



SILVER UNLEASHED

STRONG DEMAND FOR SILVER COULD MEAN A PRICE EXPLOSION AHEAD

Truly outstanding profit opportunities occur only rarely. They generally come about when two or more bullish factors converge. The better they are, the more infrequent they are. The highest potential for profit exists when a number of primary causes come together as is the case with silver today. At least eight major bullish factors have converged to set the stage for a possible percentage gain of extraordinary magnitude. There has never been anything like it with any other commodity or asset in history.

The silver story has yet to come to the attention of the public. Most Americans don't realize how truly important silver is to industry and how strong the demand is. Nor do they know that the U.S. government, which had over 3 billion ounces of silver in 1942, ran out of silver several years ago. Even the national defense stockpile is gone. It's quite possible that there is not going to be enough silver to go around.

ADVICE FROM THE WORLDS FOREMOST SILVER EXPERT

We doubt that anyone in the world knows more about silver than silver analyst, Theodore Butler. Our company pays Mr. Butler a large fee to write monthly reports about silver. Mr. Butler is a former commodities broker for a major New York firm. He was the first analyst to sharply criticize silver and gold leasing. He makes a powerful bullish case for silver. He claims there will never be a better profit opportunity with so little risk than there is with silver today. His books and reports are full of amazing facts and details. This special report covers some of Mr. Butler's current thinking.

SENSATIONAL SILVER

The first thing to understand about silver is that over 90% of all the silver that's been mined in the past 5,000 years has been used up by industry and is gone forever. The amount of silver being used up is phenomenal. Today world silver inventories are at the lowest point in 200 years. At the same time demand for silver is greater than ever. Most of the gold ever mined is still with us, but the silver is gone. Actually we are to the point where silver may be scarcer than gold. That's right! There's five times more gold in the known world supply than silver. That's because silver is consumed so heavily by industry.

Consider these powerful facts. Each and every year for several decades the silver supply has fallen 50 to 150 million ounces short. That's why so much of the world's above ground supply is used up and gone. Shockingly enough, all the known and recorded silver in commodity warehouses and elsewhere only comes to 150 million

ounces. Industry requires over 900 million ounces each year. Mining and recycling falls significantly short of providing the necessary silver.

New uses for silver keep expanding. Silver is the best conductor of electricity. It's an absolute necessity in high tech. Every computer, server, monitor, cell phone and switch must have silver. Lasers, satellites, high-tech weaponry and robotics, all require silver. Digital technology and telecommunications absolutely need silver. Around the house there's silver in every TV, washing machine, wall switch and refrigerator. Silver is the best reflector of light and the photographic demand for silver grows each year despite digital imaging. New and exotic uses for silver

SILVER IS SPECIAL

Silver has properties that make it unique and irreplaceable for industry. Nothing else combines strength with a softness that allows it to be formed and stretched. Nothing conducts electricity as well or is malleable, fatigue resistant, wettable and corrosion resistant. Nothing else has such high tensile strength, is wear resistant, has such a long functional life or is as light sensitive. It endures temperature extremes, conducts heat, reflects light, provides catalytic action, is bactericidal and reduces friction. It alloys and has chemical stability. From this you can see that silver can't be substituted. It has too many unique properties.

are expanding steadily. When you own silver you participate in the high-tech boom by owning the precious metal that technology companies must have.

SPECTACULAR SILVER

By Theodore Butler

Silver is a material known, mined, used, and valued since the dawn of civilization. It will be used and valued until civilization ends. For the past 150 years or so, tremendously varied and new uses were discovered for this age-old material, which contributed to the progress and modernization of our society.

This came about because silver is

the best conductor of electricity and heat, the best reflector of light, is integral in the photographic process and has important health benefits. Because of all these new, growing and unanticipated uses of this material, demand has greatly exceeded production for more than 60 years. This has necessitated the draw down and consumption of almost all the silver that was mined and accumulated for 5000 years. Every measure of total known world inventories in the past half-century show declines of greater than 95%. The facts clearly indicate that silver has been in a structural deficit for 60 years. No commodity has a similar profile.

Added to this known elimination of almost all above ground inventories, we are given credible evidence that we may be exhausting underground inventories as well.

I went to the mineral surveys of the United States Geological Survey (USGS) and reviewed their latest studies on the major metals for 2004. On an absolute and relative basis, there is less silver remaining underground than any other metal. In other words, at current production rates, we will run out of silver before we run out of any other metal.

