



# 2019: A Year in Review, and Stalking Three Tax-Loss Candidates Like an Alligator

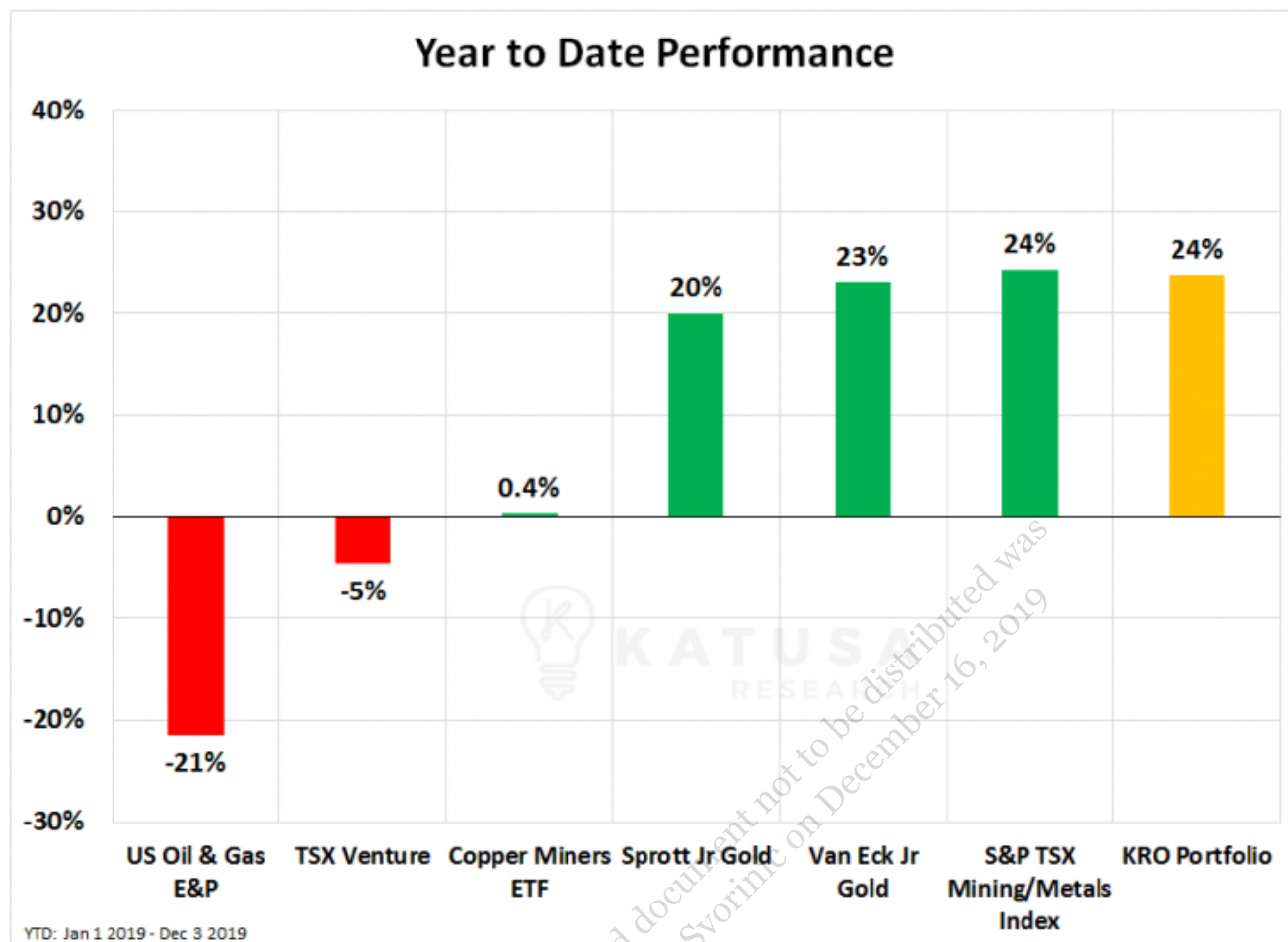
Tax-loss season is always a great time to buy good companies at cheap prices. This month, we're revealing three companies that are prime tax-loss candidates.

I want to own each, but we are going to be patient and use the way of the alligator. That means I'll wait for selling pressure so I can buy on market weakness.

We are also going to be rebalancing our portfolio by selling one loser and two winners.

Looking back at the year, our overall portfolio (that includes every position—both winners and losers) is up 20%. You will notice our KRO year-to-date returns include every stock pick, not just gold-focused funds like the Sprott and VanEck funds.

