

As you all know *The Sage* is always on the lookout for Microcap stocks that are poised for success and will ultimately bring huge returns to its investors. Well, *The Sage* has truly uncovered a gem in VHGI Holdings (ticker symbol VHGI). Why is *The Sage* so confident in VHGI?

The company had previously announced in its 10-Q filing they have a letter of intent to acquire The Lily Group which is a privately held company. The Lily Group, Inc. (LGI) is currently developing and operating the Landree Mine, located in Greene County, Indiana. They recently announced their intentions to close on the mine as soon as they secure the various bank, third-party, and regulatory consents necessary to consummate the transaction. VHGI Coal has already invested approximately \$4.5 million in the Company in order to build-out the infrastructure and put the mine into full production by January, 2012.

Based on our research, *The Sage* believes this mine will add huge value to the VHGI stock and is greatly undervalued at its current price;

Here are some factors on why *The Sage* is so bullish on this stock;

- *2800 Acres currently within the control of the mining operation.*
- *An estimated 21 million saleable tons of thermal coal within current boundaries.*
- *Estimated value of the coal is approximately \$200 million USD.*
- *Currently producing coal for shipment to a major utility.*
- **We estimate the company will have \$75 million in free cash flow over the next 5 years from the sale of its coal which should equate to approximately \$0.28 cents per share in EBITDA.*
- *Management has a long history of success. Scott Haire & James Stuckert are "serial entrepreneurs". Why is this important? We believe they will use the earnings to invest in further technologies or mines to add even more value to the stock.*
- *The mine has other untapped minerals such as different forms coal and gold that can be mined for additional earnings.*

The Sage has a short term price target based on the low float & basic supply and demand of \$1.00 per share. The 12-month price target is \$8.00 per share. This is based that on the future earnings of the company over a 12-month period.

The Sage first mentioned this stock to the *Stocks That Move* members at \$0.12 cents. Those of you who bought have seen over a **200% return on investment (ROI)!!!!** We believe this is just the beginning. There is much more upside with this stock.