

March 22, 2010

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

For those of our readers who enjoy our newsletters, articles, and research reports, we would love to hear from you.

Also, if you like what you read, we would appreciate it if you would pass on the availability of our service to your friends.

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Tidbit:

An interesting fact came to light last week concerning airport traffic. In 2009, Beijing overtook Chicago's O'Hare as the world's third busiest airport. Atlanta is far and away the globe's busiest hub with some 88 million passengers. London's Heathrow is second at 66.1 million. Beijing recorded 65.3 million and O'Hare counted 64.4 million.

Topic: Inflation, Interest Rates, and Stock Markets

Rising interest rates. First Australia. Then India. Can Canada be far behind? With the USA still mired in a slow economic recovery, the chances for higher interest rates in the U.S. in the near term seem remote. But, elsewhere, inflation is on the rise. When that happens, interest rates rise. And when interest rates go up, traditionally, stock markets go down.

We have been expecting, for some time now, a break in the inexorable rise in stock markets since the lows of March 2009. We have written twice in the Clarion about the possibility of a pull-back. On February 15th, our Topic was entitled "Broken Up-Trend Lines". On March 15th, our Topic was called "Double Top".

We think a 10%-15% pull-back would be healthy for the market. The respite that began in mid-January from the relentless rise upwards in stock market indexes lasted until almost mid-February before the upwards march began anew. Right back to those mid-January highs. The drop that occurred over that approximate one-month period was only 8-9%. Not enough, in our opinion, to stage a continuing lengthy bull.

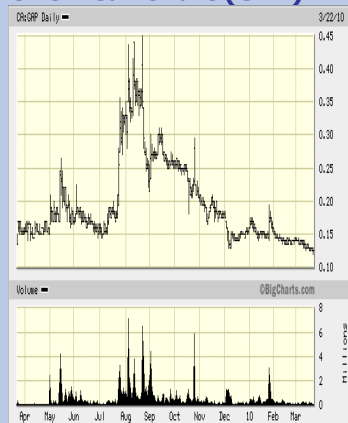
From here? We have to say that, although eventually we expect to be proved right about our anticipation for a sizable market pull-back, just because it always happens, we are beginning to think it may not occur until inflationary forces gather even greater steam and force monetary authorities to take definitive action. Always a fine balancing act. So, until that break comes, and it is likely to be hard and swift, it is prudent to stay well invested, although a move to more defensive postures may be warranted.

Bob Weir

Bob Weir, B.Sc., B.Comm., CFA,
Managing Director, Research Services

Quick Facts

One-Year Chart (GAP)



Source: www.bigcharts.com

Price (Mar. 22/10):
\$0.125

52-Week High-Low:
\$0.45 - \$0.125

Average Daily Volume:
50-day: 330,700
200-day: 622,000

Shares Outstanding:
100.9 million

Market Capitalization:
\$12.6 million

Year-End:
December 31

Year Enterprise Val/PS
2007A: \$0.22
2008A: \$0.18
2009A: \$0.27 (Sept 30)

Symbol: TSX-V: GAP

Stock-of-the-Week

PharmaGap Inc. (GAP: TSX-V)

PharmaGap Inc. is focused on the development of novel, anti-cancer compounds. This biopharmaceutical company's proprietary research platform targets select forms of Protein Kinase C ("PKC"), which is implicated in a number of cancers. The Company's lead drug, GAP-107B8, is currently being studied in preclinical models.

PharmaGap's objective is to out-license internally-developed compounds at the preclinical stage to larger biopharmaceutical companies. The Company's competitive advantage is its proprietary drug development platform, which is a series of unique and dynamic computer models of select forms of PKC. Using these models, the Company has been able to develop novel compounds targeting PKC, including lead drug GAP-107B8.

PKC activity has been found to be abnormal in many cancers and diseases such as diabetes. In cancer, PKC has been implicated in multi-drug resistance, suggesting that a therapy targeting PKC could be useful in treating drug-resistant tumours.

Cancer patients are largely treated with combination therapy to combat the specific disease. Cancers can also develop resistance to treatment or they may not respond to treatment at all. Novel therapies, such as GAP-107B8, that target different molecules or pathways are highly desirable in these patients.

Early studies with the Company's GAP-107B8 at the US National Cancer Institute have shown significant anti-cancer activity in 51 of 56 cancer cell lines. The Company has since conducted animal studies with GAP-107B8 in ovarian cancer, and continues to further characterize the drug's activity in a variety of cancer cell lines and in animals. The Company is also conducting additional preclinical tests to compare GAP-107B8 to existing cancer medications. Phase I clinical testing could begin in 2011, but will likely require a biopharmaceutical partner. As a drug development company, successful preclinical trials could increase its chances of being a take-over candidate.

