

October 26, 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*

## Four-Week Performance

We have recently updated our charts that show the price and volume action of the stocks of the companies for which we have written and published research reports.

While we cannot say definitively that it is the report of eResearch that led to higher stock prices and volumes, it is, by inference, often true.

You can judge our impact by checking out our brochure entitled "4-Week Performance". You can access it at the following link:

<http://www.eresearch.ca/profile.asp?companyID=256>

## Topic: Trick-Or-Treat

Hallowe'en is fast approaching. This annual holiday is celebrated every October 31. It had its roots in Europe and came to North America with the Irish immigrants when they were escaping the Great Famine of the 1840s. The day features the colours orange and black, symbols like the jack-o'-lantern, and kids trick-or-treating.

Applying the trick-or-treat concept to the stock market, we would categorize gold and the gold stocks as a "trick". Although the price of gold has broken through the US\$1,000/oz. barrier, there are as many pundits saying that the price of gold cannot remain above US\$1,000/oz. as there are those saying it will hit US\$2,000/oz. We are in the former camp.

Traditionally, the main demand for gold has been for jewellery and industrial uses. But in times of economic hardship, as we have experienced globally for more than a year now, that demand falls and, even more so, as the price of the commodity rises. Thus, a higher gold price puts a lid on the demand for the commodity for jewellery. Seasonally, there is a pick-up in demand for gold in September-October as India's wedding season is usually a busy time for gold jewellery buying since it forms an important part of Hindu marriage ceremonies. To some extent, this may have played a part in the recent rise in the price of gold. But this important factor is coming to a close. Likewise, the economic slow-down has dampened demand for the metal for industrial uses, and a higher price exacerbates that demand.

For a "treat", we would offer either, or both, of natural gas and uranium. Again, seasonally, this is the time of year that the price of natural gas rallies in the market, as it looks forward to the home-heating season and a cold winter. This positive factor usually runs through until the end of February.

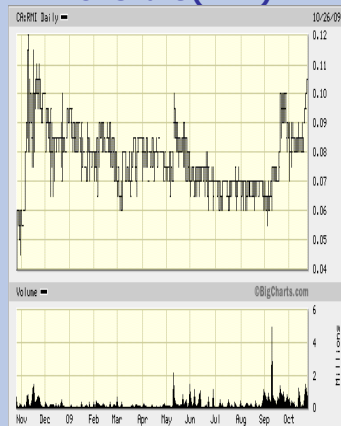
Uranium and uranium stocks have been pretty well ignored for more than a year. Justifiably so as the price of U<sub>3</sub>O<sub>8</sub> has been in free-fall, declining from a high of US\$138/lb in May 2007 to a low around US\$40/lb in April 2009. The price has since rallied to the current US\$48/lb. Once a few savvy investors take positions, the herd mentality will likely kick in and the sector could then stage a meaningful recovery.

## Bob Weir

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

## Quick Facts

### 12-Mo. Chart (RMI)



Source: [www.bigcharts.com](http://www.bigcharts.com)

**Price**  
**(Oct. 26/09):**  
**\$0.10**

**52-Week High-Low:**  
**\$0.12 - \$0.04**

**Average Daily Volume:**  
**50-day: 556,000**  
**200-day: 301,800**

**Shares Outstanding:**  
**220.75 million**

**Market Capitalization:**  
**\$22.08 million**

**Book Value Per Share:**  
**2007: \$1.30**  
**2008: \$1.86**  
**2009 (Jun): \$1.74**

**Year-End:**  
**September 30**

**Symbol:**  
**TSX: RMI**

## Stock-of-the-Week

### Rocmec Mining Inc. (RMI: TSX)

Rocmec Mining Inc. is a Canadian junior gold producer actively involved in the acquisition, advanced exploration, development, and mining of narrow-vein ore bodies, primarily using the Company's exclusive thermal fragmentation process. Rocmec is active in Quebec and Peru.

Rocmec will shortly initiate a 1,600-metre diamond drill campaign at the Company's Rocmec 1 gold property in Dasserat township in the Abitibi region of Quebec. The new drilling is a continuation of the 2008 program, and will be focusing on the McDowell, Front West, Talus, and Boucher 1 and 2 structures, at depths ranging between -200 and -400 metres. A pre-feasibility study, including a new mineral resource calculation, is expected to be ready before year-end.

An NI 43-101 compliant resource estimate for Rocmec 1 was completed in 2007, and the resources currently stand at 86,550 ounces of gold in the Measured and Indicated category, and 456,900 ounces in the Inferred category at a 3 g/t cut-off. The drill program is fully funded subsequent to a proposed joint-venture option agreement recently announced between Rocmec and a group of Quebec investors.

Rocmec's thermal fragmentation process is contracted out to third parties for licensing and servicing. The thermal fragmentation technology: (a) generates less environmental impact and lowers capital costs; (b) is easy to learn and use, making labour easier to find and retain; and (c) could make many previously uneconomic ore bodies viable. More than 20 companies are currently discussing using the technology.

