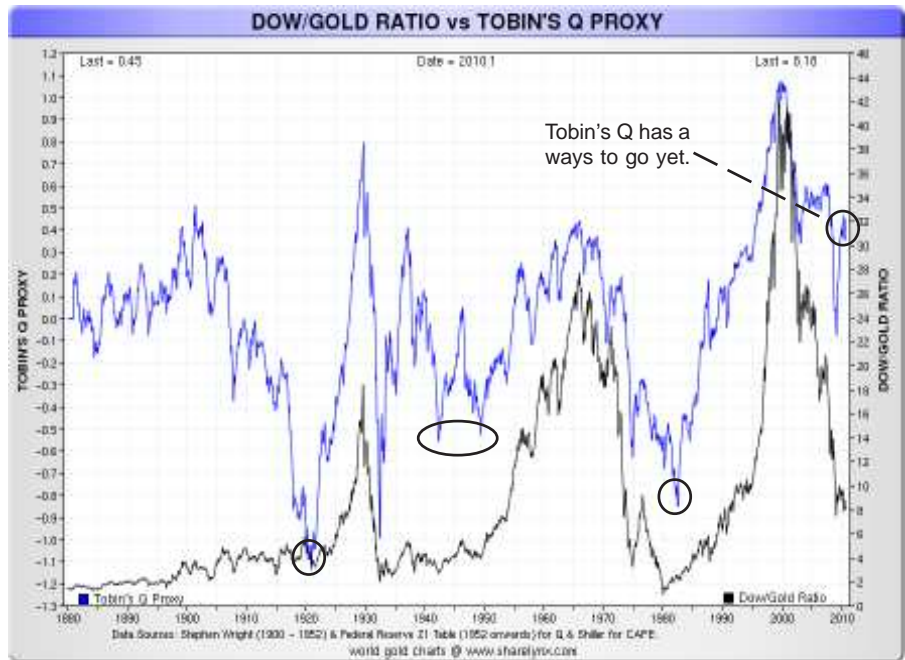
The next issue will be published July 1.

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- Energy is the absolute best sector for slam dunk income and capital gains. Page 6



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How To Invest Before The Other Shoe Drops ...

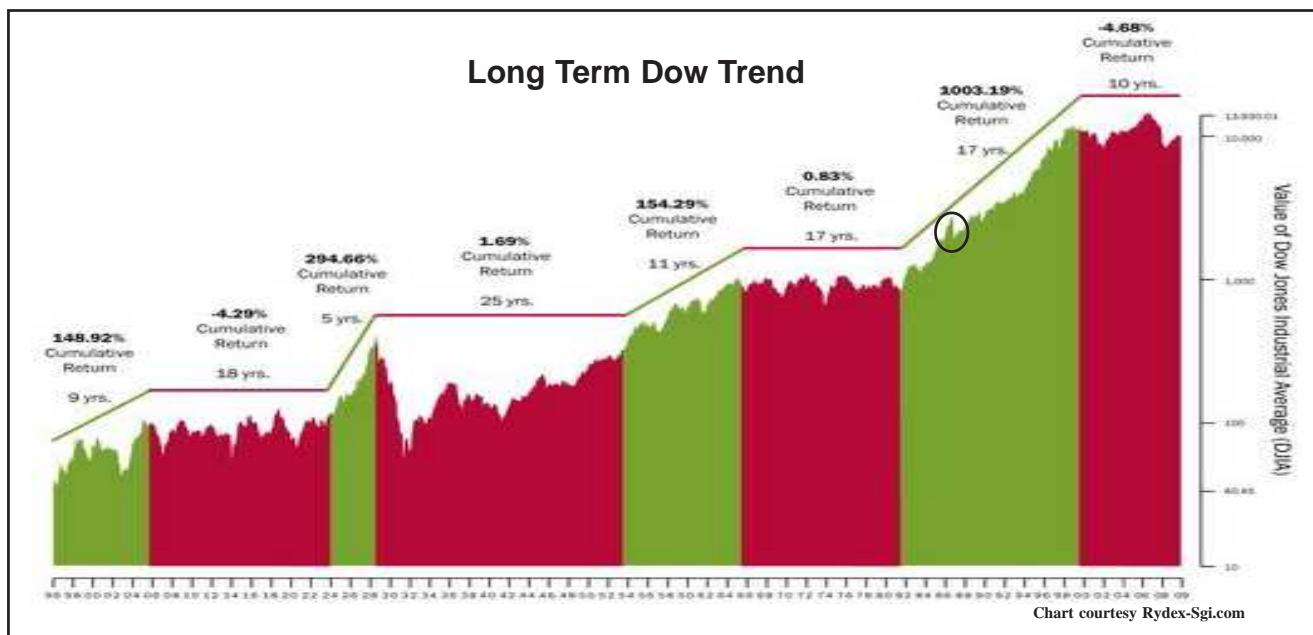


In my discussions I have been careful to separate the “market” (as measured by the popular averages like the Dow and S&P 500) from the “market” for commodities. It is important that you separate the concept of financial or paper assets from the concept of tangible or hard assets. The reason is that these two asset classes perform opposite one another. While one is in a bull market, the other is in a bearish trend. You need to concentrate your money in the one that is in a bull mode and stick with that until there is a shift.

