

December 7, 2009

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

With the last month of trading for 2009 now upon us, Subscribers are advised to assess their portfolios for opportunities to crystallize capital gains and losses.

With such a sharp run-up in many stocks since March 9, 2009, Subscribers should, as the adage goes, run their winners and sell their losers.

For any of 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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Topic: Momentum Trading

Last month I wrote, on a couple of occasions, that a key maxim for successful investing is that "the trend is your friend". The concept of momentum trading grew out of that, and reached dizzying heights in the latter half of the 1990s with the advent of the now ubiquitous day-trader. Day-trading has caused unprecedented volatility in stock markets ever since.

The development and acceptance of technical analysis has afforded the advantages of identifying stable, repeatable, and predictable stock patterns. This has allowed momentum trading to proliferate.

Momentum trading, essentially, is buying and holding a stock that is going up, for a period that can be days, weeks, or months. This is entirely different from day trading where astute market watchers buy at the beginning of or during the day and sell before the day is over.

Momentum traders try to ride on the coat-tails of a stock exhibiting a rising trend in hopes that the trend will continue.

The following precepts can be used to maximize investment returns by any investor interested in momentum trading:

- (1) The stock must be going up for an extended period, at least 4-6 weeks.
- (2) Identify companies whose reported earnings have substantially exceeded Street estimates, since these are often the companies whose stocks capitalize on those positive earnings announcements for a long time after.
- (3) The Company's stock should have significant institutional ownership. When purchasing a position, the portfolio managers of investment funds usually accumulate those positions slowly, avoiding the volatility caused by day-traders who move in and out of a stock quickly.
- (4) Follow the trend-friendly guideline, but be prepared to sell the stock just as soon as the trend changes, because momentum stocks can change direction suddenly.

Bob Weir

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Quick Facts

12-Mo. Chart (AXI)



Source: www.bigcharts.com

Price (December 4/09):
\$0.17

52-Week High-Low:
\$0.285 - \$0.045

12-Month Target Price:
\$0.60

Average Daily Volume:
50-day: 124,100
200-day: 132,700

Shares Outstanding:
79.6 million

Market Capitalization:
\$13.53 million

Year-End:
December 31

Book Value Per Share:
2007: \$1.12
2008: \$0.71
TTM (June): \$0.51

Symbol:
TSX-V: AXI

Stock-of-the-Week

Advanced Explorations Inc. (AXI: TSX-V and AE6: FSE)

Advanced Explorations Inc. is involved in developing high-quality iron ore opportunities, with its primary focus an iron ore exploration and development project located on the Melville Peninsula in Nunavut in the Canadian Arctic.

The Project is located on the east coast of the Melville Peninsula, and 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%.

Airborne magnetics and ground mapping indicate roughly 13 km of iron formation within the two eastern leases and similar strike potential in the remaining two leases. The Project is located adjacent to a deep water ocean harbour providing the Company with a wide range of efficient construction, development, and shipping options.

Advanced Explorations plans to develop the banded iron ore formation by pursuing the nugget process, instead of a pellet plant, using the Kobe Steel ITmk3® nugget technology in the process of ironmaking. This is a new, less-costly process which, if it proves successful, gives the Company the potential to become one of the few official producers of manufactured iron nuggets worldwide. As an iron nugget producer, the Company can serve a variety of high-end markets in North America, Europe and Asia where other, lower purity (88%-94% Fe) industry products are not a substitute for high-end clients.

Sufficient funding is currently in place to execute the Company's basic objectives. Importantly, there is an off-take agreement in place with a Chinese mining finance company. However, substantial capital expenditures of an estimated US\$20 million will be required over the next few years to assess the feasibility of the Project.

Advanced Explorations recently announced that the summer mapping and sampling program had uncovered a massive banded iron formation located 45 km from the ocean and approximately 60 km northwest of the Company's flagship Roche Bay project.

