

On June 21st 2011:

# The NEXT Royal Gold?

**The last time this happened, early investors had an opportunity to make an absolute fortune. Now, a small team of researchers believe it could happen again with a tiny gold stock trading for just over \$1.00 a share.**

**Here are the details of what they uncovered...**

Dear S&A Subscriber,

When it comes down to it, there are really only a few ways to get rich from buying a single penny stock...

There's the improbable explorer who stumbles onto a large oil field or precious metals find. This happened in 1996, when Arequipa Resources literally struck gold. (You could have retired in less than 6 months from a small investment in this stock.)

There's the technology company that invents and commercializes a world-changing breakthrough, like Celgene did for biopharmaceuticals.

Then there are the fad-retail stocks, which are as unpredictable as the rabid masses that drive them...

Like Hansen, a juice-and-soda maker, or Green Mountain Coffee Roasters – a tiny speculation in either company would have paid for a brand new beach house.

**Finally, you have the rarest and perhaps the most lucrative case of all...**

It's taken place only a handful of times in modern financial history. But on each occasion, it's resulted in an explosion of wealth so incredible, the numbers almost seem like they were made up. (I'll show you these numbers in a moment.)

We thought we might never encounter an opportunity to capitalize on this type of penny

we thought we might never encounter an opportunity to capitalize on this type of penny stock again.

But it looks like we may actually have the opportunity again, right now... with a microscopically small equity, which I can almost guarantee you've never heard of before...

You see, because this penny stock is currently disguised as a different type of business... it's virtually undetectable by any traditional methods (More on this later).

Bottom line: We have a valuable gem sitting in plain view. It's just a matter of time before someone scratches the surface to reveal its true nature.

On June 21st, we're hosting a special conference call at S&A, which should shed some light on this situation...

In the meantime, every penny that gets added to this stock's share price could mean a small fortune you might miss out on.

How much?

Well, here are the numbers from the previous occurrences I mentioned...

1982: 20,614% gains

1992: 179,300% gains

2004: 17,610% gains

Unbelievable, right?

Let's get to the details of how this is possible...

## **A simple 6¢ change could make the difference in creating a fortune.**

In the late 80s – when people were talking about S&L banks and junk bonds – a tiny company called ROYAL GOLD quietly entered the markets... On the surface, it looked like any other gold exploration company: plenty of enthusiasm, dozens of empty holes in the ground, and loads of debt...

### **\*One Month Can Make a Huge Difference**

You could have loaded up on Royal Gold in March '92 for as little as 9 cents per share...

However, a closer look would have revealed an amazing transformation taking place. One that would soon send the company – a 3¢ penny stock – soaring more than 179,000%...

(Turning every five hundred dollar stake into \$895,500.)

Sounds ludicrous, I know.

So what was it... exactly... that happened to turn an unknown penny stock into one of the great investment stories of the past 30 years?

Well, the gentleman in charge – a former coal miner and attorney named Stan Dempsey – got sick and tired of hitting nothing but dirt...

He was shelling out tons of cash for exploration projects. But his men weren't finding any gold...

To make matters worse, the few mines Royal Gold did own were burning through more cash than they produced in gold.

So, Dempsey found himself at a crossroads...

You see, in the mining business, you're either exploring for gold, or you're producing it.

These guys weren't doing either: They weren't finding new gold deposits...and they weren't squeezing profits from the few mines they owned.

So Dempsey made a decision—a move that would 1) change the nature of his business

And cashed out when the company hit a peak of \$53.82 per share...

For a return of 59,700%.

Depending on how much you'd invested, that one investment could have set you up for life.

It could have turned even a small \$500 investment into as much as \$298,500.

But believe it or not... as great as that windfall might sound...

If you'd invested just one month earlier...you could have made EVEN more money...

How so?

Because in Feb 92 – just one month earlier – you could have picked up Royal Gold for 3 cents a share.

Big deal you say... that's only a 6-penny difference.

But over time, it makes a huge difference...

In dollar terms, using the same \$500 hypothetical stake we used earlier... you could have made as much as \$896,500...

would 1) change the nature of his business  
2) Make the company's early backers  
extraordinarily rich (179,000%)...