The Company receives a steady stream of revenue and cash flow from thermal fragmentation contracting services with large mining firms. In this respect, Rocmec expects revenues derived from service contracts to total close to \$1,000,000 for fiscal 2009 (ended September 30). For the fourth quarter of fiscal 2009, the Company expects to report revenues totalling close to \$700,000 and gross profits from the contracts exceeding \$275,000, including significant non-recurring start-up costs. Results will be presented in the audited financial statements expected to be published in January 2010.

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**New eResearch  
Material Since  
October 16/09:**

**1. Initiating Reports**

[Natcore  
Technology Inc.](#)  
10/26/2009

[Canam Group Inc.](#)  
10/16/2009

[Yamana Gold Inc.](#)  
10/16/2009

[Antioquia Gold Inc.](#)  
10/09/2009

**2. Update Reports  
and Bulletins**

[Antioquia Gold Inc.](#)  
10/19/2009

[Antioquia Gold Inc.](#)  
10/16/2009

**3. Analyst Articles**

None

In addition to these reports and articles, our full complement of research is available at [www.eresearch.ca](http://www.eresearch.ca)

**BriefCase**

*NewsBytes from October 5 – October 14, 2009*

Additional information on the companies featured in NewsBytes may be found at [www.sedar.com](http://www.sedar.com), and at [www.eresearch.ca](http://www.eresearch.ca). For the latest eResearch publications, see sidebar opposite.

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**Luiroi Gold Limited (\$0.22 - October 16, 2009; LGL-TSX-V) ....** Luiroi Gold has lodged a prospectus with the Australian Securities and Investment Commission for a fully underwritten A\$8,000,000 capital raising and to undertake a secondary listing on the Australian Securities Exchange. Funds raised by the issue will be used primarily to advance the Company's Luiroi Hill gold project in Zambia.

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**The Consumers' Waterheater Income Fund (\$4.48 - October 16, 2009; CWI.UN-TSX) ....** Consumers' Waterheater Income Fund will host a conference call and webcast on October 29, 2009 at 10:00 a.m. (ET) to discuss its financial results for the third quarter of 2009. Results will be released before markets open on October 29.

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**Oromin Explorations Ltd. (\$0.96 - October 19, 2009; OLE-TSX) ....** Oromin reported that, concurrently with engineering optimization studies and ongoing exploration, the Company is continuing with strategic planning for the development of the Sabodala property in Senegal, including funding obligations.

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**Rocmec Mining Inc. (\$0.09 - October 20, 2009; RMI-TSX-V) ....** Rocmec Mining expects revenues derived from service contracts to total close to \$1,000,000 for fiscal 2009 (ended September 30). For Q4/FY2009, the Company expects to report revenues totalling close to \$700,000 and gross profits from the contracts exceeding \$275,000, including significant non-recurring start-up costs.

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**Garson Gold Corp. (\$0.11 - October 20, 2009; GG-TSX-V) ....** Garson Gold and Alexis Minerals Corporation jointly announced that they had entered into a definitive support agreement under which Alexis will offer to acquire all of the outstanding common shares of Garson not currently held by Alexis, in exchange for Alexis common shares. Alexis will offer shareholders of Garson (other than Alexis) 0.29 of an Alexis common share for each Garson common share held. Under the offer, this is valued at \$0.1325, and represents a 79.5% premium to shareholders using the 20-day volume weighted average prices of the two companies, and a 41.9% premium using closing prices on October 19, 2009.

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**SEMAFO (\$3.44 - October 21, 2009; SMF-TSX) ....** SEMAFO has reported the results of a recent airborne geophysical survey of most of the 1,695-square-kilometre Mana property in Burkina Faso, Africa. The survey results suggest that the Wona shear zone corridor may extend over more than 30 kilometres.

## 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](mailto:bweir@eresearch.ca).

“Research is the  
bedrock underpinning  
all capital markets”

## Monthly Top Ten

The top ten downloads from [www.eresearch.ca](http://www.eresearch.ca) since October 1, 2009:

1. Four-Week Performance
2. Weekly Clarion
3. Mosquito Consolidated Gold Mines, Bulletin/Update Oct 8/Sept 24
4. Marathon PGM Corporation, Perspective, October 15
5. Bank of Nova Scotia, Technicalities, October 5
6. Augen Gold Corp. StockPotentials, Perspective, October 14
7. Antioquia Gold Inc., Update, October 9
8. Wavefront Technology Solutions, Initiating/Update, Apr. 1/Oct. 9
9. Rocmec Mining Inc. Update, October 1
10. Oromin Explorations Inc., Perspective, October 8

## Weekly Top Five

The top five downloads from [www.eresearch.ca](http://www.eresearch.ca) since October 16, 2009:

1. Four-Week Performance
2. Weekly Clarion
3. Antioquia Gold Inc., Update, October 19
4. Yamana Gold Inc., Technicalities, October 16
5. Antioquia Gold Inc., Update, October 16

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