The shift occurs about every 15 to 20 years, and it can be identified by following the ratio between the Dow Jones Industrial Average and the price of gold - the Dow being the ultimate paper asset and gold the quintessential hard asset. In fact, you can look at this simple ratio as a long term gold timing model.

The Q-ratio was devised by James Tobin who was a Nobel Laureate in economics. His idea was that the trading value of all the companies on the stock market should theoretically be equal to their replacement cost or tangible value. When the stock market prices the tangible value of all companies too far over replacement cost, these assets are priced excessively and a reversal will begin. The relation between paper value and tangible value will adjust until the pendulum swings too far the other way, and companies can then be purchased for less than replacement cost. At this point, a bear market in paper assets (the stock market) and the bull

It should not be assumed that the recommendations made in the future will be profitable or will equal past performance. A list of all recommendations made by this advisor within the past 17 months will be furnished upon request. Professional Timing Service and/or associated individuals will from time to time have positions in the investments mentioned and recommended in this newsletter. All rights reserved - copyright © 2011 by Professional Timing Service.



market in tangibles will end. We are on the path to such a juncture. The secret to success is to see it coming and act accordingly when the time is right. It is difficult to calculate the Q-ratio, but it is not hard to calculate the Dow/gold ratio. The chart on Page 1 pretty much reflects the same phenomenon. The chart also reveals that the bull-bear cycle recurs somewhat regularly over time.

You can quickly see where we are in the current cycle. The Q-ratio is yet to hit typical lows, marking the end of the tangible bull cycle. The Dow/gold ratio at 8.18 is also shy of where it typically bottoms out at the end of a bull market in gold and other commodities. There are higher commodity and gold prices to come, but the bull is aging. I have repeatedly said I believe we could see the Dow/gold ratio hit 2.00; but once it gets to 5.00, it will be time to do some early assessment of our holdings and begin to consider where our next secular move will be. The commodity bull will not end instantly when the ratio falls to 5.00, but it will be too late for low-risk commodity investing. It will be time to do some homework on timing the beginning of the next bull market in financial assets.

It is important to interject that bull markets tend to be rather consistent affairs where prices rise predictably over time. There will be occasional interruptions in the upward path - some startlingly sharp like the 1987 crash in stocks which I have circled on the chart above. At the time, that upset was extremely disturbing; but looking back now, that crash was a buying opportunity. Nevertheless, stock market bulls eventually come to an end and prices then move into a choppy sideways pattern. This is what is so deceiving about the bear. During these “go nowhere” years, prices gyrate wildly. Sometimes modest new highs are made that are punctuated by devastating declines. When it is all said and done, however, only the very lucky and acutely astute traders make money in a bear market. Long term investors reap only the potential for capital losses.

While the bear market in the averages frustrates investors in paper assets, investors in tangible assets – especially gold – will be generating gains with ease. As the Dow thrashes about in its bipolar rally/crash insanity, gold will accelerate on the up side.

Time is also a factor of this duality between the paper and tangible asset cycle. As per Tobin’s Q and the Dow/gold ratio, we are but 12 years into the current commodity bull; and based on the past, we should expect at least another 3 years before we see a top. There is plenty of time to profit in precious metals and energy, but it is more important now that you be more cautious in what you buy and how much you pay.

There are seven investment axioms in *The Investor's Toolbox*, a copy of which you can obtain by logging in. Perhaps I should add an axiom number VIII - "Since human nature never changes, you can count on folks breaking rules I through VII." If you subscribed through Forbes, log in to Professional Timing Service at the Forbes Newsletters Web site (<http://www.newsletters.forbes.com>) and you will find the Toolbox as well as other studies in the file titled Special Reports. Those subscribing directly at Professional Timing Service can get the Toolbox by logging into Subscribers Services at our site (<http://www.protiming.com>) and looking in the Special Reports list there. Note that if you subscribe through Forbes, you have to access through their site. Direct subscribers must access through our Web site. Nevertheless, the first axiom is - "Be in the right asset class." This step alone will account for 85% of your investment success. The Dow/gold ratio will define the right asset class for you.

I am, as you know, technically oriented. Through some 40 plus years of experience in the markets, I have found that technical analysis will trump fundamentals every time. If a stock begins to act poorly from a technical perspective, the fundamental reason comes to light only *after* the stock gets hit. One has to be proactive to be successful, and the best way to be proactive is to follow the advice of technical models like the Dow/gold ratio and Palio.

