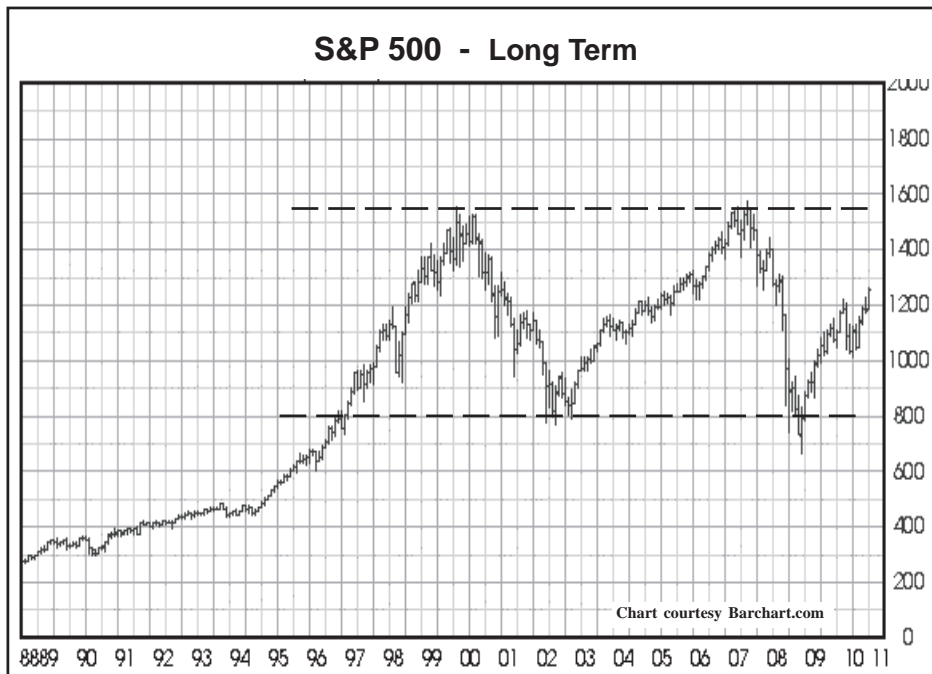


## NEW YEAR ... NEW MARKET?



The next issue will be published February 4.

