

October 16, 2009

*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*

## Four-Week Performance

We have recently updated our charts that show the price and volume action of the stocks of the companies for which we have written and published research reports.

While we cannot say definitively that it is the report of eResearch that led to higher stock prices and volumes, it is, by inference, often true.

You can judge our impact by checking out our brochure entitled "4-Week Performance". You can access it at the following link:

<http://www.eresearch.ca/profile.asp?companyID=256>

## Topic: Another Bail-Out Coming?

There is plenty of discussion concerning the outlook for the U.S. Federal Housing Administration ("FHA"). Those concerned fear that the FHA will go the way of Fannie Mae and Freddie Mac and require billions of dollars of bail-out money.

The bursting of the housing bubble in the United States last year resulted in the banks and the mortgage companies tightening their lending requirements. The economic slump and a soaring unemployment rate, now around 10%, has denied borrowers the ability to obtain housing loans.

Enter Stage Left the FHA, which has ridden to the rescue of many a borrower by providing the insurance necessary for the borrower to meet the new financial commitments to qualify for a loan.

In 2009, the FHA has backed nearly 2 million mortgages that are worth more than \$300 billion. The agency has insured more than 20% of all new mortgages this year compared to about 6% two years ago. In total, the FHA insures almost 5.5 million home mortgages with a value around \$700 billion.

But there is a slight problem! Many of those same borrowers that took advantage of the FHA's lending policies are now defaulting, with estimates that almost one-in-four loans from 2007 are having problems, including foreclosure. The total problem loans is estimated to exceed 400,000.

Reminiscent of another time not long ago, these FHA-insured loans have been pooled and packaged into mortgage-backed securities by the Government National Mortgage Association, known as Ginnie Mae. Guess what? Ginnie Mae mortgage-backed securities are guaranteed by the U.S. government.

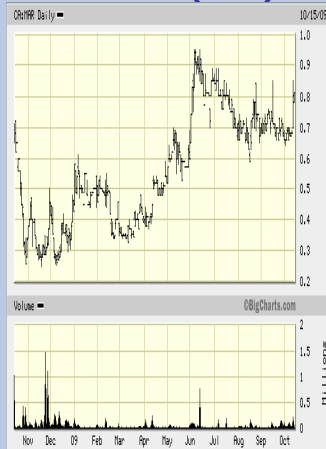
If the FHA becomes insolvent, it would require not only a government bail-out, but also it could put renewed severe pressure on the U.S. banking system and possibly undermine the country's fragile economic recovery. Let's hope it does not come to that.

## Bob Weir

Bob Weir, B.Sc., B.Comm., CFA  
Managing Director, Research Services

## Quick Facts

### 12-Mo. Chart (MAR)



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

**Price**  
**(Oct. 15/09):**  
**\$0.81**

**52-Week High-Low:**  
**\$0.95 - \$0.25**

**Average Daily Volume:**  
**50-day: 48,600**  
**200-day: 41,300**

**Shares Outstanding:**  
**30.18 million**

**Market Capitalization:**  
**\$24.45 million**

**Book Value Per Share:**  
**2007: \$1.30**  
**2008: \$1.86**  
**2009 (Jun): \$1.74**

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

**Symbol:**  
**TSX: MAR**

## Stock-of-the-Week

### Marathon PGM Corporation (MAR: TSX)

Marathon PGM Corporation is a development-stage mining company, owning a portfolio of properties in Ontario, Manitoba, and Newfoundland. Its Marathon project in Ontario is Canada's largest undeveloped PGM/copper project.

eResearch issued its initial report on Marathon in June, and published two commentaries and an update report since then. During this time, the Company has made good progress:

- (1) There has been a moderate increase in the Measured, Indicated and Inferred resource estimate to 3.63 million oz of PGM and gold (3.4 million oz at the time of our initial report) and 625 million lbs of silver (595 million lbs).
- (2) Metallurgical recoveries also have improved with palladium recovery up by 3%, platinum up 8%, gold up 10.3%, copper up 8.3%, and silver recovery up by 8.3%.
- (3) The Company announced trenching results at Bamooos that could potentially expand the resource by over 1.1 km.
- (4) The Company completed its 2009 drilling program at the Marathon project, including: (a) enlarging a high-grade lens with a 12m intersection grading 4.31 g/t PGM+Au and 0.19% Cu in hole M-09-485; (b) finished infill drilling in the Malachite zone to improve the resource classification; and (c) obtaining a newly-defined mineralized zone within the pit shell.
- (5) Liquidity remains good with nearly \$10 million in cash.

The Company's corporate strategy includes:

- Prudently manage expenditures to optimize metal recoveries on the Marathon property while conserving cash resources;
- Plan to drill at Geordie Lake to increase resources in 2009 or 2010 and maintain it in good standing;
- Plan to drill at the western edge of the Bird River property and maintain it in good standing;
- Short drilling program on the Steel Mountain property in the spring; and
- Continue to investigate acquisition opportunities and potential financing.

The following factors could have a positive impact on the stock price:

- Obtaining financing for the Marathon project;
- Gathering sufficient data for further development, or obtaining resource estimates on key properties;
- Managing its cash resources through cost controls and judicious exploration and capital expenditures; and
- A sustained recovery in commodity prices.

###

**New eResearch  
Material Since  
October 5/09:**

**1. Initiating Reports**

[Edge Resources](#)  
10/13/2009

**2. Update Reports  
and Bulletins**

[Augen Gold Corp.](#)  
10/14/2009

[Wavefront Tech.](#)  
10/09/2009

[Antioquia Gold Inc.](#)  
10/09/2009

[Oromin Exploration](#)  
10/08/2009

[Mosquito Con Gold](#)  
10/08/2009

[Macusani Yellow.](#)  
10/08/2009

**3. Analyst Articles**

[Stock Market Timing](#)  
10/05/2009

[Pinnacle Digest](#)  
10/13/2009

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 October 5 – October 14, 2009*

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 Uranium Corp. (\$0.10 - October 5, 2009; URA-TSX-V) ....** Anglo-Canadian has completed the staking of eight additional claims and a soil-sampling program at the Company's YK property in the White River gold district in Yukon Territory. The property, within the Tintina Gold Belt, is now comprised of 20 lode quartz claims about 30 kilometres north-east of Underworld Resources' White Gold property. The additional staking covers a 70-metre-wide alteration zone. Anglo-Canadian has also completed a limited soil program adjacent and north of the alteration zone to determine its possible extent and whether the area is anomalous for gold.

---

**Kola Mining Corporation. (0.055 - October 6; KM-TSX-V) ....** Kola Mining has completed a due diligence study at the Company's Bogunay gold prospect (100% interest) in Krasnoyarsk Territory, South Siberia, Russia. Kola Mining has retained APEX Geoscience Ltd. to complete an NI 43-101 compliant report specific to the Bogunay prospect. The Company also announced that it was continuing with a review of acquisition opportunities in Russia, and that it has commenced detailed due diligence on a significant developed tin property there. APEX Geoscience will also undertake to complete an NI 43-101 compliant report specific to the tin property under negotiation. The property is an advanced near-term production opportunity.

---

**Alexandria Minerals Corporation (\$0.085 - October 8, 2009; AZX-TSX-V) ....** Alexandria Minerals has published the results of the Company's recent surface mapping and sampling program on its Matachewan property (Ontario). Of the 170 grab samples from eight claims, four assayed between 0.89 g/t gold and 7.90 g/t. The property is located on the Cadillac-Larder Lake Break 40 kilometres southwest of Kirkland Lake, Ontario. The geology is similar to that of the adjacent Northgate Minerals Corporation gold project ("Young-Davidson"), which hosts proven and probable reserves of 2.8 million ounces of gold.

---

**SEMAFO (\$3.22 - October 13, 2009; SMF-TSX) ....** SEMAFO has published recent drilling results, which validate a significant high-grade lode just below the bottom of the Wona North pit at the Company's Mana mine in Burkina Faso. As of September 30, a total of 24,786 metres of drilling had been completed in the exploration program that began in April. The ongoing drilling program includes infill work in the main zone. A table of drill results, showing the main mineralized intersections and high-grade values, appears in the Company's October 13, 2009 news release.

## Opportunity Knocks

### **Business Development personnel wanted.**

We are interested in adding one or two additional business development people to our team. Anyone with a penchant for sales, please contact us.

If you are interested in becoming part of our sales team, I can be reached at [bweir@eresearch.ca](mailto:bweir@eresearch.ca).

“Research is the  
bedrock underpinning  
all capital markets”

## Monthly Top Ten

The top ten downloads from [www.eresearch.ca](http://www.eresearch.ca) since September 21, 2009:

1. Four-Week Performance
2. Weekly Clarion
3. Mosquito Consolidated Gold Mines, Bulletin/Update Oct 8/Sept 24
4. Teryl Resources, Pinnacle Digest, September 20
5. Augen Gold Corp. StockPotentials, September 24
6. BMO Financial Group, Technicalities, September 25
7. Bank of Nova Scotia, Technicalities, October 5
8. Consumers' Waterheater, StockPotentials, Sept. 2 and 22
9. Wavefront Technology Solutions, Initiating/Update, Apr. 1/Oct. 9
10. Antioquia Gold Inc., Update, October 9

**eResearch is registered with the Ontario Securities Commission  
as an Exempt Market Dealer**