I use Palio as a general guide regarding the direction and thus inherent dangers in the popular averages. This seems more important to me currently since the stock market has been in a counter-bear mode and has once again been probing the upper level of its bear market trading range. Consequently, there is significant downside risk at this point. Nevertheless, technicals are trump; and when Palio is on a buy, the skies are relatively safe. When sells come up, it is time to get defensive and cautious. If I am waiting to liquidate positions in non commodity-advantaged trading positions, a Palio sell signal tells me I have waited long enough.

The model can be traded by exchanging between Rydex funds and the Rydex money market. There are likely other trading vehicles one can use, but I like and have used the Rydex funds in the past and find them efficient. On buy signals, I would exchange 50% into the **Rydex OTC Fund (RYOCX)** and 50% into the **Rydex Nova Fund** which tracks the S&P 500 (RYNVX). The idea is to use vehicles that broadly represent the market averages.

Shown here is a Palio track record to this effect. The last couple of years have been decent considering the market's behavior, but this may have been an extraordinary time period with the stock market artificially influenced by exogenous forces like QE2, etc. The model does have a long side bias in that I have tried to keep the odds in favor of buy signals at the expense of bad sells. Consequently, going short on the sells is not necessarily a good strategy; but again, after a countertrend up move has extended basically uncorrected for over two years, sells have become more interesting.

Palio Track Record													
Buy Date	Nova	OTC	Sell Date	Nova	OTC	Nova Shares	OTC Shares	Nova Trade	OTC Trade		Trade %	Ann %	
										\$50,000.00			
2009													
12/16/2008	\$14.20	\$8.24	1/19/2009	\$13.34	\$8.06	1760.563	3033.981	\$23,485.92	\$24,453.88	\$47,939.80	-4.12%	-4.12%	
1/30/2009	\$12.12	\$7.80	2/2/2009	\$12.10	\$7.91	1977.714	3073.064	\$23,930.35	\$24,307.94	\$48,238.28	0.62%	-3.52%	
2/9/2009	\$13.11	\$8.48	2/11/2009	\$12.30	\$8.12	1839.751	2844.238	\$22,628.94	\$23,095.22	\$45,724.16	-5.21%	-8.55%	
4/3/2009	\$12.38	\$8.68	6/15/2009	\$14.23	\$9.60	1846.695	2633.880	\$26,278.46	\$25,285.25	\$51,563.71	12.77%	3.13%	
7/1/2009	\$14.21	\$9.75	7/2/2009	\$13.60	\$9.52	1814.346	2644.293	\$24,675.10	\$25,173.67	\$49,848.77	-3.33%	-0.30%	
										\$50,000.00			
2010													
7/16/2009	\$14.61	\$9.99	5/18/2010	\$19.01	\$12.36	1711.157	2502.503	\$32,529.09	\$30,930.93	\$63,460.02	26.92%	26.92%	
6/16/2010	\$18.84	\$12.48	6/24/2010	\$17.82	\$12.08	1684.183	2542.469	\$30,012.14	\$30,713.02	\$60,725.17	-4.31%	21.45%	
7/12/2010	\$17.94	\$11.91	8/23/2010	\$17.67	\$11.82	1692.452	2549.335	\$29,905.62	\$30,133.14	\$60,038.76	-1.13%	20.08%	
9/1/2010	\$18.01	\$11.90	11/24/2010	\$21.09	\$14.11	1666.817	2522.637	\$35,153.18	\$35,594.41	\$70,747.59	17.84%	41.50%	
										\$50,000.00			
2011													
12/3/2010	\$21.78	\$14.31	3/18/2011	\$23.32	\$14.47	1147.842	1747.030	\$26,767.68	\$25,279.52	\$52,047.20	4.09%	4.09%	
3/22/2011	\$23.70	\$14.71	5/31/2011	\$25.00	\$15.23	POSITION OPEN							

I hesitate to encourage readers to get overly involved in trading because I find that in general they lack the discipline and tenacity necessary for success as traders. After a bad trade or two or a couple of whipsaws, which are part and parcel of any shorter term trading approach, folks tend to second-guess the signals. Then they run into trouble. Trading is not easy. The signals have to be followed precisely. One cannot be sloppy and trade in and out late. Trading is definitely not for everyone.

Bottom line, for most folks, using Palio as a general guide is the best strategy. Personally, I am not trading Palio during this commodity bull market because it is better employed during stock market bull moves. I will, however, have a different short term outlook if the model is positive or if it is negative. For example, when Palio is positive as it is now, I am a little more patient with my sell orders.

Currently, the stock market is in a counter-bear market move, which is ancient as rallies go being over two years old now. From this point, there is little left to gain from the popular averages and a lot of potential for losses. I would not be surprised to see this play out with a peak in the averages soon and then a drawn out downward-trending roller coaster ride through the end of the year. I expect to see the popular averages close the year lower than the highs set in June and July - highs I do not expect to see a great deal higher than current prices. Choppy behavior in the averages during the last half of 2011 may produce some whipsaws and shorter term trades than we have seen from Palio over the last two years.

