

May 17, 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

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Topic: Long-Awaited Correction?

Last August we started to anticipate a market correction. The indexes had moved up impressively from their March 9, 2009 lows and a pause seemed warranted.

In November, we had to change our opinion, as the adage "the trend is your friend" predominated and that trend remained inexorably upwards.

In February, we thought that the bull run was over as the March 9, 2009 up-trend line was punctured by each of the major North American indexes. But, after an 8% pull-back, the upwards march continued. Right up until Monday, May 3rd.

The week of May 3rd saw a pronounced retracement, although there were significant differences in the relative declines of the various indexes. It appears that there was a flight to safety, to the Big Name companies represented in the Dow, which declined the least. The broader index, represented by the S&P500, did better than the more volatile, technology-laden NASDAQ. The S&P/TSX did relatively better still, largely because of its exposure to gold companies, which performed well in the mini-panic.

We have been saying for quite some time that a 10%-15% market correction would be appropriate in order to set the stage for the next up-leg of the current bull market. If this current downturn is it, then it is not quite half over.

Downside projections, the "Target", using a 15% drop from the recent highs, would be as follows:

	Recent High	Current (May 14)	% Drop from High	15% Down Target	% More to Target
DJIA:	11,258	10,620	5.7%	9,570	9.9%
S&P500:	1,220	1,135	7.0%	1,037	8.6%
NASDAQ:	2,535	2,347	7.4%	2,155	8.2%
S&P/TSX:	12,322	12,015	2.5%	10,472	12.8%

We remain committed to our expectation that the market will suffer a 10%-15% pullback from the recent highs. We recommend moving to defensive positions, and we would be selling on strength.

Bob Weir, CFA, Managing Director, Research Services

Quick Facts

One Year Chart (AXI)



Source: www.bigcharts.com

Price (May 17/10):

\$0.19

52-Week High-Low:

\$0.275 - \$0.14

Average Daily Volume:

50-day: 376,200

200-day: 170,200

Shares Outstanding:

79.8 million

Market Capitalization:

\$10.85 million

Year-End:

December 31

Symbol: TSX: AXI

Frankfurt: AE6

Website:

www.advanced-exploration.com

Stock-of-the-Week

Advanced Explorations Inc. (AXI: TSX)

Advanced Explorations Inc. is an iron ore exploration company, focused on the Roche Bay Magnetite Project on the east coast of the Melville Peninsula in Nunavut in the Canadian Arctic. The Company's experienced management team and Board of Directors have decades of extensive experience in mining and in the technical aspects of mine development and operations, including in the harsh environment of the Arctic.

Roche Bay consists of four mining leases (A/B, C, D, & E Zones) striking over 20 km in length on outcroppings of banded iron formation. Advanced Explorations has the right to acquire a 100% interest in the Project; it currently own 30%. The Company will begin its summer field program later this month (May 2010), focused on Roche Bay.

Having completed a baseline environmental study, the Company expects to complete a feasibility study in 2010 and be well advanced in the permitting process. Based on historical exploration, there are realistic expectations for considerable expansion at Roche Bay. Therefore, we expect a significant increase in the intrinsic value of the company, with a commensurate increase in investor interest, once the definitive feasibility study is complete.

In October, 2007, the Company announced that First China Group Ltd. had acted as the Company's exclusive advisor in China and had facilitated an off-take agreement with a Chinese mining finance company and Roche Bay plc. The Company agreed to supply 1.5 million tonnes of concentrate and/or pellets per year for a period of 10 years upon successful development and commissioning of the Project. The agreement is subject to completion of a final Sales Contract and a project development and production decision. In October, 2009, Advanced Explorations announced that the Chinese mining finance company had requested an expansion of the off-take agreement to include the potential high-grade iron production (>96% Fe).

The rebound in iron prices has produced an increase in activity within the iron ore market, and has had a positive impact on Advanced Explorations' strategic partner negotiations. The Company is in discussion with a number of groups, but as yet no decision has been made.

Additional information on Advanced Explorations Inc. is provided on our website.

