

The Microcap Notes



DECEMBER 30, 2011

The Big Picture



One of the more telling market events of the past 45 days or so has been the marked decrease in precious metals prices, most topically gold and silver:



Continued on Page 8 – Market Overview

IN THIS ISSUE

THE BIG PICTURE – Stock Ideas for 2012

GOOD THINKGS TO KNOW
Page 2

FIRST LOOK
Mistango River Resources
Page 5



SUMMARY OF AMI COVERAGE
Page 11

SUMMARY OF RELATIVE AMI RESEARCH PERFORMANCE
Page 12

Good Things to Know



Analysts are an interesting lot. We spend a great deal of time trying to find and then understand the correlations of asset classes, economic variables, sales figures and just about anything else we can justify or otherwise theorize as relevant, in order to arrive at conclusions that support our predictions of the future. We do that in spite the old lesson most of us were taught in statistics class that “correlation is not proof of causality”. We all recognize the truth of that phrase. Just because two things are correlated does not mean one is responsible for the other. That said, we analysts still love correlations, and in that regard I have one to consider for the coming year, but first, in the context of the bigger picture, here are a few things that could shape 2012.

The fact is, we have plenty of things out there to worry about, and the overriding theme in most of them is the thing the markets hate the worst: uncertainty. 2011 brought plenty of turmoil on the geopolitical front, especially for world leaders (in one form or another), who across the landscape were voted out (Greece), forced out (Libya), resigned (Italy), were killed (Bin Laden) or even died of natural causes (North Korea). I am not sure recent history has experienced a year where so many world leaders were displaced. Whatever the numbers, while “new” leadership, based on the questionable leadership of those they replaced, may on the face appear positive, the old adage goes that “the devil you know is better than the one you don’t”. It’s hard to imagine a leader worse than Kim Jong Il, on the other hand, it is perhaps more frightening to consider the prospects of his largely inexperienced

28 year old son with his finger on a nuke? As noted, the markets loath uncertainty.

To expand on the above, many of the uncertainties set in motion in 2011 are likely to continue to spill into 2012. It would be hard to imagine that the Arab Spring has completely sprung. I think we can expect more turmoil there. Further, as we close the year, Iran is “contemplating” blocking the Straits of Hormuz if economic sanctions are levied against them or their customers. Meanwhile, their nuclear ambitions are moving forward, which for many (me at least) makes some sort of Israeli response seem inevitable. With the world economy already on fragile ground (another uncertainty) the thought of \$200 oil is nothing short of draconian, and unfortunately, it may not be a long shot scenario...

Speaking of a fragile economic environment, is there any solution for the EU problem(s) that doesn’t include considerable downside collateral? And by the way, (in perhaps a related vein) does anyone else question how in the world the government could possibly have the inflation figures correct? Everything seems to me like it is more expensive than it was a year ago, except, houses, which is a whole other can of worms. Like I said, there is no shortage of uncertainty out there, but I digress, as I started this diatribe talking about correlations, and there may be one out there that suggests a positive outlook.

As I was contemplating all of these world problems in the context of their pending impact on stock

values, I started wondering what the correlation was between the performance of the equity markets and presidential elections. My initial thought was that there probably wasn't one, at least not a strong one, but, as it turns out, I was wrong. Here is what I learned.

First, from 1942 to 2002 there have been numerous bull/bear market cycles. Interestingly enough the average duration of those cycles (trough to peak) was 4.02 years, which happens to correspond to the duration of a U.S. presidential term.

That's a bit interesting, but it begs the question, where did the peaks and troughs occur in relation to those election cycles? That is, given that piece of information, did the market fair better in the periods *leading up to* the elections or better in the periods *following* the elections? To answer that, consider the following table:

Presidential Term	Month and Year of the Market Bottom	Year During the Presidential Term When the Market Bottomed
1942 – 1944	Apr-42	2nd Year
1945 – 1948	Oct-46	2nd Year
1949 – 1952	Jun-49	1st Year
1953 – 1956	Sep-53	1st Year
1957 – 1960	Oct-57	1st Year
1961 – 1964	Jun-62	2nd Year
1965 – 1968	Oct-66	2nd Year
1969 – 1972	May-70	2nd Year
1973 – 1976	Oct-74	2nd Year
1977 – 1980	Mar-78	2nd Year
1981 – 1984	Aug-82	2nd Year
1985 – 1988	Dec-87	3rd Year
1989 – 1992	Oct-90	2nd Year
1993 – 1996	Apr-94	2nd Year
1997 – 2000	Aug-98	2nd Year
2001 – 2004	2-Oct	2nd Year
		Average years into presidential term = 1.87

What the above tells us is that the market troughs tend to occur in the first half of most presidential terms, which suggests that the best markets tend to occur in the second half of presidential terms, which would of course include the election year itself. On the other hand, this revelation leads to another question, which is, if there is indeed a positive

correlation between market returns and elections, is the magnitude of the relationship of the returns between the first half of a presidency and the second half significant? That is, are the returns in the second half marginally better or are they substantially better? Consider the next table:

Presidential Election Dates	Percent Change from Oct 1 of 2nd yr of Presidential term through Dec. 31 of	Percent Change from Jan. 1 of inaugural yr through Sept. 30 of second yr	Investor 1 dollar results (beginning with \$1,000)	Investor 2 dollar results (beginning with \$1,000)
1952	35%	22%	\$1,350	\$1,220
1956	45%	8%	\$1,956	\$1,318
1960	16%	-2%	\$2,271	\$1,291
1964	52%	-9%	\$3,451	\$1,175
1968	39%	-19%	\$4,798	\$952
1972	40%	-47%	\$6,717	\$505
1976	70%	-4%	\$11,418	\$483
1980	32%	-12%	\$15,072	\$425
1984	37%	40%	\$20,649	\$595
1988	19%	11%	\$24,571	\$660
1992	38%	7%	\$33,909	\$707
1996	60%	42%	\$54,254	\$1,004
2000	34%	-36%	\$72,701	\$643

“The findings in Table 3 are extremely interesting. The first investor put up money 13 times and did not lose money in any period. Gains ranged from a high of 70 percent prior to the 1976 election to a low of 16 percent before the 1960 election. Investor 1 saw the original investment of \$1,000 grow to \$72,701. This is a percentage gain of 7,170 percent. Investor 2 was not so fortunate. This individual also anted up 13 times, but lost six times. The largest loss of -36 percent was seen after the presidential election of 2000. Investor 2 saw the original \$1,000 shrink to only \$643, or a loss of -36 percent, in nearly five decades. That percentage is based on nominal dollars and does not include the impact of inflation”.

As the table and accompanying narrative suggest, the comparison of market performance for the first and second halves of a presidential term are beyond

significant, they are dramatic. So then, what does all of this mean for 2012?

To be honest, I have no idea. While as an analyst, I like correlations, I have also never forgotten my statistics lessons; “correlation is not proof of causality”. On the other hand, with all of the uncertainty and related reasons to think 2012 could be a precarious year around the world and by extension challenging for the equity markets, it is at least comforting to consider a reason or two why it may actually turn out pretty good. As usual, the coming year is anyone’s guess, because the possibilities are endless, and in fact, I would be willing to bet that the biggest story of 2012 could very likely be something no one is even thinking about right now. That is usually how it seems to work.

That said, one thing I do feel comfortable suggesting is this. We have over the years seen plenty of stocks perform well in just about every kind of environment imaginable (and some even unimaginable), which is why for 2012 we at Accredited Members will keep doing the same thing we do every year; scouring the micro cap universe for companies poised for better performance.