“Frankly, I can't see anything that can prevent a price explosion. This market is structured to explode. The precipitating event is unimportant. I could probably list 20 possibilities, but it doesn't matter what the event is. What matters is that the market has to explode, because that's the way it is currently configured. We have a verified long-term physical deficit. We have the largest short position ever seen in history. We have supply, at the margin, coming from an unsustainable source – silver leasing. We have the lowest prices in history. We have more people, money and credit in the world than ever before. We have the lowest world inventory in hundreds of years.”

– Theodore Butler



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SILVER RUMORS

“There have been several so-called silver experts who have stated that silver exists to the tune of hundreds of millions of ounces in European dealer inventories or in distant foreign lands. Since they are the ones who are making these assertions of a large silver inventory, I think it only fair that they substantiate their assertions. I don’t think they can. Anecdotal evidence and logic suggest to me that a concentrated inventory of silver in quantities in the hundreds of millions of ounces are merely the figment of someone’s imagination.”

“There exists a wonderful opportunity for those who claim such silver exists to publicly prove their case. I am only asking them to back-up what they are claiming, just like I back-up what I claim. In fact, it’s kind of funny. The verified inventory has been melting like ice in the summer sun to low levels never imagined, but the non-verified and invisible inventory remains large and intact. The silver inventory we can see is disappearing, but the inventory we can’t see isn’t disappearing. How convenient.”

Not only is total U.S. production down some 30% over the past few years, but what was formerly the largest silver producing state, Nevada, has seen its silver production decline by more than 50% over the past five years, due to ore bodies being played out.

Also in silver we have a unique geological circumstance, known as “epithermal deposition”, which holds that most of the silver in the earth's crust was deposited near the surface. Consequently, there is less silver available the deeper you go. If you are letting your imagination work freely, you should be starting to ask yourself - what kind of price should be assigned to a vital commodity that faces both above and below ground depletion?

In the past 25 years the world has removed 12 billion ounces from the earth (using an average world production of 480 million ounces a year.) At the current world-mining rate (600 million ounces), we will extract another 15 billion ounces over the next 25 years. The U.S. Geological Survey, chief geological statistician for the U.S. Government, projects the earth may contain only 8.5 to 18 billion ounces.

Current world silver demand runs 900 million ounces a year. Assuming no growth in demand (in other words, forget that China and India exist), in 25 years that comes to 22.5 billion ounces. Even allowing for a scrap recovery compo-

nent of 5 billion ounces over the next 25 years, here is what we face - the exhaustion of all possible silver everywhere. What is your imagination telling at you about the future price?

On top of everything else, silver has the largest short position ever seen in any item. From COMEX, to leasing, to banks and brokers selling unbacked silver certificates, there are billions of ounces sold on paper that don't even exist. Billions of these ounces must be bought back by the sellers, lest they get consumed in a significant price rally. The fact is this giant combined silver short position exists and it dwarfs the verifiable silver currently above ground. Someday there will be a scramble for silver that will be talked about for centuries.

When the silver shortage hits, the silver users will panic. They will do anything to keep their production lines rolling. Only when the shortage scares them will they attempt to build silver inventories. The users drove palladium, at its peak, up to \$1100/oz. from \$60 ten years earlier, or almost 20 times, to keep those production lines running. When big users can't buy real silver in size, they are sure to panic, because they collectively hold maybe a week's worth of silver inventory. Buy real silver, put it away and forget about it until they won't stop talking about it on the evening news. This coming silver event has

“It is not possible to have a long-term current production-consumption deficit that doesn’t end in rationing. That’s basic economics. The only question is whether we do it by price, as it should be in a free market, or some government rationing scheme.”

– Theodore Butler

No one can safely predict the future and it’s possible that Theodore Butler’s analysis will prove incorrect. Silver can go up, but silver can go down. It is up to you to read, analyze, and arrive at your own conclusions. Prudence requires we emphasize that precious metals may or may not prove to be suitable for your consideration.

“Silver can’t be held down much longer and when the true market exerts itself it will snap back like a coiled spring. Attempts to control prices always backfire and all the pent up fury of a market artificially depressed ultimately explodes to restore the rightful price and then some. The only conclusion, buy real silver right now.”

– Theodore Butler

been 60 years in the making. It's going to be big news. Put silver to work for you and don't miss out.