- **This long term chart of the S&P 500 reflects a classic bear market.**

Page 1

- **Gold is definitely the place to be for 2011 ....**

Page 3

- **Current positions and recommendations.**

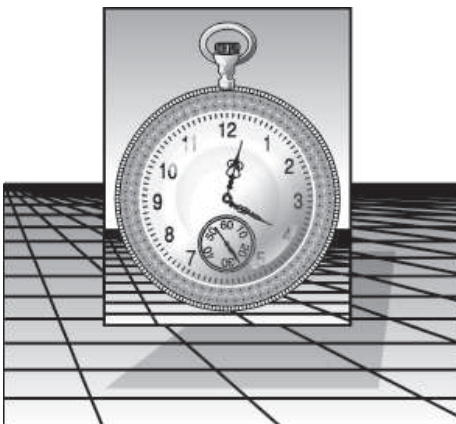
Pages 4-7

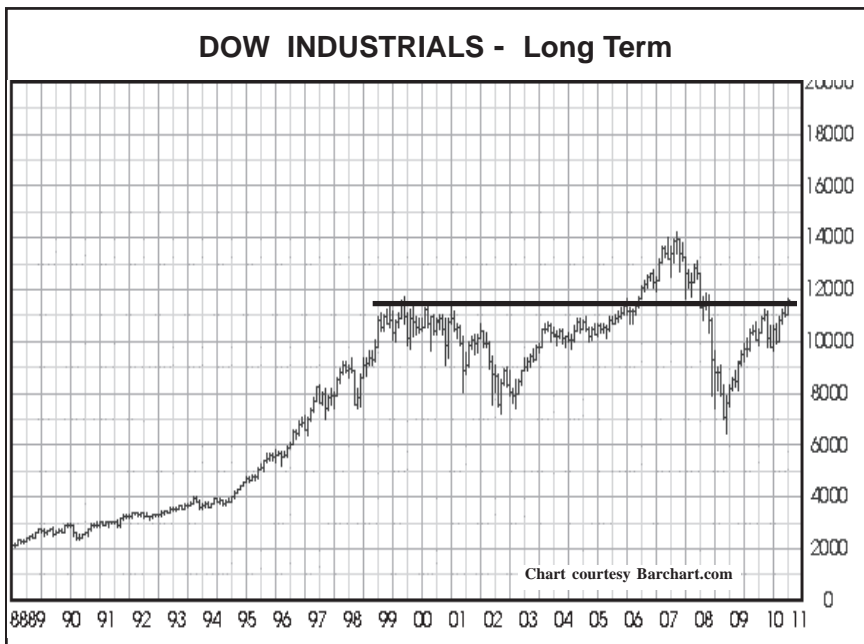
As we enter 2011, forward-looking evidence in my cyclical work does not bode well for the stock market, at least as measured by the popular averages. Parallels can be drawn between the current post 2007-2008 market and the market during the 1930's after the great crash. Similarities between these periods suggest a bearish year in 2011. Other cyclical studies suggest that 2011 might overlap closely with 1973 where we experienced a significant top in January of that year.

Bear markets are stealthy events; and when you are tangled up in one, it is difficult to get a good sense of exactly where you are in the process. Bear markets are easily identified once they are over, but difficult to see until then. Stepping back a bit and taking a look at the total panorama helps.

This long term chart of the S&P 500 reflects a classic bear market. Bears are sideways affairs with wide top-to-bottom swings. The stock market in S&P 500 terms clearly topped out in 2000, and it has been trading essentially between 1,550 and 800 ever since. So far, there have been two big declines separated by an equally big rally. The important questions now are, how long will the bear market last and how far will the current rally extend?

Usually, bear markets last about 20 years. That would indicate that this broad, sideways pattern will continue until 2020 or through the current decade. It is way too early for the current bear to be over. How far will the latest rally





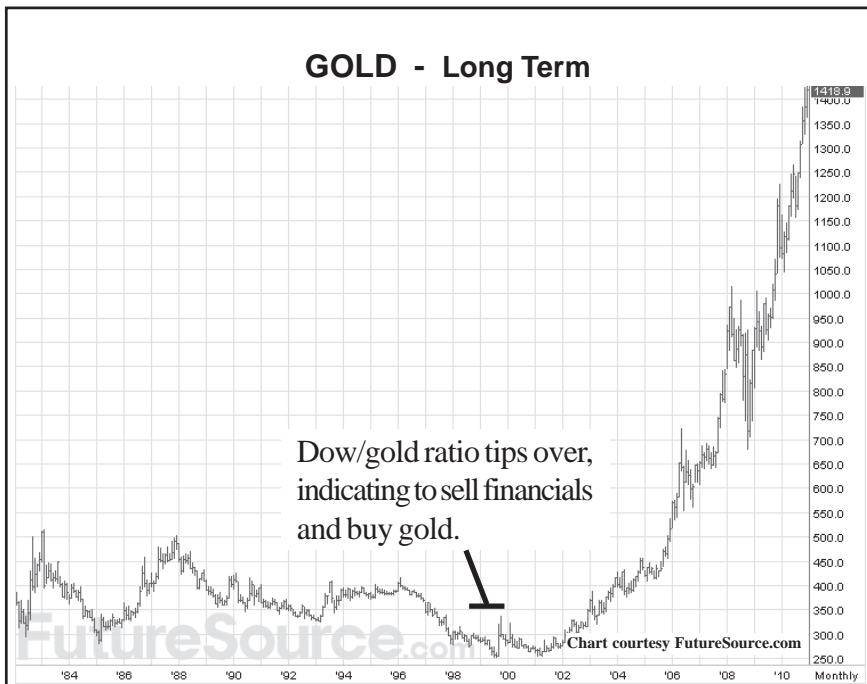
extend? I can make some guesses, but they are only conjecture. The S&P chart shows that the 2007-08 decline was from 1,576 to 666, or 910 points. A typical two-thirds correction would bring prices back up to 1,266. The high thus far has been 1,262.

