

April 18, 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.*

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## Topic: Uranium

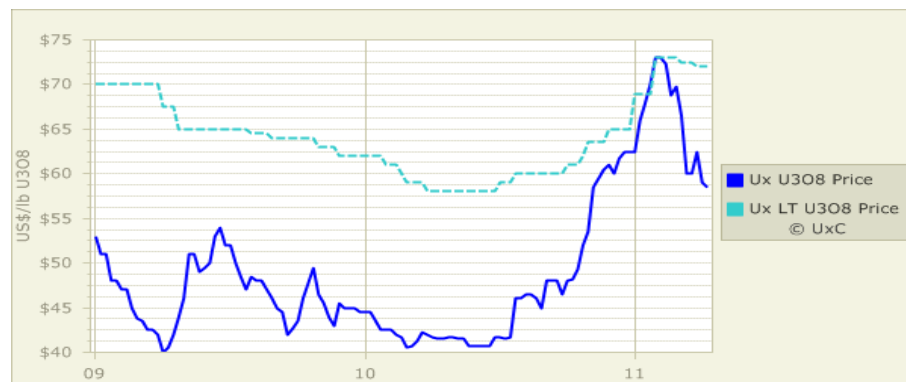
The price of uranium collapsed after reaching its June 2007 high, bottoming at US\$40.00/lb U<sub>3</sub>O<sub>8</sub> in March 2010. It remained depressed until July 2010 when it began a short, sharp rise to US\$73.00/lb U<sub>3</sub>O<sub>8</sub> in January 2011, a gain of 82%, before levelling off in the US\$70.00/lb U<sub>3</sub>O<sub>8</sub> range.

Unforeseen, the Fukushima Dai-Ichi nuclear disaster of March 11<sup>th</sup> laid waste to not only the shares of uranium companies, which are down an average of about 30%, but also the uranium spot price (i.e., for immediate delivery), which has fallen about 17% to US\$58.50/lb U<sub>3</sub>O<sub>8</sub> (as at April 11: The UxConsulting Company LLC) and to US\$57.75/lb U<sub>3</sub>O<sub>8</sub> (as at April 8: TradeTech). See chart.

The shares of many junior uranium explorers are now selling for less than book value. The sharp decline in uranium stocks is a knee-jerk reaction, probably exacerbated by the shorts, and provides an excellent buying opportunity.

While uranium prices and, thus, probably uranium company stock prices, could stay depressed for a while, there can be no denying that nuclear development sits at the core of energy thinking for China, India, Russia, and other emerging countries. This is a longer-term positive for uranium and associated stocks.

Astute investors should not be swayed by attention-grabbing, negative-slanting media headlines. Longer term, with global demand sharply increasing, the price of uranium has nowhere to go but up. This should spawn increased merger and acquisition activity in the sector, which would be a further catalyst for higher uranium stock prices.



## Quick Facts

### One Year Chart (VGM)



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

**Price (April 15/11):**  
**\$0.385**

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

**Average Daily Volume:**  
**55,100**

**Shares Outstanding:**  
**32.6 million**

**Market Capitalization:**  
**\$12.6 million**

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

**Symbol: TSX-V: VGM**

**Website:**  
[www.virginmetals.com](http://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 to ground reconnaissance prospecting, rock chip sampling, and geologic mapping.

The Company plans to update the PFS for Los Verdes in Q4/2011. The updated PFS should contain new resource estimates for copper and molybdenum, and introduce resource estimates for tungsten and silver.

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.

There is a possibility that Virgin Metals will conduct a full feasibility study afterwards and build an open pit at Los Verdes, alone or within a joint venture.

We expect that the process flowsheet for metal recoveries, which should be the result of Phase 1 of the metallurgical testing program, will be included in the reviewed PFS. According to the Company, the flowsheet has already overcome the limitations identified in the 2008 PFS and produced consistently high grade copper concentrates approaching 30% contained copper. The 2008 PFS quoted the copper concentrate's grade at 23%.

We recommend Virgin Metals Inc. as a Speculative Buy for long-term, risk-tolerant investors. Our 12-month Target Price for the shares is \$1.85. To achieve this lofty target, management must execute its game plan successfully.

