



e-mail: debbie_lewis@canaccord.com

e-mail: david_pescod@canaccord.com

August 6, 2009



FUQI INTERNATIONAL	(US:FUQI)	\$27.35 +2.98
GLAMIS RESOURCES	(V-GLM.A)	\$2.05 +0.11
WEST TIMMINS MINING	(T-WTM)	\$2.22 -0.13
GRAVITY CO.	(US:GRVY)	\$1.55 -0.05

He is one of the favourite commentators on BNN and we are talking about *Peter Hodson*, who is one of the Fund Managers at *Sprott Securities*. For those who were worried about commodities and what they will do next, he did some great hand-holding on today's show, suggesting "oil is on its way back to \$100...the inventory numbers in the United States don't count as much as to what is happening in the rest of the world." Needless to say, if you own some oil stocks, that's the kind of stuff you want to hear.

One thing Hodson can claim that we bet 99% of other money managers can't claim is that when they look at his three picks from a year ago, they were actually up compared to the bruising any other portfolio has suffered in the last while.

Mind you, he had two stocks that got beaten up (including *Antrim Energy*, one of the North Sea players which was down 70-some percent) but he had an enormous winner in *Fuqi International*, a distributor of jewellery in China. It is interesting to see Peter coming up with some actually very different stories these days as suddenly he is concentrating on companies with pristine balance sheets and looking at companies with slightly bigger capitalizations. A little less of the swinging-for-the-fences-type investment.

However, when you look at his new picks for going forward, it is a little bit of what you would expect in that there are two mining stories and the *Sprott Securities* team is associated with gold as he picks *Glamis Resources* and *West Timmins Mining*.

He had mentioned *West Timmins Mining* a couple of times because their joint venture with *Lake Shore Gold* is attracting a lot of attention and drilling results in about three weeks, will be all-important for that particular play.

It's what Hodson says about it if the hole is successful that might spur your sense of greed, but again, we should point out that *West Timmins* only owns a chunk of that play and has 150 million shares outstanding.

We've joked for a while about company President, *Darin Wagner* being the new "Rodney Dangerfield" because he supposedly wasn't getting a lot of respect in the market a while ago...well, he certainly is now as the company supports quite a market cap.

Meanwhile, Hodson's favourite pick going forward is now another slightly kinky story because it's a video game company sporting a very low price which he suggests has more cash in the bank than it is trading for and new products to hit the market in the coming months—*Gravity Co.*

The investments mentioned in this report should be considered highly speculative due to the nature of the junior market and the various stages of company development that involve many risks, which even a combination of experience, knowledge, and careful evaluation may not be able to overcome. There are no guarantees that any commercially viable products or contracts will be created or acquired by any of the companies. This newsletter is solely the work of the author for the private information of clients and is intended for distribution in those jurisdictions where both the author and Canaccord Capital are registered to do business in securities, any distribution or dissemination of this newsletter in any other jurisdiction is strictly prohibited. Although the author is a registered investment advisor at Canaccord Capital Corporation, this is not an official publication of Canaccord Capital and the author is not a Canaccord Capital analyst. The information contained in this newsletter is drawn from sources believed to be reliable, but the accuracy and completeness of the information is not guaranteed, nor in providing it does the author or Canaccord Capital assume any liability. This information is given as of the date appearing on this newsletter, and neither the author nor Canaccord Capital assume any obligation to update the information or advise on further developments relating to the information provided herein. The holdings of the author, Canaccord Capital, its affiliated companies and holdings of their respective directors, officers, and employees and companies with which they are associated may, from time to time, include the securities mentioned in this newsletter.



David Pescod 780-408-1750

Debbie Lewis 780-408-1748

Fax: 780-408-1501

Page 2



TIREX RESOURCES	(V-TXX)	\$0.84 -0.01
UNDERWORLD RES.	(V-UW)	\$1.66 +0.04
WILDCAT SILVER	(V-WS)	\$0.52 +0.01

It's an ugly day on the markets, courtesy of slashed dividends by *Manulife* and concerns that the banks might also contemplate doing the same kind of thing. Even some of the commodity-based stocks are having an ugly time today.

Despite all that, *Bryan Slusarchuk*, the guy behind *Tirex Resources* and former broker who picked *Underworld Resources* back in December/January, has another pick for those playing the speculative game.

Needless to say, his pick on *Underworld Resources* was massively successful as it tripled and better for speculators who picked up on his advice.

His new suggestion is *Wildcat Silver*, which he points out has the same team as *Ventana Gold*. The drills have just started turning on their silver and manganese property called the *Hardshell* project, which he suggests outlines and inferred resource of 1.2 billion pounds of manganese, 53.6 million ounces of silver plus some lead, copper, zinc and gold mineralization.

Slusarchuk says that the property is located 100km southeast of Tucson, Arizona and adds that *Wildcat* is now looking to further define their manganese-sulfide resource with a second phase drill program set out for late 2009. The U.S. currently has no domestic production of manganese and relies heavily on African producers, he suggests.

For those who aren't up-to-snuff on what the heck manganese is, *Bryan* mentions that manganese remains the world's fourth most used metal following iron, aluminum and copper. It's most frequent application is in the steel business while it also remains a vital component in lithium, ion batteries and in the fertilizer/agricultural sector.

Slusarchuk is a big admirer of *Tookie Angus*, who is a major shareholder in this particular company and believes that they have a great IR group in *KIN Communications* telling their story.

We should point out one fact...*Wildcat Silver* has 100 million shares outstanding.



Disclosure: *Ventana Gold*: Canaccord Capital covers this stock and has a Speculative Buy rating on it. (Speculative buy: Stocks bear significantly higher risk that typically cannot be valued by normal fundamental criteria. Investments in the stock may result in material loss.) *Antrim Energy*: Canaccord Capital covers this stock and has a Hold rating on it. (Hold: The stock is expected to generate risk-adjusted returns of 0-10% during the next 12 months.) Canaccord has recently led a financing for *Underworld Resources*.

DEB'S DITTY:

What do you get when you mix PMS with GPS?
A crazy bitch who WILL find you.

Thanks Doug B.

To receive the Late Edition and be on our daily circulation simply e-mail Debbie at Debbie_lewis@canaccord.com and give your address, phone number and e-mail and we'll have you on the list tonight.