And 3) pave the way for the opportunity  
we're presented with today...

What did Dempsey do?

In short, Stan Dempsey found a way to  
stake a claim in large gold discoveries  
—BEFORE they're discovered.

Sounds a bit out there, I'm sure...

Let me show you how it works...

## **A Way to "Cash in" On Large Gold Mines— BEFORE they're Discovered**

What did Dempsey do? And what does it  
have to do with you, today?

Well, everyone knows you can make a  
ridiculous amount of money investing in  
small mining stocks...

Throw money into the right exploration  
company just before it makes a huge  
discovery, and BAM! Just like that, you can  
make a killing overnight. When Afriore Ltd  
discovered platinum in South Africa, its  
share price jumped 2,907%.

When Silvercorp Metals discovered silver in  
China, its stock spiked 5,614%.

The problem is...for every thousand  
exploration projects underway, maybe one  
results in a big discovery...

I don't know about you, but those odds  
don't seem too appealing to me.

That's more than half a million  
dollars more in potential return...  
simply by taking a stake a month  
earlier... for about 6 cents less.

Bottom line, with penny stocks this  
small, every penny counts. We  
believe the opportunity we've just  
uncovered may be just as sensitive to  
price and time.

\*Though Royal Gold is the most well-  
known precious metals royalty firm  
in existence today, it's neither the  
first nor the only one of its kind.

A company called Franco-Nevada  
was the first to make the  
transformation. In 1982, they began  
the process of converting from an  
exploration company to a royalty  
firm. Today, Franco's share price has  
multiplied in value by as much as  
206-times.

Dempsey later admitted he knocked  
off Franco's model. "We were a fairly  
shameless copy," he said.

There have been dozens of other

don't seem too appealing to me.

They didn't seem too appealing to Stan Dempsey either. So he found a way to change the game—to stack the odds in his favor.

Instead of going "all in" on low-probability exploration projects, Dempsey decided to spread his capital across a variety of projects...

Here's one example of what I mean—the 'deal' that changed the game for Royal Gold...

In 1991, Dempsey invested one million dollars with Placer Dome and ECM—two small companies looking for gold in Nevada. These guys needed extra capital to do some drilling in a town called Elko.

In return, if those guys found any gold, Dempsey would get a percentage of sales.

As it turned out, the companies struck it rich – a 3 million ounce discovery, known today as the Pipeline complex.

→ **Royal Gold received a *royalty* in return for its initial investment—a steady and regular stream of revenue over the life of the mine.**

In the first year of the agreement, the company's share price climbed 11,566%.

When the mine started producing gold, Dempsey's company started raking in the cash. Revenues shot up 476% in a single year.

Royal Gold had become a new type of gold company – it had transformed from an explorer into what's known as **a gold royalty firm**.

The company still did some exploration... but most of the time they had other firms doing the grunt work for them.

If they didn't find gold...well, that was okay, because they'd only put up a small amount of capital. But if their partners struck it rich, then they got a cut of the revenue.

The best part?

THEY HAD BEEN COPIED BY OTHER imitators in the past two decades as well. Most couldn't hack it and went belly-up.

It's not an easy conversion for a company to make... but if you successfully pull it off, you're all but guaranteed an amazing fortune.

They didn't have to lift a finger...

They didn't have to own or operate drill rigs or dump trucks. They didn't have to pay drill and dig crews, the Bureau of Land Management, or anyone for that matter.

As Dempsey said, "We have no costs involved. We just get the revenue."

The average gold explorer has more than 100 people on staff. Royal Gold slashed its staff to 14.

In the years that followed, the company invested successfully in dozens of discoveries – BEFORE they happened.