SILVER IS INDISPENSABLE (Condensed from The Silver Institute)

We want you to own silver, the miraculous metal. If you read carefully about the thousands of uses for this indispensable metal, perhaps you will see the wisdom in buying it. Look at the seemingly infinite uses of this strategic metal. Both rechargeable and disposable batteries are manufactured with silver alloys. Billions of silver oxide-zinc batteries are supplied to world markets yearly, including miniature sized batteries for watches, cameras, and small electronic devices and larger batteries for tools and TV cameras.

Steel bearings electroplated with high purity silver have great fatigue strength and load carrying capacity for use in hi-tech and heavy-duty applications. Silver coated bearings provide superior performance and safety for jet engines.



CAPITAL PRESERVATION

Gold and silver play identical roles when conventional investments go sour. They act as a storehouse of value. Whenever currencies fail and economies contract, people turn to gold and silver. Whenever bankruptcies and defaults sweep through a nation or a credit collapse shakes the financial foundations, people rush into precious metals. Gold and silver protect against loose money and credit. Silver acted as a perfect hedge against the inflation of the 1970's.

Silver promises to act as a bulwark against inflation, a falling dollar and depression. That's a primary reason to buy silver. It's one of the best means of preserving capital. Any pending price rise because of short supply and industrial demand is a bonus. Silver will let you keep what you have in the face of today's unfolding economic problems. Ten to twenty percent of your net worth in silver will keep you hedged, keep the rest of your wealth insured and keep you partially outside the paper and credit woes of a highly leveraged financial system.

Silver solder facilitates the joining of materials and produces smooth, leak-tight and corrosion-resistant joints. Silver brazing alloys are used in air-conditioning, refrigeration, power distribution, automobiles and aerospace. Silver's unique combination of properties are of the first importance for plumbers, appliance manufacturers, electronics and a host of manufacturing industries.

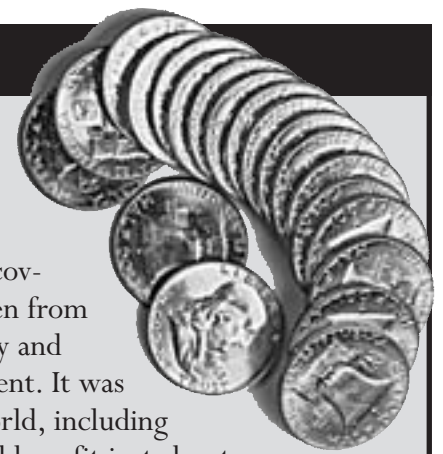
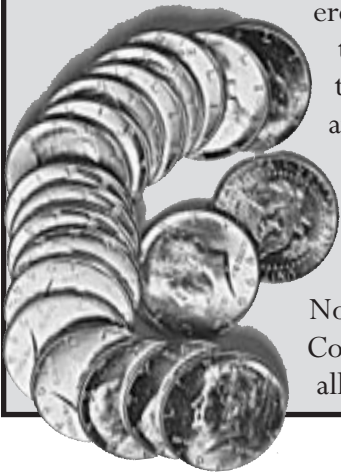
Chemical reactions can be significantly increased by adding elements that do not enter into the reaction, and silver is one of those elements. Approximately 700 tons of silver are in continuous use in the world's chemical industry for the production of plastics. Silver is essential for producing a class of plastics which includes adhesives, laminating resins for construction, plywood, particle board, finishes for paper and electronic equipment, textiles, surface coatings that resist heat and scratches, dinnerware, buttons, casings for appliances, handles and knobs, packaging materials, automotive parts, thermal and electrical insulating materials, toys, and the list goes on.

Silver, the miracle metal, is necessary for producing soft plastics used in polyester textiles for all types of clothing and specialty fabrics. It's used for molded items such as insulating handles for stoves, key tops for computers,

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SILVER HISTORY

Silver is a commodity that has been known and used since the dawn of civilization like gold, copper, grain, and fibers. For thousands of years silver was produced and utilized by man, mostly in coinage, jewelry and utensils. It was coveted by the ancient Egyptians. It was in the Old Testament. Jesus Christ was betrayed for 30 pieces of it. To some extent, the Western Hemisphere was discovered, plundered and developed because of it. Silver was taken from the earth's crust and accumulated. It clearly altered history and trading patterns throughout Asia and the Indian Subcontinent. It was at the heart of monetary systems of most nations in the world, including the United States. Then came two discoveries that would benefit just about every inhabitant of the world. Silver as the best conductor of electricity, and the key critical material in photography, went from being desired and coveted through the ages to something much more. It went from an object of desire to an object of necessity. Now all the silver from the time of the Pharaohs, the Romans, Marco Polo, and the Conquistadors is gone. We mined billions of ounces of silver throughout history. Where did all the silver go? Industrial consumption.



