

*"Finding Extreme Value in Small Caps"*

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Prices as of February 11, 2009

**New Picks****Money4Gold Hldgs Inc. MFGD.OTC BB**

Shares Issued: 77 Million  
52-Wk H-L: 1.65 - \$0.12  
Price Feb. 11, 2009: \$0.35



Florida-based **Money4Gold** is the first public company in the precious metals recycling business. Through **Money4Gold's** consumer websites, including [www.dollars4gold.com](http://www.dollars4gold.com) the Company strives to provide the most convenient, efficient and secure method for individuals to recycle items containing precious metals.

**How the business works**

Consumers learn that they can send in their unwanted jewelry if they contact the company for the proper mailing bag and forms to fill out. The consumer sends their jewelry directly to RMC, who assays the jewelry. The very day the jewelry is assayed, a check is cut and mailed to the seller of the jewelry, the amount of the check being determined by the price of the metal that day and the precious metal content of the jewelry.

Only when the seller cashes the check is the gold, silver, or platinum metal melted down. To protect itself against a possible adverse price in the market between the time the seller cashes his check and the time the metal is melted down and sold,

**Money4Gold** enters a hedge to ensure the price it receives and hence locks in a profit margin on the trade.

Recycling accounts for approximately 24% of annual global gold production, which in 2007, amounted to almost 30 million ounces or \$20 billion worth gold - and the market is expanding at double-digit annual rates.

The company went public last year and their first full calendar quarter of operations was the third quarter of 2008 ending September 31, 2008. They had sales of approximately \$700,000, margins of roughly \$300,000. Give them time to spread their wings which they did in Canada in January and are planning for Europe later this quarter.

**\$1.17 Price target**

In October, U.S. based **Beacon Equity Research**, initiated coverage on MFGD with a speculative buy recommendation,

forecasting revenues of \$7M this year and \$14M in 2010, giving it a price target of \$1.17 based on a multiple of 7.5 times forward revenue estimates.

**Strong partner**

They have a strong partnership with their refinery - **Republic Metals Corp.**, which in 2007 had revenues of \$2.5 Billion and has taken a 13% equity ownership position in MFGD. So they obviously have a vested interest in their success.

I met the president, **Dan Brauser**, during the Cambridge House Conference in January and found him to be driven and focused on moving the company forward. The company currently has roughly \$1 Million on hand, last financed at \$0.30.

For more information contact **Peter Kletas** at (403) 284-9644 or [peter@pjkandassociates.com](mailto:peter@pjkandassociates.com). or visit [www.money4gold.com](http://www.money4gold.com).

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