

August 25, 2008

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

We have added two new sections to the "Research" tab on the index line of our website Home Page.

These are: "Articles" and "Archive".

Under Articles, we have set up two sections: Analyst Articles and Clarion Library.

Analyst Articles includes commentaries of interest provided by our own analysts or by third party entities with which we have an association or reciprocal arrangement. Thus, we have included all of the interesting dissertations provided to us by Ed Eberts of Rapport Capital Formation Strategists Inc. We also include the weekly newsletter written by our latest Distribution Partner, Pinnacle Digest.

The Clarion Library includes all of our weekly newsletters since the beginning of 2008. They are identified by date and name of lead topic.

Archive includes reports from companies that we no longer have a mandate to cover. The cut-off date is January 1, 2006.

Topic: Predictions

Our outlook for the next six months:

- (1) The exorbitant rise in energy and food prices now seems to have topped out, but not before having a drastic effect on global economies. World economic growth is slowing, even for the BRIC countries, and inflation is on the rise. If prices fall far enough and fast enough, inflation would slow and there may be no need to raise interest rates. That realization would be positive for equity markets.
- (2) The U.S. dollar is going to continue to recover, and the euro, particularly, is going to decline in value. Europe only recently started to show signs of slowing down. Many European countries experienced similar excessive increases in real estate prices and are now beginning to feel the effect of rapidly falling values. The outlook for the rest of 2008 and for 2009 in Europe is not sanguine.
- (3) The price of crude oil will trade between US\$100 and US\$125 per barrel over the next six months. Gold's trading range will be between US\$800 and US\$950 per ounce as increases in its traditional key catalyst, jewellery sales, will not materialize this year.
- (4) Natural gas will fare better than crude oil. Consumers should expect significant increases in heating bills this coming winter.
- (5) The U.S.A. was the first to "go into the tank" and it will be the first to climb out. Its rate of descent is moderating, and when the slope of the curve begins to temper and then flatten out, U.S. equity prices will already have started their upswing.
- (6) Commodity prices will remain soft for a while. This is just a normal pull-back within a long-term uptrend. The demand for commodities by the emerging nations is just too strong.
- (7) U.S. house prices will continue to decline, but we are near the bottom and, like the U.S. economy in general, the rate of decline will moderate and then flatten, probably for quite a while before recovery sets in.
- (8) Credit conditions will remain tight; capital markets will remain moribund.
- (9) Cash is King!

Bob Weir

Bob Weir, B.Sc., B.Comm., CFA
Director of Research

Quick Facts



**Closing Price
(August 22/08):**
\$1.35

52-Week High-Low:
\$1.69 - \$1.10

Target Price:
1-Year: \$2.35

EBITDA Per Share:
F2006: \$0.29
F2007: \$0.26
F2008: \$0.26E
F2009: \$0.27E

Shares Outstanding:
28.6 million

Market Capitalization:
\$38.6 million

Fiscal Year-End:
September 30

Symbol:
TSX: IAM

Stock of the Week

Integrated Asset Management Corp. (IAM:TSX)

IAM is an alternative-class asset manager that is diversified into five key asset categories, namely, private equity, private debt, managed futures, hedge funds, and real estate.

The Company recently announced its Q3 results, which were good, but slightly below our expectations, as companies in the financial services sector no doubt have been affected, directly or indirectly, by the fall-out from the sub-prime and ABCP fiascos.

As a result, we are lowering our fiscal 2008 (September 30th) estimate for EBITDA per share from \$0.28 to \$0.26. Our revenue expectations also have been lowered, from \$34.1 million to \$30.7 million.

Despite the difficult operating environment during the past nine months, IAM was able to increase its AUM (assets under administration) by 10% year-over-year to \$3.3 billion.

Looking ahead to fiscal 2009, we expect a further increase in AUM of 3-4%, primarily stemming from the real estate operations, to about \$3.4 billion. EBITDA per share is expected to rise slightly, to \$0.27. Revenue is estimated at \$32.0 million.

At current trading levels, the shares sell at 5.0x our fiscal 2009 EBITDA per share estimate, and compare to an average of about 9.2x for the overall industry. The shares currently yield an attractive 5.9% on the \$0.08 per share annual dividend.

We rate the shares a Strong Buy, and have a 12-month Target Price of \$2.35. This is lowered from our previous price objective of \$3.00.

Stock of the Week Video Link



**New Research Material
for the week ending
August 22, 2008:**

1. Initiating Reports

None

**2. Update
Reports/Analyst
Commentaries/
Bulletins**

[Integrated Asset
Management Corp](#)

08/21/08

[Sage Gold Inc](#)

08/20/08

[Macusani Yellowcake](#)

08/20/08

[Monument Mining](#)

08/20/08

[Yukon Nevada Gold
Corp](#)

08/19/08

[Anglo-Canadian
Uranium Corp](#)

08/19/08

[CI Financial Income
Trust](#)

08/18/08

3. Analyst Articles

None

BriefCase

NewsBytes from August 18 - August 22, 2008

Research reports on these companies are available on our website at www.eresearch.ca. For the latest eResearch publications, see sidebar opposite.