The above data and related narrative is compliments of the following URL and applicable references:

http://moneyover55.about.com/gi/o.htm?zi=1/XJ&zt=1&sdn=moneyover55&cdn=money&tm=57&gps=799_265_1676_748&f=10&su=p284.13.342.ip_&t=2&bt=1&bts=1&st=11&zu=http%3A//gbr.pepperdine.edu/043/stocks.html

First Look



Symbol: MIS (CNSX)

GLRAF (OTC Pink)

Approximate

Book Value / Share:*

\$.05

Approximate Current Ratio:*

3.26 : 1

52 Week High:*

\$.37

52 Week Low:*

\$.10

Price at 12/28/2011:

\$.24

Approximate Shares

Outstanding:**

26 million

Approximate Float:**

22 million

Approximate 90-Day

Avg. Daily Volume:

N/A

Approximate Cash Position:

\$ 2 million

Approximate Market Cap.:**

\$ 7.2 million

Selected Financial Data sources:

** Yahoo! Finance ** From Company filings or presentations*

*(This company is NOT currently
under coverage by AMI.)*

Company Overview

Mistango River Resources Inc. is a Kirkland Lake (Canada) based resources Exploration Company focusing on increasing shareholder value by exploring and development of precious metals and VMS hosted base metals with precious metals content. The company holds several properties in Ontario and Quebec (the tow largest gold producing provinces in Canada) and is presently focusing on the Omega and Sackville properties in Ontario The Company has large land holdings in the Kirkland Lake area. Mistango has a very experienced board and technical staff.

Project Overview

-The Omega Gold Property

The Omega Gold Property is located near Larder Lake, Ontario 18 miles east of Kirkland Lake, 4 miles west of the former Kerr Addison mine former producer (10M oz/gold) and lies on the Larder Lake Cadillac fault system, which has produced over 40 million oz/gold in the past, just in the Kirkland/Larder Lake area an continues to do so. The Omega is a past producer; mining was by assay walls to maintain a mining grade of 0.15 oz/gold ton leaving plenty of areas of lower grade unmined which at today's gold price is quite economical.

The Omega property is the focus of much of the current drilling/development work.

-The Sackville Property

The Sackville Property is a contiguous assembly of 8non-patented claims and 1 patented claim containing 3944 hectares and is easily accessed by all weather roads and close to power and railroad.

Mistango has been working the property for over 10 years with a combination of drill programs, geophysical surveys and intense till and soil sampling to try and locate the high grade Stares (Stares Boulder 12% Zn, 0.6 % Cu, 4.4% Pb, 359 g/t Ag and 5.52 g/t Au) and Calvert boulders (Calvert Boulder 12% Zn, 0.26% Cu, 1.70% Pb 214.3 g/t Ag, 3.51 and g/t Au) found on and just south of the property. To date one small mineral zone has been found containing high grade zinc with Gold and silver credits.

Recent till, soil work and geophysics has outlined several untested targets which will need to be explored. Because of the high grade nature of the boulders the company wants to follow up all leads to find the source, which is considered to be sizeable.

-The Baldwin Property

The Baldwin property contains 3 deformation zones (faults) Kirkland Lake, Larder Lake and the Blance River. The property is situated from the Kirkland lake Gold Mine/ Queenston JV property. Drilling in the past the property has encountered anomalous gold over several metres. There is also a small past producer on the property that produced a small amount of ore of approximately 0.50 oz gold ton in a porphyry gold zone similar to the mines on the Kirkland Lake fault. Much more work is needed on the property.

-The Casa Berardi Property

The Casa Berardi consists of 104 claims and approximately 4,345 acres and is located in Puiseaux and Orvilliers townships (Quebec).

The property is readily accessible by logging roads.

Three deformation (faults) cross the in tier property, drilling has encountered anomalous gold in them all. The Aurizon mine lies approximately 30 Kl to the west and is situated on the Casa Berardi deformation Zone which also crosses the entire length of the Mistango property. The property has excellent Base Metal potential. The Selbaie Mine to the North and the former Estradies (now owned by Cogitore

Resources) mine is situated just south of the Mistango Property.

The property definitely needs more exploration work. There are several years' assessment credits on the property allowing for plenty of time to do more exploration.