My work is pointing to 2012 as being the year when the stock market bear catches its second wind and heads toward the lower end of the bear market range - shown on the Rydex chart on Page 2. That should ultimately end up being somewhere near 6,000 or lower in the Dow Industrials. The best investment strategy is to look at the rise in the popular averages from their March 2009 post-crash lows as a gift following the 2007-08 crash. The Rydex chart shows that such rallies during secular bear trends are not unusual, but they are not bull markets either. They are opportunities to get back in line with the Dow/gold ratio and out of financial assets. You need to act accordingly.

Keep your focus on tangibles - specifically on precious metals and energy. If you have holdings that are not advantaged by higher commodity prices, get defensive. Protective stops are in order, especially when Palio turns negative.

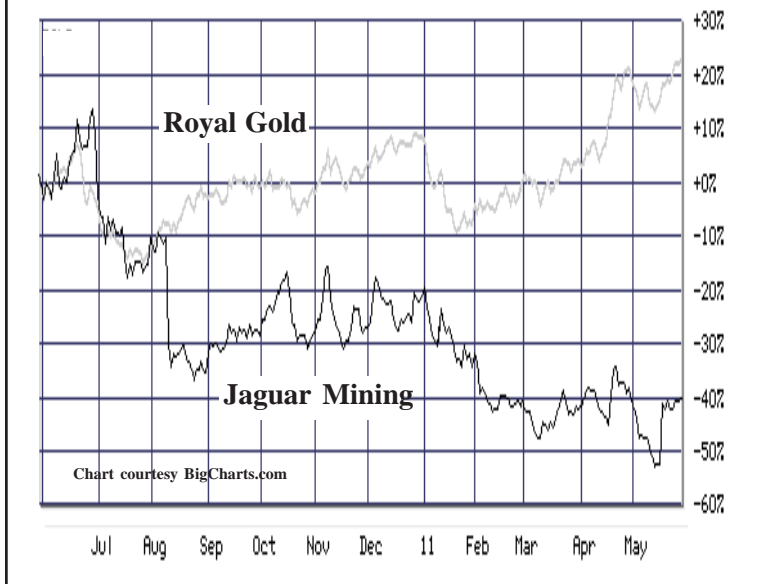
We were able to pick up some nice gold positions last month. Most of those on our list hit their respective downside buy prices. Hang on tight and don't discount the chance to make further additions this month. June is not typically a friendly month for gold and silver, so further consolidation is likely before the next sustained up leg begins. Gold still has very solid support at \$1,400. I would be surprised to see it fall back that far, even in a quick shock selloff. There are too many big buyers out there. There is a better likelihood of seeing the \$1,460 level.

It is significant that for the last three weeks, gold has traded inside the first week of May. Inside weeks are those where trading is confined inside the high and low of the previous "outside" week, and they tend to be followed by very strong moves with the trend once the consolidation is completed. This is bullish for gold and silver.

If you missed the chance to buy during weakness in May, keep your orders in. **Gabelli Gold and Natural Resources** (GGN-NYSE-\$18.45), while not a pure gold play, does have a nice yield at 9.14% which they produce by hedging their portfolio by selling options. The hedging activity holds back your capital gain potential, but the income is nice in a world of low yields. Do not pay over \$18.00; and if you would like a stink bid, you might try for some at \$17.05.

Central Gold Trust (GTU-NYSE-\$58.40) is performing well in line with the price of bullion, as it should. It dropped to its buy price last month. Going forward, I would raise the buy price just a bit to \$55.00. I think there is a good chance to pick up some there if gold moves back to the \$1,460 level.

Royal Gold / Jaguar Mining



Royal Gold (RGLD-OTC-\$62.02) has certainly caught fire of late. It languished below our \$50.00 buy price earlier this spring, but it is doing very well now, hitting all-time highs currently. It is not a good idea to chase strength, so I am going to suggest you simply hold this one until we can come up with a new buy price.

As an instructive aside, comparative strength is very strong with RGLD. Some time back, we sold Jaguar Mining (JAG), and here is an example of comparative strength and weakness. JAG has come back a little of late, but it is still too weak to consider. You are always better to go with the strongest stocks in the sector.

Goldcorp (GG-NYSE-\$50.07) is languishing a bit lately and feels a little like Royal Gold did to me last

February. Their earnings are great, reserves as well as production are growing, and you should continue to accumulate under \$50.00. A stink bid at \$48.00 looks doable.

Sprott Physical Gold Trust (PHYS-NYSE-\$13.37) is not as attractive to me as Central Gold Trust, but I am raising the buy price to \$12.50. A little of this will lend a bit of diversification to your portfolio.

Yamana (AUY-NYSE-\$12.85) is doing better technically, and I am raising the buy price to \$12.00 from \$11.50.