“There will never be a faster or more certain opportunity to make 10 to 20 times your money than with silver today.”

Silver Analyst, Theodore Butler

electrical control knobs, appliance components, and Mylar tape which make up 100% of all audio, VCR, and other types of recording tapes. It's also used to produce antifreeze coolant for automobiles and cleaning solvents.

Silver is a recognized powerful oxidizer. Metallurgists have long known the unique affinity of silver with oxygen. Molten silver will hold ten times its volume in oxygen. The oxidizing power of silver has worldwide application in numerous industries.

Silver is used in bullion, commemorative and proof coins around the world. It has wide usage in silverware, jewelry and the decorative arts.

Silver is the best electrical conductor of all metals and is used in conductors, switches, contacts and fuses. Ordinary household wall switches, and virtually all switch contacts, use silver because it does not corrode, or cause overheating and fires. The use of silver for motor control switches is universal.

In the home, all electrical appliances, timers, thermostats and sump pumps use silver contacts. A typical washing machine requires 16 silver contacts to control its electric

motor, pump, and gear clutch. A fully-equipped automobile may have over 40 silver-tipped switches to start the engine, activate power steering, brakes, windows, mirrors, locks, and other electrical accessories.

Silver relays are used in washing machines, dryers, automobile accessories, vacuum cleaners, electric drills, elevators, escalators, machine tools, and so on up to railway locomotives, marine diesel engines and oil-well drilling motors whose performance is required to be flawless. For circuit breakers, silver combines the highest heat conductivity and the highest electrical conductivity of all metals, with almost unlimited performance.

Silver is also widely used in electronics, including silk-screened circuit paths, membrane switches, electrically heated automobile windows, and conductive adhesives. Every time a home owner turns on a microwave oven, dishwasher, clothes washer, or television set, the action activates a switch with silver contacts that completes the required electrical circuit. The majority of the key-boards of desk-top and lap-top computers use silver membrane switches. These are found behind the buttons of control panels for cable television, telephones,

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“In my opinion, there will never be a more bullish coming together of factors for any asset than there is for silver today. It is quite literally bullish beyond our ability to fully comprehend. Nothing this good will ever stare you in the face again. Look at the facts. If you understand fully what I am saying about silver, you are going to own it.”

Theodore Butler

GOING, GOING, GONE!

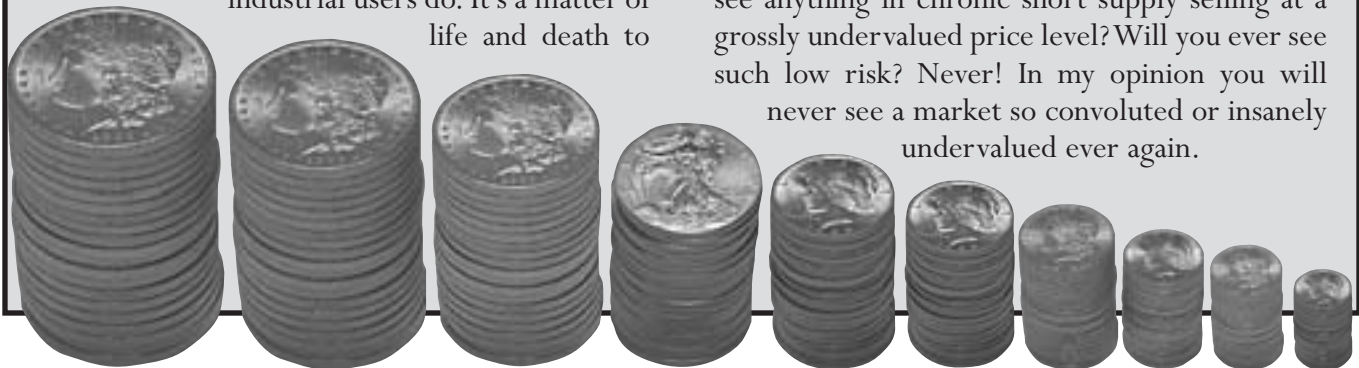
By Theodore Butler

Please understand and envision that 50 centuries' worth of accumulated silver production is gone forever. This is the most bullish factor that any world commodity ever experienced. The fact that such big hoards of silver have disappeared means we are fast approaching a time when no more silver is available to industry at today's low prices. There won't be enough supply to go around. We will have to ration what supply there is.