The View From AMI

As many who follow our research or participate in our conferences know, while we are certainly generalists in our approach to the Companies we look at, we do tend to have a bit of a soft spot for resource deals. That affinity is probably buoyed by the facts. While much of the economy has struggled over the past few years, the metals, perhaps especially gold, as well as energy have performed quite well. Translation: it is easy to be partial to things that are working especially when many other things are not. But honestly, we really do like resource deals, and frankly, looking back we have had a number of them that have performed quite well. We noted in our overview of private presenter PRE Resources, we have had numerous conference presenters and/or research companies involved in the oil and gas business, that ended up working quite well for attendees and/or subscribers who participated in those stocks. The same is true of a number of the mining deals we have featured. That said, we tend to have a few things we like to focus on, although each story has its own nuances, and we were attracted to Mistango because it embodies some of those characteristics.

First, Mistango is primarily a gold play, so it probably makes sense to address the big picture first. (Note: much of this narrative is specific to the Company's Omega project since it is the focus of most of their current efforts). As we have suggested many times in our writings on the subject, when it comes to evaluating a gold property, the biggest variable is probably the one that the Company has absolutely no control over, which is of course the price of gold...today, tomorrow and the next day. With that in mind, we submit, in order for people to give earnest consideration to owning a gold exploration company these days, or even a producer, the chances are the math depends on an assumption of stable or higher underlying metals price into the

future. Put another way, if the conclusion is that gold is going back to \$400 per ounce (or even back under \$1000 for the most part) it probably doesn't make sense to buy most gold stocks. However, for those who think \$1500+ gold is here to stay, and want to participate through equity ownership of developers and/or producers, the next trick is to find those with the best risk/reward ratios. That task is neither easy nor exact, but that is why people like us have jobs. That brings us back to Mistango and its particular characteristics.

We tend to like projects located in areas with historic production. That is not to say that we view projects in areas with no historical production as negative on the face, we just think proven areas may be void of particular risks that places that have never produced are not. As an example, quite simply, there have been a number of past producing areas where production ceased largely because commodity prices were too low to sustain their production. However, with higher commodity prices, many of those areas become viable again. Even things like the metallurgy carry fewer unknowns than areas where none of the resource has ever been processed. That said, we think the Omega projects status in that regard is topical. More objectively, the fact that the property has two existing shafts makes exploration easier, cheaper and faster. Further, if they do get to production of some sort, those shafts will represent a considerable piece of "paid for" infrastructure that could significantly increase the ROI of the project. To put that into perspective, we would guess that the cost of sinking those two shafts today would likely

be significantly greater than the entire market cap of the stock. That brings us to the next point.

As we inferred, whether an investment is a "good deal" or a "bad deal" is as much a function of what you pay for it as the actual fundamentals. Obviously, the "best deals" are those that have great fundamentals and are also selling at a low valuation. We make a living trying to identify those. In the case of Mistango, if our math is correct, the current market cap is about \$ 7.5 million fully diluted, and they have approximately \$2 million in cash, so the enterprise value is about \$5.5 million fully diluted. Given the existing infrastructure which includes the advantages of the historic production profile we touched on, we view the market cap as relatively modest. Further, the additional portfolio of properties provides additional underlying value.

Starting from the point of modest valuation, the Company is developing the Omega property which should provide for potential milestones/catalysts as those results become available. Along those lines, the project is approaching the completion of a 43-101 which could also provide a valuation catalyst. Actually, the Company is diligent about providing drilling updates, which continue to reflect positive results. In short, as gold exploration stories go, we think Mistango may be compelling at current valuations, and we will be following their progress for milestones that may warrant coverage.

Continued From Page 1 – Big Picture

As one might expect, that deterioration has led to the (further) deterioration of the associated equities. We think that may provide some opportunities since as we have been arguing for some time now, many of the underlying equities (exploration and producers) seem to have taken it on the chin worse than the commodities themselves. Again, our explanation of that has been that many of the typical resource equity buyers were not convinced that commodity prices were going to hold up (or at least might see some sort of correction) and as a result, they did not see the value in the underlying equities. Recognize, the prices of the commodities are directly responsible for the earnings and/or the valuations of those equities. The trouble is, while the correction is here, a number of the underlying equities continue to fall. That is, they feel in anticipation of the event and now are falling further with its realization prompting some (or at least us) to question whether or not some of the mining equities may be oversold?