We sold **Silver Wheaton** (SLW-NYSE-\$36.75) on a sell stop announced in the last letter. Since then, the stock has recovered almost to the price where we sold it. I have had several e-mails from anxious readers who want to buy the stock back. You should never marry an investment position. When technical action begins to run up caution flags, it is good to be defensive. However, if the stock can be bought back at \$29.00 or better (as I discussed in the May 16 update), I think we can wring some of the technical risk out of holding Silver Wheaton.

Endeavor Silver (EXK-NYSE-\$10.29) in our list of juniors is looking very intriguing in this correction. It is time to take it off hold and put in a buy at \$9.00 or better.

Where is silver headed if gold hits \$1,800 or \$2,500? Trying to divine the potential in silver is all the rage these days, so here is my take on the gold/silver ratio angle.

In 1979 with gold at \$875 and silver at \$50, the ratio hit 17.5, which was a historically low number. The low reading was also exacerbated by the Hunt brothers driving silver to \$50 in an attempt to corner silver in that market. The highest ratio reading during the 1975 to 1987 era was 73.5 in 1986 when silver was inexpensive compared to gold. These two extremes average out at 45. The gold/silver ratio is about 42 today - not far from the average during the last bull market and the following decline into 1987 when gold retreated to the \$300 to \$400 range.

I can envision silver gaining on gold in the future and dropping the ratio to, say, 30. With gold at \$1,800 and the ratio at 30, silver equates to \$60. With gold at \$2,500, silver equates to \$83. We likely have not seen the high in silver yet.

My guess is that we will eventually see the ratio fall to 25, which is at the low end of a normal gold/silver ratio cycle. This would put silver at \$72 with \$1,800 gold and \$100 respective to \$2,500 gold. However, if the public were to get insanely involved in buying silver, they could cause an anomaly in the market much like the Hunt aberration. If the ratio returned to its 17.5 low, silver would end up at \$102 and \$142 respective to \$1,800 and \$2,500 gold. Of course, you can argue \$5,000 gold and the like, but it is best to simply be reasonable and measure the potential.

The ratio study only points out silver's potential, and \$100/ounce is not a stretch. Obviously, there is more percentage potential in silver than in gold here, and that is important. I recommend keeping gold at the core of your precious metals portfolio, but a few carefully purchased silver positions will add spice to the mix.

Incidentally, I see that gold is slowly trying to work its way back into the monetary system. Gold collateralization is being allowed in some transactions now, and gold has been approved as a medium of exchange in Utah. The next step is to make this more efficient by setting up a system where you can store your gold safely and use the deposit receipts as tender for transactions. Such a system is in development, but it remains to be seen how this will work out. It will take time as well as additional chaos and crisis, but we will some day be back to gold-backed money.

Where should we go for fixed income investments and yield? Fixed income investments are a problem, but I still think you have to stick with shorter term CDs - not more than two years. It is nice if you can buy flexible CDs, as some banks like Ally are offering. You should check out your local banks. I also like TIPs, but I encourage you to buy them through the U.S. Treasury using Treasury Direct, <https://www.treasurydirect.gov>. Do not buy the TIPs ETF. I don't like ETFs, and you can get more information in the booklet *Exchange Traded Funds Under the Scope* which you will find along with *The Investor's Toolbox*.

Bonds, remember, are financial/paper assets. They have to be viewed and traded as a separate market, however, because of the direct government and Federal Reserve influence they suffer from. The fundamental outlook is dismal for the bond market over the long term. Consequently, a technical approach is the only reasonable way to deal with bonds, especially while the Q-ratio and Dow/gold ratio are negative on paper assets. Blindly holding bonds or bond funds is going to get a lot of folks into deep trouble in the not too distant future.

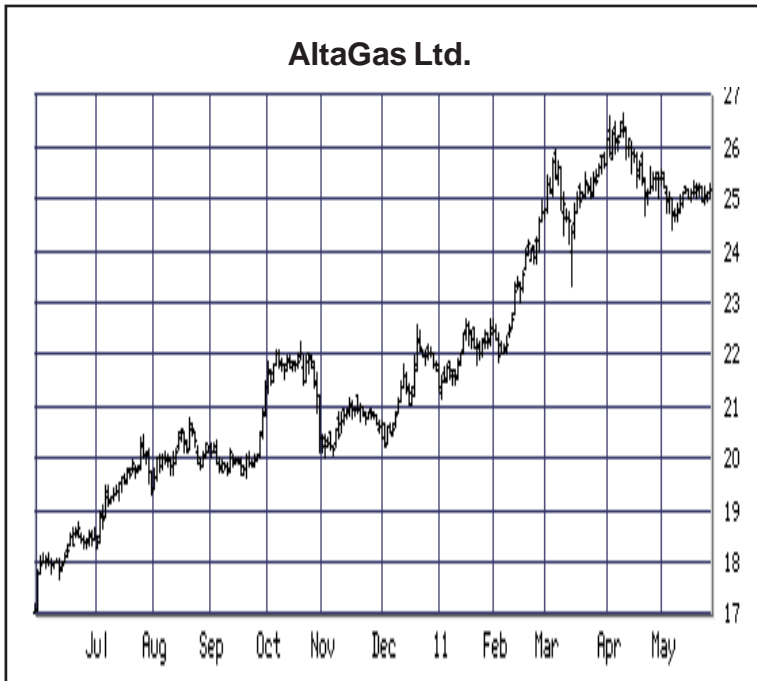
Trading is the only way you should consider being involved with long bonds, and our Rydex bond trading program (Page 2 online updates) has done a good job. I is now long the **Rydex Government Long Bond Advantage Fund** (RYGBX), and Treasuries are rising. This trade will reverse if the June bond contract (USM1) trades at 118-27/22.