As a result, Royal Gold has outperformed every gold and precious metals investment you can think of:

**Since 1992: ROYAL GOLD (RGLD): 179,000%**

- Gold bullion: 335%
- Gold stocks (explorers):
  - Arequipa Resources: 3,500%
- Gold stocks (producers):
  - Barrick (ABX): 269%
  - Newmont (NEM): 65%
- Silver: 876%
- Platinum: 409%
- Palladium: 822%

Heck, I can't think of a single investment anywhere that's done any better. If you step outside of precious metals for a moment – there's still no comparison:

**Since 1992: ROYAL GOLD (RGLD): 179,000%**

- Microsoft (MSFT): 900%
- Berkshire Hathaway (BRK-A): 1,222%
- Amgen (AMGN): 583%

Okay, so you probably get the point: this would have been an amazing, life-altering investment... if you'd made it back in 1992.

But wasn't this a once-in-a-lifetime event — an anomaly in the markets?

Actually, not at all.

In fact, this scenario has been repeated a handful of times in the markets— it's truly one of the great secrets of the investment world.

Let me show you what I mean...

## Every so often...

Though it's extremely rare, Royal Gold is not an isolated example...

Every so often, the right forces align – the right people, the right properties and the right kind of macro conditions – to allow this penny stock phenomenon to happen...

For example, in 1982, an unlikely duo from Canada (Seymour Schulich and Pierre Lassonde) teamed up to create a company called Franco-Nevada.

Franco-Nevada, of course, didn't start out as a royalty company. For a while, the company struggled as an explorer. They tried 43 exploration projects in a row without any luck. Finally, Schulich, who had seen royalties work in the oil and gas sector, suggested they give it a try with gold.

Their very first deal – a 4% royalty agreement in a Nevada gold mine – paid off big time. Right away, their exploration partner (Western States Minerals) struck it rich with gold...

In the years that followed, Franco-Nevada put together a fantastic portfolio of royalties...

As a result, the stock – which started out trading for as little as 35 cents per share – returned as much as 20,614%.

**At that rate, every \$5,000 invested would have returned \$1,030,700.**

The same thing happened a decade later with Royal Gold.

Then, 12 years later, it happened again with a company called Silver Wheaton, which has done with silver what Royal Gold and Franco Nevada have done with gold.

has done with silver what Royal Gold and Franco-Nevada have done with gold.

In 2004, Silver Wheaton traded for as little as 10 cents per share... and has risen by as much as 17,610%.

**Of course, here's the best part of this story...**

We believe this scenario could play itself out all over again. And you could get in on this early, and have the chance to make an absolute fortune from this deal.

Here's what I'm talking about...

## **Why you'd never in a million years find this on your own**

Quite frankly, it all comes down to who you know. One of the main reasons our firm has become one of the largest newsletter publishers in the world – serving over 120 countries – is because of our connections.

And there's one place we're plugged in better than any other– the Canadian resource sector, where we routinely talk with the top venture capitalists, geologists and analysts in the business.

For instance, I'm not going to name names, but one of these contacts is a billionaire who's one of the 100 richest men in Canada.

Another contact is arguably the top venture capitalist in all of Canada, and has alerted us to some of the biggest opportunities in the history of our firm, including ATAC Resources, which jumped 542% after our recommendation.

Another fellow is a Canadian mathematics genius-turned mining millionaire who has routinely generated 500% gains in the junior mining sector.

These gentlemen aren't just passing colleagues. We spend a lot of time talking and meeting with these fellows each year. In fact, we're meeting with a couple of them next week at a financial retreat we're hosting.

My point is, if you're going to have on-the-ground contacts in any field of investing, this is the one area where you want to know some people...

The mining community is a close-knit and slightly schizophrenic place...

The folks you don't want to talk to – the stock promoters – are more than happy to bend your ear about whatever stock they're pushing.

The folks who may have something legitimate to offer – the credible geologists and financiers – are nearly impossible to track down.

They keep their best ideas to themselves. Many of them, unless you know someone in their immediate circle, won't pick up the phone or answer emails.

You see, natural resources – gold, silver, oil, nickel and other commodities – run in very long 15-year bull and bear cycles.

The good times are exceptionally good (we're in the middle of a bull market). And the lean times are very lean.

When the cycle heads south, these men get blamed. The mainstream media burns them at the stake. Then, when the natural resource bull starts bucking again, like it did in 2003, the same journalists come calling for quotes.