Granted a great deal of our oversold conclusion depends ultimately on where the intermediate and long term prices for gold and silver clear, but to that end, we are not sure the (primary) cases for higher commodities has yet been debunked, namely that the expansion of monetary aggregates will at some point lead to marked inflation, and/or the value of many of the world's most visible currencies are devaluing, which is perhaps an extension of the same monetary phenomenon. Actually, that brings us to our real purpose here which, since it is year end and all, is to provide a few ideas that could provide a fortuitous January Effect, or at least a great entry point for better valuations in 2012.

Since we started this by talking about commodities, we may as well start with some of the underlying equities we alluded to.

U.S. Silver Corporation (USSIF.PK; USA.V-TSX). 12/28/11 Closing Price: \$.40. We recently increased our allocation of coverage stock U.S. Silver so we would defer to that update for most of our rationale concerning why we think the stock looks cheap here, but to summarize, we think the stock is oversold in the low \$.40s, and our

expectation is that the stock could double from here if silver ever gets back up off the floor. (Dave Lavigne owns U.S. Silver)

Timberline Resources Corp. (TLR– AMEX) 12/28/11 Closing Price: \$.58. TLR has presented at some of our past conferences so we are familiar with the story. The Company has continued to mark progress towards production at its Butte Highlands property in perhaps the first half of 2012, as well as a “production decision” at South Eureka (Nevada) in 2012 as well. The Company recently completed the sale of its drilling division, which boosted their cash position to roughly \$5.4 million while eliminating its debt (\$5 million in convertible notes). They should benefit from future cash payments associated with the sale as well. In spite of the positive (re)capitalization and added balance sheet liquidity, along with what appears to be eminent production and expanding reserves, the stock continues to drift lower, which may feed on itself from a tax loss perspective. We think the Company is perhaps better positioned than it has ever been, and while gold prices remain a wild card here, we think the commencement of production at Butte Highlands as well as additional likely exploration and development milestones at Eureka and potentially some of the other properties could all provide positive catalysts for the stock in 2012. Here again, with the turn of a friendly card or two, we think Timberline could trade to multiples of current prices in 2012.

White Mountain Titanium Corp. (WMTM-OTCBB). 12/28/11 Closing Price: \$2.27. This is another of our coverage stocks. When we originally started coverage the stock in February of this year, we assumed forward TiO₂ prices of around \$700 per ton. We recently raised our target after the Company signed a LOI for delivery of TiO₂ for \$1200 per ton, and we have read recent industry reports that suggest 2012 contracts will be signed at something around \$2,000 per ton. In the meantime, the stock has been under a bit of pressure trading off of highs around \$2.50 back down to the \$2.00 range. We think 2012 will bring considerable visibility to the project which should be highly positive. Hypothetically (or maybe not-so-hypothetically), \$2,000 TiO₂ should make the project worth considerably more than our \$5.00 price target. Frankly, we are not sure we even want to address what intrinsic value would be in the event

that pieces really end up in the \$2,000 range. Suffice it to say, it could most certainly mean double digit valuations for the stock. Needless to say, we like the stock in here as an idea for 2012.

Authentidate Holding Corp.(NasdaqCM: ADAT). 12/28/11 Closing Price: \$.69. This is another coverage name, and again, as we noted in the recent allocation upgrade, we are looking for a revenue and earnings breakout in 2012 related largely to their participation in a large VA telehealth initiative. While we will continue to look for traction beyond that contract as a longer term valuation metric, we are convinced that the VA contract alone should provide the basis for multiple increases in the stock from current valuations. As we often note, we have covered the stock for a decade, and spent a good deal of that time being wrong about what we thought was going to happen, but we think we think we have it right this time... (Dave Lavigne owns Authentidate)

Safeguard Scientifics, Inc. (NYSE: SFE). 12/28/11 Closing Price: \$15.39 This is another of our perennial conference presenters. In a nutshell SFE is a publicly traded private equity play, which means investors get the benefit of both the extraordinary return potential of private equity as well as the liquidity benefit of own a public stock. We think the stock is very attractive in the \$15 range. They currently reflect cash of about \$265 million (we think it is actually a bit higher than that now, although they did just announce two new investments) and debt of around \$45 million, so *net cash* so-to-speak is about \$220 million which is roughly 70% of the entire market cap (at the time if this writing). Further, the portfolio is being carried at cost of around \$180 million, but we think the portfolio could ultimately be worth multiples of that cost. Any significant liquidity events from the portfolio through 2012 should create catalysts for higher trades in the stock. This is in our view, a great name to own certainly in the sub \$16's. By the way, the company continues to buy back its own shares...

