

May 30, 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

New-Look Website

eResearch has updated its website with a new look, more simplified, more appealing, and better laid out. Our latest Reports and Videos are now up-front and centre on the Home Page. We have added considerably to our Technical component.

We are always trying to give our Subscribers better service and trust this website revision will be well accepted. If you like it, let us know.

FREE Subscription

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.

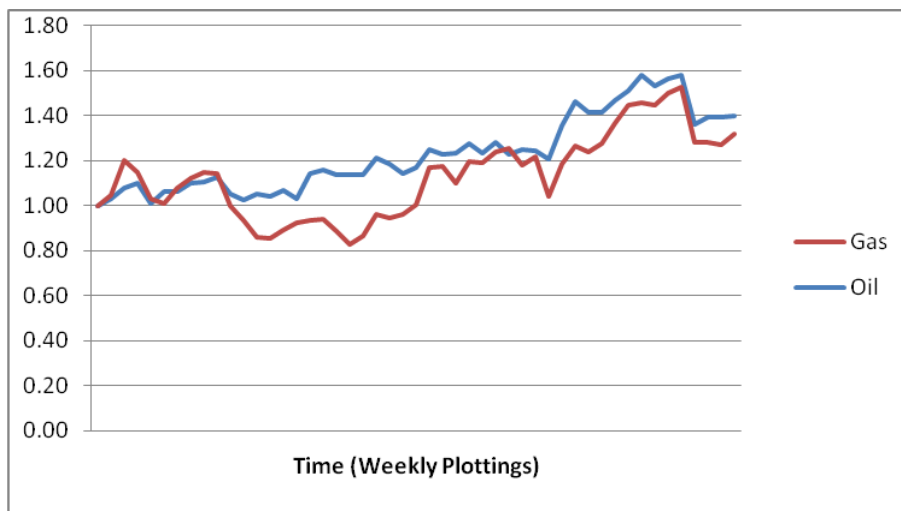
On our www.eresearch.ca website, our Research is FREE to anyone who subscribes. All that is needed is an e-mail address.

Topic: Oil Versus Natural Gas

For a while now, we have been bearish on natural gas, as the industry, from a pricing standpoint, has to come to grips with the substantially increased supply offered by the prolific shale gas formations. The substantial increase in natural gas production in the last two years has outstripped demand and caused swelled gas storage facilities. The result has been depressed natural gas prices.

However, from a technical perspective, we have left the winter home-heating season behind, passed through the "shoulder" season, and have now moved into the summer air-conditioning season. Thus, as they often do, natural gas prices could experience a seasonal spike over the next few months.

The following chart tracks the price of crude oil and natural gas over the past twelve months, since June 1, 2010. Except for a bit of a wobble from the beginning of September until the end of November, which is typically soft for natural gas prices, the two energy sources have tracked each other fairly closely. If summer driving tails off because of already-high gasoline prices, crude oil may not rise much over the next few months. Thus, natural gas may be the better bet this summer.



Bob Weir, CFA, and Managing Director, Research Services

Quick Facts

One Year Chart (VGM)



Source: www.bigcharts.com

Price (May 30/11):
\$0.34

52-Week High-Low:
\$0.45 - \$0.125

Average Daily Volume:
50-day: 39,300
200-day: 52,200

Shares Outstanding:
32.88 million

Market Capitalization:
\$11.2 million

Year-End:
December 31

Symbol: TSX-V: VGM

Website:
www.virginmetals.com

Stock-of-the-Week

Virgin Metals Inc. (VGM: TSX-V)

Virgin Metals is a junior exploration and development company focused on copper, molybdenum, tungsten and silver projects in Mexico and the USA. Mexico's State of Sonora is home for the Los Verdes and Cuatro Hermanos projects, while the Topper project is located in Nevada, USA.

Los Verdes is the Company's flagship project, as a PFS was completed for it in July 2008, while the Cuatro Hermanos project had an NI 43-101 compliant resource estimate completed in August 2008. The Topper project has so far been subject only to ground reconnaissance prospecting, rock chip sampling, and geologic mapping.

The Company plans to update the PFS for Los Verdes in Q4/2011. In February 2011, the Company published an updated resource estimate which amounted to about 8,400,000 tonnes, containing: 113 million lbs of copper, 22 million lbs of molybdenum, 13 million lbs of tungsten, and 1.3 million oz of silver.

Virgin Metals reported positive preliminary results following completion of the Phase 1 metallurgical program at Los Verdes. Testwork to date has indicated that just less than 90% of copper and molybdenum get recovered to final concentrate. Minor refinements to the Company's new process flowsheet, which will be tested in Phase 2 of the program (now underway), have the potential to increase recoveries to above 90%. Virgin Metals is currently evaluating the impact of the new process flowsheet on the overall project engineering and economics.

