

October 5, 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

Daily Market Comment

Our daily technical look at the market, provided by Stephen Whiteside of theUpTrend.com, has been suspended until Stephen recovers from a temporary health problem. We wish Stephen a speedy recovery.

StockPotentials and Technicalities.

We are still open to suggestions from Subscribers for companies we could consider for coverage under our two specialized research report formats: **StockPotentials** and **Technicalities**.

StockPotentials reports are generally written on companies that have interesting prospects, good share price appreciation potential, but insufficient or nil research coverage.

Technicalities reports are written on large-cap companies with a technical perspective.

If you would like to make a suggestion, send an e-mail to: bweir@eresearch.ca.

Topic: Outlook For Gold

There is, perhaps, no greater discrepancy in opinion than there is for the outlook for the price of gold. Some say the price can only go up, to \$2,000/oz, even \$5,000/oz. Others predict that it could decline from the current \$1,000/oz level to \$700/oz. There are many opinions in between.

The price of gold has again penetrated \$1,000/oz., but not, it is clear, with any degree of conviction. With all of the economic miseries in the world, one would have thought that the price of gold would have gone through the roof. But it has not.

The greatest usage for gold, comprising approximately 80% of total world gold demand, comes from two sources: (1) the consumer, for jewellery; and (2) for industrial uses. The economic contraction of 2008-2009 has seen demand from both of these sectors shrivel.

The declining demand caused the price of gold to retreat from the \$1,000+/oz. level that it reached for the first time, in March 2008. It subsequently fell to around \$700/oz. in November 2008. Consumer and industrial demand for gold has not yet recovered, so what has led to the resurgence in the gold price since November 2008 has been an unprecedented increase in gold investment demand.

Seeking a safe haven in turbulent markets, investor demand for gold has soared, both for gold company shares and, particularly, for gold ETFs.

While investor demand for gold is likely to continue into 2010, it may not be enough to propel the gold price upwards, since some of that demand can be met from recycled materials and official gold sector sales. Slashed exploration budgets, which eventually lead to lower gold production, are unlikely to impact the industry in the short term. And, as the world's economies begin to show signs of real recovery, investor fears leading to a flight to gold will likely mitigate. In short, the price of gold might remain range-bound for a while yet.

Bob Weir

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Quick Facts

12-Mo. Chart (MSQ)



Source: www.bigcharts.com

Price
(Oct. 5/09):
\$1.40

52-Week High-Low:
\$1.49 - \$0.175

Average Daily Volume:
50-day: 89,900
200-day: 67,600

Shares Outstanding:
49.75 million

Market Capitalization:
\$69.65 million

Book Value Per Share:
2007: \$0.33
2008: \$0.45
2009E: \$0.38
2010E: \$0.42

Year-End:
June 30

Symbol:
TSX-V: MSQ

Stock-of-the-Week

Mosquito Consolidated Gold Mines Limited (MSQ: TSX-V)

Mosquito is a Canadian junior mining company focusing on mineral properties in the USA (Idaho and Nevada), Canada (British Columbia and Ontario), and Australia. The Company holds a diverse portfolio of precious and base metals projects with long-life mines and multi-billion-dollar resources.

Mosquito has four molybdenum projects in the USA, including the CUMO project in Idaho - considered to be the largest, un-mined, open-pit, accessible molybdenum deposit in the world. The Company also has significant gold projects in historically prolific regions in B.C., Ontario, and Nevada.

Mosquito currently holds interests in eight major properties, but its primary focus is on developing the CUMO and Pine Tree projects. The Company recently received a NI 43-101 compliant resource estimate on CUMO and expects to have one on Pine Tree before the end of 2009. In addition, the Company has commissioned Preliminary Economic Assessment report on CUMO, which should be ready before the end of 2009.

Further, the expectation is that feasibility reports on both CUMO and Pine Tree will be completed in 2012-2013, with production commencing three years later. In the meanwhile, work on other properties is likely to be modest, although Mosquito is considering selling or entering into joint ventures on some of them.

The recent NI 43-101 Technical Report on CUMO substantially increased the resource estimate from 1.72 billion tons (Inferred) to 3.96 tons (Indicated and Inferred). In addition to molybdenum, valuable by-products such as copper, silver, rhenium, and sulphuric acid are also significant at CUMO, and it is expected that that these by-products could provide enough revenues to cover the entire production costs of the project, and thus make CUMO potentially one of the world's lowest-cost producers.