Birner Dental Management Services Inc. (NasdaqCM: BDMS). 12/28/11 Closing Price: \$15.68. Birner was one of our old research haunts having covered it a number of years ago under our EdgeWater label. In fact, if memory serves, it was

the very first coverage stock under the EdgeWater label. The fact is, it is really not very exciting. The Company operates a dental practice management company (branded "PERFECT TEETH") largely across the Colorado front range. From their website: "*PERFECT TEETH is now the largest provider of high quality, comprehensive dental care in Colorado and New Mexico and is growing in Arizona. Our 100 affiliated dentists provide high quality dental care for you and your family. PERFECT TEETH provides General Dentistry, Orthodontics, OralSurgery, Periodontics, Endodontics (root Canals), Pediatrics and Emergency Services. To schedule an appointment please contact any of our 63 locations*".

To segue a bit, when we first covered the stock at EdgeWater, the stock was a deep value play as it was emerging into profitability etc. We dropped the stock when it got to what we saw as full value, which again if memory serves, was in an around the time they had a buyout offer from another dental practice management enterprise. Since that time, they have largely turned into a dividend play. The current annual dividend is \$.88 which means that at current prices in the high \$15's the dividend yield is about 5.6%. The Company experienced a soft third quarter, and eps was further compromised by what looks like an increase in marketing expenses (perhaps to offset the softer environment). Our theory is quite simple; if the revenue compression was an anomaly and/or revenues rebound, there may be an opportunity for the stock to trade back to the \$18 to \$21 range where it spent most of 2011. In the meantime, investors can collect a nice dividend. Incidentally, that brings us to another dividend play we have been keeping our eyes on...

Compass Diversified Holdings (NYSE: CODI). 12/28/11 Closing Price: \$12.56. The stock currently yields **about 11.5%**. The company is "*a public investment firm specializing in acquiring controlling stakes in small to middle market companies*". We like that business plan by the way, but here again, the stock has seen some compression in the second half of the year to current levels of around \$12.50, whereas it spent the majority of 2011 in the \$15 to \$17+ range. Admittedly, we are not intimately familiar with Compass, as it is largely a new name to us, but we find the yield combined with the price compression compelling in terms of a

potential bounce, and the business plan fits a path that we have contemplated ourselves here at Accredited.

Odyssey Marine Exploration, Inc. (NasdaqCM: OMEX). 12/28/11 Closing Price: \$2.60. We have never covered this story, but we have followed it (and been shareholders at points in the past) and it is probably one of the more entertaining stocks there is to own (short of owning the Green Bay Packers). In short, they find shipwrecks, and they have proven to be pretty good at it. Their biggest problem has been fighting over the booty with various governments etc. In fact, there is a story involving one of their discoveries, the country of Spain the U.S. State Department and Wikileaks that is downright scary, but we digress...

The bottom line is, they recently announced a discovery that should swing the premium valuation back towards intrinsic value (or thereabouts) and they have also announced several projects for 2012 that could provide marked catalysts for the stock. Again, if the new discovery provides the fundamental base to support current valuations, then emerging 2012 "events" could provide the next lift. If nothing else, it will be fun to keep an eye on.

So then, these are just a couple of names we have our eye on as the year closes and a new one begins. Frankly, there are a number of other micro cap names that we think could see marked gains for 2012 (see the list below). There are probably several more beyond these, but we have to stop somewhere. That said, as we keep learning with each passing year, there are plenty of potential outcomes, good and bad, which could rollout in the coming year, and

the only certainty is that the ones that will have the greatest impact are likely to be to ones that haven't been thought of yet, or at least that no one seems to be focused on right now. For our part, since we are certainly not smart enough (or clairvoyant enough) to figure out what the next big event(s) will be, we will stick to what we know, which is, finding micro cap names that we think have some promise...for any of a variety of reasons... doing some further due diligence and some math and picking a few that we think may work. We think we will find a few so stay tuned.

