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The Year-End Bargain Hunter (Bargain Hunters Never Sleep!)

We are soon coming into the Bargain hunting season again – typically from near the end of November until the last few days of December. The follow through naturally occurs with the New Year celebrations; not always, but usually coinciding with a New Year Rally! In other words, this is usually one of the easiest times of year to realize profitable trades from stock(s) just bought a month previously.

A few reasons for stocks sometimes being priced at bargain levels leading up to the New Year has largely to do with tax loss selling. The stocks we look for are the “beaten-up issues” with preferably, the price being very depressed and cheap. Stocks that have worthy projects, but for one reason or another, are caught trading at the lower end of their 12 month price range, thus tending to further depress current shareholders, some of whom could have held the stock for a considerable time, and making the decision to “move on” - be rid of the loser and look for a more favourable situation in which to invest. Sometimes, this results in very absurd prices for otherwise sound situations.

Below, we have listed some stocks that may be potential investments in context of the above year-end strategy!

Callinex Mines Inc CNX - \$0.92 – 12 mth high-low- \$1.40 – 0.58 – cash \$12 million – shares outstanding 17.0 million – Mike Muzylowski, P.GEO, pres/CEO heads-up exploration; he is a member of the Canadian Mining Hall of Fame starting his career at HudBay Mining and Smelting in 1955 and was involved in over 15 ore body discoveries, the majority in Manitoba. J.J. O’Donnell is VP Exploration and was the former Exploration Manager the 777 Mine, Flin Flon. Callinex (CNX) was spun-out from Callinan Royalties last summer. It has 14 highly prospective mineral properties with most of them located in Manitoba. However, CNX is drilling two BC properties this fall season in the same general area; the Coles Creek pty and the Troitsa pty each yielding historical results of 3.3 g/t Au, 15.3 g/t Ag, 2.04% Zn over 21.2m and 21.3m of 1.02% Cu including 12.2m of 1.49% Cu respectively. This stock has a great inventory of properties, relatively few shares outstanding and a “healthy” treasury. www.callinex.ca

Canadian Overseas Petroleum Ltd. XOP - \$0.85 – 12 mth high-low -\$0.85 – 0.28 – working capital \$93.5 million, No Long-Term Debt – shares outstanding 284.0 million – This company is headed-up by Arthur Millholland, P.Geol. president/CEO who was also the founder of Oilexco Inc; a company that experienced problems due to the banking financial crisis of 2008 and vanished. But these people have demonstrated they have the ability to find oil. They grew Oilexco’s annual revenue to \$572 million in 5 yrs. The management team of Canadian Overseas Petroleum (COP) is made up of five former members of Oilexco. Their expertise is finding oil in stratigraphic “turbidite” fan and channel prospects – in the North Sea they discovered and developed the Brenda and Nicol fields producing 30,000 bbls/d. continued.....

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Canadian Overseas Petroleum Ltd. Con't from page 1

Near the beginning of October, again in the North Sea, COP started drilling the Esperanza 22/15-D well in a joint venture with BG Group; COPL has a right to purchase a 50% equity int. in the entire block, including the Banks discovery, by paying 75% of the costs to drill the Esperanza well. BG discovered the Banks oil accumulation in 2005 that tested 39 degree oil at 1,080 bbls/d and 12.5 million cu. Ft of gas per day. Additionally, COPL has made an agreement to purchase (\$85 million in cash & shares) the LB-13 block offshore Liberia situated on the West Africa Continental Margin Oil Trend (hosting similar oil accumulations to the North Sea); COPL is also in late stage negotiations with a major oil company to joint venture the block.

www.canoverseas.com

Eagle Plains Resources Ltd. EPL - \$0.30 – 12 mth high-low \$1.28 – 0.19 – cash \$4.6 million, marketable securities \$2.8 mil; shares outstanding 83.2 million – Eagle Plains' Tim Termuende, P.GEO, pres/CEO, has 35 years experience in the mineral exploration business. Eagle Plains (EP) is known as a “project generator” – that is, they option mining properties to other companies who fund the exploration expense in return for an ownership interest. Currently, EP have control over 35 gold, silver, uranium, copper, molybdenum, zinc and rare earth metal projects; 23 of these properties are optioned to other companies exposing EP to over \$55 million in exploration expenditures, \$6.6 million cash payments and receiving 25.5 million shares, if contractually completed. This stock rallies very strongly from time to time! Last December it touched a \$1.28 high when it's earn-in partner (60%) **Providence Resources (PV - \$0.27)** was drilling the Iron Range Project and encountered look-alike mineralization to Teck Cominco's fabled Sullivan silver-lead zinc mine at Kimberley BC. (Providence rallied to a \$3.00 high; sold 1 million shares to **Teck Corporation – TCK.B - \$39.50** - for \$4.00 each, giving Teck the option of “first refusal” to purchase additional equity among other things, and raising further funds for continued exploration) Additionally in mid-November, EP plan to ask for shareholders' approval to issue a share dividend; one share of Yellowjacket Resources Ltd for every three shares of Eagle Plains shares held. And the most recent news, EP has sold a 2% NSR (net smelter royalty) they held on the Blende silver/lead/zinc property to Gold Royalties Corp . for \$1 million. In the last 5 – 6 yrs, EP has been over \$1 twice and close to \$2 once. www.eagleplains.ca

