

September 22, 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

In last week's FYI, I wrote that I had been chosen for Jury Duty. This involves setting aside a minimum of five days, Monday through Friday, to sit in the Court House to wait for a calling. We were bundled into four groups of about eighty each.

On Monday morning, our group was called. We were paraded into a court room for a case featuring unlawful possession of a loaded weapon. Potential jurists are drawn at random from a drum and segregated into four teams of twenty. I was in the third group.

After the lunch recess, our group was informed that an acceptable contingent of twelve jurists had been selected from the first two groups. All those not selected returned to "the pool". That means sitting in a large room waiting for a call when a case comes up.

For the rest of the week, one never did. We all just sat there, reading, talking, playing cards, text-messaging, cell-poning, sleeping, etc. until we were told to go to lunch or to go home.

Nevertheless, I have now done my duty.

Topic: Investment Strategy

Last week, we discussed Bear Markets and concluded, for the second week in a row, that if an investor buys within 10% of the market bottom either on the way down or on the way up, then this should prove to be a winning investment strategy in the long run.

Unfortunately, it is impossible to predict when the market bottom will occur, and it is usually weeks, sometimes months, afterwards that the market bottom can be identified.

The last bear market stemmed from the high tech fall-out. It occurred roughly between March 2000 and October 2002, lasting 32 months, or 8 quarters. However, in that bear market, there was a false ending, which occurred around October 2001. In Q4/2001, the major indices, including the S&P 500 in the United States and the S&P/TSX in Canada, rebounded approximately 15% into early 2002 before collapsing a further 23% to their ultimate lows in Q4/2002. What looked like a bottom turned out to be a prolonged "dead-cat bounce".

Typically, when markets finally rebound, the leading sectors have been financials, utilities, and consumer staples, and we see no reason why this should not be the case this time around.

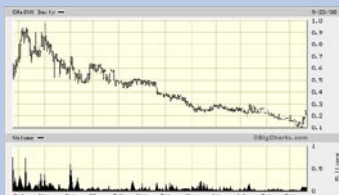
We are particularly bullish on our financial services sector. The Canadian banks and life insurance companies have avoided, at least for the most part, the problems besetting their American cousins. Strong management, sound operating strategy, and attractive yields make this group a compelling area for investment, even today with such a negative tone to the market.

We are still out on that limb, and believe that selective purchases of stocks in quality companies, as soon as the present rout dies down, will prove very rewarding over the medium to longer term for investors who are willing to buy when all others are selling.

Bob Weir

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

Quick Facts



**Closing Price
(September 19/08):
\$0.19**

**52-Week High-Low:
\$1.40 - \$0.10**

**Target Price:
1-Year: \$0.65**

**Shares Outstanding:
36.3 million**

**Market Capitalization:
\$6.9 million**

Book Value Per Share:
2006: \$0.38
2007: \$0.35
2008: \$0.32
2009: \$0.25E

**Fiscal Year-End:
May 31**

**Symbol:
TSX: GVX**

Stock of the Week

Grandview Gold Inc. (GVX:TSX)

With the release of our Update Report, we are re-featuring Grandview Gold.

Grandview Gold Inc. is a gold-focused exploration company, with properties in three prominent North American gold camps: (1) the Carlin Trend in Nevada; (2) the Red Lake Gold District in north-western Ontario; and (3) the Rice Lake Gold District in south-eastern Manitoba.

The current adverse market environment has resulted in the share prices of many junior mining companies, including Grandview, falling 70% or more. Excluding the one-day spike last September to \$1.40, the stock's normalized high over the last twelve months was \$0.98. Thus, the stock is down 87%, and severely depressed. Despite trading at fire-sale prices, the Company's fundamentals remain intact.

On the Carlin Trend, the Company's neighbours include the world's two largest gold-producing companies: Barrick Gold Corporation and Newmont Mining Co.

The Company's Pony Creek property on the Carlin Trend has an Inferred Resource of 1.4 million ounces of gold, although this resource estimate is not NI 43-101 compliant.

The price of gold has taken a bit of a hit lately, falling from over US\$1,000/oz. to the current US\$787/oz. Most pundits see gold recovering as we head into the traditional gold-buying season, when fabricators purchase gold to make jewellery for Diwali, the festive season in India at the end of October, and for Christmas in the Christian world.

If that price recovery occurs, the shares of gold-mining companies, including Grandview, should benefit. We foresee little downside risk from current levels, and rate the stock a Speculative Buy. We stress that investing in shares of junior mining companies in the current market environment is suitable only for the high risk-tolerant investor.

[Stock of the Week Video Link](#)



New eResearch
 Material for the Week
 Ending September 19,
 2008:

1. Initiating Reports

None

2. Update
 Reports/Analyst
 Commentaries/
 Bulletins

[Grandview Gold Inc](#)

09/19/08

[Wescan Goldfields Inc](#)

09/19/08

[Royal Roads Corp](#)

09/19/08

[Anglo-Canadian
 Uranium Corp](#)

09/19/08

[GeoPetro Resources Co](#)

09/18/08

[Mesa Uranium Corp](#)

09/17/08

[Zaruma Resources Inc](#)

09/16/08

3. Analyst Articles

None

BriefCase

NewsBytes from September 15 - September 19, 2008

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

Mosquito Consolidated Gold Mines Limited (\$0.75 - September 16, 2008; MSQ-TSX-V Mosquito reported results from the second hole of the 2008 diamond drilling program at its CUMO molybdenum/copper project in Idaho. Assay results included 642.7 metres grading 1.21% copper equivalent/0.107% molybdenite equivalent.