The commercial potential for GAP-107B8 could increase dramatically if clinical study demonstrates a significant benefit when compared to, or when included in, a first-line treatment regimen. Additionally, given the redundancy of PKC across many cancers, GAP-107B8 could potentially be used to treat an array of cancers, providing PharmaGap with revenue growth well beyond the drug's initial approval.

Additional information on PharmaGap is provided in the eResearch StockPotentials Report of March 16, 2010. You can view this report at the following link:
http://www.eresearch.ca/report/GAP_031610-SP.pdf.

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**New eResearch
Material Since
March 15/2010:**

1. Initiating Reports

[Harvest Gold Corporation](#)
03/19/2010

[PharmaGap Inc.](#)
03/19/2010

**2. Update Reports
and Bulletins**

[Avante Security Corp.](#)
03/22/2010

[Rocmec Mining Inc.](#)
03/19/2010

[Rocmec Mining Inc.](#)
03/15/2010

[Teryl Resources Corp.](#)
03/15/2010

3. Analyst Articles

[Stock Market Timing](#)
03/15/2010

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

BriefCase

NewsBytes from March 15 – March 19, 2010

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.

Titan Medical Inc. (\$0.40 - March 15, 2010; TMD-TSX-V) Stephen D. Randall, CGA has been appointed Chief Financial Officer at Titan, replacing Joseph Yukich. Mr. Randall has been an auditor, chief financial officer, corporate controller and accountant for several public and private companies and for government. Mr. Yukich will serve as a consultant to Titan.

Globex Mining Enterprises Inc. (\$1.62 - March 17, 2010; GMX-TSX/G1M-Frankfurt) Globex has increased its ownership in the Timmins talc-magnesite project from 75% to 90%. Under a previous agreement, Globex was to complete US\$1.5 million in expenditures related to the property, including diamond drilling and metallurgical test work, after which Drinkard Metalox was to carry the project to a bankable feasibility study. Having met its US\$1.5 million expenditure requirement, Globex has renegotiated the agreement and will fund 100% of costs up to the point where the project will be spun off into a separate publicly-traded entity.

Marathon PGM Corporation (\$1.20 - March 17, 2010; MAR-TSX) Multiple stacked zones of mineralization were intersected in drilling at the Leprechaun gold deposit at the Valentine Lake gold project in central Newfoundland. (Valentine Lake is an option and joint-venture agreement between Marathon and Mountain Lake Resources.) The first phase of drilling at the Leprechaun deposit ended March 9, 2010, with completion of 3,998 metres in 33 holes. A table showing the second set of results from Leprechaun is contained in Marathon PGM's March 17, 2010 news release (available at www.sedar.com). Assays for the final 20 holes of the program are pending.

Antioquia Gold Inc. (\$0.32 - March 17, 2010; AGD-TSX-V) Antioquia began a 10,000-metre Phase 2 drilling program at the Company's Cisneros project in the Department of Antioquia in Colombia. One drill was mobilized on March 17, and a second drill is scheduled to begin the first week of May. The Phase 2 objectives are to: (a) establish if there is continuity of the key mineralized structures identified at Guiaico and Guayabito in the initial 4,000-metre drilling program, and quantify their size and potential; (b) test ground anomalies; and (c) test additional targets identified in artisanal mines and from surface exploration (specifically Chapulin, Nus and Mina Sur America).

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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@eresearch.ca.

“Research is the
bedrock underpinning
all capital markets”

Monthly Top Ten

(Includes reports and articles only)

The top ten downloads from www.eresearch.ca since February 22, 2010:

1. Stroud Resources Ltd., Initiating Report, March 2
2. Pinnacle Digest, Rare Earth Metals, March 1
3. Rodinia Minerals Inc., StockPotentials Perspective, February 24
4. Globex Mining Enterprises Inc., Perspective, March 2
5. SelectCore Ltd., Initiating Report, March 12
6. Nortec Minerals Corp., Initiating Report, March 4
7. Pinnacle Digest, Rare Earth Metals, Part 2, March 8
8. PharmaGap Inc., StockPotentials, March 16
9. Rocmec Mining Inc., Perspective, March 15
10. Groundstar Resources Limited, StockPotentials, March 8

Bi-Weekly Top Five

(Includes reports and articles only)

The top five downloads from www.eresearch.ca since March 8, 2010

1. SelectCore Ltd., Initiating Report, March 12
2. Pinnacle Digest, Rare Earth Metals, Part 2, March 8
3. PharmaGap Inc., StockPotentials, March 16
4. Rocmec Mining Inc., Perspective, March 15
5. Groundstar Resources Limited, StockPotentials, March 8