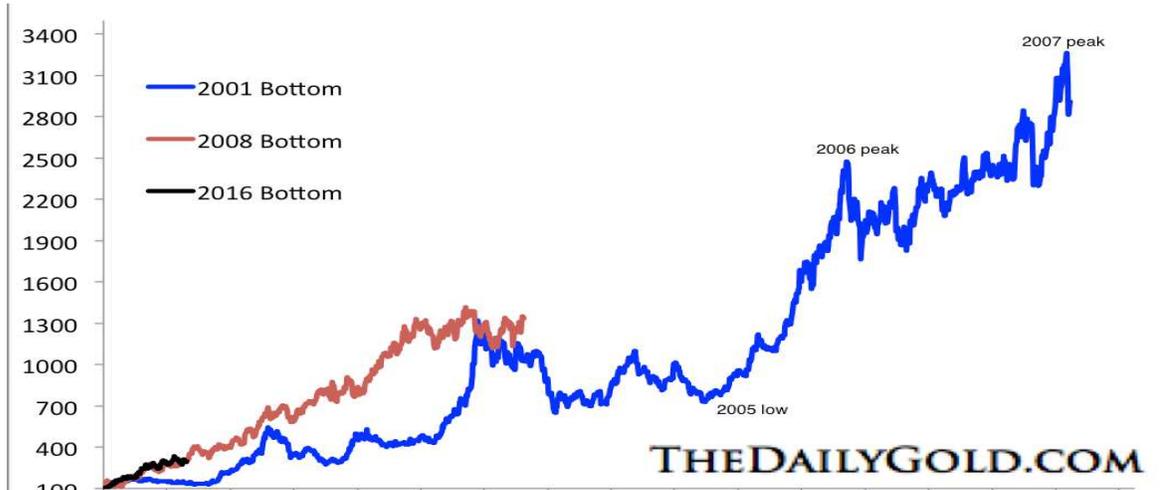


Starboard Weekly Report Ending August 12, 2016 Charts of the Week



This week we have charts from two different sources. The top one from TheDailyGold.com is a long-term view of past bull markets in gold versus the current new uptrend. The bottom one is a daily chart from StockCharts.com of an interesting junior gold stock, Mandalay Resources Corp (MNDJF).

TECHNICAL

It is easy to miss the key to the top chart, which is the black line just beginning on the bottom left side of this chart. If past is prologue, this picture shows that regardless whether we track 2001 (Blue Line) or 2008 (Orange Line), we have a lot more upside to the current gold bull phase. If the long-term analysis is correct, then this week's highlighted stock MNDJF should produce considerable upside. Shorter term the stock appears to be consolidating for a move, which will break it through \$1.00. Also, from a short-term prospective, the KST trend chart line appears to be ready to exhibit an upside crossover. This well managed junior gold has some very interesting fundamentals outlined below. I purposely chose not to report on the three new highs made this week by the Dow, S&P and NASDAQ because in my opinion it is a non-event that will only create a steeper decline when the downturn occurs. I believe that the occasion will be upon us shortly and that it will continue with a vengeance into 2017.

FUNDAMENTAL

A couple of months ago this chart was also on a Weekly Report and since then it has been trading much like it did in previous rallies. An overall market decline could be the next big upside motivation for gold. Junior gold companies are the best way to make serious money in the ensuing gold rally and MNDJF has some compelling fundamentals that make it an attractive buy at current prices. Despite its low price, this junior gold company has cash flow earnings and pays a 2.8% dividend that should improve in a rising gold price environment because dividends are paid as a percentage of revenues. Raymond James rates the stock highly and it has a very cheap price to cash flow. I will be adding this stock to accounts where gold allocations allow. Due to the gold price rise, it is increasingly difficult to find attractively priced junior gold companies but MNDJF does represent value in a pricy market.

ASIDE

"Price is what you pay. Value is what you get." Warren Buffett

The timing of price can be an important component of price and the time is right for gold value purchases.

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