Speculative Buy. Target: \$2.80 (1-year).

Stealth Ventures Ltd. (\$0.30 - September 17, 2008; SLV - TSX-V) Stealth Ventures announced that it intends to conduct a Normal Course Issuer Bid for up to 6,504,000 of its common shares. The planned bid is still subject to regulatory approval and would be in effect over the next 12 months commencing Oct. 1, 2008.

Speculative Buy. Target: \$1.80 (1-year).

Hi Ho Silver Resources Inc. (\$0.35 - September 18, 2008; HHS-CNQ Effective September 18, 2008, Hi Ho Silver Resources began trading on the CNQ stock exchange under the three-character symbol HHS, instead of the four-character, HIHO.

Speculative Buy. Target: \$1.70 (1-year).

Starfield Resources Inc. (\$0.62 - September 18, 2008; SRU-TSX Starfield announced assay results of core samples from nine holes diamond drilled at the Company's Ferguson Lake project in Nunavut Territory. The nine holes, part of the infill drilling of the massive sulphide deposit in the West Zone of the project, were designed to penetrate the deeper low-sulphide PGM high-grade area beneath the eastern end of the West Zone massive sulphide. A table of results is included in Starfield's September 18, 2008 news release, available on the Company's website at www.starfieldres.com.

Speculative Buy. Target: \$2.10 (1-year); \$4.90 (3-year).

Maple Leaf Reforestation (\$0.155 - September 19, 2008; MPE-TSX-V) Maple Leaf Reforestation announced in early September that the Company had signed an exclusive agreement with Petro-Tech China Ltd., permitting Maple Leaf to exclusively sell and distribute Thermoflex coiled tubings in China. The coiled tubings are used by oil and gas and other industries.

Speculative Buy. Target: \$0.75 (1-year).

Video Library

[Grandview Gold Inc](#)

09/15/08

[Royal Roads Corp](#)

09/08/08

[Homeland Energy Group](#)

09/01/08

[Petaquilla Minerals Ltd.](#)

08/27/08

[Integrated Asset Management Corp.](#)

08/21/08

[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

Performance: Six Months (to August 31, 2008)

Company	Symbol	Report Type	Report Date	Report Price	Target Price	<Last 6 Months> High	<Last 6 Months> Low	% Gain to High	% of Target
Divcom Lighting	DVQ-T	U	13-Mar-08	\$0.06	\$0.09	\$0.105	\$0.015	75%	150%
Maple Leaf Reforestation	MPE-V	I	17-Mar-08	\$0.36	\$0.75	\$0.47	\$0.18	31%	28%
IRI Separation Tech.	IRI-V	U	31-Mar-08	\$0.19	\$0.45	\$0.26	\$0.05	37%	27%
Integrated Asset Mgmt	IAM-T	U	10-Mar-08	\$1.35	\$3.00	\$1.69	\$1.10	25%	21%
Augen Capital Corp.	AUG-V	U	12-Mar-08	\$0.31	\$0.66	\$0.34	\$0.14	10%	9%
Richview Resources	RVR-T	U	12-Mar-08	\$0.13	\$0.50	\$0.14	\$0.065	8%	3%

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

Performance: Twelve Months (to August 31, 2008)

Company	Symbol	Report Type	Report Date	Report Price	Target Price	Last 12 Months High - Low	% Gain to High	% of Target
Amerix Prec. Metals	APM-V	I	22-Aug-07	\$0.20	\$0.45	\$0.63 \$0.13	215%	172%
Western Goldfields	WGL-T	U	8-Aug-07	\$2.75	\$4.20	\$4.13 \$1.59	50%	95%
Stealth Ventures	SLV-V	I	21-Aug-07	\$1.15	\$1.80	\$1.31 \$0.45	14%	25%
Functional Tech.	FEB-V	U	13-Aug-07	\$1.52	\$2.50	\$1.51 \$0.83	-1%	-1%
Indicator Minerals	IME-V	I	1-Aug-07	\$0.42	\$0.65	\$0.40 \$0.15	-5%	-9%

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

Monthly Top Twenty

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

1. The Clarion (401)
2. Four-Week Performance (194)
3. Zaruma Resources-Bulletin (113)
4. Corporate Brochure (79)
5. Yukon-Nevada Gold-Bulletin (60)
6. Synergex Corp. – Initiating (59)
7. Analyst Bios (51)
8. Yukon-Nevada Gold-Bulletin (45)
9. Integtd Asset Mgmt - Update (44)
10. Article: Hot Air (43)
11. Anglo-Cdn Uranium - Bulletin (41)
12. Monument Mining - Bulletin (41)
13. Sage Gold – Bulletin (40)
14. Distribution Platform (39)
15. Starfield Resources -Bulletin (37)
16. Grandview Gold – Initiating (37)
17. Arsenal Energy (37)
18. Zaruma Resources-Bulletin (36)
19. Mosquito Cons. Gold - Bulletin (34)
20. Macusani Yellowcake - Bulletin (32)