

Pick of the Week #20 January 8/2010 AD

This week's pick is MAG Silver Corp. It trades on the TSX as MAG.TO and on the AMEX as MVG. It last traded on the TSX at 6.58.

This pick is a repeat. We last featured it as Pick #6 and sold it 3 months later at a 35% profit.

MAG has discovered silver on its Juanicipio property which it owns in partnership with Fresnillo, one of Mexico's largest gold and silver producers. Thus far 140 million ounces of silver have been discovered and these assets are 43-101 compliant.

MAG owns 8 other projects in Mexico, all with good potential to yield silver, gold and also molybdenum. The company is well stocked with cash, to continue exploring and management has a lot of exploration and mining experience.

For more information visit www.magsilver.com



Featured is the daily bar chart. Price has been in uptrend since the double bottom in September. Since we sold this stock on Dec 2/09 it has pulled back to the 50DMA while

volume has dropped (green arrow). The supporting indicators are positive (green lines). The 50D is in positive alignment to the 200D (oval), and both are rising.

Here is a review of previous picks:

- #1 CPQ.V (CPQRF) at 2.01; Bought 08/13/09 sold 11/19/09 at 3.45, profit = 110%
- #2 CGC.TO (CGLD.BB), Bought 08/20/09 at 0.60; sold 11/4/09 at 0.94, profit = 36%
- #3 SVM.TO (SVM) Bought 08/27/09 at 3.74, sold 10/20/09 at 5.98, profit = 60%.
- #4 SCP.TO (SCPZF) at 3.10; last traded at 4.14.
- #5 FCG, bought 09/10/09 at 14.88; sold 10/20/09 at 18.69, profit = 25%.
- #6 MAG.TO (MVG) bought 09/17/09 at 5.55, sold 12/02/09 at 7.48, profit = 35%
- #7 ARZ.TO (AZK) at 4.60, last traded at 4.93.
- #8 IPT.V (ISVLF), at 0.88, last traded at 1.25.
- #9 RUN.V (RFXRF) at 0.22, last traded at 0.165.
- #10 KCL.TO (KCLOF) at 2.74, last traded at 2.80.
- #11 GPD.TO (GPRXF) at 0.59, last traded at 0.75.
- #12 GBG.TO (GBG) at 1.71, last traded at 2.00.
- #13 PGF/UN.TO (PGH) at 10.26, last traded at 10.80.
- #14 CHE/UN.TO (CGIFF) at 9.12, last traded at 12.03.
- #15 GAS.TO (CYMF) at 4.97, last traded at 5.57.
- #16 GOZ.V (GREXF) at 0.50c, last traded at 0.57.
- #17 AOG/UN.TO (BAOGF) at 4.60, last traded at 4.86
- #18 GDXJ at 26.14; last traded at 27.76
- #19 SBT/UN.TO (SVRZF) at 12.92; last traded at 12.74

5 picks have been sold at profits ranging from 25% to 110%, all within 3 months of purchase. Twelve picks are up; while two are still available at or below the starting price where we first listed the stock.

The success ratio is 17 to 2.

Subscribers are notified as soon as we take a profit.

We encourage investors not to 'chase' these picks, but to try to buy them at or below the price at which they were introduced. The goal is to buy low and sell high! As long as the 'pick' remains listed, it is an indication that we still like it, even if it slips below the price at which the stock was listed here.

To be notified when we take profits, all you need to do is become a subscriber. (The cost is less than \$1 per week). For details click on 'how to subscribe.'

DISCLAIMER:

Please do your own due diligence. Investing involves taking risks. I am NOT responsible for your trading decisions.

Happy trading!

Peter Degraaf

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