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

**New eResearch  
Material Since  
April 11, 2011:**

**1. Initiating Reports**

[NSGold  
Corporation](#)  
04/15/2011

**2. Update Reports  
and Bulletins**

[Purepoint Uranium](#)  
04/14/2011

[AGF Management](#)  
04/13/2011

[Power Financial](#)  
04/13/2011

[Virgin Metals Inc.](#)  
04/12/2011

**3. Analyst Articles**

[Stock Market  
Timing](#)  
04/11/2011

[Analyst Article:  
Earnings Season](#)  
04/11/2011

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 April 8 – April 15, 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.

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**Neptune Technologies & Bioresources Inc. (\$2.39 - April 8, 2011; NTB-TSX-V) ....** Neptune announced that Bayer Healthcare LLC's Consumer Care division formally launched its Arctic Wonder proprietary Neptune Krill Oil (NKO®) in the U.S. in March 2011, following a successful market test. Arctic Wonder is entering the growing Omega-3 market, which has shown sustained growth of 12% annually. The agreement with Bayer, the market test results, and the marketing approach for Arctic Wonder NKO® are seen as creating broad consumer awareness in NKO®.

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**Nemaska Exploration Inc. (\$0.485 - April 11, 2011; NMX-TSX-V / NMKEF-OTCBB / NOT-Frankfurt) ....** Nemaska announced results from five additional holes at the Company's 100%-owned Whabouchi project in the James Bay region of Quebec. The results are from Nemaska's in-fill drill program, focused on upgrading the existing resource as the project moves towards the feasibility stage. Highlights of the results are as follows; 45.9 metres at 2.13% Li2O (lithium oxide), 85.0 metres at 1.69% Li2O, and 63.8 metres at 1.44% Li2O. An updated resource estimated is expected by the end of May 2011.

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**Anglo Canadian Uranium Corp. (\$0.21 - April 11, 2011; URA-TSX-V) ....** Anglo Canadian has signed a contract for a 3D Induced Polarization and Magnetic survey at the Company's Princeton copper/gold/palladium project near Princeton, B.C. The survey will comprise a minimum of 25 line kilometres. The area is contiguous with Copper Mountain Mining claims, and is 2.5 km from the Oriole zone within the Copper Mountain project area. An experimental electromagnetic (EM) survey will also be conducted over the area drilled by the Company.

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**Antioquia Gold Inc. (\$0.285 - April 12, 2011; AGD-TSX-V) ....** Antioquia has added a second diamond drill to the ongoing drill program at the Company's flagship Cisneros project in the Department of Antioquia, Colombia. This second drill, part of an expanded exploration program announced in late March 2011, will primarily be focused on targets within the Guayabito concessions. The objective is to further delineate the Guayabito and Bolo structures along strike and down plunge, and test additional similar structures identified by ground IP and airborne geophysics.

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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](mailto:bweir@eresearch.ca).

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## Monthly Top Ten

(Includes reports and articles only)

The top ten downloads from [www.eresearch.ca](http://www.eresearch.ca) since March 21, 2011:

1. SLAM Exploration Ltd., Perspective, April 6
2. Golden Band Resources Inc., **StockPotentials**, March 22
3. Analyst Articles (2), Nuclear Situation, March 16 and 29
4. Analyst Article, Gold Leap, April 6
5. Analyst Article, Investing in Canada, April 12
6. SPDR Gold Trust ETF (GLD), Update Report, April 6
7. Virgin Metals Inc., Perspective, April 12
8. Nortec Minerals Corp., Update Report, March 25
9. Analyst Article, Earnings Season, April 11
10. Adex Mining Inc., Update Report, March 4/March 8

## Bi-Weekly Top Five

(Includes reports and articles only)

The top five downloads from [www.eresearch.ca](http://www.eresearch.ca) since April 4, 2011

1. SLAM Exploration Ltd., Perspective, April 6
2. Analyst Article, Gold Leap, April 6
3. Analyst Article, Investing in Canada, April 12
4. SPDR Gold Trust ETF (GLD), Update Report, April 6
5. Virgin Metals Inc., Perspective, April 12