Perhaps you can see why it pays to have a team on the inside of this circle...

So what did our mining contacts share with us?

## **Not a single mention**

We learned this new company has quickly secured six royalty deals in some of the safest and most desirable locations in the world. And that these deals are on early stage mines that haven't ramped up to full production yet.

Why is this big deal? Well, as we were shown, this company's royalty income is scheduled to more than double in the next two years, as the mines reach full gold production – potentially making a few investors very rich. (More details on this in a moment.)

Perhaps, most importantly, we also learned why we couldn't find this company mentioned anywhere in the *Wall Street Journal*, *Fortune*, *Forbes*, or any other mainstream source for financial information.

Why? Because the company is ridiculously small. And mutual funds and other large financial institutions can only invest in companies when they reach a certain size. In a sense, they're legally prohibited from investing in tiny companies – their charters won't allow it.

Also, since mainstream financial publications only cover companies their readers own - namely the larger blue chips and ETFs most big funds own and run - most investors will never hear about tiny companies like the "Next Royal Gold."

Which is great news for investors...

Because when the whole world knows about an opportunity, it's usually not a good one. Not everyone can get rich. It just doesn't work that way.

The fewer people who know about something, the better.

The point is, this tiny company is very small and virtually unheard of, which can be very lucrative qualities.

But what about the company itself?

Is it the 'Next Royal Gold?'

In other words...

## **How much could you make?**

Remember, Royal Gold made 179,300%.

I know that's a phenomenally preposterous figure - one hundred and seventy-nine thousand percent.

It's extremely unlikely you'll ever make a return like that in the stock market.

But even if this stock returns even a fraction of what Royal Gold did... then it would become one of the highest returning stocks in years.

After digging through the company's books, talking to management, and discussing it with our team of resource experts, we've discovered TWO important things:

ONE...

When Royal Gold was just starting out, you couldn't tell it was a gold royalty firm. It was disguised as an exploration company. Even after its first royalty deal, you couldn't tell it apart from the hundreds of regular explorers out there...

There was no big press release from the company announcing the shift. There was no big story in the *Wall Street Journal*.

big story in the *Wall Street Journal*.

Heck, by the time it was big enough for folks in the mainstream press to start caring about... the stock had already risen thousands of percentage points.

Today, it's the same case with this tiny company – the "next Royal Gold."

You see, there's no way to screen for royalty companies. And even if you're specifically searching for them, the proof you might need is likely buried deep in their books.

At least, that's what we discovered in our research...

We dug through the company's resource books... and found that this tiny company has more gold royalty contracts (SIX, with four actively producing) lined up than Royal Gold did when it was that small...

This is, without a doubt, a gold royalty company.

On the surface, however, it appears no different than any other Canadian penny mining stock. In other words, we've stumbled onto a genuine secret. And as I mentioned earlier, that's a good thing.

If these royalty contracts are so valuable, then why wouldn't they be easy to find?

Well, as Stan Dempsey put it... a lot of these guys don't get into the business to push paper from behind a desk—even if that paper is netting them tons of money in the process.

These guys are geologists at heart. And the reason a geologist gets involved with a company is to make discoveries. Over time, as Royal Gold's royalty business continued to grow, the press began to pick up on the company's secret... but Dempsey never really let go of the idea of discovering new deposits. He still sets aside a small portion of the company's budget for exploring new gold sites.

Make sense?

But what else did we uncover about this little firm that makes it the "next Royal Gold?"

That brings me to the next point...

## **The case for massive growth**

ust because a gold company has royalty contracts in place, doesn't make it the "Next

Royal Gold."

But if the companies you're dealing with aren't proven winners...

If the regions they're exploring aren't friendly to mining companies...

And if the royalty contracts aren't giving you a huge advantage...

Then you'd be better off buying \$5,000 worth of lottery tickets instead.

The fact is, Royal Gold went from a 3-cent penny stock to \$46 per share by signing smart deals with honest and efficient mining operations with projects in stable countries.

And that's exactly what the "Next Royal Gold" has done too.