Management and members of the Board of Directors have extensive backgrounds in mining as well as decades of experience in the technical aspects of mine development and operations.

Although there has been a sharp upward move in the stock in the last few days, we recommend the shares of Mosquito Consolidated Gold Mines to risk-tolerant investors for long-term participation in an advancing junior mining exploration company.

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**New eResearch
Material Since
September 28/09:**

1. Initiating Reports

[Britannica
Resources Corp.](#)
9/29/2009

[Nebu Resources
Inc.](#)
10/02/2009

**2. Update Reports
and Bulletins**

[Canadian Mining
Company Inc.](#)
9/25/2009

[Rocmec Mining
Inc.](#)
10/01/2009

3. Analyst Articles

[StockResearchPortal
Valuation of Mining
Companies Part 7](#)
09/29/2009

[Pinnacle Digest
Natural Gas](#)
09/28/2009

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

BriefCase

NewsBytes from September 28 –October 2, 2009

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.

Integrated Asset Management Corp. (\$0.50 – Sept. 25, 2009; IAM-TSX) Koloshuk Farrugia Corp. (KFC) has acquired 20,000 common shares of Integrated Asset Management Corp. (IAM) at \$0.475 per share (approximately 0.1% of the outstanding common shares of IAM), through the facilities of the Toronto Stock Exchange. KFC is now the beneficial owner of 9,103,833 common shares of IAM, representing approximately 32.2% of the outstanding common shares.

Globex Mining Enterprises Inc. (\$1.56 - September 28, 2009; GMX-TSX) Globex reported that Nyrstar NV had recently commenced limited operations at the Gordonsville (Tennessee) zinc mine complex and intends to pursue a measured ramp-up of the operations over the next six months. Globex maintains a gross metal royalty (GMR) on zinc production from the property, including numerous adjacent land packages.

Macusani Yellowcake Inc. (\$0.295 - September 29, 2009; YEL-TSX-V) Macusani reported additional results from three previously unassayed drill holes on the its recently acquired Corachapi property on the Macusani Plateau in southern Peru. The results continue to show significant high-grade uranium mineralization over long intervals, and confirm the high-grade potential of the Corachapi property.

Marathon PGM Corporation (\$0.73 - September 29, 2009; MAR-TSX) Marathon has reported the final set of results from the Company's 2009 drilling campaign at the Marathon PGM-Cu project. The final holes confirmed continuity of mineralization and will upgrade resource classifications.

Royal Roads Corp. (\$0.08 - September 29, 2009; RRO-TSX-V)/Benton Resources Corp. (\$0.50 – September 29, 2009; BTC-TSX-V) Royal Roads and Benton have awarded a drill contract for the commencement of diamond drilling on the recently discovered copper sulphide zone on the Long Range joint venture property in central Newfoundland. The program is expected to begin the week of October 12. The Long Range project is a 50/50 joint venture between Royal Roads and Benton, with Royal Roads as the operator.

Benton Resources Corp. (\$0.48 - October 1, 2009; BTC-TSX-V) Benton announced that its summer prospecting program on the Copper Hill Block A option, 100 kilometres south of Timmins, Ontario, has identified a new gold zone (Crocker), with assay results of up to 9.65 g/t gold from surface grab samples. The Company also reported that the phase II drill program on Block A is in progress, and that 15 holes of a 17-hole program have been completed.

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@ereseach.ca.

"Research is the
bedrock underpinning
all capital markets"

Monthly Top Ten

The top ten downloads from www.ereseach.ca since September 14, 2009:

1. Weekly Clarion
2. Teryl Resources, Pinnacle Digest, September 20;
3. Mosquito Consolidated Gold Mines, Update, September 24
4. Consumers' Waterheater, StockPotentials, Sept. 2/22
5. Britannica Resources Corp, StockPotentials, Sept. 25
6. StockResearchPortal, Valuation of Mining Cos, Part 6, September 16
7. BMO Financial Group, Technicalities, September 25
8. Augen Gold Corp. StockPotentials, Sept. 24
9. Benton Resources Corp. Perspective, September 14
10. Rocmec Mining Inc., Update, October 1

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