



Wall Street Grand 2009 Silver Report

In this report, I am going to go over another factor that the media does NOT want you to know about that I think plays a big factor in why gold and silver will be going significantly higher from their current price. In my opinion, I believe silver could become an even more profitable investment than gold! If you haven't realized EVERY pick from my gold report is up big and my average gain for my top ten gold picks is already a whopping 129% in just a few months! Our latest 5 Star Stock- DROOY released in our gold report is already up 190%! Now let's get into my report...



Above is a chart that I would like every to take a look at. The chart shows the M3 money supply (Green Line). M3 is an estimate of the total money supply in Dollars in our banks and economy. In the Spring of 2006, the Fed stopped publishing numbers for M3 to supposedly "save money" when M3 was about \$10.3 Trillion. The Dollar, which is said to be a "unit of account", no longer has any accounting!

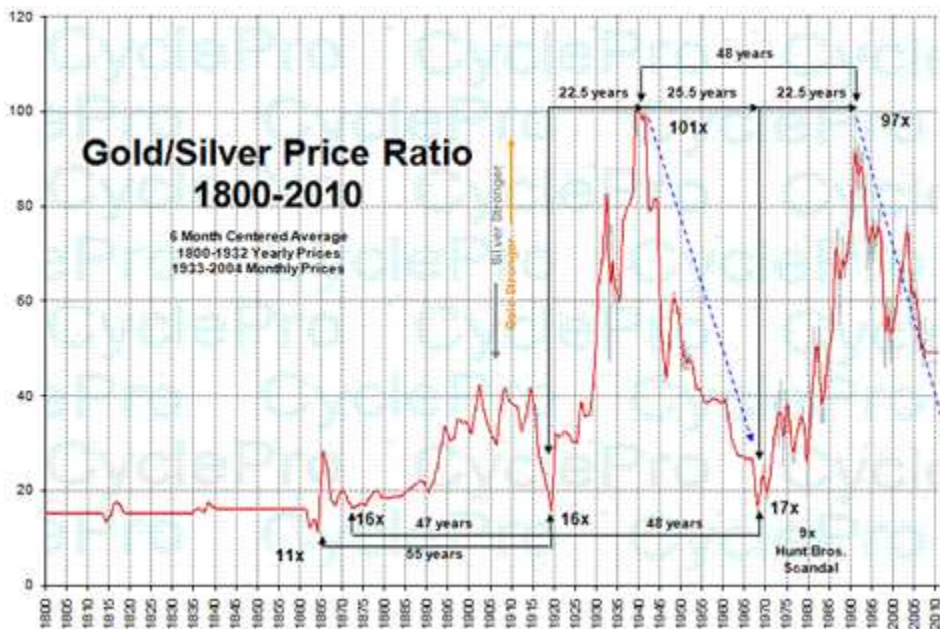
A private company is keeping track of M3, and M3 is soaring past \$13.5 Trillion, hitting a high of 17% in annual change year over year! The Federal Reserve is accountable to you, but only if you do something about it, such as buy silver and gold! In 1971 when the rate of annual change reached a high of 16% we saw massive inflation in the years ahead that sent gold through the roof to as high

as \$850 which when adjusted for inflation today equals \$2,300 per ounce! With Bernanke taking interest rates to 0% and printing Trillions of Dollars out of the printing press I think it could head to these levels within the next 3 years.

Even though the U.S. dollar isn't backed by gold any more, anyone with Dollars could smarten up and start buying silver and gold at any time. In fact, I have a feeling we will start to see this happen very soon! China, for example, could spend their \$1.3 Trillion U.S. Dollars in bonds and go buy gold and silver! We could see the dollar seriously collapse overnight and there isn't a single thing the U.S. could do about this. It is a scary thought but it's true and that's why you need to take action RIGHT NOW! I have stressed this to our club time and time again but I can only pray that everyone is becoming more educated and does something about it!

About 10 years ago, M3 was about \$4 Trillion, and silver was at \$5 an ounce. By the spring of 2008, M3 exceeded \$13 Trillion, and silver is at \$20 an ounce. Relative to the recent increase in money supply, silver is as cheap as it ever was and I believe along with gold it is an opportunity of a lifetime!

The historic price ratio of silver to gold shows that about 15 ounces of silver would buy once ounce of gold, a 15:1 ratio! Recently, the gold to silver ratio is about a 70:1 ratio (with silver at about \$14/oz and gold at about \$980/oz.) As the silver to gold ratio returns to historic values within the next 5 years, from 70:1 to 15:1, you may make almost 5 times more money investing in silver than gold!!!