There will be great pressure by the silver industrial consumers to get silver at any cost. Individuals may not need silver to survive, but industrial users do. It's a matter of life and death to

them. When the assembly lines are threatened with shut down due to lack of material, do not expect the silver consumers to sit idly by and watch their companies die. They will do all in their power to assure a steady supply of silver.

How many times do you think opportunities like this, for the average guy, have occurred throughout history? I don't think ever. Nor do I ever think there will be such an opportunity in my lifetime again. Will you ever see the cheapest historical price for a commodity at the time of its greatest historical demand? Will you ever again see anything in chronic short supply selling at a grossly undervalued price level? Will you ever see such low risk? Never! In my opinion you will never see a market so convoluted or insanely undervalued ever again.



“To me, the rigging of the silver market for the past 50 years (particularly the past 15 years) is both bad news and good news. The good news is that such an epic distortion of the basic supply and demand of a major world commodity has created the opportunity of a lifetime. As you are aware, I've gone on record as predicting silver could hit \$50 or \$100 per ounce over the medium term. But I've done that only because an analyst is expected to spit out a number to summarize his research. In reality, on a long-term basis, those price projections do not reflect just how bullish I am.”

– Theodore Butler

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microwave ovens, learning toys and the keyboards of typewriters and computers. Due to their reliability and wide use, the silver-contact membrane switch market in the U.S. is a multi-billion dollar industry.

The silver we urge you to own is truly indispensable to a modern society. A new electronic application for "smart tags" promises to use significant quantities of silver. From grocery items to pre-paid toll gizmos, Radio Frequency Identification or RFID devices are coming on in a big way. Not only are these tiny 'smart tags' fast replacing bar codes at the checkout counter, but they're being used to prevent shoplifting, trigger warehouse inventory counts and will soon make an appearance imbedded in credit cards and passports. Although the amount of silver used in each smart tag is miniscule, tens of millions of throwaway tags are expected to be produced in coming years and the applications appear virtually endless. Silver makes a perfect antenna because it is highly conductive and malleable.

Another important use of silver is for printed circuit boards (PCBs) that use silver for connecting paths of electronic circuitry and are essential to the electronics that control the operation of aircraft, automobile engines, electrical appliances, security systems, telecommunication networks, mobile telephones and television receivers.

The use of silvered windshields in General Motor's all purpose vehicles reflects away some 70% of the solar energy that would otherwise enter the car, reducing the load on air conditioners in summer. Every automobile produced in America has a silver-ceramic line fired into the rear window. The heat generated by these conductive paths clears the rear window of frost and ice.

The ease of electroplating silver accounts for its widespread use in coating. Silver plating is used in a wide variety of applications from Christmas tree ornaments to cutlery and hollowware. Silver possesses working qualities similar to gold but enjoys greater reflectivity and can achieve the most brilliant polish of any metal.

This unique optical reflectivity, and its property of being virtually 100% reflective after polishing, allows it to be used in mirrors and in coatings for glass, cellophane or metals. Everyone is accustomed to silvered mirrors.

What is new is invisible silver, a transparent coating of silver on double pane thermal windows. This coating not only rejects the hot summer sun, but also reflects inward internal house heat. A new double layer of silver on glass is sweeping the window market, as it reflects away

almost 95% of the hot rays of the sun, creating a new level of household energy savings. Over 250 million square feet of silver-coated glass is used for domestic windows in the U.S. yearly, and much more for silver coated polyester sheet for retrofitting windows.

Silver has a variety of uses in pharmaceuticals. In fact, silver sulfadiazine is the most powerful compound for burn treatment. It is used world-wide. In another application catheters impregnated with silver sulfadiazine eliminate bacteria. In a world concerned with the spreading of virus and disease, silver is increasingly being tapped for its bactericidal properties and used in treatments for conditions ranging from severe burns to Legionnaires Disease.

One out of every seven pairs of prescription eyeglasses sold in the U.S. incorporates silver. Silver halide crystals, melted into glass can change the light transmission from 96% to 22% in less than 60 seconds and block at least 97% of the sun's ultraviolet rays.

The photographic process is based on the presence of silver halide crystals suspended on an unexposed film. Silver-based photography has superior definition and low cost. It's the biggest user of silver. The use of silver worldwide in X-rays consumes millions of ounces more.