Here are *some* of the additional names we are looking at for 2012, followed by their 12/28/11 closing prices. We think each of these may be poised for breakout numbers in 2012 and/or have been oversold (or neglected) as of late to levels representing discounts to likely fair value. For the sake of disclosure, we own some of these names.

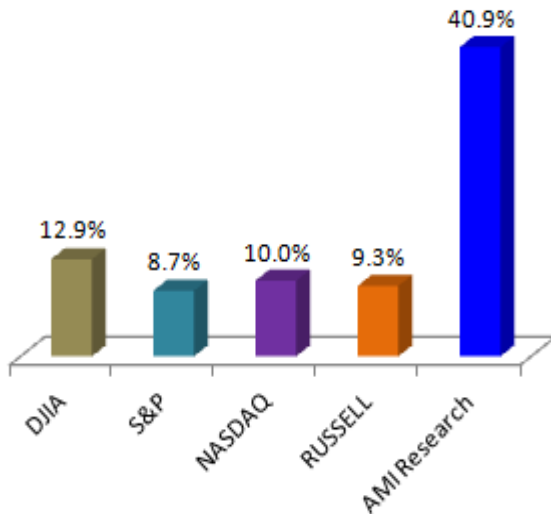
ADA-ES, Inc.(NasdaqCM: ADES) \$22.29
Coastal Contacts Inc. (Toronto: COA.TO) \$2.51
CommerceTel Corp. (OTC BB: MFON) \$1.52
Destiny Media Tech.Inc. (OTC BB: DSNY) \$.42
EnerJex Resources, Inc. (OTC BB:ENRJ) \$.85
Ikonic Corporation (NasdaqCM: IKNX) \$7.50
Kelso Technologies Inc. (TSXV: KLS.V) \$.56
Lakeland Industries, Inc.(NasdaqGM: LAKE) \$9.16
Lifevantage Corporation (OTCBB:LFVN) \$1.35
Synergy Resources Corp. (AMEX:SYRG) \$2.75