There is bit of a difference if we look at the Dow Industrials over this same time frame. The Dow was able to recover above its 2000 highs prior to the 2007-08 crash, topping out at 14,198 in 2007. Since the Dow Industrials is made up of only 30 issues and considering the anomalies of the math involved in calculating the index, the frenzied push to those 2007 highs is not surprising. Nevertheless, a two-thirds correction off the

2008 low at 6,470 brings us back to 11,570. Note also the highs set at 11,000-11,500 during 1999-2001. You should expect some renewed liquidation and a possible right shoulder at this level. Currently, the Dow has been able to hit 11,625.

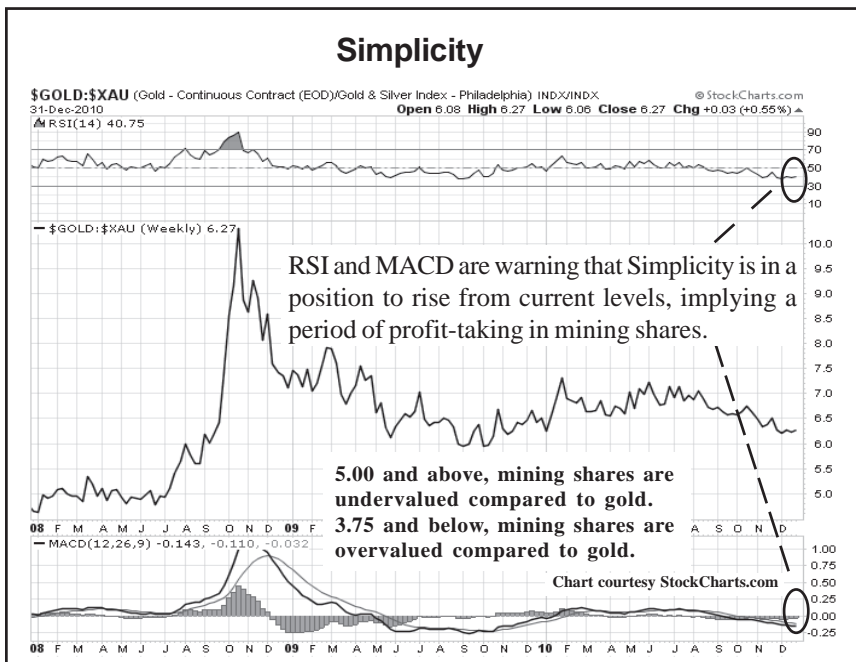
Clearly, caution is warranted, especially if prices continue to grope somewhat higher near term. The red flags are out. This rally has been on very low volume, RSI and MACD are showing negative divergences, and the market is overbought. The only positive that I can offer is that our market timing model Palio last gave us a buy signal on December 2, and it is still clinging to positive readings.

Palio is a proprietary timing model designed to give us buy and sell signals pertaining to the broad overall market, as evidenced by the popular averages like the Dow Industrials and S&P 500. Over the last few years, it has done a good job. Most recently, it bought on September 1 and caught a nice move there. On November 24, it stepped out for a few days before coming back in with a buy on December 2. This caught another nice rally. Once the next sell generates, I will e-mail you a special online update. With the market's underpinnings as weak as I have described, this sell could be of above average importance.



few days before coming back in with a buy on December 2. This caught another nice rally. Once the next sell generates, I will e-mail you a special online update. With the market's underpinnings as weak as I have described, this sell could be of above average importance.

It is interesting that the Dow/gold ratio topped out in 1999 just as the bear market in stocks was beginning. We shifted to a bullish stance on tangibles at that point. You can see by comparing this long term chart of gold with the previous two long term charts of the most widely followed stock market averages that the easy money has been in tangibles since that point - especially gold and silver.