First Point Minerals Corporation FPX - \$0.57 – 12 mth high-low \$1.06 – 0.47 – cash \$8.8 million, shares outstanding 90.4 million – First Point's Dr. Peter Bradshaw, president, and Dr. Ron Britten, vice-president are the founding partners; they have 45 yrs and 35 yrs of mineral exploration experience respectively; Dr. Bradshaw was employed by Placer Dome Gold with Dr. Britten being employed by Homestake Mines and Esso Minerals for many years. First Point's focus is the Decar nickel-iron alloy project in central British Columbia; this property hosts “naturally occurring stainless steel” in a relative unknown type of nickel-iron mineralization known as “awaruite”. **Cliffs Natural Resources (NYSE, CLF - \$70.50)** the large American iron ore company is spending \$7 million this season on the Decar pty earning an initial 51% interest; furthermore, they have accelerated the program by initiating a preliminary economic study to be completed by March 2013 or sooner; this would give them a 60% int. eventually earning a 75% interest if they provide a bankable feasibility study. Further metallurgical results are awaited, but so far early tests show 80% of the awaruite grains are recoverable to produce a desirable ferronickel concentrate grading 2.6% nickel, 52% iron and 2.2% chromite; which is reported to be blast-furnace-ready. www.firstpointminerals.com

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Hunt Mining Corporation HMX - \$0.26 – 12 mth high-low - \$0.69 - \$0.16 – cash \$20 million; shares outstanding 99.9 million – Hunt Mining has entered into a letter of intent with **Eldorado Gold Corporation (ELD - \$19.65)** granting them the exclusive right to review Hunt’s large inventory of 29 different mining and exploration properties, with the intent of jointly exploring and developing projects, in the Deseado Massif region, Santa Cruz province, Argentina – Hunt is the largest property owner of mining ptys in this region. Eldorado’s right to review expires December 31, 2011. Hunt’s latest La Josefina project 43-101 compliant resource is a reported 197,373 gold equivalent ozs, measured & indicated. Hunt’s latest financing was a \$11.54 million bought deal comprised of 25.6 million units priced at \$0.45 ea. Tim Hunt, founder and president of Huntwood Industries, one of the biggest building product manufacturers in the Western United States, is Executive Chairman of Hunt Mining. Matthew Hughes, president and CEO and Danilo Silva, general manager, Argentina both have many years of exploration experience, both “coming out” of **Yamana Gold Inc (YRI - \$16.75)** - they also have to their credit, discovery and development the high-grade, producing Mina Martha silver mine (**Couer d’ Alene Mines CDM - \$29.90**) We applaud this latest Eldorado news and believe it may help to unlock some of Hunt’s valuable upside. www.huntmining.com

International Enexco Ltd. IEC - \$0.50 – 12 mth high-low - \$0.58 – \$0.26 – cash \$5.0 million approximately; shares outstanding 32.2 million – Int’l Enexco’s president, Arnold Armstrong is a longtime lawyer, with 50 yrs experience, who has also been involved in successful public companies in the natural resource and real estate sectors; for one, he is a founding director of **Silvercorp Metals Inc (SVM-NYSE - \$8.95)**. Enexco’s main focus is the 100% owned Contact Copper Project located in northeastern Nevada; a feasibility stage, oxide copper deposit hosting a reported 317 million lbs of reserves grading 0.29% Cu and 712 million lbs of measured & indicated resources grading a comparable 0.26% Cu (NI 43-101 compliant). A completed pre-feasibility study in 2010 sketched out a scenario of 25 million lbs of annual copper production over 9.5 years with a production cost of \$0.93 lb using a sale price of \$2.25/lb Cu; Capital expenditures are estimated to be \$86 million and a 20.2% Internal Rate of Return – pending a positive feasibility study now underway, production is targeted for 2014. Bill Willoughby, Chief Operating Officer, is managing the Contact Copper Project; he has over 32 years experience, with a PhD in Mining Engineering and lots of direct operating experience with 18 years alone at TeckCominco. One other property of note that Enexco has been involved in since 1977, is the Mann Lake Uranium project in southeastern Athabasca Basin, Saskatchewan; they own a 30% interest which is being joint ventured with operator **Cameco Uranium (CCO - \$19.95)** as to 52.5% int. and **Areva Uranium** as to 17.5%. The Mann Lake is situated roughly half way, or 16km between Cameco’s Millennium deposit and McArthur River mine each hosting a reported 46.8 million lbs and 332 million lbs U3O8 respectively. www.enexco.ca