Silver paste is used in 90% of all solar cells. Sunlight striking silicon cells generates electrons, which the silver conductors collect to become a useful electric current. In the collection of solar energy, silver is the best reflector of thermal energy (after gold).

Silver is employed as a bactericide and algicide in an ever increasing number of water purification systems. Silver ions have been used to purify drinking water and swimming pool water for generations. New research into silver compounds is providing physicians with powerful, clinically effective treatments against which bacteria cannot develop resistance. Silver ions in house frames help resist mold and mildew, something that has plagued the building industry for decades.

Every year brings new, widespread applications for silver. Meanwhile, there is less and less silver.

"You're going to see silver selling at \$50 to \$100 an ounce. It's inevitable.

Silver Expert – Theodore Butler

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NEW TECHNOLOGY

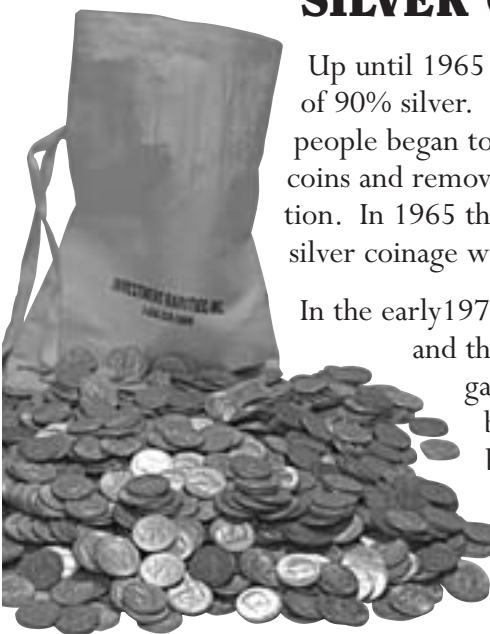
“When electricity is generated, not all the power reaches the end user. A large percentage of it is simply eroded away by the resistance it encounters in the lines through which it is transmitted. In fact, this ‘line loss’ sometimes runs in excess of 30 percent. However, there is a method that, for practical purposes, can reduce the line loss to almost nothing. It involves a technology called superconductivity.” One of the companies developing this technology is American Superconductor Corporation, who claims to be “a world leader in developing and manufacturing products utilizing superconducting materials and power electronic devices for electric power applications.”

“According to the Silver Institute backgrounder, the superconductivity technology requires one ton of silver per mile of superconducting transmission line. A ton per mile! Now that’s a lot of silver – a reality you have to admit even if you’re bearish on silver. To illustrate, let’s hypothesize a transmission line from New York to San Francisco – a line that would require about 3,000 miles of superconducting wire. That would be 3,000 tons of silver. Stated in more familiar terms, that’s approximately 96 million ounces of silver. Ninety-six million! That’s roughly one-quarter of last year’s total industrial consumption of silver – for just one transmission line.

“There’s absolutely no evidence of an impending drop in industrial demand for silver. Although you certainly don’t read about most of them in the popular press, more and more applications are developed for silver every year – especially in the high-technology sector. In fact, there are so many new uses that silver might possibly be viewed as the ultimate ‘technology stock.’”

David Morgan

SILVER COINS




Up until 1965 US coins were made of 90% silver. In the early 1960’s people began to hoard these silver coins and remove them from circulation. In 1965 the government replaced silver coinage with clad coins.

In the early 1970’s the silver price rose and the silver coins were gathered together and began to trade in coin bags of \$1,000 face value. They still trade today.

These coin bags contain 2,000 silver halves, 4,000 silver quarters or 10,000 silver dimes. The coins are Roosevelt dimes, Washington quarters or Kennedy and Franklin half dollars. There are 715 ounces of silver in each coin bag. A bag weighs 56 pounds and is in the shape of a bowling ball. We ship them in half bags, registered and insured through the mail in plastic pails. The weight is 28 pounds.

All coins are dated prior to 1965. We think one of the best available silver items today are these 90% silver coin bags. Their supply could eventually dry up. If and when the silver price goes up, these coin bags will lead the way. These bags are hard to beat for profit potential and preservation of capital. You can sell them back to us at any time.

SILVER BARS



Quite popular are the large 100 ounce bars struck or poured by various refineries over the past twenty years.