We recommend the shares of Advanced Explorations Inc. as a Speculative Buy to risk-tolerant investors for long-term participation in a progressive junior mining exploration company. Our 12-month Target Price is \$0.60.

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**New eResearch
Material Since
November 30/09:**

1. Initiating Reports

[Rodinia Minerals
Inc.](#)
12/04/2009

[Minerals Deposits
Limited](#)
12/03/2009

**2. Update Reports
and Bulletins**

[Advanced
Explorations Inc.](#)
12/01/2009

[Nebu Resources](#)
11/30/2009

[Royal Roads Corp.](#)
11/30/2009

3. Analyst Articles

None

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

BriefCase

NewsBytes from November 30 – December 4, 2009

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.

International Pulse Seismic Inc. (\$1.20 - November 27, 2009; PSD-TSX) Pulse Seismic announced that the TSX had accepted the Company's notice of intention to purchase through a normal course issuer bid up to 3,277,039 common shares, representing 10% of the public float of 32,770,391 common shares.

Canadian Mining Company Inc. (\$0.115 - November 30, 2009; CNG-TSX-V) Canadian Mining announced that it would be meeting with the Bureau of Land Management at the Company's Bullard Pass gold project in Arizona to review 10 determined drill pad locations and initiate authorization for drill permits.

Volta Resources Inc. (\$0.415 - November 30, 2009; VTR-TSX) Volta has begun a 28-hole reverse circulation drilling program (approximately 2,800 metres) at the Company's 100%-owned Gaoua project in southern Burkina Faso. A drill rig from Volta's Kampti III property, where drilling has recently been completed, was deployed to Gaoua. The program at Gaoua will follow up recent positive geochemical auger results.

Oromin Explorations Ltd. (\$0.89 - December 2, 2009; OLE-TSX) Oromin has announced the closing of its bought-deal equity financing. The Company sold 8,117,850 common shares at \$0.85 per share for gross proceeds of \$6.9 million.

Luir Gold Limited (\$0.365 – December 2, 2009; LGL-TSX-V; LGM-ASX) Luiri Gold has released assay results from the first 23 drill holes of the Company's over 9,000-metre reverse circulation drilling program at its Luiri Hill gold project in Zambia. The results have confirmed that the Matala deposit is consistently mineralized throughout its defined resource and has the potential to be a high-grade gold deposit over significant widths and strike length.

QHR Technologies Inc. (\$0.60 - December 3, 2009; QHR-TSX-V) QHR has completed a \$750,000 non-brokered private placement (1,250,000 units at \$0.60 per unit). The proceeds are for general working capital purposes.

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@ereseach.ca.

“Research is the
bedrock underpinning
all capital markets”

Monthly Top Ten

(Includes Company reports only)

The top ten downloads from www.ereseach.ca since November 9, 2009:

1. Mineral Deposits Limited, *StockPotentials*, December 3
2. Advanced Explorations Inc., *Initiating Report*, November 20
3. Alexandria Minerals Corporation, *Initiating Report*, June 26
4. Antioquia Gold Inc., *Perspective*, November 12
5. C-COM Satellite Systems Inc. *StockPotentials*, July 20
6. Nebu Resources Inc., *Perspective*, November 12
7. Brookfield Renewable Power Fund, *Perspective*, November 9
8. Volta Resources Inc., *Update*, November 18
9. Augen Gold Corp., *Perspective*, November 12
10. Rocmec Mining Inc., *Perspective*, November 27

Bi-Weekly Top Five

(Excludes Clarion weekly newsletter)

The top five downloads from www.ereseach.ca since November 23, 2009:

1. Mineral Deposits Limited, *StockPotentials*, December 3
2. Rocmec Mining Inc., *Perspective*, November 27
3. Mosquito Cons. Gold Mines Limited, *Update*, September 24
4. Nebu Resources Inc., *Perspective*, November 24
5. Advanced Explorations Inc., *Initiating Report*, November 20

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