Lion One Metals Ltd LIO - \$1.10 12 mth high-low - \$2.05 - \$0.87 – cash \$20.0 million; shares outstanding 48.3 million – Walter H Berukoff, chairman is former CEO of **La Mancha Resources LMA - \$2.45**, **Miramar Mining** and **Northern Orion Resources** – the president, George S. Young is a lawyer and metallurgical engineer by trade and is a former founder of **International Royalty Corp.** and former president of **MAG Silver Corp (MAG - \$9.10)**; suffice to say, these gentlemen have much mining industry experience. Lion One’s main focus is its Tuvatu Gold Project located in Fiji; on hand, it has a positive completed feasibility study from 2000 when gold was \$300 per oz. This study was predicated on a vein style deposit – however, Lion One has formulated a new approach, the one actually used by Osisko Mining in Quebec’s Malartic Camp, to test for a much larger, porphyritic bulk mineable resource of lower grade but to work the advantages of economies of scale. continued.....

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Lion One Metals Ltd Con't from page 3

Again referring back to the 1997 - 2000 timeframe, in excess of \$20 million was spent advancing the project to feasibility status which included metallurgical testing, geotechnical and tailing dam studies, and a positive Environmental Impact Study; additionally, a 1,600 meter exploration decline and 60,000m of drilling were completed. It estimated annual production of 80,000 ozs Au processing 400,000 tonnes of ore per year which is the equivalent of 0.20 oz or 6.85 g/t. Capital and operating costs were estimated to total US\$29 million and US\$185 oz Au respectively. For one reason or another, the mine never got built – Emperor Gold, the then owner had problems at its other mines due to the low gold price (as some remember, this was a very depressing time in gold mining and problems abounded). The current NI 43-101 compliant resource (all categories) stands at 652,000 ozs gold – consisting of 172,000 ozs indicated category grading 7.05 g/t (0.21 oz) and 480,000 ozs inferred category grading 5.71 g/t (0.17 oz). 2012 work plans include resampling the remaining 35,000 m drill core, actively targeting and drilling areas to grow the overall resource, expanding the current drill database, creating a conceptualized 3D computer model of the bulk resource and finally, calculate an updated NI 43-101 resource estimate.

www.liononemetals.com

Mexigold Corporation MAU \$0.26 – 12 mth high-low - \$0.59 – 0.08 – cash \$2.5 million; shares outstanding 30.1 million – Mexigold has optioned three properties; Catrina, Pedernal and Escondida from **Riverside Resources (RRI - \$0.80)** and may earn up to a 75% interest. In the recent past, **Kinross Gold (K - \$14.75)** (Kinross have since moved on, with other more immediate objectives in their business plan) spent \$2 million in an exploration alliance with Riverside generating over 220 mineral occurrences in Durango and Zacatecas states of Mexico; refining these results into high priority targets. Mexigold have just announced results for 6 drill ready targets (Catrina, La Dura, Patos, El Bordo, El Palmito and Jaspe) on their Catrina property located in Durango State; for a start, we anticipate a drill test program on these in the near future with results following this winter season. Each of the above properties has the potential to host a significant deposit and Mexigold is well funded to drill test them all.

