

e-mail: debbie_lewis@canaccord.com

e-mail: david_pescod@canaccord.com

March 5, 2008



BANKERS PETROLEUM (T-BNK) \$1.21 -0.03

While the volatile times are with us and on any given day one isn't surprised to see the Dow or Toronto up or down 300 points, the question remains, have we seen the bottom?

Time to wager a bottle of wine on a couple of stories with *Peter Hodson*, the manager of the *Sprott Growth Fund* and one of the best performing funds in the country. He's also a frequent and delightful commentator on BNN. We find six sectors and we each have to pick our favorite junior natural gas, junior oil, an alternative energy stock, a base metal junior, a gold and a special situation company for between February 27 (as a closing price) and October 1st, 2008.

While Peter is frequently mentioned that he hopes to be out of this volatile mess and hopefully the market is through the worst of it, come April/May, just about anything can happen next, particularly with some bankers in the States talking about asset-backed losses of as much as \$600 to \$800 billion. That's real money and it is certainly cutting into the capital of many big banks and insurers.

Onto the contest and below see the stock picks made by Peter Hodson and ourselves:

	<u>JR. NATURAL GAS</u>	<u>JR. GOLD</u>	<u>JR. OIL</u>	<u>ALT. ENERGY</u>	<u>BASE METAL</u>	<u>SPEC. SITUATION</u>
PETER:	Iteration Energy	Wstrn. Gold	Bankers Pete.	5N Plus	Noront	Intrinsyc Software
SYMBOL	ITX	WGI	BNK	VNP	NOT	ICS
PRICE	02/27 = \$5.97	\$3.88	\$1.16	\$11.01	\$6.00	\$1.02
	<u>JR. NATURAL GAS</u>	<u>JR. GOLD</u>	<u>JR. OIL</u>	<u>ALT. ENERGY</u>	<u>BASE METAL</u>	<u>SPEC. SITUATION</u>
DAVID:	Result Energy	Andina Mrls.	Pacific Energy	Arise Tech.	Globestar	Alberta Oil Sands
SYMBOL	RTE	ADM	PFE	APV	GMI	AOS
PRICE	02/27 = \$0.36	\$4.40	\$1.64	\$1.68	\$1.90	\$0.82

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



RESULT ENERGY (V-RTE)	\$0.53 +0.03
ARISE TECHNOLOGIES (T-APV)	\$1.48 -0.07

Looking at some of our stories and why, for our junior natural gas, like many stocks that were halved over the last six months, *Corridor Resources* has also been hurt. But for those who believe that gas is heading higher, this is a company that could see its cash flow double or triple in the coming two years, but by this summer, Corridor should know whether their shale zone is productive and most importantly, in the next 30 days or so, Corridor will know whether their Dawson Settlement play and absolutely enormous target underneath the McCully is there... or not. And that's why we should for this competition, pick *Corridor Resources* for our natural gas selection...be we don't. We'll go with *Result Energy* and we will feature it in Friday's Late Edition.

As far as our junior oil pick, we note that when we had a competition with *Josef Schachter*, *Bankers Petroleum* had been our selection, so it is interesting to see *Peter Hodson* pick it before we had our shot.

In the meantime, *Pacific Energy* is one of those juniors that is still almost half price from where it was before. An American oil and gas story that so far, still only trades in Canada. If oil production starts offshore California in the next four weeks or so, this company is going to attract some attention. Plus, if later this year it does get us an American listing, that is going to make a big difference as well.

As far as alternative energies, *Arise Technologies* is now trading at less than half of where it was earlier, but sometime in April, they cut the ribbon to their factory in Germany and production starts in June. With big demand for alternative energy projects, it will be interesting to see if their market is as big as some people expect.

For base metals, *Globestar Mining* starts production sometime this summer at a time that copper prices are flirting with all-time highs and they still have their nickel assets.

For our special situation, we should pick *Western Wind Energy*, which I guess technically is an alternative energy situation, but then special situation is a grab-all category. Western Wind looks like it's a Canadian-based provider of turbine wind power with facilities in Palm Springs and several other installations in the United States. For a good look at the company, the research report by *Versant Partners* is must-reading. Simply e-mail Debbie at debbie_lewis@canaccord.com.

Instead of Western Wind, what we do go with is *Alberta Oil Sands*, a junior company that most punters have never heard of and whose stock price has been clobbered like many of the other players in the Alberta oil sands because of new royalty rates, a higher Canadian dollar and a market that has absolutely clobbered us.

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.

The question is, how long is it going to take for people to care about reserves or resources in the Alberta oil sands again and we don't know what could create interest in that other than very high oil prices.

What may have caught your attention is that Con-nacher Oil and Gas has announced that they are doing a joint venture with Alberta Oil Sands and there are two of our favorite oil and gas analysts that have both told us the same thing...that Alberta Oil Sands is trading for a fraction of the price of others for heavy oil per barrel in the ground and if and when people care about the oil sands again, we wonder if this company is even around.

For our junior gold stock pick, we go with Andina Minerals.



NYMEX:CL.J08.E Max Daily NYMEX CRUDE OIL Apr 2008 (E) (c)2008 INO.com



CRUDE OIL

\$104.52 +5.00

Oil prices rise to a record today high of \$104.95, as U.S. fuel inventories declined three million barrels on the week, when they were expected to rise.

Meanwhile, OPEC has given no indication of whether it will increase production according to *Bloomberg's*, and adding a little interest to the mix is the actions of *Hugo Chavez*, as Venezuela has sent 10 tank battalions to the border with Columbia and has also activated the country's Avian Air Force.

And it's scary to have a crazy man with an army, navy, and air force to play with and what could happen their next is also open to debate, but Venezuela is a big producer of oil and one of the larger sources of energy for the U.S. while Columbia is also becoming a more significant producer all the time.

Meanwhile, natural gas is also up \$0.40 to \$9.76...we should be having more fun in oil and gas stocks.

Disclosure: Bankers Petroleum and Arise Technologies: Canaccord Capital covers these stocks and has a Buy rating on them. (Buy: The stock is expected to generate risk-adjusted returns of over 10% during the next 12 months.)

Intrinsyc Software, Andina Minerals and Globestar Mining: Canaccord Capital covers these stocks and has a Speculative Buy rating on them. (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.)

Canaccord has recently participated in a financing for **Pacific Energy**.

Canaccord has recently led financings for **Bankers Petroleum, Arise Technologies and Western Wind Energy**.

DEB'S DITTY:

Smoke detectors need to be tested from time to time.

So sometimes I cook something.

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.