For instance, one of their royalty agreements gives them royalties to 25% of close to 200,000 ounces of gold mined from a high grade project in eastern Canada. At current gold prices, that's over \$65 MILLION. And that's just one royalty.

These guys signed another contract with a very successful mining company. I won't name it in this presentation, but over the past 7 years it's successfully found and tapped well over a million ounces of gold. Thanks to this royalty agreement, our royalty company is legally entitled to 20% of the gold from their latest mine, which is expected to produce over 50,000 ounces in the first year alone.

Even better, in the next 12-24 months, the amount of royalties this small company is going to collect should skyrocket.

For example, one of their deals is expected to produce 50,000 ounces of gold in 2011. That's a lot of gold – roughly \$75 million worth at today's prices. But it's just getting started. Once the mine is fully into production before 2015, its operator expects it to be producing 100,000 ounces a year for the next 20 years.

Our tiny royalty company has signed a contract giving them access to a portion of this gold for \$400 an ounce, for as long as this mine is in operation. So, even if gold jumps to \$3,000 an ounce, the Next Royal Gold is entitled to legally buy gold from this mine for \$400 an ounce.

Best of all, two of their mines aren't even producing yet! Both of them are supposed to be in full production before 2013!

That's good news if you believe – as we do – that gold prices will continue to rise over the next couple years.

My point is, many of this company's royalty deals involve mines that are just starting to ramp up production. In other words, there's a lot of room for growth. That's why this company is so small – and offers such potentially huge upside to early investors.

And don't forget, the company is constantly looking for new deals to add to their current portfolio too.

Royal Gold, which jumped 179,000%, currently has almost 60 royalty deals - and this company only has six, so there is enormous growth potential.

Of course, the best part is, as soon as they secure a new deal, their work is done and they get to look for the next one.

That's one of the many beautiful things about royalty firms – they don't have to lift a finger!

They don't get their hands dirty getting gold out of the ground. They just sign some papers and start getting paid.

It's a wonderful business.

It's one of the reasons these guys are sitting on close to \$100 million in debt free cash.

So, are these guys the "next Royal Gold?"

Maybe yes...

And maybe no.

Allow me to explain...

## **The Possible Outcomes**

The way I see it, this situation has two possible outcomes...

Both potentially involve large sums of money...

It's just a question of how much.

You see, as I just mentioned, this tiny company has progressed further and faster than Royal Gold did when it was just starting out.

As a result, its share price and market capitalization aren't as tiny as Royal Gold's when it was just a 3-cent penny stock.

Remember, we're talking about a stock that jumped 179,300%. So if it turns out the 'Next Royal Gold' shoots up one-tenth as much...

Well, I don't know about you, but I would be pretty thrilled if my I watched my wealth multiply in value 179-times over.

At that rate, every \$5,000 invested would become \$896,500.

Ridiculous... I know, and in reality, not very likely.

But here's where we see this tiny company traveling along Royal Gold's trajectory:

### How High Can this Tiny Company Go?



Again, we obviously have no way of knowing with any certainty how high and far this stock will travel. We've only made a conservative estimate, based on the data we've collected and analyzed...

That said, we do believe this one stock could make you an absolute fortune: Even though it's not as small as Royal Gold was in '92... it's still ridiculously small. As you probably know, the smaller a stock, the greater room it has to multiply in value.

In short, this stock trading for just over \$1.00 a share has a lot more potential for massive gains than a big stock like Barrick Gold currently trading for roughly \$47 a share with a market cap of \$47 billion.

Perhaps by now you can see why we're comparing this tiny security to Royal Gold: It's small, obscure, and has the potential to generate huge sums of money for early shareholders.

I believe it is in many ways "The Next Royal Gold."

That brings us to...

## **Worst Case Scenario?**

I believe there's only one event that could stop this tiny company from becoming "The Next Royal Gold."

Namely, if a bigger company comes along and buys it out.

It's not the ideal scenario. Ideally, we'd like to see this tiny company continue to grow into the next Royal Gold...

Potentially racking up thousands of percentage points in gains along the way...

Nor is it the most likely scenario.