More than all of the silver produced by mines each year is consumed by industry, jewelry, and photography which leaves little to no room for substantial investment demand. In my opinion, a marginal increase in investment demand will drive prices through the roof! Think about it, when gold is becoming too expensive to be used as money and paper money fails, silver is the only thing left to use as money. We have consumed nearly all the silver in the world, we continue to consume more than we mine, and the world has totally abandoned silver as money. But whether you know it, or can accept it, silver is money. In my opinion, silver is the only commodity that can be used as real money besides gold! The problem is most people don't know what real money is! Let me break it down for you.

To function as money, a monetary item should possess a number of features:

To be a medium of exchange:

- It should have liquidity, and be easily tradable, with a low spread between the prices to buy and sell, in other words, a low transaction cost.

- It should be easily transportable; precious metals have a high value to weight ratio. This is why oil, coal, or water are not suitable as money even though they are valuable.

- It should be durable. Gold or silver coins are often mixed with 10% copper to improve durability, and coins are made with ridges around the rim to prevent coin shaving or debasement.

To be a unit of account:

- It should be divisible into small units without destroying its value; precious metals can be coined from bars, or melted down into bars again, with a low percentage cost. This is why leather, or live animals are not suitable as money.

- It should be fungible: that is, one unit or piece must be equivalent to another, which is why diamonds, works of art or real estate are not suitable as money.

- It must be a specific weight, or measure, or size to be verifiably countable. You must be able to weigh, measure, and count, your unit of account!

To be a store of value:

- It should be long lasting, durable, it must not be perishable or subject to decay. This is why food items, expensive spices, or even fine silks or oriental rugs, are not generally suitable as money.

- It should have a stable value.

- It should be difficult to counterfeit, and the genuine must be easily recognizable.

To be anonymous:

- Money should not be subject to government tracking

- It should be useable for purchases in a black market

- It should not require equipment, tools or electricity to use

- It should not require a mark, or image, to be valuable, but rather, be a just weight, and measure.

So, if you want to "MAKE MONEY", YOU SHOULD TRY TO ACQUIRE THINGS THAT HAVE THE ABOVE CHARACTERISTICS! I think silver is best, especially because silver is cheap, and will be a great store of value.

When I wrote my gold report I stated that there was a major disconnect between the true value of gold on Wall Street and physically. I proved that the average gold coin on eBay at that time was going for \$950 an ounce while the market valued one ounce of gold at only \$800. I predicted that we would see the prices match and we would quickly see gold head to \$950 an ounce, a 22% premium from where it was when we noticed this disconnect in price. Today, gold closed at \$978.20! We were right once again! Now the same factor this time goes with silver except this time it is even bigger! The average one ounce of silver on eBay is selling for about \$20 while silver is only trading for only about \$14! This is a 43% premium from the current Silver price of \$14 right now! This is HUGE!

In my opinion, we could see silver move much faster than gold this year and could make even bigger gains for investors. If I am right and silver heads back to its historic gold to silver ratio of 15:1 and gold goes to \$5,000 within 5 years, we could potentially see silver head to \$333 an ounce! *This is a*

2,279% gain from the current price! Even if we are more conservative and gold only goes to \$1,500 by the end of the year and we could still potentially see the silver to gold ratio go to 35:1, sending the price of silver go to \$42, a 200% gain from the current level! In my opinion, I highly suggest diversifying in both gold and silver right now. Think about how many ten-baggers we could have in the upcoming years!



I recommend the silver ETF- SLV which tracks the price of silver. SLV is currently trading at \$14.17 and I believe will head to \$20+ this year. When DGP was trading for about \$14 when I issued my gold report in late November, I predicted we would see it above \$20 quickly and it just hit a high of \$22.84 today!



Here are 3 of my silver picks:



Endeavour Silver Corp.- (EXK)

Alert: \$1.53

Web Site: <http://www.edrgold.com>

EXK is a small-cap silver mining company focused on the growth of its silver production, reserves and resources in Mexico. Since acquiring the Guanacevi Mines project in 2004, Endeavour has posted five consecutive years of aggressive silver production and reserve growth. The expansion programs now underway at Endeavour's two operating mines, Guanacevi in Durango State and Guanajuato in Guanajuato State should facilitate Endeavour's continued growth into a mid-tier primary silver producer.

Guanacevi District

Endeavour currently holds 100% interests in 955 hectares (2,360 acres) within the historic silver district of Guanacevi which produced over 450 million ounces (oz) of silver according to SGM, the Mexican Geological Service. Within six months of acquiring the Santa Cruz mine properties and Guanacevi process plant in 2004, Endeavour discovered the new North Porvenir ore-body and developed the new Porvenir mine into production. By 2007, four high-grade silver ore-bodies had been found along an initial four kilometer (2.5 mile) length of the prolific Santa Cruz silver vein.

View the Guanacevi maps and table at <http://www.edrsilver.com/s/Guanacevi.asp>

As of March 2008, the NI 43-101 reserves at Guanacevi had grown from nil to 14.2 million oz silver in proven and probable reserves, 13.6 million oz in measured and indicated resources, and 8.5 million oz in inferred resources, or 39.0 million oz silver equivalents in total when the gold credit is included at the then gold:silver ratio of 55:1. As we know it is now a ridiculous 70:1!

