

## Stock Pick of the Week # 24, February 5, 2010 AD.

This week's pick is San Gold Resources Corporation.

San-Gold is a gold producer in Manitoba Canada, with two producing mines. The Rice Lake Mill is processing 800 tonnes of ore per day, and production is expected to increase during 2010 and into 2011.

Current resources total 1.6 million ounces in all categories and a new 43-101 report is planned for early this year.

On Feb. 3<sup>rd</sup> the company announced plans to begin to develop a new deposit where high-grade gold has been discovered.

The stock trades on the TSX under the symbol SGR.V and as a pink sheet stock as SGRCF.

The stock closed on February 4 at 3.27.

(The Sprott hedge fund owns shares in SGR).



Featured is the daily chart of SGR.V. Price has been in solid uptrend since the credit crunch of October 2008. Price has now landed at support, and so have the supporting indicators (green lines). The 50DMA is in positive alignment to the 200D (green oval). Volume on Feb. 4<sup>th</sup> (when gold bullion fell 46.00), was very light (green arrow).

All in all this is a bullish chart.

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Here is a review of Picks #1 - #23.

- #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; Bought 09/03/09, sold 02/02/10 at 4.48. Profit 1.38 = 44%.
- #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 3.86.
- #8 IPT.V (ISVLF), at 0.88, last traded at 1.02.
- #9 RUN.V (RFXRF) at 0.22, last traded at 0.155.
- #10 KCL.TO (KCLOF) at 2.74, last traded at 3.01.
- #11 GPD.TO (GPRXF) at 0.59, last traded at 0.56.
- #12 GBG.TO (GBG) at 1.71, last traded at 1.76.
- #13 PGF/UN.TO (PGH) at 10.26, last traded at 11.20.
- #14 CHE/UN.TO (CGIFF) bought 11/12/09 at 9.12, sold 01/11/10 at 12.48; Pr = 36%
- #15 GAS.TO (CYMF) at 4.97, last traded at 5.36.
- #16 GOZ.V (GREXF) at 0.50c, last traded at 0.55.
- #17 AOG/UN.TO (BAOGF) at 4.60, last traded at 4.75.
- #18 GDXJ at 26.14; last traded at 21.94.
- #19 SBT/UN.TO (SVRZF) at 12.92; last traded at 11.20.
- #20 MAG.TO (MVG), at 6.58, last traded at 5.62.
- #21 SVM.TO (SVM), at 7.09; last traded at 5.34  
(SVM paid a nice monthly dividend Jan 21 of 2c/share).
- #22 R.V (RTRAF) at 1.51; last traded at 1.38
- #23 CGC.TO (CGC) at 3.20, last traded at 3.40

7 Picks have been sold at profits ranging between 25% and 110%, all within 5 months of purchase. 9 picks are trading above the introductory price and 7 are available at or below the starting price. There are some true bargains among these 7, since gold and silver have corrected substantially since they were picked.

The success ratio is 16 to 7, (despite the washout of Feb. 4<sup>th</sup>).

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 a 'pick' remains as part of this list, it is an indication that we still like it, even if it slips below the price at which the stock was first listed.

Whenever you buy a stock at its pink listing (the five letter symbols), always be 'price-specific' to avoid ending up with a bad fill.

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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