Most likely this company will become a royalty giant.

But if it does happen... if this tiny company gets "bought out"...

It wouldn't be the worst thing in the world. It might be the difference between making 4,000% and 400%.

I don't know about you, but I can think of plenty of other worst-case scenarios.

Bottom line, I wouldn't be surprised to see this sort of thing happen.

Yes, but why?

Because the bigger a gold company like Newmont, Barrick... or even Royal Gold gets, the more it needs to consume to sustain its growth. Especially these days, with the price of gold soaring and worldwide demand at unprecedented levels.

It's much easier for these guys to acquire smaller companies with portfolios of quality royalty deals – or quality exploration projects – than it is to find and broker these deals on their own.

That's why Royal Gold has bought out a half dozen royalty and exploration firms, including most recently International Royalty Corp (ROY).

Early shareholders could have made as much as 449%

It's why Goldcorp has acquired 6 tiny businesses. And it's why Newmont Mining has bought out seven companies, including Miramar Mining Ltd (which could have netted early shareholders gains of 434%)...

And Franco-Nevada – one of the largest gold royalty firms in the world – which, as I mentioned earlier, is one of the best performing stocks of all time. Newmont liked their business so much, they bought them out and let them keep their name and management.

Now, there's absolutely no way of predicting a buyout, I know. But remember, we're just discussing possible scenarios.

Chances are good the "Next Royal Gold" will become just that – the next biggest gold royalty company... and make you a once in a generation fortune in the process.

One more thing to bear in mind...

It probably goes without saying, but we probably ought to say it anyway:

→ As confident as we are about this recommendation, it is still, at its core, a calculated speculation. You could lose money on this investment as there are no guarantees in the stock market. If this were a sure thing – if there were no risk involved – the potential reward would not be so absurdly high.

In other words, if you're interested in this opportunity...only consider it if you have capital you can theoretically afford to lose.

Otherwise, find a fixed income vehicle... a bond or an annuity instead.

But if you do have "risk capital" set aside... and you're looking to potentially juice your brokerage account by 30, 40, 100 times or more... then keep reading.

Because on June 21st, there's someone I think you'll want to hear from...

## On June 21st...

Because I believe this stock could be one of the most profitable recommendations I make over the next 10 years, I've scheduled a special conference call for June 21st at 5:30pm (EST) to discuss everything you need to know about the "The Next Royal Gold", which I've been discussing in this presentation.

We'll go over everything we know:

*The management team, future royalty deals... the potential risks, rewards, and, of course, the identity of this small company, which we believe could make early shareholders an absolute fortune.*

Joining us on the call will be the brilliant young CEO of the company.

Get this: He helped his last company grow from a \$300 million firm to \$3 billion with gains of well over 2,500%. And now he's getting ready to do it again with "The Next Royal Gold."

Plus, it's no secret, when it comes to the resource business, the management team is one of the most important indicators of whether or not the business will succeed. As one fellow says, "investing in a particular junior is essentially investing in its people."

I believe you're going to be floored by the information the CEO reveals, and there will be little doubt in your mind of the company's massive potential.

In addition to the CEO, I've also invited – John Doody – one of the top gold analysts in the world to join us.

You may have read about him in *CNBC... Fortune magazine... Financial Times... Chicago Tribune... Los Angeles Times... NY Daily News... or Barron's* (where he's been featured six times.)

Truth be told, besides the CEO of the tiny company, John probably knows more about these royalty firms than anyone on the planet.

Plus, with John's track record of more than 1,300% cumulative gains in the last 10 years from gold stocks, you'll want to pay close attention to what he says about this tiny royalty company.

On June 21st, these gentlemen will be on the phone with us...and subscribers to our most exclusive research service, *Phase 1 Investor*, will be listening in too.

Why are we doing this... and what is *Phase 1*?

Well, let me explain...

## **Why we've poured over a million dollars into these ideas...**

In *Phase 1*, we target only the smallest and most potentially explosive opportunities—tiny, early-stage businesses with "big ideas" that can potentially grow 500%-1,000% or more in the process.

So, how do you do this?