Read this PR that discusses a 2008 review and 2009 outlook-
<http://biz.yahoo.com/iw/090211/0473403.html>

EXK's market cap is currently \$78 mm with 49 mm shares outstanding and 47.5 in the float. EXK has revenues of \$42.4 mm with quarterly revenue growth year over year of 38%. EXK has \$5.65 mm in cash and 0 debt!

The top four primary silver mining companies each produce between 6.8 and 14.8 million oz silver per year, have market capitalizations of US\$0.8 billion to US\$2 billion and are valued at around US\$65 to US\$200 per oz of annual silver production, or 10 to 30 times forward cash flow multiples. If EXK continues their growth at the same rate hitting their benchmarks and captures similar market valuations, the investment potential should be a multiple of the current market cap.

EXK is one to watch as our prediction in silver prices starts to become reality.



Hecla Mining Co - (HL)

Alert: \$1.69

Web Site: <http://www.hecla-mining.com>

Hecla Mining Company, a precious metals company, engages in the discovery, acquisition, development, production, and marketing of silver, gold, lead, and zinc. It owns a 100% interest in the Lucky Friday unit located in northern Idaho; a 29.7% interest in the Greens Creek unit located on Admiralty Island, near Juneau, Alaska; and a 100% interest in the San Sebastian unit in the state of Durango, Mexico. The company produces and sells metal concentrates to custom smelters; and unrefined gold bullion bars directly to customers or further refines before sale to precious metals traders. Hecla Mining Company was founded in 1891 and is headquartered in Coeur d'Alene, Idaho.

HL has a market cap of 291.5 mm and is trading less than book value and only one times sales! HL has revenues of \$270 mm with quarterly revenue growth of 62% year over year. HL has \$81.5 mm in cash in the bank but does currently have \$199 mm in debt. HL has 169.5 mm shares outstanding and 168.4 mm shares in the float.

HL is the oldest U.S.-based precious metals mining company in North America and a low-cost primary silver producer.

In early 2008, Hecla acquired 100% ownership of the fifth largest silver mine in the world – the Greens Creek joint venture in Alaska. This transaction will dramatically increase Hecla's annual silver production by 2009, while maintaining a low cash cost per ounce of silver, relative to its peers.

In 2007, Hecla was the lowest-cost primary silver producer in North America, producing 5.6 million ounces of silver at an average total cash cost of negative \$2.81 per ounce. Hecla also produced 107,708 ounces of gold. The company has exploration properties and operating mines in the U.S. and Mexico. Hecla has proven operating expertise and highly prospective exploration opportunities.

Hecla mines, processes and explores for silver and gold in the U.S. and Mexico. Hecla currently produces silver from two silver mines, Greens Creek and Lucky Friday. In 2007, the Greens Creek mine in Alaska contributed 2.6 million ounces of silver to Hecla's account (Hecla owned just 29.37% at that time), and the Lucky Friday mine in northern Idaho produced 3.0 million ounces. HL has stated that the acquisition of Greens Creek, which is believed to be the fifth LARGEST silver mine in the world, will produce nearly double HL's silver production to about 11 mm ounces annually, increase silver reserves by more than 150%, increase gold reserves by 140%, will significantly increase HL's cash flow from operations, and decrease HL's already- low average cash costs per ounce of silver!

Do your research on HL as soon as possible because I think it is undervalued at these levels and could become a huge winner for us as silver starts to take off in the near future.



Silver Wheaton Corp.- (SLW)

Alert: \$6.54

Website: <http://www.silverwheaton.com>

SLW is the largest public mining company with 100% of its operating revenue from silver production. Silver Wheaton expects, based upon its current contracts, to have silver sales of approximately 17- 23 million ounces in 2009 and approximately 30 million ounces in 2013, without any capital expenditures being required to generate that growth.

SLW has long term contracts to purchase all or a portion of the silver production from mines in Mexico, Sweden, Peru, Greece and the United States, at a low fixed cost. Silver Wheaton's unique and simple business model is designed to create long term shareholder value, providing the best leverage to increases in the silver price while mitigating downside risks. Silver Wheaton is unhedged and well positioned for further growth.

SLW being the largest public mining company with its revenue from 100% silver is a very bullish sign that when we start to see the gold to silver ratio correct itself and silver prices start to rise, there is only one way I believe SLW could go and that's UP! SLW currently does about \$188mm in revenue with over a 51% profit margin. SLW is currently 56% held by institutions.

In my opinion, SLW is a great way to invest into the silver market and once silver starts to get the valuation it deserves we will see SLW head higher. SLW is one of the only silver companies I am aware of that is profitable and making money right now even with silver down to \$14 an ounce.