www.mexigoldcorp.com

Minaurum Gold Inc. MGG \$0.41 – 12 mth high-low \$0.94 – 0.33 – cash \$5.4 million; shares outstanding 47.1 million – Minaurum has an exploration focus in Mexico. They are expecting results from a 19 hole, 7,062 metre, drill program on their Aurena gold project in Oaxaca state. Next, Minaurum is beginning a 1,000 m drill testing program on a silver vein project in the northern Sinaloa state. Additionally, drill targets are being defined on their Vuel del Destino pty located in the prolific Guerrero 15 million oz gold belt – drilling planed for the first half of 2012. Other properties being readied for eventual drill testing are: Santa Marta, Oaxaca state (continuous chip sampling over 25m averaged 1.1% Cu with the highest grade of 3.48%); Corazonada silver/base metal pty, Morelos state; Jackie skarn pty, Guerrero state; and the El Perfido porphyry project, Puebla state. Minaurum's Adelita Cu-Mo-Ag-Au pty on the Sonora/Sinaloa state boundarys is optioned to **Ocean Park Ventures Corp. (OCP - \$0.49)** who have budgeted \$2.2 million of exploration work. As can be seen from above, there should be lots of news flow for the next 12 months, that might provide much volatility for trading opportunities. www.minaurum.com

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Tigris Uranium Corporation TU - \$0.22 – 12 mth high-low \$1.09 - \$0.16 – cash \$9.9 million; shares outstanding 75.9 million, includes 16.8 mil. escrow – Tigris owns 100% interest (subject to a 3% royalty) in the Crownpoint, Hosta Butte and McKinley properties located in McKinley county, New Mexico, USA; these properties host a 43-101 compliant indicated resource of 16.5 million tonnes grading 0.095% U3O8; the resource is described as being amenable to in-situ recovery that is a low cost mining method. More recently, Tigris has acquired the Treeline project in Cibola and McKinley counties, New Mexico; this pty is reported to have a historical, non-compliant resource of 1.5 million lbs U3O8 contained within 593,448 tons grading 0.13%. At the same time, they also acquired 5 additional uranium properties in Wyoming that would seem to be at an earlier stage of exploration. www.tigrisuranium.com

VMS Ventures Inc. VMS \$0.36 - 12 mth high-low - \$0.85 – 0.26 – working capital \$11 million; No LongTerm Debt; shares outstanding 123.5 million – VMS has a “two pronged” approach towards its business. First, **HudBay Minerals Inc (HBM - \$10.60)** is earning a 70% interest in VMS’s Reed Lake Copper Deposit; and four other surrounding properties. An initial 43-101 mineral resource states there are 2.55 million tonnes grading 4.52% Cu, 0.91% Zn (253.5 million lbs copper/51.0 million lbs zinc) and along with gold/silver credits; this report is a necessary component of a preliminary economic assessment (scoping study) that is expected by year-end with expectation of a mine construction decision. As part of the agreement, HudBay would fully finance VMS 30% int. to production which would be repayable from the project’s generated cash flow. On the four other surrounding ptys, HudBay encountered 3.95m of 9.31% Cu, 1.87% Zn, 0.10 oz/t Au and 1.04 oz/t Ag in hole RLE021 and in hole RLE006, 7.18m of 7.44% Cu; encouraging results indeed. Besides the above properties, VMS has at least three north of Sudbury that they are exploring, and still others in Manitoba. This past September, VMS entered into a consulting agreement with Huashan Capital out of Shanghai, China; they specialize in merger and fund raising for mining companies; they have assisted Vale Inco in selling their Central Asia Copper project. The “success fee” negotiated would be 1% cash of the monetary value entered into and 2.5% warrants of the monetary value, with a term of 2 years and exercise price based upon the current market value of VMS’s shares at the time. www.vmsventures.com

Name	Symbol	12 mth range/last price	working capital (Mil \$)	Shares O/S (Mil)
Callinex Mines Inc	CNX	\$1.40 – 0.58 – 0.68	\$12	17.0
Cdn Overseas Petrol.	XOP	\$0.85 – 0.28 – 0.49	\$93.5	284.0
Eagle Plains Res.	EPL	\$1.28 – 0.19 – 0.28	\$4.6	83.2
First Point Minerals	FPX	\$1.06 – 0.47 – 0.53	\$8.8	90.4
Hunt Mining Corp.	HMX	\$0.69 - \$0.16 – 0.25	\$20	99.9
Int’l Enxco Ltd.	IEC	\$0.58 – \$0.26 – 0.50	\$5.0	32.2
Lion One Metals Ltd	LIO	\$2.05 - \$0.87 – 1.10	\$20.0	48.3
Mexigold Corporation	MAU	\$0.59 – 0.08 – 0.28	\$2.5	30.1
Minaurum Gold Inc.	MGG	\$0.94 – 0.33 – 0.42	\$5.4	47.1
Tigris Uranium Corp.	TU	\$1.09 - \$0.16 – 0.24	\$9.9	*75.9
*includes 16.8 million escrow shares				
VMS Ventures Inc.	VMS	\$0.85 – 0.26 – 0.36	\$11	123.5

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