How do you find tiny, explosive companies with the next "big idea?" I never would have found "The Next Royal Gold", simply by sitting at my desk and surfing the Internet.

It's so small, secretive, and obscure that practically no one besides a small group of resource experts even knows about it...

You see, you won't find this company - or any of the stocks we recommend in *Phase 1* - splashed across the front page of the *Washington Post* or *USA Today* - no matter how big their potential.

Because it's not good business. The simple fact is, most folks don't buy such small stocks. They buy ETFs or mutual funds. So big advertisers aren't going to pay a lot of money to newspapers and websites that cover them.

And, because the charters of most large financial institutions legally prevent them from investing in the market's smallest stocks, there's very little information published about these companies.

That's good news for you and me...

That means there's a whole universe of little-known opportunities available to the person with the time and resources to track them down.

In other words, you have to do some serious digging and good old fashioned due diligence.

In fact, since we started publishing *Phase 1 Investor* in 2000, between air miles logged (over 100 company visits and 3 dozen trips to academic institutions such as MIT and Harvard Medical School), technology and medical conferences, high-priced consultants and highly educated on-staff experts...

We've spent well over a million dollars tracking down the best small cap ideas.

You see, to really make a fortune in small, cutting edge companies – you need an on-the-ground, insider's perspective.

You need to speak with the scientists, programmers, geologists, mining experts and engineers...

You need to grill the fast-talking CEO's and collect feedback from whistle-blowing executives and informants.

I've spent most of my life doing just that...

My late father was a well-known money manager and newsletter writer in New York for 25 years. I took over the family business at a young age, managing money and writing my father's letter. Eventually, I left to work for a well-known hedge fund manager... before joining S&A Research.

What I've learned in all this time, confirms what most people probably believe about finance...

That who you know matters just as much, if not more than whether you can read a balance sheet or do discounted cash flow analysis.

Like it or not, that's the way it is...

This is especially true with small stocks, where much of the critical information worth finding exists only in the minds of insiders and industry specialists.

My point is, in *Phase 1 Investor*, we aim to find the kinds of opportunities that can literally change your life – where an investment of \$10,000 could quickly turn into enough money to buy a new beach house... pay for a college education... or allow you to quit work, forever.

So how much does one year of *Phase 1 Investor* research cost...?

A better question might be...

## Could you really make a fortune with our research?

(Believe it or not, it's happened...)

One year of *Phase 1 Investor* research is not cheap.

We charge a lot of money for this service for two reasons:

**ONE:** It's time-and-labor intensive work. As I mentioned earlier, since inception we've spent more than \$1 million dollars on producing this research. And with all the overhead costs, we spent roughly \$600,000 in 2010 alone. We plan to spend even more in 2011 (and are well on our way.)

**TWO:** A high price tag helps to keep this group small. I know this probably seems contrary to our business interests, but we don't want a lot of readers piling into *Phase 1*.

Why?

Because we focus on some of the smallest and most illiquid securities in the market. If too many people try to get in on these deals, the share price could go through the roof, and the opportunity would be lost.

That said, I believe *Phase 1 Investor* is an incredible bargain, considering the amount of time and money that goes into each recommendation... and considering the returns these recommendations could generate.

Take *Phase 1* subscriber, Jack Miligan, who told us he was up \$32,487...

*"I've subscribed to many research advisories in the past 30 years and Phase 1 is by far best in my judgment,"* Jack writes.

In just 3 weeks, subscriber Don Elfman generated enough to "pay for a bathroom remodel!"

And – get this – subscriber Albert Griffin made over \$4 million dollars! He got in on a recommendation (ID Biomedical) that was originally featured in *Phase 1* and later featured in one of our other letters.

Granted, it happened over the course of about 2 years...

But still, that's incredible!

But getting back to the price...

I've seen boutique Wall Street firms like Ned Davis charge as much as \$25,000 for access to their research and analysis.

One full year of *Phase 1 Investor* research **typically** costs \$5,000.

If that seems like a small fortune to you, then you should probably stop reading right now. And I apologize if I wasted any of your time.