Included are Johnson-Matthey, Engelhard, Handy & Harman, Sheffield and various other bars from private mints. All bars are authentic .999 pure silver. Many of these bars were minted years ago and have become increasingly difficult to get. There are also smaller bars available such as five ounce and ten ounce which are sold in 100 ounce lots.

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U.S. SILVER EAGLES

These one-ounce silver coins are newly struck by the U.S. mint. They have a face value of one dollar. They have a Walking Liberty on their shimmering surface and are large beautiful coins.



CIRCULATED PEACE DOLLARS

These coins were struck from 1921 to 1935. Most are still bright and shiny. Dates are primarily in the 1920's. Any significant demand and the supply will dry up. A bag contains about 770 ounces of silver. These are beautiful coins and still reasonably priced.



“My attraction for silver, at this time, revolves around price. The current price does not reflect the current scarcity of real silver.”

– Theodore Butler

BRILLIANT KENNEDY HALF DOLLAR BAGS

These are uncirculated silver coins that were struck in 1964 only. A bag contains 725 ounces of silver. We can't get many. A lot of these coins have been melted. This is a great way to own silver.



CANADIAN SILVER MAPLE LEAFS

This one-ounce silver coin is struck by the Canadian Mint. It has the famous Canadian Maple Leaf on one side and the Queen on the other.

“Silver is produced as a by-product. In fact, over 75% of total silver mine production comes as a by-product to primary production of copper, gold, lead and zinc. Higher silver prices will not increase silver production for 75% of the silver. Silver will always be a precious metal necessary to industry. The fact that some people no longer consider it monetary because it is not owned by governments around the world, is a big plus. Since governments own such little silver, they can't interfere with the coming price spike.”

– Theodore Butler

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SILVER SAVANT

By James R. Cook

In the summer of 2000 the gold business was slow. I was searching for something new that my customers could make money on. I needed a product that would reenergize the company and make us profitable again. A stockbroker told me about a guy in Florida who wrote about silver. His name was Ted Butler. I called him on the phone. He'd heard of my company. He pointed me to a website where his essays were listed. I read them all and felt the guy had some interesting and fresh insights. Maybe I could do something with him.

I needed to check him out. We began to talk on the phone daily, and as we did my confidence grew. I was concerned that he might be a nut. He talked about manipulation in the market, which can be a tip-off to a kook. I've had my share of screwballs call me in the past thirty years. It appeared that Butler was sane. I doubted what he said, but he made his claims in a legitimate way and they were somewhat believable.

At the time, I was a hard core gloom and doom guy that believed gold was the ultimate asset. I'd given up on silver in 1984 and switched the company's emphasis to selling gold coins. The thing that impressed me about Butler was the thoroughness of his knowledge about silver. He knew the industrial story cold. He read Eastman Kodak's annual statement cover to cover. He knew all the statistics on Penoles, the Mexican silver producer. From his intensive research, and years of experience in the futures market, he'd theorized a raft of startling conclusions about what was going on behind the scenes in the silver market.

I came to see he was a serious, conceptual thinker. He made sense and he wasn't a loose cannon. More importantly, I decided he wasn't a con man. Once I was certain about his character, I could move on to the next stage, which was testing the credibility of his silver thesis.

SILVER STORAGE

We have unmatched silver storage at the world's fifth largest bank in New York. They have been storing silver for our customers for almost twenty years. The storage agreement exists between the bank and the customer. It's insured and absolutely safe. Your name is on the exact silver you purchased and it's not commingled. You get a storage certificate with the serial number of your bars. Nor is it ever leased out or subject to any other games. It sits there until you instruct the bank otherwise. If you want to sell it or have it shipped, you can. We handle every aspect of getting your silver into the bank. We also handle the liquidation when you want to sell. Remember, we have sold over \$2-1/2 billion in gold and silver so we know what we're doing. I urge you to get started acquiring silver now and keep large amounts in a safe storage facility like this bank. Take advantage of this first-rate storage opportunity. Good ones are hard to find.

“Within our lifetime, silver may very well become more valuable than gold, as it was in ancient Egypt.”

– Jerome Smith

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I questioned and challenged him a hundred times over the phone. He had a solid answer for everything. Some of what he said I couldn't understand. When he talked about the leasing of silver, it was Greek to me.

However, I finally decided to pay him a small sum for an article in our newsletter that talked about leasing. After it was mailed, a woman called me from a big eastern bank. She was in charge of precious metals leasing. She scorned me and the article. A few days later I arranged a conference call between her, Butler and myself. It sounded to me like he buried her.