It is encouraging that the flowsheet now allows for the consistent production of copper concentrates that contain in excess of 30% copper. We believe this should contribute to the likely improvement in the project's economics, which should be included in the updated PFS for Los Verdes.

We continue to recommend Virgin Metals Inc. as a Speculative Buy for long-term, risk-tolerant investors. Our 12-month Target Price for the shares remains \$1.85.

Additional information on Virgin Metals Inc. is provided on our website: <http://www.eresearch.ca/profile.asp?companyID=624>

**New eResearch
Material Since
May 24, 2011:**

1. Initiating Reports

NONE

**2. Update Reports
and Bulletins**

[CIBC](#)

05/30/2011

[National Bank](#)

05/30/2011

[TD Bank](#)

05/30/2011

[BMO Financial](#)

05/27/2011

[Leader Energy](#)

05/27/2011

[Antioquia Gold](#)

05/27/2011

[Strike Minerals](#)

05/26/2011

3. Analyst Articles

[Analyst Articles](#)

(Various)

[Market Breadth](#)

05/24/2011

[Phases&Cycles](#)

05/24 & 27/2011

In addition to these reports and articles, our full complement of research is available at www.eresearch.ca

BriefCase

NewsBytes from May 20 – May 30, 2011

Additional information on the companies featured in NewsBytes may be found at www.sedar.com, and at www.eresearch.ca.

For the latest eResearch publications, see sidebar opposite.

Amerix Precious Metals Corporation (\$0.26 - May 20, 2011; APM-TSX-V) Amerix has filed an NI 43-101 Technical Report for its Limao gold property in the Tapajos gold district, Para State, central Brazil. The property is at an early stage of exploration, with no estimate of resources. Amerix has a 100% interest in the 12,730-hectare property, which is located along the Tocantinzinho gold trend that also hosts Eldorado Gold Corporation's Tocantinzinho gold deposit and Magellan Minerals Ltd.'s Cuiu Cuiu and Coringa projects.

THEMAC Resources Group Limited (\$0.55 - May 24, 2011; MAC-TSX-V) THEMAC announced on May 24, 2011 that it had made the final payment on the Copper Flat project, a formerly-producing mine about 20 miles south of Truth or Consequences in Sierra County, New Mexico. Through New Mexico Copper Corporation, its wholly-owned subsidiary, THEMAC is now 100% owner of the entire project. The final payment to the previous owners was US\$7,000,000. The Company also made a US\$1,000,000 payment for the water rights, necessary for full production. A final water rights payment of US\$750,000 will be due when plant operations begin.

Novus Energy Inc. (\$1.04 - May 24, 2011; NVS-TSX-V) Novus Energy has begun drilling operations on its core land position in the Dodsland area of Saskatchewan. Following the removal of road bans, the Company spudded its first well in the area (May 11, 2011). A second rig was mobilized to the field, and drilling operations started on May 22. Novus expects to drill 52 net wells in the Dodsland area by the end of the third quarter, and 20 by the end of the second quarter.

Foundation Resources Inc. (\$0.18 - May 26, 2011; FDN-TSX-V) Foundation Resources has entered into a purchase option agreement with Perry English, on behalf of Rubicon Minerals Corporation, whereby the latter has granted Foundation Resources the right to acquire a 100% interest in five mineral claims (736 hectares) called the Mitchell Property (base metals), located in the Red Lake Mining District in northwestern Ontario. Foundation Resources is focused on exploration and development of gold and base metal properties in Canada and Mexico.

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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.

“Research is the
bedrock underpinning
all capital markets”

Monthly Top Ten

(Includes reports and articles only)

The top ten downloads from www.eresearch.ca since May 2, 2011:

1. SLAM Exploration Inc., Perspective, April 6
2. Analyst Article, Ominous Signs, May 13
3. Leader Energy Services Ltd., Initiating Report, May 11
4. SLAM Exploration Inc., Perspective, April 29
5. Nemaska Exploration Inc., Initiating Report, May 10
6. Adex Mining Inc., Perspective, May 18
7. Microbix Biosystems Inc., Perspectives, May 17
8. Research In Motion Limited, Update Report, May 19
9. Analyst Article, Yukon Gold Rush, May 24
10. Microbix Biosystems Inc., Perspectives, May 5

Bi-Weekly Top Five

(Includes reports and articles only)

The top five downloads from www.eresearch.ca since May 16, 2011

1. SLAM Exploration Inc., Perspective, April 6
2. Adex Mining Inc., Perspective, May 18
3. Microbix Biosystems Inc., Perspectives, May 17
4. Research In Motion Limited, Update Report, May 19
5. Analyst Article, Yukon Gold Rush, May 24