Energy is where to find yield, and this is not a bad time to prey on the energy sector. Select energy investments can give you yields of 5% - 7% as well as superior growth potential. Energy is the absolute best sector for slam dunk income and capital gains.

Crude oil corrected back to the \$95.00 a barrel level, as we expected in the last letter. It is back to \$102.00, but I expect to see another shot at \$95.00 before the next serious rally gets underway. It is time to review our downside buy prices. **Enerplus** (ERF-NYSE-\$32.44) yielding 6.7% should be taken off its hold rating and accumulated at \$30.00 or better. **Blackrock Energy** (BGR-NYSE-\$30.44) yielding 5.3% should be purchased at \$28.00 or better.

Crescent Point Energy (CGP-TSX-C\$46.92) traded under our C\$43.00 buy price during early May and is still a buy if it comes back off to C\$43.00 or better. It yields about 5.9%.

Brookfield Renewable Power (BRCUN-TSX-C\$23.15) yields a decent 5.5%, and I am raising the buy price a little to C\$22.50. This is an excellent alternative energy investment as they operate wind and hydro facilities exclusively.



Linn Energy LLC (LINE-OTC-\$38.86) and **Legacy Reserves** (LGCY-OTC-\$31.88) are both excellent dividend payers with superior capital gains potential. Linn pays 6.7%, and Legacy pays about 6.6%. Our buy price for Legacy is just right at \$29.50, but Linn has to come off hold. You should buy at \$37.50 or better in further weakness.

My price was a little high for **Northern Oil and Gas** (NOG-NYSE-\$20.10), but this is an excellent speculation. I am leaving the buy price at \$22.00, but you have a very good opportunity here to buy this one at \$20.00 or better if you want to try a little deeper. Just don't pay over \$22.00 if it suddenly runs on the up side.

Our other new recommendation is **Advantage Oil and Gas** (AAV-NYSE-\$8.40). Like Northern, it has no yield, but it's a good speculation if you can pick it up at \$7.25 or better. So far, this one has not hit its buy price. Be patient.

Natural gas is coming alive and has moved up from its \$4.00 base to \$4.70 of late. There has been ample opportunity to accumulate **National Fuel Gas** (NFG-NYSE-\$72.04) and **National Gas Service Company** (NGS-NYSE-\$18.00) over the last couple of months. These are still buys as long as you do not pay over the recommended buy prices of \$70.00 and \$18.50, respectively.

I would like to recommend another natural gas related issue this month - **AltaGas Ltd.** (ALA-TSX-C\$25.00). They are a nuts and bolts infrastructure company. They basically process and deliver natural gas over their own pipelines to commercial end users. They also have green energy facilities utilizing hydroelectric and wind generation. More traditionally, they are involved with natural gas electrical power production. The indicated dividend is decent at 5.2%. They will benefit from higher natural gas prices, but the growth aspects of this one are not as great as in some of our other recommendations. Consequently, we need to buy Alta right. Put your open orders in at C\$23.50 or better.

I believe there will be a little more time in this energy consolidation, and crude should revisit the \$95.00 a barrel level again. It is not unusual for crude to take a breather during May and June, so I don't expect any excitement on the up side until July at the earliest. If you are invested, hold tight. If you are not, use weakness to accumulate.

The dollar deserves some mention as it weighs heavily on the prospect for all commodity prices. Currently, our Rydex dollar trading model as reported in the online updates is long with a sell reversal if the June U.S. Dollar Index (DXM1) falls to 72.85. It is trading at 74.65, which is down from a recent high at 76.50. Until we get a sell, I have to go with calling for at least a test of that high. This will tend to cool the prices of gold, silver, and crude oil in the meantime.

Longer term, of course, the dollar will buy less and less as you go about doing your shopping and paying your medical bills, taxes, insurance, and college tuition, etc. You may find some bargains if you want to buy "stuff" you already have enough of and don't want anyway. Stuff may well get cheaper, but necessities will become more dear in U.S. dollar terms.

If the euro caves in -which is not out of the question after watching the progress of the Greek debt fiasco - the U.S. dollar will appear to benefit when the U.S. Dollar Index rises as a consequence. However, a gallon of gas will still cost you \$4.00, and a barrel of crude will still cost \$100.00. That is because 54% of the U.S. Dollar Index is represented by the euro, yet your life goes on in dollars versus those things you buy rather than euros. It is all smoke and mirrors. If a crash in the euro comes, euro holders will dump their currency in favor of gold, and gold will rise regardless of the apparent “strength” a euro crash reflects in the U.S. Dollar Index.

