

Important Update on Silverado Gold Mines

The Good: Coal-to-Liquid Technology Does Work

An Overview of Sasol, the world's leading maker of liquid fuel from gas and coal.

- <http://www.miningmx.com/energy/946456.htm>

One of Sasol's presentations on the Chinese interest in Coal to Liquid (CTL) technology.

- http://www.sasol.com/sasol_internet/downloads/DB_China_conf_Feb06_1141024334804.pdf

The Bad: The Silverado Pump and Dump of 2002-2003

Please note that I was unaware of all the following information prior to sending out my Silverado report yesterday.

After a flurry of e-mails this afternoon regarding Silverado's fall from grace in January of 2003, I was indebted to make this information more fully known to my subscribers. Many are already well aware of Silverado's precipitous fall that occurred after the release of a potent investigative report by World Net Daily, but for those who aren't familiar with what transpired a few years back, I strongly urge you to review the following material and draw your own conclusions about whether or not Silverado is worthy of investment.

Keep in mind that I'm merely recommending caution here. I'm not issuing a sell recommendation. Furthermore, at the end of every week I disclose my position in SLGLF on my website (the "View My Portfolio" page) so you can monitor my trading in a time-delayed fashion. As a paying subscriber you can monitor my activity real-time. At the moment, my position in SLGLF isn't a very substantial part of my portfolio, and I will probably lighten my load further if it rebounds significantly from these levels.

Click on the links below to more fully understand what conspired to affect the share price of SLGLF so dramatically between 2002 and 2003.

- http://www.worldnetdaily.com/news/article.asp?ARTICLE_ID=30603
- http://www.worldnetdaily.com/news/article.asp?ARTICLE_ID=30636
- http://www.worldnetdaily.com/news/article.asp?ARTICLE_ID=31106

David Bond also wrote a piece in 2005 that mentions Bob Chapman's questionable involvement with Silverado during this period:

- <http://www.freemarketnews.com/Analysis/39/633/June-11-2005.asp?wid=39&nid=633>

I cannot find the original promotion newsletters written by Bob Chapman, but Clif Droke wrote a few pieces on Silverado back in 2002 as well, which could give one an idea of what Bob's might have looked like:

- <http://www.kitco.com/ind/Droke/july182002.html>

Please note that Bob Chapman is has since returned to the United States, and continues to write his International Forecaster report:

- <http://www.theinternationalforecaster.com/index.php?PHPSESSID=203d11c5aa39ccbc23ae08927fa6>

Again, Silverado isn't purported by me to be a safe and secure investment, so please do not assume it as such. It is a risky play that could either pay off big or result in significant losses. Do not risk your capital if you are not comfortable accepting *either* outcome.

Currently, Silverado trades relatively close to its all time low, with a fully diluted market capitalization of about half of what it was when the above whistleblower reports were written in January of 2003. Technically it looks good, but I'll never invest based on technicals alone. I'll attempt to contact the company in the coming weeks to see if they can defend the above articles any better than they were able to in early 2003. Pending the results of my inquiries I plan to hold my shares.

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