CANDORADO OPERATING COMPANY LTD (\$0.115 - August 18, 2008; CDO-TSX-V)....Candorado has entered into a purchase agreement with Bearclaw Capital Corp. to acquire the remaining 49% of the Man/Prime Property, 35 kilometres north of Princeton, B.C. The Company now owns 100% interest in the property. **Speculative Buy. Target Price: \$0.55 (1-year).**

HI HO SILVER RESOURCES (\$0.53 - August 18, 2008; HIHO-CNQ)....Hi Ho Silver has earned a 51% interest in the Carmi molybdenum project by issuing a total of 200,000 common shares to St. Elias Mines Ltd. The Company can earn the remaining 49% interest by issuing a further 3.5 million shares to St. Elias and paying to St. Elias the sum of \$750,000, of which \$250,000 has already been paid. **Speculative Buy. Target Price: \$1.70 (1-year).**

VICTHOM HUMAN BIONICS INC. (\$0.08 - August 19, 2008; VHB-TSX)....Victhom's Neurobionix business unit has obtained ISO 13485:2003 certification for its Quality Management System to manufacture medical devices. **Buy. Target Prices: \$0.40 (1-year); \$1.50 (4-year).**

MOSQUITO CONSOLIDATED GOLD MINES LIMITED (\$1.17 - August 20, 2008; MSQ-TSX-V)....Mosquito reported results from the first hole of the Company's 2008 diamond drilling program at its CUMO molybdenum/copper project in Idaho. Assay results from the hole - 35-08 - included a 668.1-metre intercept grading 1.01% copper equivalent or 0.089% molybdenum equivalent, including 273.9 metres grading 1.29% copper equivalent or 0.114% molybdenum equivalent. **Speculative Buy. Target Price: \$2.80 (1-year).**

HOMELAND ENERGY GROUP LTD. (\$1.05 - August 22, 2008; HEG-TSX)....Homeland's South African subsidiary will have cash flow beginning in September, with the sale of coal products from the production ramp-up of the Kendal coal mine. Homeland has received approval from Nedbank Capital for a debt finance facility for the Kendal colliery in the amount of Rand 150 million (\$20.5 million). **Speculative Buy. Target Price: \$2.15 (1-Year).**

Video Library

[Zaruma Resources Inc](#)

08/18/08

[Starfield Resources Inc](#)

08/05/08

[Hi Ho Silver Resources Inc](#)

[CEO Interview 08/05/08](#)

[Hi Ho Silver Resources Inc – 07/28/08](#)

[Wescan Goldfields Inc](#)

06/17/08

[Monument Mining Ltd](#)

06/17/08

[Inca Pacific Resources Inc](#)

06/11/08

[Stealth Ventures Ltd](#)

06/09/08

[Homeland Energy Group](#)

06/06/08

[Petaquilla Minerals Ltd](#)

06/04/08

[Victhom Human Bionics](#)

06/02/08

[Sage Gold Inc](#)

05/29/08

Performance: Six Months

Company	Symbol	Report Type	Report Date	Report Price	Target Price	<Last 6 Months> High	<Last 6 Months> Low	% Gain to High	% of Target
Action Minerals	ATM-V	U	4-Feb-08	\$0.05	\$0.04	\$0.06	\$0.015	20%	100%
Zaruma Resources	ZMR-X	I	27-Feb-08	\$0.19	\$0.70	\$0.45	\$0.17	137%	51%
Starfield Resources	SRU-X	I	26-Feb-08	\$0.95	\$2.10	\$1.37	\$0.70	44%	37%
MacDonald Mines	BMK-V	I	22-Feb-08	\$0.45	\$1.35	\$0.66	\$0.20	47%	23%
Monument Mining	MMY-V	I	4-Feb-08	\$0.51	\$1.00	\$0.60	\$0.31	18%	18%
Yukon-Nevada Gold	YNG-X	I	29-Feb-08	\$1.52	\$3.30	\$1.80	\$0.85	18%	16%
Pacific Energy Resources	PFE-X	I	7-Feb-08	\$1.73	\$3.40	\$1.75	\$1.00	1%	1%

I = Initiating Report; U = Update Report; X = TSX; V = TSX Venture

Performance: Twelve Months

Company	Symbol	Report Type	Report Date	Report Price	Target Price	Last 12 Months High - Low	% Gain to High	% of Target
Radisson Mining	RDS-V	I	26-Jul-07	\$0.30	\$0.45	\$0.45 \$0.125	50%	100%
Royal Roads Corp.	RRO-V	I	11-Jul-07	\$0.41	\$0.75	\$0.49 \$0.07	20%	24%
Portruth Petroleum	PSH-V	U	10-Jul-07	\$0.10	\$0.27	\$0.14 \$0.06	40%	24%
Oracle Energy Corp.	OCL-V	U	26-Jul-07	\$0.24	\$0.45	\$0.27 \$0.09	13%	14%
Divcom Lighting	DVQ-X	I	5-Jul-07	\$0.28	\$0.60	\$0.28 \$0.015	0%	0%

I = Initiating Report; U = Update Report; X = TSX Exchange; V = TSX Venture Exchange

Monthly Top Twenty

The top twenty downloads from www.eresearch.ca for July 2008:

- 4-Week Performance (911)
- The Clarion (371)
- Sirios Resources (89)
- Corporate Brochure (64)
- Zaruma Resources-Bulletin (62)
- Yukon-Nevada Gold-Bulletin (51)
- Arsenal Energy (51)
- Homeland Energy-Initiating (49)
- Yukon-Nevada Gold-Bulletin (49)
- Yukon-Nevada Gold-Bulletin (45)
- Jet Gold Corp. - Update (45)
- Hi Ho Silver Resources-Update (39)
- Article: Starbucks (38)
- Article: Mining in Russia (36)
- Skyline Gold Corp.-Bulletin (35)
- Grandview Gold – Initiating (33)
- Wescan Goldfields - Bulletin (32)
- Radisson Mining - Update (32)
- IRI Separation – Comment (31)
- Sage Gold - Initiating (31)

August Brainteaser

What rock is also a food? Reply to bweir@eresearch.ca

July Question: What starts and ends with the letter “e”, contains a letter, but it is not the letter “e”? Answer: An envelope