This confidential and proprietary document may not be distributed or printed for the sole use of any individual without the express written permission of Katusa Research, LLC. December 16, 2019



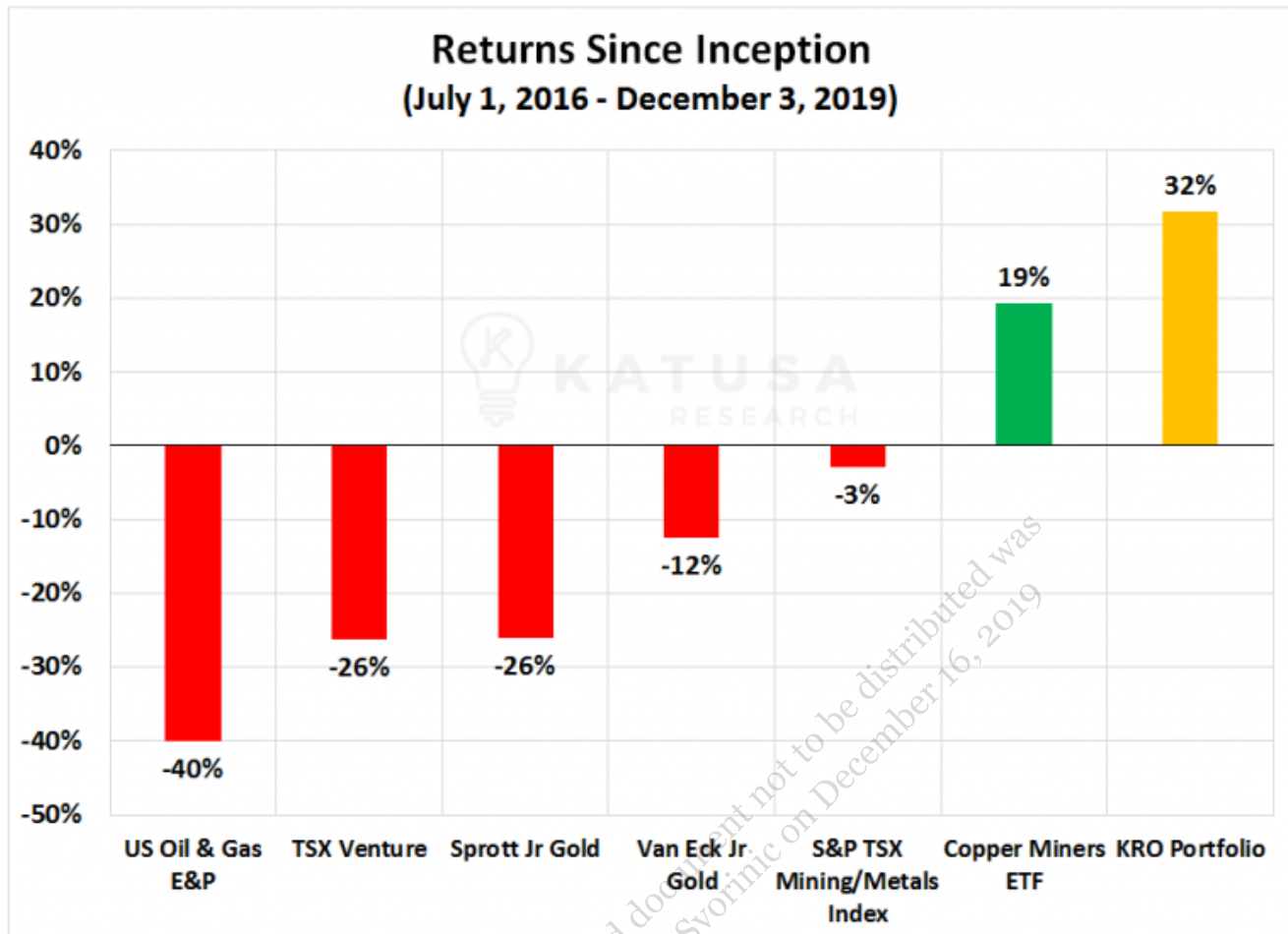
2019 was a respectable year for our portfolio overall. Even with Stelco and Lucara letting me down, putting up 24% gains is a good year.

I believe we are in a marathon to build wealth, not a sprint. The track record from inception is very important to me.

So a more important metric than year-to-date gains would be to see whether our investing philosophy and style are working over the long term. To track this, we went back to the inception of the newsletter.

Again, this includes every stock recommended, regardless of whether it was a win or a loss. And it is per the guidance issued. This is the real-life track record had you followed every recommendation across the board, as I have done personally.

