

September 16, 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 are a little bit late with this week's Clarion, that being because I am penning this while I sit in the Court House, not in the dock, but as a potential Juror.

It is everyone's duty to serve one's country, and my time has come. I was up for consideration for an accused regarding unlawful possession of an unregistered, serial number-removed, loaded gun but I didn't make the final cut.

So I sit here with about 500 of my new, albeit temporary, best friends awaiting my next call.

It's not so bad, really, we can talk, read, eat, drink coffee, play cards, do jig-saw puzzles, surf the internet, and use our cell-phones.

We are all let off for good behavior between one and two o'clock to gain sustenance.

On Monday morning, I was unaware, but fully expecting, the carnage enveloping the major North American stock markets. As discussed in the accompanying Topic, "Bear Markets", whether or not we are near a market bottom, the Jury is out.

Topic: Bear Markets

Bear markets typically end in one of two ways:

- (1) One to three days of plunging prices and panic selling evidenced by extremely high share-trading volume. When it is over, stocks normally rebound quickly. This is the classic "V" formation. The up-leg portion of the V sometimes reaches the top where it began, and sometimes stalls part way back, often around the mid-point, and goes sideways within an extended range. The 504-point decline in the DJIA on September 15th, with volume exceeding 432 million shares, could constitute Day One of panic-selling. We will see.
- (2) The second pattern resembles a sort of trapezoidal "U", like this: ___/, where stocks fall for a prolonged period and then level off to sell within a narrow range. Share trading during this period is significant but not characterized by big blow-offs. The leveling off can last for weeks before an new upturn begins.

The markets have had a lot to digest since Labour Day. Fannie May, Freddie Mac, Lehman Brothers, and Merrill, Lynch all are to be transformed. It was Bear Stearns before that, and AIG and Washington Mutual are on the brink. Ospraie Management, the hedge fund manager, is no more.

As the indices lurch towards double or triple potential bottoms, will support lines hold?

We are going out on a limb and saying that the U.S. markets are at or near their bottoms and a recovery will get underway after year-end. At this point, we believe that some stocks have reached severely oversold levels and investing now could provide enormous longer-term returns. As we said last week, if you can buy within 10% of the bottom going down, and within 10% of the bottom on the way up, your stock picks should be winners. The S&P/TSX Indices may not fare as well, as pressure on commodities will likely continue, but Canadian financial stocks (banks, lifecos) should out-perform. We think there are buying opportunities there right now.

Bob Weir

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

Quick Facts



**Closing Price
 (September 15/08):
 \$0.13**

**52-Week High-Low:
 \$1.40 - \$0.105**

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

**Shares Outstanding:
 36.3 million**

**Market Capitalization:
 \$4.7 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)

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 Company.

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 12,
2008:

1. Initiating Reports

None

2. Update
Reports/Analyst
Commentaries/
Bulletins

[Royal Roads Corp](#)

09-08-08

3. Analyst Articles

None

BriefCase

NewsBytes from September 8 - September 12, 2008

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

Wescan Goldfields Inc. (\$0.33 - September 8; WGF-TSX-V)....In an update on the Mud Lake property exploration program, a joint venture between Wescan and Alto Ventures Ltd. in the Beardmore-Geraldton gold belt in northwestern Ontario, Wescan noted that mechanical stripping and sampling are currently in progress. Targets generated from the program will be combined with those from earlier work for a core drill program later in the year.

Speculative Buy. Target: \$1.25 (1-year).

Volta Resources Inc. (\$0.245 - September 8; VTR-TSX)....Volta Resources has entered into a Framework Agreement with Predictive Discovery Proprietary Limited, granting PDPL a period of six months to apply its unique predictive mineral discovery technology to Volta's historical exploration data on the Bui Belt in Ghana. The agreement remains subject to certain terms and conditions, including standard regulatory approvals and PDPL concluding an A\$2 million financing.

Speculative Buy. Target: \$1.40 (1-year).

Asia Now Resources Corp. (\$0.28 - September 10; NOW-TSX-V)....Asia Now has called a special meeting of shareholders for October 6, 2008 to approve a proposed non-brokered private placement of 8,533,681 common shares at \$0.50 per common share to China Gold Pte. Ltd., for gross proceeds of \$4,266,840.

Speculative Buy. Target: \$0.80 (1-year).

Coastal Contacts (\$0.90 - September 11, 2008; COA-TSX)....Coastal Contacts, the direct-to-consumer retailer of vision care products, has reported unaudited financial results for the third fiscal quarter ended July 31, 2008. Revenue was up 20% over the same period last year to \$32.7 million, while net income was \$0.2 million versus \$0.4 million.

Speculative Buy. Target: \$3.30 (1-year).

Indicator Minerals Inc. (\$0.15 - September 12, 2008; IME-TSX-V)....Indicator Minerals has completed a second and final closing of the Company's previously announced non-brokered private placement for gross proceeds of \$50,000. Including the first closing, the Company raised an aggregate \$305,000 in the private placement.

Speculative Buy. Target: \$0.40 (1-year).

Video Library

[Royal Roads Corp](#)

09-08-08

[Homeland Energy Group](#)

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[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

[Petaquilla Minerals Ltd](#)

06/04/08

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)