With a 54% representation in the U.S. Dollar Index, the euro alone causes the index to move up and down. If the euro gets hit, the Dollar Index rises, and vice versa. However, the end result of this wiggly game is that both currencies will lose purchasing power in the meantime. All the while, they will both buy fewer necessities over time, regardless of their day-to-day relationship to one another. The truth can be seen in the price of gold. If gold moves from \$250 to \$1,500, as it has over the last 11 years, you can bet the purchasing power of your dollars is not increasing even if the euro falls. This process is not over yet, and a “strong dollar” is not a matter of how many euros you can buy, but how much food you can put on your table and how far you can afford to drive your car.

I came across an interesting aspect to the skewed inflation numbers the government is publishing. We are all aware that the official CPI numbers are managed in order to make inflation look tame, to reduce the impact of COLA allowances, and to convince the public that getting virtually zero return on their money from bank CDs is a good thing. Actually, you are getting a negative real return, which is essentially a hidden government tax on savers in exchange for the banking system keeping your money “safe.”

At any rate, the interesting angle here is that these understated measures of inflation are used as a “deflator” in calculating real GDP - GDP after inflation. Obviously, the lower the deflator number is, the larger the real GDP figure is. The Bureau of Economic Analysis (BEA) uses a number that is lower even than those published by sister agencies like the Bureau of Labor Statistics. For example, the BLS puts April’s inflation rate at 3.2% year-over-year rather than the 1.9% used by the BEA. The difference is that if one used the BLS figure of 3.2% in calculating GDP, you would get a real growth of only 0.56% annualized rather than the “official” rate of 1.84%. If the true inflation rate were used, or even if the BLS figure for the first quarter of 5.7% were used, real GDP growth would be negative ... but we couldn’t have that, now could we!

If you are interested in digging into this deeper, check out <http://www.consumerindexes.com>. It is an interesting site.

June Focus Buys - It may be helpful to consolidate our recommendations a little each month by pointing out which issues on our list appeal to me most. My focus buys for the month of June are: **Goldcorp** (GG) at \$50.00, **Central Gold Trust** (GTU) at \$55.00, **Silver Wheaton** (SLW) at \$29.00, **Endeavor Silver** (EXK) at \$9.00, **Brookfield Renewable Power** (BRCUN) at C\$22.50, and a new addition - **AltaGas** (ALA) at C\$23.50.

The stock market has been rallying from lows set in March 2009, but the averages are near their pre-crash highs. This has the earmark of a giant double top. Technically, that is not good. We are sitting in a pre-crisis world. All is well and has been, but the butcher is coming and we turkeys should remain alert to that fact. If you have investments not advantaged by higher commodity prices, be diligent. The best strategy is still to remain focused on precious metals and energy until the Dow/gold ratio tells us otherwise.

Recommended Stocks For Buy And Hold

Note: You can get quotes on Canadian stocks in Canadian dollars by using the symbols we have listed at www.bigcharts.com. Thus, if you want a quote for Peyto Energy, go to www.bigcharts.com and type in CA:PEY. You can approximate the price in U.S. dollars by multiplying the Canadian dollar quote by 1.02. You should buy at or below the posted downside buy price. The downside buy price does not imply that this level will necessarily be reached, but that this is the maximum price we recommend that you pay for the issue. **Changes since our last letter are in bold letters.**