The Dow/gold ratio should be the most important technical tool in your arsenal. It is easy to calculate, and this simple value will keep you in the asset class that offers the best risk-to-reward balance. Clearly, gold has been the winner since 2000. Furthermore, gold, silver, and other commodities including crude oil will continue to outperform the popular averages until the Dow/gold ratio falls at least to 2.0. Personally, I believe we will see it as low as 1.0 before the commodity bull is finished.

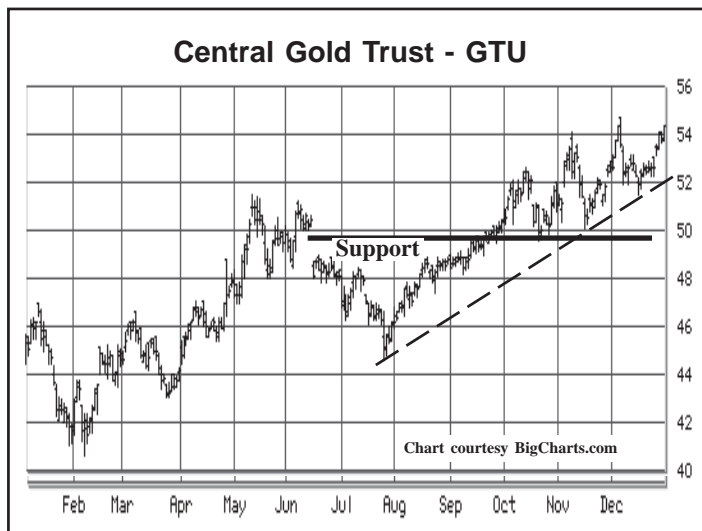
As of the close of 2010, the value of the Dow/gold ratio is 8.15. You can monitor the value at [www.stockcharts.com](http://www.stockcharts.com) using the symbol \$INDU:\$GOLD. The current value of 8.15

tells us this is not the beginning of the commodity bull, but it is not the end either. Nevertheless, being this long in the tooth one should be a bit stingier as to what you pay for stocks. There will be a velocity stage - a gold bubble if you will - once the public bails out of their bonds. Gold prices will explode. However, if you want to reduce risk and enhance profitability, heed our published downside buy prices and be patient.

The gold/XAU ratio (I like to call it Simplicity) shows us how mining shares as measured by the Philadelphia Gold and Silver Index are doing versus gold bullion. In the day before the great 2007-08 panic, this ratio would bottom out under 3.75, indicating that mining shares had gotten ahead of bullion on the up side and that gold stocks would sell off. In the day, 3.75 was a sell signal. Since 2007-08, we haven't seen anything that low in the index. During the washout, Simplicity broke above 10.00, a previously unheard of undervaluation in mining shares compared to gold. Gold stocks were simply tossed out with the bath water during the liquidation. However, the indicator is slowly moving back to "normal." Perhaps we will establish a new normal; but frankly, I think we will see Simplicity return to 3.75 once the velocity stage of the gold bull unfolds.

We may well see an overshoot on the down side in this model like we saw in the overshoot on the up side, and it is conceivable the indicator could fall well below 3.75. Regardless, if Simplicity falls from its current level of 6.27 to 3.75, the average mining share has the potential to appreciate 65% from current levels, even if gold were not to move higher. Consider \$1,600 gold and the gold/XAU ratio at 3.75. The XAU would be 426, for a 89% increase. This experiment considers the average price of shares in the XAU. The profit potential for the better mining stocks is much greater, but determining exactly how much money you stand to make is not as important as simply being in the right asset class.

