

September 6, 2011

*A clarion is a medieval trumpet that had clear, shrill tones. Trumpets were often used to get people's attention when making announcements. We are also using "clarion" in the context of making announcements, as well as being thought-provoking when sharing our information and opinions with those people who are interested in new investment ideas.*

## for your Information

### FREE Subscription

On our [www.eresearch.ca](http://www.eresearch.ca) website, our Research is FREE. To subscribe, all that is needed is an e-mail address.

Since the beginning of the year, we have added more than 500 net new Subscribers.

Interestingly, as evidenced by the e-mail addresses provided, many of the new Subscribers are from outside North America.

We attribute this to the exposure that eResearch gets from having our Research Material available on websites around the globe.

Our expanded relationship with [www.InvestmentPitch.com](http://www.InvestmentPitch.com), which provides us with corporate videos and market exposure through the Thomson Reuters network, is also helping eResearch gain new Subscribers.

For those of our readers who enjoy our newsletters, articles, and research reports, we would love to hear from you. All messages are answered. Also, if you like what you read, we would appreciate it if you would pass on the availability of our service to your friends.

###

## Topic: Market Musings

The Dog Days of Summer are fading and, with it we hope, the pronounced market volatility that we have been experiencing. With summer vacations over and school back in, the markets can take fresh stock of the myriad of global problems facing investors.

In my 44, almost 45, years of experience in the investment industry, there has never been an instance when almost all areas of the globe faced significant, if not monumental, difficulties at the same time.

Such a scenario we now find ourselves in is most troubling, and extremely difficult to assess what areas of the investment spectrum offer the best opportunities for any one, or all, of the investment goals of capital enhancement, attractive yield, and safety of principal.

When it comes to the stock market, I have always been an optimist, an eternal equities Bull. For the first time, ever, I am now a Bear.

While I think (hope) that this will be only a short-term phenomenon, as long as it exists, I will tend to be extremely cautious. So, if you, like me, are equity-oriented, I would be stressing quality. And I would be building a worthwhile cash component to be ready to take advantage of beaten down stocks when opportunities present.

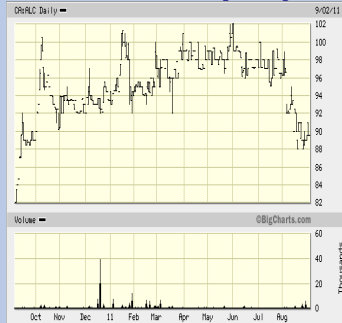
So many pundits have jumped on the Gold Bandwagon. Done pretty well, too. I am not a Gold Bug, but I agree that every portfolio should have a Gold Investment component. However, I would keep it in perspective and allocate no more than, say, 10% to 15% to the overall portfolio. If you are a more aggressive investor, you could go up to 20% - 25%.

As part of my equity bias, I also possess a long-term investment perspective. I try not to get caught up in the short-term, need-a-story media hype. Nonetheless, there are serious global economic problems that have to be sorted out, none of which offer short-term solutions. This could mean that stocks will not perform well in the short to medium term. But, as always, there are opportunities for the astute, and brave, investor to make money.

*Bob Weir*, CFA: Director of Research

## Quick Facts

### One Year Chart (ALC)



Source: [www.bigcharts.com](http://www.bigcharts.com)

**Price (Sept 6/11):**  
**\$89.50**

**52-Week High-Low:**  
**\$102.00 - \$82.00**

**Average Daily Volume:**  
**950**

**Shares Outstanding:**  
**3.89 million**

**Market Capitalization:**  
**\$348.2 million**

**Annual Dividend:**  
**\$1.80**

**Yield:**  
**2.01%**

**Current P/E:**  
**10.0x**

**Year-End:**  
**December 31**

**Symbol: TSX: ALC**

**Website:**  
**[www.algonet.com](http://www.algonet.com)**

## Stock-of-the-Week

### Algoma Central Corporation (ALC: TSX)

Algoma Central Corporation owns and operates the largest Canadian-flag fleet of dry and liquid bulk carriers operating on the Great Lakes and St. Lawrence Seaway.

The Company's activities are carried out through four main operations: (1) The Domestic Dry-Bulk operation consists of a fleet of 30 drybulk ships; (2) The Product Tankers operation comprises a fleet of seven tankers; (3) The Ocean Shipping operation owns two ocean-going self-unloading vessels, and a 50% interest in a joint venture with a fleet of five self-unloaders; and (4) The Real Estate operation includes the ownership and management of various properties in Ontario, in Sault Ste. Marie, St. Catharines, and Waterloo.

Algoma Central has taken three significant steps to expand its position as the leading Canadian shipping company on the Great Lakes:

- (1) The Company acquired its partner's interest in Seaway Marine Transport ("SMT"), adding approximately 16 ships to its fleet;
- (2) The Company has ordered six new faster and more fuel efficient Equinox Class, next-generation, bulk carriers for delivery over the next three years;
- (3) The Company has strengthened its balance sheet and share liquidity position through the issuance of convertible debt.

The Company still faces significant challenges:

- (1) The Canadian bulk shipping industry is impacted by changes in economic activity in both the manufacturing and agricultural sectors.
- (2) With a limited number of major customers, Algoma Central needs to diversify its revenue base.
- (3) The shares are closely held, and the float is extremely thin.