Company	Symbol	Exchange	Initial Recom. Date and	Price	Price 05/31/11	Downside Buy Price	Div 05/31/11	Target-T Stop-S	Web Site
U.S. \$									
Apache Corp	APA	NYSE	3/5/2007	68.00	124.60	110.00	0.48%		apachecorp.com
Baytex Energy	BTE	NYSE	5/18/2004	9.00	57.72	HOLD	4.40%		www.baytex.ab.ca
Blackrock	BGR	NYSE	8/3/2005	25.99	30.44	28.00	5.33%		blackrock.com
Enerplus Res.	ERF	NYSE	11/20/2008	19.00	32.44	30.00	6.70%		enerplus.com
Gabelli Glb. Gld.*	GGN	NYSE	1/3/2006	22.10	18.45	18.00	9.14%		gabelli.com
Central Gold Trust	GTU	NYSE	7/27/2010	45.50	58.40	55.00	n/a		gold-trust.com
Goldcorp	GG	NYSE	7/24/2008	40.00	50.07	50.00	0.81%		goldcorp.com
Legacy Reserves LP	LGCY	OTC	8/6/2010	24.00	31.88	29.50	6.64%		legacyp.com
Linn Energy LLC	LINE	OTC	11/18/2009	24.72	38.86	37.50	6.77%		linnenergy.com
Natl. Fuel Gas Co.	NFG	NYSE	3/10/2011	70.00	72.04	70.00	1.93%		natfuel.com
NG Service Grp.	NGS	NYSE	1/6/2011	17.50	18.00	18.50	n/a		ngsg.com
Pimco Com. Fund	PCRAX		3/2/2005	11.89	9.48	8.50	8.48%		pimcofunds.com
Prospect Capital	PSEC	OTC	1/5/2009	12.00	11.71	HOLD	10.52%	T=13.00	prospectstreet.com
Prospect Capital	PSEC	OTC	2/1/2010	11.00	11.71	HOLD	10.52%	T=13.00	prospectstreet.com
Royal Gold	RGLD	OTC	7/8/2009	38.00	62.02	HOLD	0.72%		royalgold.com
Schlumberger	SLB	NYSE	1/18/2008	75.00	85.72	5/2/11 sold @ 90.00			slb.com
Silver Standard	SSRI	OTC	1/4/2007	30.00	29.47	HOLD	n/a		silverstandard.com
Silver Wheaton	SLW	NYSE	Buy @ \$29.00		36.75	29.00	n/a		silverwheaton.com
Sprott Phys Gld Tr.	PHYS	NYSE	1/21/2011	11.50	13.37	12.50	n/a		sprottphysicalgoldtrust.com
Silver Wheaton	SLW	NYSE	3/10/2006	8.40	36.75	5/3/11 sold @ 37.25 on open			silverwheaton.com
Yamana	AUY	NYSE	4/14/2005	2.90	12.85	12.00	0.93%		yamana.com
Canadian Dollars									
AltaGas	CA:ALA	TSX	Buy @ \$23.50		25.00	23.50	5.28%		altagas.ca
Altius Minerals	CA:ALS	TSX	8/9/2007	17.88	11.50	HOLD	n/a		altiusminerals.com
ARC Resources	CA:ARX	TSX	9/8/2008	25.85	26.79	HOLD	4.58%		arcresources.com
Crescent Point En.	CA:CPG	TSX	9/16/2008	30.20	46.92	43.00	5.93%		crescentpointenergy.com
Brookfield Ren Pw	CA:BRC.UN	TSX	12/17/2008	15.99	23.15	22.50	5.55%		brookfieldpower.com
Peyto Exp & Dev	CA:PEY	TSX	7/18/2003	8.75	21.06	HOLD	3.43%		peyto.com
Silvercorp Metals	CA:SVM	TSX	1/21/2008	8.00	10.82	5/3/11 sold @ 11.50			silvercorp.ca

* GGN was bought at \$17.75 on March 15, 2011 to average down original position.

Buy And Hold Junior Oil, Gas, Gold, & Silver Stocks - The Option Alternative

Company	Symbol	Exchange	Initial Recom. Date and	Price	Price 05/31/11	Downside Buy Price	Div	Target-T/ Stop-S	Web Site
U.S. \$									
Advantage Oil & Gas	AAV	NYSE	Buy @ \$7.25		8.40	7.25	n/a		advantageog.com
Coeur d'Alene	CDE	NYSE	9/2/2003	31.90	27.57	30.00	n/a		coeur.com
Endeavor Silver	EXK	NYSE	7/26/2007	4.60	10.29	9.00	n/a		edrsilver.com
Great Basin Gold	GBG	NYSE	12/21/2007	2.45	2.06	2.40	n/a		greatbasingold.com
Northern oil & Gas	NOG	NYSE	5/3/2011	22.00	20.10	22.00	n/a		northernoil.com
Nova Gold	NG	NYSE	2/29/2008	11.50	11.46	10.00	n/a		novagold.com
Rubicon Min.	RBY	AMEX	2/1/2010	4.00	4.83	HOLD	n/a		rubiconminerals.com
US Gold Corp	UXG	NYSE	9/9/2005	1.70	7.07	HOLD	n/a		usgold.com
Canadian Dollars									
Golden Valley	CA:GZZ	TSX	2/20/2007	0.50	0.44	HOLD	n/a		goldenvalleymines.com
Minera Andes	CA:MAI	TSX	9/11/2006	1.20	2.54	2.50	n/a		minandes.com

C\$ Denotes Canadian dollar. Quotes for Canadian stocks can be obtained on the U.S. OTC Bulletin Board (pink sheets) with the following symbols. I want to caution you, however, that OTCBB quotes are not always current. They can be a day or more old at times. You should take the quote in Canadian dollars (as described above) times .102 to see if the OTC quote looks correct. You can access these OTCBB quotes by using www.barchart.com.
Peyto Energy-PEYUF Minera Andes - MNEAF Golden Valley - GLVMF Brokfield - BRPFF

Target-T A price in this column preceded by "T" represents the price at which you should liquidate the position and take profits. **Stop-S** A price in this column preceded by "S" represents the price at which you should place a sell/stop. Do not short on the target price or the stop price. There will not always be a target or stop price listed. For a further definition of a sell/stop, see the Welcome Letter.