Summary of AMI Members Only Research

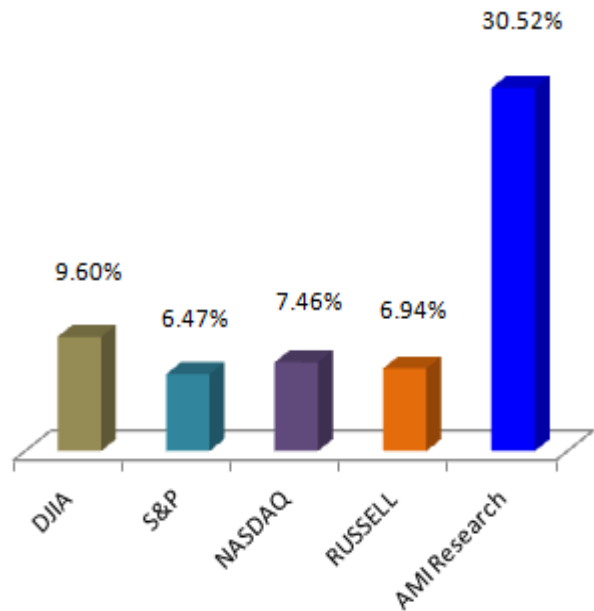
Accredited Members, Inc. Members Only Research Coverage								
CURRENT COVERAGE PERFORMANCE								
Company	Symbol	or Alloc. Δ	Coverage Initiation or Upgrade	Price @ Initiation	Target Price	Price @ 12/28/11	Current Profit/Loss	Current P/L %
Proprietary Research - Members Only	A123	4	6/17/09	\$ 6.21	\$ 12.00	\$ 3.65	\$ (1,648.95)	-41%
Proprietary Research - Members Only	B123	4	7/24/09	\$ 0.13	\$ 0.90	\$ 0.40	\$ 4,312.50	216%
Proprietary Research - Members Only	C123	4	9/3/09	\$ 1.13	\$ 2.50	\$ 0.69	\$ (1,553.19)	-39%
Proprietary Research - Members Only	D123	4	11/3/09	\$ 5.85	\$ 7.00	\$ 0.36	\$ (3,753.85)	-94%
Proprietary Research - Members Only	C123	1	2/22/10	\$ 1.00	\$ 2.50	\$ 0.69	\$ (310.00)	-31%
Proprietary Research - Members Only	C123	1	10/14/10	\$ 0.48	\$ 2.50	\$ 0.69	\$ 437.50	44%
Proprietary Research - Members Only	H123	4	12/22/10	\$ 3.70	\$ 6.75	\$ 3.96	\$ 286.60	7%
Proprietary Research - Members Only	I123	4	2/7/11	\$ 1.10	\$ 5.00	\$ 2.27	\$ 4,254.55	106%
Proprietary Research - Members Only	D123	1	3/16/11	\$ 5.95	\$ 7.00	\$ 0.36	\$ (939.50)	-94%
Proprietary Research - Members Only	D123	1	3/22/11	\$ 4.00	\$ 7.00	\$ 0.36	\$ (910.00)	-91%
Proprietary Research - Members Only	L123	6	4/5/11	\$ 3.22	\$ 5.00	\$ 4.46	\$ 2,310.56	39%
Proprietary Research - Members Only	M123	2	4/18/11	\$ 0.65	\$ 1.80	\$ 0.34	\$ (953.85)	-48%
Proprietary Research - Members Only	N123	2	5/5/11	\$ 4.45	\$ 9.00	\$ 4.50	\$ 22.47	1%
Proprietary Research - Members Only	O123	3	5/24/11	\$ 0.40	\$ 0.72	\$ 0.20	\$ (1,537.50)	-51%
Proprietary Research - Members Only	P123	4	6/1/11	\$ 0.10	\$ 0.45	\$ 0.15	\$ 2,000.00	50%
Proprietary Research - Members Only	P124	4	7/25/11	\$ 0.99	\$ 3.60	\$ 1.19	\$ 808.08	20%
Proprietary Research - Members Only	D123	1	7/28/11	\$ 1.09	\$ 7.00	\$ 0.36	\$ (669.72)	-67%
Proprietary Research - Members Only	I123	1	8/1/11	\$ 1.70	\$ 5.00	\$ 2.27	\$ 335.29	34%
Proprietary Research - Members Only	O123	1	9/1/11	\$ 0.30	\$ 0.72	\$ 0.20	\$ (350.00)	-35%
Proprietary Research - Members Only	E123	2	9/27/11	\$ 3.16	\$ 11.00	\$ 8.37	\$ 3,297.47	165%
Proprietary Research - Members Only	Q123	3	9/29/11	\$ 0.08	\$ 0.60	\$ 0.08	\$ -	0%
TERMINATED POSITIONS								
Stock	Symbol	Coverage Initiation	Termination or Downgrade Date	Cost	Termination or Downgrade Price	Profit/Loss	P/L %	Approximate Annualized Return
	B123	7/24/09	10/7/10	\$ 0.13	\$ 0.42	\$ 4,492.19	225%	186%
	E123	1/4/10	2/7/11	\$ 2.40	\$ 4.76	\$ 1,966.67	98%	90%
	K123	3/29/2011	6/14/2011	\$ 7.40	\$ 12.28	\$ 2,637.84	66%	313%
	E123	1/4/2010	12/12/2011	\$ 2.40	\$ 8.99	\$ 5,491.67	275%	142%

Summary of Relative AMI Research Performance

Total Return Since AMI Research Inception at June 30, 2009 (excludes dividends) as of 12/28/11.



Approximate Annualized Weighted Average Return



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Specifically, Mistango River paid a fee to present at and attend Accredited Member’s December 2011 microcap conference. Some of the stocks mentioned in the “Big Picture” section of this letter paid fees to present at AMI conferences, however, AMI coverage is not predicated on the payment of fees for conferences or any other services. AMI coverage is provided exclusively to AMI members.