Additional information on Algoma Central Corporation is provided on our website:

[http://www.eresearch.ca/report/ALC\\_083011-SP.pdf](http://www.eresearch.ca/report/ALC_083011-SP.pdf)

**New eResearch  
Material Since  
August 29, 2011:**

**1. Initiating Reports**

[Algoma Central](#)  
08/30/2011

[Vatic Ventures](#)  
08/29/2011

**2. Update Reports  
and Bulletins**

[CIBC](#)  
09/01/2011

[Scotiabank](#)  
09/01/2011

[Nortec Minerals](#)  
08/31/2011

[Cardia Bioplastics](#)  
08/30/2011

[Anglo-Canadian  
Mining](#)  
08/29/2011

[National Bank](#)  
08/29/2011

**3. Analyst Articles**

[Market Breadth](#)

[Technical Trends](#)

[Phases&Cycles](#)

[Stock Timing](#)

[Feature Articles](#)

In addition to these reports and articles, our full complement of research is available at [www.eresearch.ca](http://www.eresearch.ca)

## BriefCase

### *NewsBytes from August 29 – September 6, 2011*

Additional information on the companies featured in NewsBytes may be found at [www.sedar.com](http://www.sedar.com), and at [www.eresearch.ca](http://www.eresearch.ca).

For the latest eResearch publications, see sidebar opposite.

---

**Anglo Canadian Mining Corp. (\$0.13 - August 29, 2011; URA-TSX-V) .... (1)** Anglo Canadian has begun drilling in a six-hole program to test three new targets established by the recent 3D IP/Mag geophysical survey. The main focus is on a large high-chargeability target identified in the survey. Two additional new targets will also be tested in the same area. The program will assist in the definition of a potential resource. **(2)** Anglo Canadian's name has been changed from Anglo Canadian Uranium Corp. to Anglo Canadian Mining Corp. to better reflect the ongoing activities in the Company's base metals projects, specifically the Princeton copper project in B.C.

---

**Black Iron Inc. (\$0.95 - August 30, 2011; BKI:TSX) ....** Black Iron has announced the creation of a non-executive Ukraine advisory board and the appointment of three inaugural Ukraine-based members: Daniel Bilak, Jaroslav Kinach, and Igor Buchatskiy. The new board will advise Black Iron on how to operate effectively in Ukraine. The Company is developing its 100%-owned Shymanivske project in Krivoy Rog, Ukraine. The project has an NI 43-101 compliant resource with 345 Mt Measured and Indicated resources grading 32% iron and 469 Mt of Inferred resources grading 31% iron. The project is surrounded by five other operating mines, including Arcelor Mittal's iron ore complex.

---

**Cadillac Ventures Inc. (\$0.22 - September 1, 2011; CDC-TSX-V) ....** Cadillac Ventures has received an updated resource estimate for the Thierry mine project in northwestern Ontario. The updated estimate, based on drilling carried out by Cadillac in 2010 and 2011, comprises 8,281,000 Measured and Indicated tonnes grading 1.73% Cu and 0.20% Ni, and 14,639,000 Inferred tonnes grading 1.70% Cu and 0.16% Ni, using a cut-off NSR of \$46.30 per tonne. The update represents a significant increase over the May 2010 resource (an increase of 33% in the M+I category and 75% in the Inferred category).

---

**Groundstar Resources Limited (\$0.09 - September 1, 2011; GSA:TSX-V) ....** Groundstar has amended the exercise price of the 1,980,000 incentive stock options issued to certain officers, directors, employees and consultants of the Company pursuant to its stock option plan. The options are exercisable at a price of \$0.10 per share, fully vested by August 26, 2012, and will expire on August 26, 2016.2011. Mr. Sleeman will be finalizing the Company's audit transition from GAAP to ICFRS statutory financial statements.

###

## Opportunity Knocks

At the present time, eResearch has no positions available.

If you are interested in learning more about eResearch, please contact Bob Weir at the following:  
[bweir@eresearch.ca](mailto:bweir@eresearch.ca).

“Research is the  
bedrock underpinning  
all capital markets”

## Monthly Top Ten

(Includes reports and articles only)

The top ten downloads from [www.eresearch.ca](http://www.eresearch.ca) since August 8, 2011:

1. Nortec Minerals Corp., Update Report, August 16
2. Technical Comment, Phases&Cycles, August 17
3. Duran Ventures Inc., Perspective, August 9
4. Great-West Lifeco, Update Report, August 9
5. Technical Comment, Stock Timing, August 10
6. Technical Comment, Day Chart, August 25
7. Analyst Article, Financial Repression, August 8
8. Algoma Central Corporation, **StockPotentials**, August 30
9. Technical Comment, Phases&Cycles, August 26
10. Sun Life Financial, Update Report, August 9

## Bi-Weekly Top Five

(Includes reports and articles only)

The top five downloads from [www.eresearch.ca](http://www.eresearch.ca) since August 15, 2011:

1. Technical Comment, Day Chart, August 25
2. Algoma Central Corporation, **StockPotentials**, August 30
3. Technical Comment, Phases&Cycles, August 26
4. Analyst Article, Market Comment, August 22
5. Nortec Minerals Corp., Update Report, August 31

## Monthly Top Videos

The top five video downloads from [www.eresearch.ca](http://www.eresearch.ca) since August 8, 2011:

1. Nortec Minerals Corp., March 30
2. eResearch Corporate Video
3. eResearch Benefits Video
4. Chemaphor Inc., July 25
5. Amerix Precious Metals Corporation, July 29