You see, seasoned investors know that quality investment research does not come cheap.

Personally, I believe it's a bargain, when you consider how just one of these opportunities could pay you back several times over, in no time at all...

You see, *Phase 1 Investor* is designed for a very small group of aggressive but prudent readers, who want the chance to make serious money, but can stomach the bumpy ride that can lead to major returns. If you'd like to join this small group, we recommend you have around \$25,000 in investible capital to get started. After all, you can't expect to make serious money investing just \$100 in each stock recommendation.

If this sounds like you, then let me show you what to do to get started... and what you get as a new member...

## **For the next few days only – pay \$2,000 less**

If you're interested in trying *Phase 1 Investor*, then here's what I recommend you do...

### **Sign up for *Phase 1 Investor* ASAP.**

This will guarantee your spot to listen in on the June 21st call.

Remember, we're only making this offer available until the call on the 21st...

You'll get to hear everything you need to know about this opportunity... including what our experts have to say.

Within 30 minutes of signing up, you'll also receive an email giving you access to our password-protected, subscribers-only *Phase 1* website, where you'll be able to find recent reports and briefings...

We encourage you to read these reports over. Many of the recommendations are still considered major "buys." (Just check out the current recommended portfolio once you sign in for more details.)

But before you do, there's one more thing you should know before signing up...

We have just published a *Phase 1 Investor* report on this "Next Royal Gold" opportunity.

It's called, **Why "The Next Royal Gold" Could Make You a Fortune** You'll have immediate access to a copy the moment you become a member of *Phase 1*. It will be posted it to the subscribers-only website, alongside the other research reports we publish each month.

We encourage you to read this report RIGHT AWAY – before the call. After doing so, you'll know 95% of what you need to know about this tiny royalty company.

You'll get the name of the company... how many shares to consider buying... when and how far we think this stock could rise, etc...

The rest... will be revealed on the June 21st conference call.

For that, we'll send you the details, including the phone number and/or web access address, exact time, and password to listen in on the call... after you start your *Phase 1* subscription.

Of course, you'll also receive a new *Phase 1 Investor* research briefing every month for the duration of your subscription...

And there's just one more thing...

When you give *Phase 1 Investor* a try, you'll have three months to decide if this research service is right for you.

Like I said, it's certainly not right for everyone.

Three months should give you plenty of time to see how our recommendations perform.

If you decide *Phase 1* is not for you, let us know within the next 3 months. We'll give you a refund, minus a 10% fee.

Why 10%? Unfortunately, we've instituted this policy to deter folks from signing up just

to get the research reports, then immediately canceling.

Believe it or not, people do this.

Should you cancel after your 3-month trial period ends, we'll give you a prorated refund based on the time left in your subscription.

Oh, one other thing I should point out...

For a limited time, you can claim a \$2,000 discount to your *Phase 1 Investor* subscription.

When you click on the button below, the order form will have more details.

So... if you are interested in the chance to see some serious gains by the end of 2011...

I suggest you sign up for *Phase 1 Investor* today.

By signing up today, you'll receive a copy of **Why "The Next Royal Gold" Could Make You a Fortune.**

You'll guarantee your spot to listen in on the June 21st conference call... and you'll have the opportunity to get in BEFORE the other two royalty deals begin producing in 2012... and before the company makes any other deals.

Plus, you'll get a new *Phase 1 Investor* research report every single month for the next year – that's a dozen of our most exclusive ideas... twelve opportunities to see incredible gains in 2011 and 2012.

And you'll be granted access to our exclusive, password-protected *Phase 1 Investor* website, where you'll find the entire archive of our research.

This could be the biggest opportunity we've seen anywhere in the history of our business. The potential upside is ridiculously high. You could, if things go the way we think they might, make a fortune.

So, if you're interested in learning all about this tiny company... if you enjoy speculating with a small part of your portfolio... and can afford to take risks that could pay off huge...

Then a subscription to *Phase 1 Investor* is a no-brainer.

Click here to [Subscribe Now](#)

Good investing,



Frank Curzio  
Editor, *Phase 1 Investor*  
June 2011

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