Leasing was a big thing at the time, but nobody had ever focused any criticism on it. Ted Butler called leasing fraudulent, stupid and dangerous. Subsequently, it began to unravel. Mining companies scurried to unwind their hedges, and leasing began to peter out. These days you don't hear much about it. Apparently Ted Butler was right on the money.

I started thinking more and more about switching the company's sales emphasis to silver. The metal was absolutely dead in the physical market. At around four dollars an ounce, nobody wanted it. Bags of coins were being melted every day because there weren't any retail buyers. All the bars or coins we bought back from customers who had purchased in the 1980 period, we were selling directly to the refinery.

Butler talked repeatedly of how we were using up silver and not replacing it. One of his most convincing arguments was the pending exhaustion of the U.S. government's multi-billion ounce store of silver. It sounded reasonable and I was about half convinced. Then the government put out an announcement that they were totally out of silver and the U.S. mint would have to go into the open market to procure the metal for minting silver Eagles.

I began to discuss a permanent relationship. He wanted to remain independent, so we started talking about him working as a consultant for a monthly fee. We agreed on a sum and he began writing for our newsletter. It certainly seemed that silver had an interesting future. If our customers could profit with it, then we would prosper. It was a bit of a gamble, but Butler had convinced me that the profit opportunity in silver was substantial. He mentioned numbers that dazzled me. Still, I had my doubts.

Ted began to take potshots at the big banks and financial companies whose large short sales on the futures market depressed the price of silver. He claimed they were illegitimately making markets through outsized short sales. He started a letter writing campaign and a peti-

tion to the regulators. He turned the heat up on major short sellers. When he named AIG as the biggest silver manipulator, they seemed to rapidly exit the silver futures market. The hole they left may well have been the event that sparked silver's rise from \$4.00 to \$8.00 an ounce. By closing out a massive short position through large purchases to cover, the price would certainly have gone up.

Ted moved on to pioneer other new, bullish information on silver. He debunked the story that digital cameras would eliminate silver usage in photography. He disclosed that the government's geological data indicated there was less silver underground than any other metal. He focused attention on the Commitment of Traders reports as a reliable indicator of price movements in silver. He continued to ask how the price of silver could remain so cheap when the world was running low on it. He pointed fingers at the culprits responsible for negating the law of supply and demand. He showed clearly why silver had enormous potential.

As the years rolled by, I became convinced that he was indeed a silver guru. I started to accept his arguments and I began to believe in silver as never before. Ted didn't base his case for silver on any of the reasons I used to endorse gold. He didn't talk about the economy, inflation or gloom and doom. None of these reasons were going to be responsible for the silver price explosion he predicted.

I've come to see silver as an undervalued asset that must appreciate for a number of reasons outlined by Ted Butler. He predicts its price performance will be talked about for years to come. That's great, but I also think it's a mistake not to stress inflation as a reason to buy silver. The dollar is worth less than 10% of what it was worth 75 years ago. Inflation is clearly worsening. Everyone needs an asset to offset that loss of purchasing power in the dollar. To me, silver is the perfect long-term holding to make sure your retirement money doesn't evaporate. Most people believe in stocks and real estate. But they are high in price. Silver looks cheap at today's levels. Mr. Butler has convinced me that today's bargain basement levels will not last, and silver will become more expensive. I buy it every month and wish I could buy more.

With Mr. Butler, we have someone who has made one brilliant call after another about future events in the silver market. He's a seminal thinker on the metal. People who follow the precious metals are talking about him. He has developed a big following. He's widely plagia-

rized and often quoted. His influence is widespread and growing by leaps and bounds. More and more people are buying silver because of him.

Now this soothsayer and analyst with a near flawless record of market calls argues that the price of silver must explode. He has suggested numbers so high they take your breath away. Mr. Butler, who clearly knows more about silver and the way the silver market works than anyone on earth, predicts price levels that can turn a small holding of silver into a fortune. Mr. Butler's silver advice could be the best chance you'll ever have for

making a lot of money. His record stands on its own. He says buy physical silver and hold on to it for the long term. It's hard to find a more powerful argument to own any other asset on earth.

(No one can safely predict the future and it's possible that Theodore Butler's analysis will prove incorrect. Silver can go up, but silver can go down. It is up to you to read, analyze, and arrive at your own conclusions. Prudence requires we emphasize that precious metals may or may not prove to be suitable for your consideration.)



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