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1. First coverage on high growth, profitable stocks, trading at low prices
2. Independent and updated BUY/SELL/HOLD Stock Reports
3. Unsurpassed 10-year track record of uncovering great small caps with strong fundamentals



KEYSTONE FINANCIAL
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Overview

- Brief Description of KeyStone
- Market Comments: Past, Present, & Future
- Small-Cap Stock Selections
 1. China-based Athletic Apparel Manufacturer
 2. China-based Basic Goods Manufacturer
 3. Junior Gold/Copper Producer
 4. Cash Rich Industrial Abrasive Minerals Co.

The screenshot displays the website for KeyStone Financial Publishing Corp. At the top, there is a navigation bar with links for HOME, HELP, SITEMAP, and CONTACT US. Below this is a header section featuring the company logo and the tagline "THE POWER OF INDEPENDENT INSIGHT". A secondary navigation bar includes links for Subscribe, About Our Services, Track Record, and Sample reports. The main content area is titled "KeyStone's Premium Stock Research" and lists reasons to subscribe, such as "First coverage on high growth, profitable stocks, trading at low prices" and "Unsurpassed 9-year track record of uncovering great small caps with strong fundamentals". It also details the benefits of a Platinum Membership, including "2-4 new BUY Reports" and "Access to our weekly analyst-hosted chat sessions". A "SUBSCRIBE NOW" button is visible. On the right side, there is a "Subscriber Login" form with fields for Username and Password, a "Save my username" checkbox, and a Login button. A link for "Forgot your username and/or password?" is also present. At the bottom, there is a section for "Our Coverage Universe" with links for MICRO CAPS, SMALL CAPS, MID CAPS, and BREAKTHROUGH STOCKS.

KeyStone Financial

- Founded in 1998, Registered Financial Advisor.
 - BUY/SELL Recommendations.
 - Small-Cap Growth Stocks: www.keystocks.com
 - Income (Dividend) Stocks: www.incomestockreport.com
 - Buy profitable growing companies at a reasonable price
 - GARP.
- Independent Insight.
 - We do not get paid by the companies we recommend.
 - We simply look for the best companies for our clients.

Market Commentary

The Past

- 2009: S&P TSX Composite up 30.69%
- TSX Range bound: Mid September to now, the TSX between 10,800 and 12,250.

The Present

- Valuations: Operational Earnings Basis (trailing): S&P 500 is just under 24x - historically high.

The Future

- “Show me the money!”
- Be fearful when others are greedy?
- Stock Pickers Market
 1. Companies with strong balance sheets, good cash flow and the potential for earning growth.
 2. Company Specific: China (selectively), technology, bottom fishing in resource (oil & mining) service stocks.

China-Based Athletic Shoe Manufacturer/Retailer

- **Zungui Haixi Corp.**
- **Price: \$2.75**
 - Manufacture and sale of athletic footwear, apparel and accessories and casual leather footwear in the Peoples Republic of China.
- Q2 2010 revenues rose 10% to \$37.0 million, from \$33.9 million in Q2 2009.
- Q2 2010 earnings rose to \$0.10 per share from \$0.09 in Q2 2009.
- Trailing EPS: \$0.40
- Strong balance sheet: \$58 million or \$0.94 per share in cash with no debt.
- EPS growth over the next 3 years: 25% +

Growth Initiatives

- **Launching New Corporate Owned Stores:**
 - Currently 3 retail outlets.
 - Expand its corporate-owned and managed retail network by opening an additional 100 corporate-owned and managed retail outlets over the next twelve months - **CAPEX \$8.0 million.**
 - Corporate-owned and managed retail outlets offer higher margins than sales through distributors.
- **Strengthening Existing Distribution Network:**
 - 1,716 current retail outlets, through 47 distributors
 - Assist distributors to open up to an additional 250 retail outlets operated by distributors or third-party retailers.
- **Increase Production Capacity - Greater Economies of Scale**
 - To increase its manufacturing capacity and to improve production scales and efficiencies, replace and update its 5 existing production lines.
 - Build an additional six floor, 9,000 square meter manufacturing facility in Shishi City, which is expected to be completed in 2010.
 - **CAPEX \$7.0 million.**

China-Based Basic Goods Manufacturer

- **Asia Bio-Chem Group Corp (ABC:TSX-V)**
- **Price: \$1.21**
 - Manufactures and sells cornstarch and related products in the Peoples Republic of China (PRC).
- Q1 2010 revenues jumped 109.8% to \$39.9 million from \$19.03 million in Q1 2009.
- Q1 2010 net income rose to \$2.1 million or \$0.028 per share vs. a loss of (\$0.8 million) for the corresponding period of 2009.
- Manufacturing Facilities:
 - ChangTu Facility: Capacity throughput (tonnes) 300,000
 - Daqing Facility: Capacity throughput (tonnes) 600,000
- 2010 revenue run-rate in the range of \$225 million and be positioned to drive \$15 million or around \$0.19 per share to the bottom line. 2010 EPS est.
- PE of 6.36, with the capacity to produce EPS of beyond \$0.27 in 2011.

Junior Gold/Copper Producer

- **Orvana Minerals Corp. (ORV:TSX)**
- **Price: \$1.20**
 - Sector: Resource – junior gold producer with a strong balance sheet, transforming itself into a multi-mine gold and copper producer.
- **Production History: Commencing 2003, successfully mined 420,000 ounces of gold from the Don Mario Mine in Bolivia.**
- **EPS \$0.12 per share in 2009.**
- **Strong balance sheet with cash of \$42.3 million million or approx. \$0.40 per share.**

Growth Path

- Current Cashflow.
 - Small open-pit mine in Bolivia, Las Tojas slated to produce until the end of fiscal 2010.
- Upper Mineralized Zone (Bolivia):
 - CAPEX: \$20 million.
 - Extend mine-life to 2019.
 - Annual average production estimate: 11.7 million pounds of copper, 19,000 ounces of gold, and 700,000 ounces of silver.
- El Valle-Boinás/Carlés Project (Northern Spain):
 - Flagship Project: has the potential to be one of the largest gold producers in Europe.
 - CAPEX: \$50 million, commence production in fiscal 2011.
 - Annual average production estimate: 100,000 ounces of gold and 9 million pounds of copper.

Industrial Abrasive Minerals

- **WGI Heavy Minerals Incorporated (WG:TSX)**
- **Price: \$0.45**
- Sector: Industrial Abrasive Minerals
 - Mines, processes, markets and sells abrasive products and services and waterjet replacement parts globally.
- Q1 2010 revenues rose 37% to \$8.34 million from \$6.07 million in Q1 2009.
- Q1 2010 net income grew to \$0.14 million, or \$0.006 per share vs. a net loss of (\$0.14) million, or (\$0.006) per share in Q1 2009.
- Strong balance sheet: as at March 31, 2010, cash and cash equivalents \$6.8 million, or approximately \$0.29 per share.
- Attractive valuation metrics: book value of \$0.73 per share, EV/EBITDA multiple in the range of 2.4.

Thank you ladies and gentlemen

Q & A?