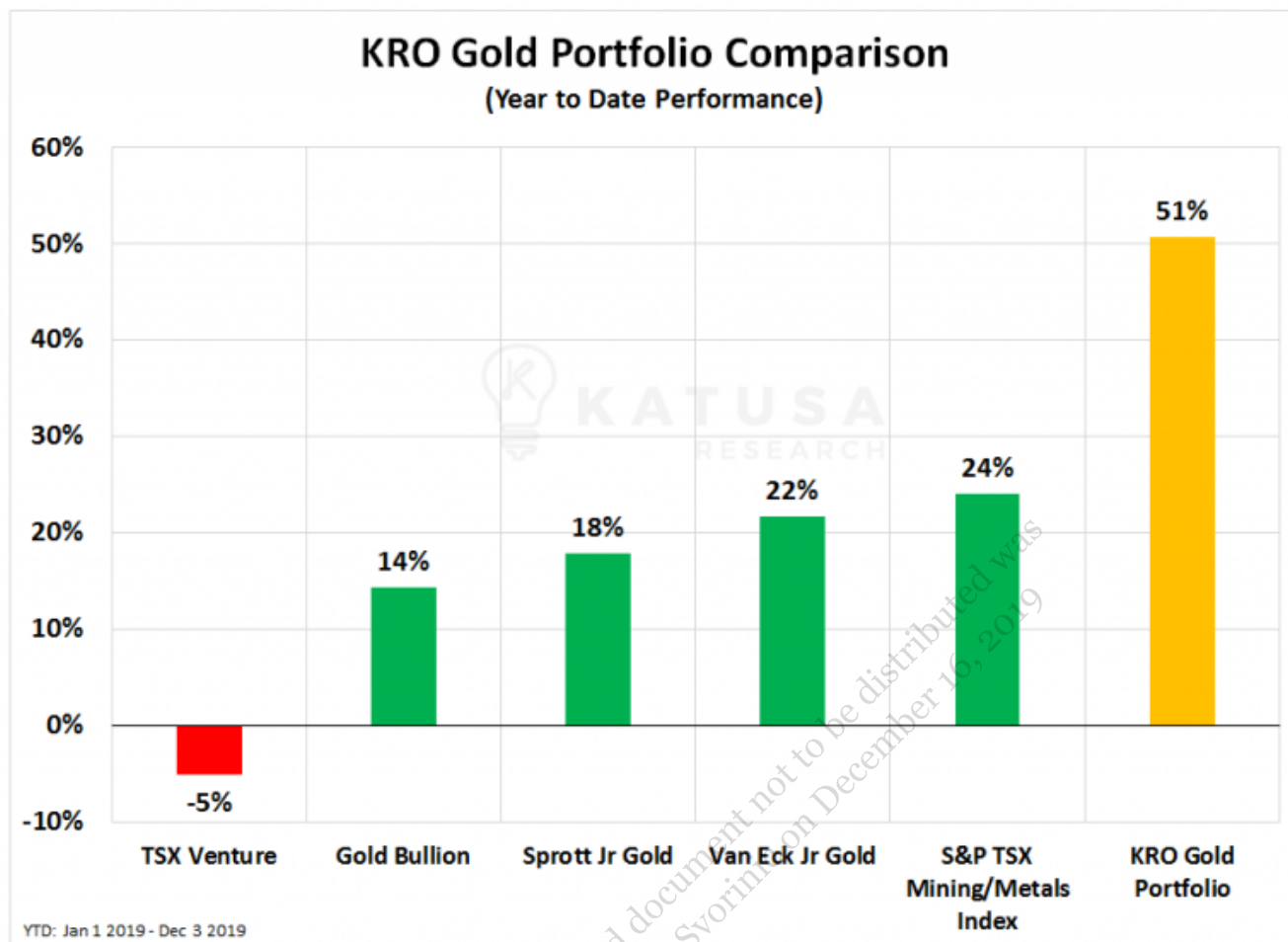
Since the inception of *Katusa's Resource Opportunities*, we are up 32%, as seen in the chart below.



The KRO portfolio has included energy and mining stocks, and even a SaaS (software as a service) company.

To get an apples-to-apples comparison on how our gold stocks have compared to our competitors, we have done a “gold-to-gold” comparison. We ran our performance of gold stocks and compared it to our peers’ performance.

As you can see in the chart below, we outperformed them by a considerable margin in 2019.



## Katusa's 10 Predictions for 2020

I'm going to be bold and write down ten predictions on where various market sectors are headed over the next twelve months. We will come back and review these in the December 2020 issue. Nothing like being accountable for what you do and say.

1. Consolidation in the gold sector will continue in 2020. For example, I think **Equinox Gold (EQX.TO)** will make a large acquisition in 2020 that will increase their gold production by at least 50%.
2. **Liberty Gold (LGD.TO)** will be bought out in 2020 at a significant premium (25%+) to its current share price.
3. One or both of our gold tax-loss candidates you'll read about below will be bought out in 2020.
4. **Lucara (LUC.TO)** will rebound. It should recover to CAD\$1.50 and still have upside with the underground production at current spot prices. I think Lucara is trading so cheaply now that it is becoming a takeout target by one of the larger groups.