Gold is definitely the place to be for 2011, and I will get to my favorite companies in a moment. First, reviewing the gold picture at present, there is the potential of a triple top here. Gold broke \$1,420 in November and again in December, and it's challenging that level again. From experience, I can tell you that this is not a good time to buy even if gold manages to make a new high early this year. There are an awful lot of believers right now. Everyone is focusing on weak Western currencies and everyone understands the desire for non-Western central banks to hedge into gold. Still, this is not a slam dunk from current levels. Hold the gold you have and resolve to hold through any corrections until the Dow/gold ratio falls to 2.00. Watch the April 2011 gold contract. The symbol is GC J1 at [www.insidestocks.com](http://www.insidestocks.com). The critical price point here is \$1,364.60. If gold falls that far, it will most likely go lower; and looking at my cyclical work, the next correction could last a while. My best bet is minor support at \$1,320 and major support at \$1,250.



We are underinvested in the Rydex gold trading program that is presented on Page 2 of the periodic online updates. We are 54% invested currently, but this program should give us a new entry point once we see gold back off. At that point, I will provide specific instructions both for long term followers of this program as well as those who have not participated thus far.

My favorite gold miner continues to be **Goldcorp** (GG-NYSE-\$45.98). Our buy price is \$42.50, which is an ideal buy point for Goldcorp.

There are a couple of issues on our list that we have not seen hit our price and thus have not been able to buy as

yet. **Central Fund of Canada** (CEF-NYSE-\$20.73) has been on a tear since we first got interested in it. Our buy price is \$17.00, and it hasn't even threatened to fall that low. I refuse to chase it and am content to sit on a \$17.00 buy price for the time being. When something develops indicating a revised buy price, I will e-mail you.

The second position we have not been able to fill is the **Sprott Physical Gold Trust** (PHYS-OTC-\$12.35). In review, the buy price at \$11.50 is just right.

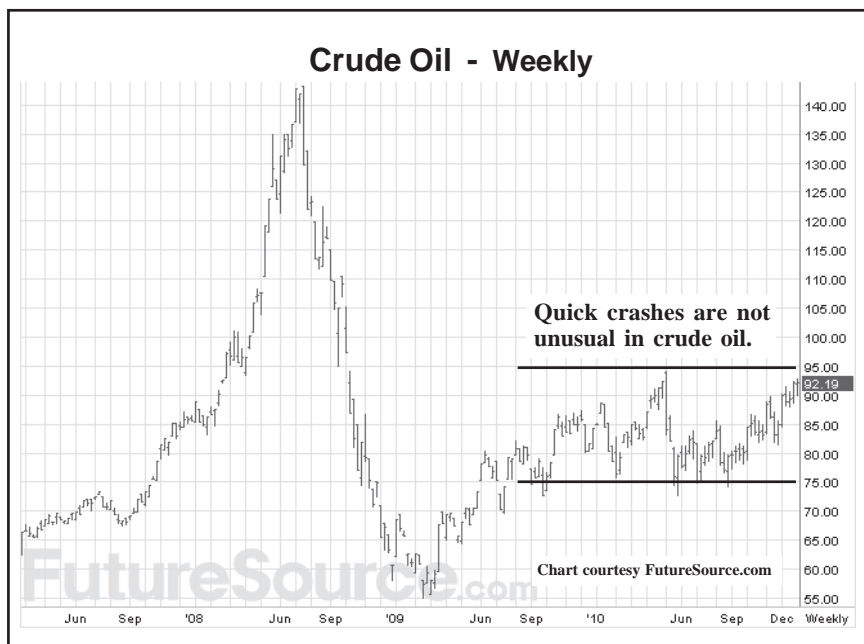
In looking down our list, **Gabelli Gold Natural Resources and Income Trust** (GGN-NYSE-\$19.27) is finally beginning to perform again. We are not back to our original buy price yet, and it would be advantageous to average down if possible. I am raising the downside buy price to \$17.75 in this light. At \$17.75, GGN sports a handsome dividend of nearly 9.5%.

I am anxious to buy more **Central Gold Trust** (GTU-NYSE-\$54.35), but it needs to cool off some first. We have a buy price at \$49.90, which I want to leave there for the time being. I realize that gold has not backed off as far as I have expected, at least not yet. There are important technical reasons for not chasing prices here, and patience will be rewarded. Note the uptrend line on the GTU chart above. If that is broken, prices should come off to support just under \$50.00. