

June 8, 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

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Topic: Stock Screening

With the rapid run-up in stock markets since the March 6th lows, and with the various pundits, gurus, and sooth-sayers all having varying and diverse views of where the market might go from here, many investors who missed the boat these past few months are wondering how to identify stocks that may be still under-valued. One way to simplify the search is to use on-line stock screening tools.

Essentially, a stock screen applies certain defined criteria to a large number of stocks, and then filters out those stocks that meet that criteria. So, first, you have to determine the parameters that you will use to find what it is that you want to look for. For example: You may want to find all stocks that have a five-year growth rate in EPS of at least 30%, have a market capitalization of a least \$100 million, and were trading above their 50-day moving average.

Different types of investors will use stock screens in differing ways:

- (1) Value investors try to find beaten-down stocks that are poised for a turn-around;
- (2) Growth investors look for solid companies whose stock prices and volumes are rising;
- (3) Short-term traders tend to use fast, volatile indicators; and
- (4) Long-term investors use slower, more stable indicators.

Advantages of using stock screening include the following:

- (1) It refines the due diligence process by reducing a large number of companies to a more manageable size;
- (2) It may uncover interesting companies that the investor otherwise would never have discovered;
- (3) It avoids spending time and effort on companies that ultimately do not meet the required investment criteria; and
- (4) It can add a measure of discipline to the investment process.

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Stock-of-the-Week

(Will return)

Stock Screening (continued)

There are other considerations regarding the use of stock screening:

- (1) It is only one tool an investor can use to identify promising investment opportunities;
- (2) Screens are primarily limited to quantitative factors, and qualitative factors, such as industry characteristics, competitive position, product brand strength, and management assessment must be evaluated separately;
- (3) A too stringent list of criteria could return few results, and many excellent candidates could fulfill all but one of the criteria and, therefore, not be identified; and
- (4) Stock screens only find stocks that meet certain criteria and, although they are in potentially promising positions, like all forms of security analysis, nothing is guaranteed.

Although many stock screening services charge a fee, there are a few that investors can use that are available for free. Examples include:

Globe & Mail: <http://www.globeinvestor.com/v5/content/filters>

MSN <http://moneycentral.msn.com/investor/finder/customstocksdsl.asp>

Yahoo!Finance: <http://screen.finance.yahoo.com/newscreener.html>

Morningstar: <http://screen.morningstar.com/StockSelector.html>

StockCharts: <http://stockcharts.com/def/servlet/SC.scan>

StockTA: <http://www.stockta.com/>

Zacks: <http://www.zacks.com/screening/custom/>

Hoover's: <http://www.hoovers.com/free/tools/bcl/>

Many of these services have pre-set screens that simplify the process considerably ... until you become proficient.

Bob Weir

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Managing Director, Research Services

**New eResearch
Material Since
May 26, 2009:**

1. Initiating Reports

[Shopper's Drug Mart
Corporation](#)
06/05/2009

[Luiri Gold Limited](#)
05/28/2009

[ZENN Motor Company](#)
05/27/2009

[Canadian Mining
Company Inc.](#)
05/27/2009

[EnCana Corporation](#)
05/26/2009

**2. Update Reports,
Bulletins, Analyst
Comments**

[Sage Gold Inc. Video](#)
06/02/2009

3. Analyst Articles

[Pinnacle Digest](#)
06/05/2009

[StockResearchPortal](#)
06/03/2009

[Stock Market Timing](#)
06/01/2009

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

BriefCase

NewsBytes from June 1 –June 5, 2009

Complete coverage on these companies is available at www.eresearch.ca. For the latest eResearch publications, see sidebar opposite.

A-Cap Resources Limited (A\$0.47 - June 1, 2009; ACB-ASX - Australia) A-Cap Resources has announced the appointment of Paul Ingram as a Non-Executive Director. Mr. Ingram is the Chief Executive Officer (Australia) and an Executive director of Polo Resources Limited. Polo will become the largest shareholder in A-Cap following completion of the recently announced placement, with a 19.9% equity interest.

Mosquito Consolidated Gold Mines Ltd. (\$0.52 - June 1, 2009; MSQ-TSX-V) Mosquito Consolidated Gold Mines Ltd. has hired Ausenco Minerals of Vancouver to produce an NI 43-101-compliant preliminary economic assessment (PEA) for Mosquito's CUMO molybdenum-copper project in Idaho. The purpose of the PEA is to provide an independent economic analysis outlining several options on the further development of the project.

HTC Pureenergy Inc. (\$2.01 - June 1, 2009; HTC-TSX-V) HTC Pureenergy has announced the Company's financial results for the first quarter ended March 31, 2009. For the three months, HTC's revenue was \$100,231 compared to \$427,297 in the same quarter of the previous year, with the changes in revenue for the period being attributable to the timing of revenue recognition on ongoing projects. Revenues stemmed primarily from engineering and process design projects in Europe and the U.S.A.

Synergex Corporation (\$0.40 - June 1, 2009; SYX-TSX) Synergex Corporation has provided an update to its bi-weekly Default Status Report, and now anticipates rectifying its filing defaults on or before June 12, 2009. The Company has announced that in light of the new timing, the annual meeting of shareholders has been scheduled for July 31, 2009.

Homeland Energy Group Ltd. (\$0.22 - June 2, 2009; HEG-TSX) Homeland Energy Group Ltd. has retired the \$2.5 million loan from Homeland Uranium Inc. , which had been fully drawn on January 20, 2009 for the purpose of improving the Company's short-term working capital position. The loan was secured by the 22.25 million common shares of Homeland Uranium held by Homeland Energy Corp., the latter being a wholly-owned subsidiary of Homeland Energy Group. Homeland Energy Corp. agreed to sell to Homeland Uranium 10,350,000 shares, with the proceeds to be used to retire parent-company Homeland Energy Group's loan.

Opportunity Knocks

These are challenging times, and we at eResearch are not immune to what is happening all around us. But, we are adapting to this difficult operating environment. In this respect, we need more business development personnel. Anyone with a penchant for sales, please contact us.

Also, having recently become a Limited Market Dealer, our Capital Services division requires someone with financing experience to lead our efforts.

If you are interested in either of the above, I can be reached at bweir@eresearch.ca.

"Research is the
bedrock underpinning
all capital markets"

eResearch's Newest Partners

1. StockResearchPortal ("SRP").

SRP has an impressive investor-information website with an extensive library of data, including linked or referenced economic reports, in-depth industry research, and an impressive collection of company research. SRP is focused solely on the mining and oil & gas sectors. It has an extensive information databank on most of the 1,500-1,600 mining companies, oil & gas production and services companies, and oil & gas income trusts that are quoted on the TSX or TSX Venture exchanges. The SRP website can be accessed at www.stockresearchportal.com.

eResearch Corporation is pleased to provide our Subscribers with the bi-weekly **StockResearchPortal** Newsletter. It features independent and objective experts in gold, silver, base metals, uranium, geology, oil & gas valuation, and equity valuation who each have agreed to write an article sequentially each quarter.

2. Objective Capital Research Limited

Objective Capital of London and New York is a dedicated corporate research firm providing institutional-quality research on under-followed small- and mid-cap companies. It focuses on providing widely-distributed, high-quality corporate research coverage of public and private companies, both listed and pre-listed. It is retained by a company to ensure its shareholders, as well as the wider investment community, are provided with an objective view of the company's progress.

eResearch and Objective Capital, two leading providers of issuer-sponsored research, have agreed to collaborate in increasing the awareness of the advantages to small- and mid-cap companies of receiving fair and impartial research coverage.

Monthly Top Ten

The top ten downloads from www.eresearch.ca since June 1, 2009:

1. StockResearchPortal Mining Article, June 3
2. Weekly Clarion
3. Stock Market Timing, June 1
4. ZENN Motor Company Inc. *StockPotentials*, May 27
5. Pinnacle Digest Newsletter, May 31
6. Shopper's Drug Mart Corporation, Technicalities, June 5
7. Maple Leaf Reforestation Inc., Initiating Report, March 14, 2008
8. Canadian Stock Market Outlook, May 3
9. Luri Gold Limited, *StockPotentials*, May 28
10. EnCana Corporation, Technicalities, May 26

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