<http://www.eresearch.ca/profile.asp?companyID=549>

**New eResearch
Material Since
May 3/2010:**

1. Initiating Reports

[Golden Dory
Resources Corp.](#)
05/04/2010

**2. Update Reports
and Bulletins**

[Nebu Resources](#)
05/14/2010

[Aberdeen
International Inc.](#)
05/07/2010

[Golden Dory
Resources Corp.](#)
05/05/2010

[QHR Technologies
Inc.](#)
05/05/2010

3. Analyst Articles

[Pinnacle Digest
Article: Gold](#)
05/10/2010

[Stock Market
Timing](#)
05/10/2010

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

BriefCase

NewsBytes from May 10 – May 14, 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.

Harvest Gold Corporation (\$0.125 - May 10, 2010; HVG-TSX-V) Harvest Gold has contracted with Envirotech Drilling LLC for a phase 1 drilling program at the Rosebud gold mine in northwestern Nevada. The drilling, which is expected to begin within three weeks, is designed to test new high-grade targets near the previously-mined ore bodies at Rosebud.

Augen Gold Corp. (\$0.215 - May 10, 2010; GLD-TSX-V) Augen Gold announced that its \$4,000,000 brokered private placement financing plus over-allotment option of 15%, for gross proceeds of \$4,600,000, would close on May 13, 2010. Pursuant to this financing, the Company said a total of 18,770,635 hard dollar units would be sold at \$0.17 per unit for gross proceeds of approximately \$3,191,000, and a total of 6,404,510 flow-through units would be sold at \$0.22 per unit for gross proceeds of approximately \$1,409,000. The Company also announced a further private placement financing, the final closing in the series, consisting of an additional 1,764,705 hard dollar units for gross proceeds of \$300,000, to be sold on the same terms subject to regulatory approval.

Advanced Explorations Inc. (\$0.19 - May 11, 2010; AXI-TSX-V/AE6-Frankfurt) Advanced Explorations announced an expanded 2010 field program for its Roche Bay and Tuktu iron ore assets located on the coast of the Melville Peninsula in Nunavut. With the continued surging demand for iron ore, the Company believes the revised plan will provide a further improvement in its business plan. The Company also recently announced a non-brokered private placement of up to 17,000,000 units at a price of \$0.22 per unit for aggregate gross proceeds of up to \$3,740,000.

Nortec Minerals Corp. (\$0.145 - May 12, 2010; NVT-TSX-V) Nortec has signed an agreement with Finnish-based drill contractors Nivalan Timanttikairus Oy to carry out the first-pass exploration drill program on the Seinajoki gold project. Drilling on the Marttalanniemi prospect, in the north-central part of the project area, is expected to start before the end of May.

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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.

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all capital markets”

Monthly Top Ten

(Includes reports and articles only)

The top ten downloads from www.eresearch.ca since April 19, 2010:

1. Potash Corporation of Saskatchewan, **Technicalities**, April 22
2. Antioquia Gold Inc., **Perspective**, April 30
3. Advanced Explorations Inc., **Perspective**, April 27
4. Globex Mining Enterprises Inc., **Perspective**, April 22
5. Aberdeen International Inc., **StockPotentials**, May 7/March 26
6. Golden Dory Resources Corp., **Initiating Report**, May 5
7. CO₂ Solution Inc., **StockPotentials**, April 30
8. Harvest Gold Corporation, **StockPotentials**, March 1
9. Hellix Ventures Inc., **StockPotentials**, April 29
10. QHR Technologies Inc., **Perspective**, May 5

Bi-Weekly Top Five

(Includes reports and articles only)

The top five downloads from www.eresearch.ca since May 3, 2010

1. Aberdeen International Inc., **StockPotentials Perspective**, May 7
2. Golden Dory Resources Corp., **Initiating Report**, May 5
3. QHR Technologies Inc., **Perspective**, May 5
4. Nebu Resources Inc., **Perspective**, May 14
5. Greenock Resources Inc., **Initiating Report**, December 14