

August 11, 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

Last week, we introduced a new feature in the Clarion. Entitled "BriefCase", it is a collection of "NewsBytes" on our Covered Companies.

Frequently, companies release news that is required by securities regulation, but which we consider is not significant enough to warrant us issuing a Bulletin or an Analyst Commentary.

However, in an effort to keep our subscribers fully informed, we intend to collate as many important "other" news items on our Covered Companies as possible and assemble them for inclusion in our weekly newsletter.

We will continue to provide timely and informative Bulletins and Analyst Commentaries on our Covered Companies where appropriate. All such reports are listed opposite BriefCase in the Page 3 Side-bar.

Topic: Olympic Aftermath

China has gone all out to ensure the success of the 2008 Summer Olympics. The facilities are impressive. The final medal count is still to be determined, but the host country is sure to be near or at the top.

What happens when all the athletes, spectators, and tourists go home? Will China revert to its former secretive ways, or will this increasingly emerging economic super-power take its rightful place on the world stage?

Much has been said about the BRIC countries and their strong growth of recent years. Demand for commodities has been insatiable. But, in China, with all of the building and infrastructure for the Beijing Olympics now over, will there be a slow-down in growth there? We think so.

Over the last decade, China reported double-digit economic growth. This could tail off to 7%-9% in 2009 and beyond as a result of the completion of the Olympics and the general slow-down in economies world-wide.

One would not think it today, but the country that is likely to show the fastest growth of the major world economies starting in 2009 is the United States. It went into the tank first and right now is experiencing all the pain. The U.S. dollar is down, the credit markets have been roiled, the U.S. housing market is spiraling down, financial institutions are writing down billions of dollars and are desperately trying to shore up their weakened balance sheets, and consumers are retrenching. All of this is setting the stage for recovery. No pain, no gain.

With growth in China possibly slowing, and an over-inflated Euro now coming under pressure, the outlook for the U.S. dollar is decidedly better (as outlined in the Clarion last week). No wonder the U.S. stock market was markedly stronger last week. The low may have been reached there.

Bob Weir

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

Quick Facts



**Closing Price
 (August 8/08):**
\$0.54

52-Week High-Low:
\$1.85 - \$0.53

Target Price:
6-Months: \$0.30-\$0.70

Book Value Per Share:
F2005: \$0.37
F2006: \$0.44
F2007: \$1.18

Shares Outstanding:
175.2 million

Market Capitalization:
\$80.6 million

Fiscal Year-End:
December 31

Symbol:
TSX: YNG

Stock of the Week

Yukon-Nevada Gold Corp. (TSX: YNG)

Yukon-Nevada Gold Corp. announced on August 8th that it was suspending underground operations at its Jerritt Canyon gold mines in Nevada. The Company followed this up with a further announcement that it had hired a contract mining company to continue mining at the Smith Mine at Jerritt Canyon.

The Company stated its underground mining operations were suspended because of operating cost pressures in the mining industry globally. Its mining group will now assess the situation in hopes of detailing a mining plan (no time frame given) capable of producing grade and tonnage that can be mined profitably. However, it is possible that, upon assessment, it may be determined that the average ore grades may be too low, and/or operating costs may be too high such that the Jerritt Canyon project may never be economic.

In the meantime, Yukon-Nevada terminated the mandate given at the end of July to the Commodities and Resource Finance Division of Investec Bank (UK) Limited to arrange and underwrite financing for the Jerritt Canyon mine expansion.

While the Company assesses its situation at Jerritt Canyon, it will continue to process both its own stockpiled ore and that of Newmont Mining Corporation. Yukon-Nevada has an agreement with Newmont until the end of 2008 to mill approximately 2,750 tons per day. The Company is in negotiations with Newmont for a further milling agreement when the current one expires for milling 3,000 tons per day. At this point, it is uncertain whether a renewal will be consummated.

Given that the Jerritt Canyon project represents 99% (\$84.1 million) of Property, Plant and Equipment and 61% (\$60.4 million) of the book value of the Company's Mineral Properties, it is clear the shut-down is a major event for the Company.

Until management comes forth with a new mine plan for Jerritt Canyon, we are unable to recommend purchase of the shares. We anticipate the stock will trade between \$0.30 and \$0.70 until the situation is clarified.

Stock-of-the-Week Video: Unavailable this week

**New Research Material
for the week ending
August 8, 2008:**

1. Initiating Reports

[Synergex Corp.](#)

08/06/08

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

[Power Financial Corp](#)

08/07/08

[Gatorz](#)

08/07/08

[Hi Ho Silver Resources](#)

08/06/08

[Royal Roads Corp.](#)

08/06/08

[IGM Financial Inc](#)

08/05/08

[Sun Life Financial Inc](#)

08/05/08

[Indicator Minerals Inc](#)

08/05/08

[Sage Gold Inc](#)

08/05/08

3. Analyst Articles

None

BriefCase

NewsBytes from August 4 - August 8, 2008

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

ROYAL ROADS CORP. (\$0.075 - August 5; RRO-TSX-V)....Royal Roads announced a change of directors and officers, following completion of the business combination with Buchans River Ltd. The board is now as follows: Warren MacLeod, William Felderhof, David Felderhof, Edmund Merringer, Steven Poad, Terry Coughlan and William Rogers. John Rawding and Scott Harkness resigned from the board, but remain with Royal Roads as Chief Financial Officer and Assistant Corporate Secretary respectively. **Speculative Buy. Target Price: \$0.40 (1-Year).**

CANDORADO OPERATING COMPANY LTD. (\$0.09 - August 6; CDO-TSX-V).... Candorado closed three transactions with Christopher James Gold Corp. (CJGC) as follows: (i) an option granted to CJGC to acquire Candorado's interest in the Canoe Creek Hot Springs geothermal project; an agreement for CJGC to buy the Copper Creek gold-copper project; and an option for CJGC to acquire a 60% interest in Candorado's Tillicum Lake gold-copper project. **Speculative Buy. Target Price: \$0.55 (1-Year).**

SKYLINE GOLD CORPORATION (\$0.115 - August 7; SK: TSX-V)....Skyline Gold has arranged, subject to regulatory approval, a non-brokered private placement of up to 2,000,000 units at \$0.12 per unit to qualified investors. Each unit consists of one common share and one-half of a share purchase warrant, and each whole warrant will entitle the holder to purchase an additional Skyline Gold share at \$0.18 per share for a period of one year from the date of issue. Proceeds will be used for the following: (i) engineering and design required for a feasibility study; (ii) initiating the environmental assessment process; (iii) reclamation; (iv) consultations with First Nations, (v) working capital; and (vi) general corporate purposes. **Speculative Buy. Target Price: \$0.35 (1-Year).**

MONUMENT MINING LTD. (\$0.33 - August 8; MMY-TSX-V)....Monument Mining has issued a writ in the High Court of British Columbia for defamation in connection with allegations about the Company's ownership of its Selinsing property in Malaysia. The Company is seeking an injunction and damages against the defendant (see Monument's August 8, 2008 news release on the Company's website at www.monumentmining.com). **Speculative Buy. Target Price: \$1.00 (1-Year); \$4.30 (3-Year).**

Video Library

[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	Last 12 Months 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%
Portrush 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