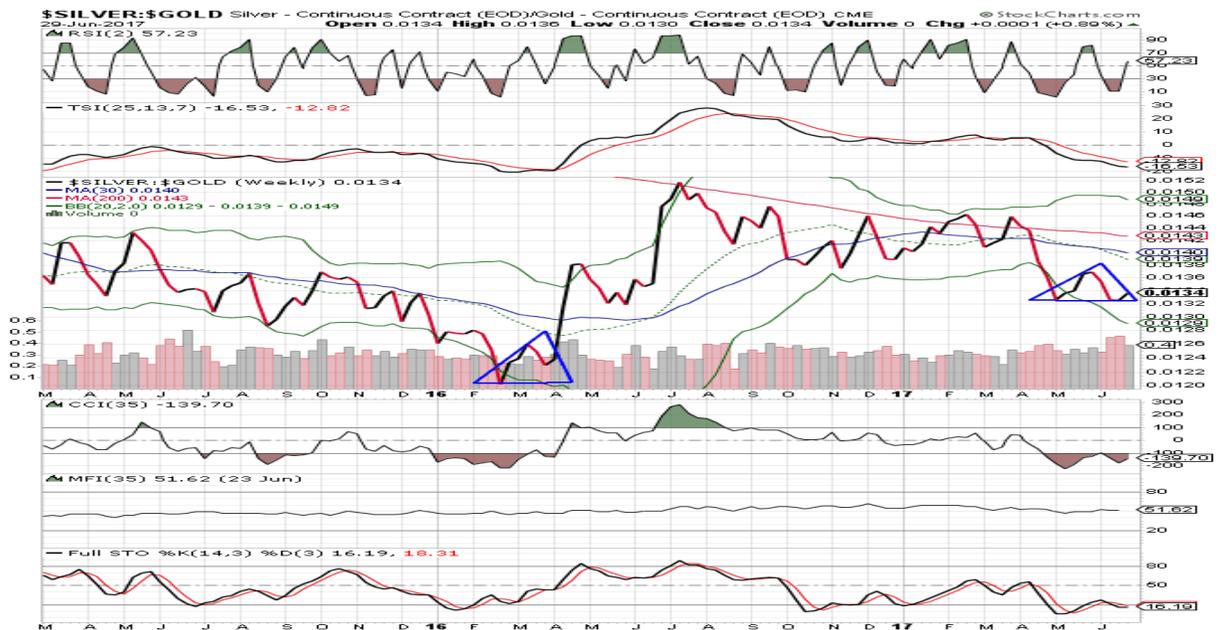


Starboard Weekly Report Ending June 30, 2017 Charts of the Week



This week's topic is silver. On the top chart we have the weekly relative strength of the commodity pricing of silver vs. gold. The bottom one is a weekly stock price chart of major silver producer First Majestic Silver (AG). Both charts are from StockCharts.com.

TECHNICAL

Both charts have triangles marking the last trading bottom for the silver gold relative strength as well as the movement in the bottom chart of Majestic Silver's (AG's) share price. In a strong precious metals market silver often leads gold, as was the case from its bottom in early 2016. As the commodity price silver strengthens, the stocks often take off like a rocket ship. AG increased just under 8 times from its low of \$2.40 in January to \$19.15 in August. Please note how the triangles that broke out in January 2016 look similar to today's weekly price action in both charts; minus the breakout. The ratio of an ounce of silver to gold is now at 75 to 1 and it historically runs in a range from 90 to 1 to 35 to 1. During the 8 month period above, following the 2016 bottom, the ratio went from 77 times down to 65 times. However, during the last eight months of the bull market top in 2011 the ratio went from 68 to 32 times. We maintain an approximate 25% ratio of silver to gold in our precious metal positions, but that may be increased if silver breaks out.

FUNDAMENTAL

The supply demand metrics for this metal have improved with the advent of new electronic and solar uses for silver. The industrial uses for this grey metal make it more economically sensitive than gold. Two-thirds of silver's world mining supply gets consumed as opposed to gold, which mostly sits in bank vaults and museums. The world quantity of silver to gold in the ground is 18 silver to 1 gold while the price is at a 75 to 1 ratio. That makes silver cheap, both historically as well as from a long-term supply and demand perspective. Attached to your email is an accompanying research report from Sprott Institutional that enhances the strong case for silver ownership.

ASIDE

“But you have no silver linings without a cloud.” English Author Angela Carter

The last cloud caused an 85% decline from August 2011 to January 2016. Most of that cloudy risk now appears to be behind silver; however, it is volatile.

Nothing on this Weekly Report should be interpreted to state or imply that past results are an indication of future performance. There are no warranties, expressed or implied, as to accuracy, completeness or results obtained from any information posted on this or any “linked” website. Any reference made to specific securities or any charts/graphs on the Weekly Report is not to be considered a recommendation. Every investment strategy has the potential for profit or loss.

Please note: It is the client's responsibility to notify Starboard of any changes that would in any way influence their financial requirements.

Starboard Asset Management, Inc. 06/30/17 Weekly Report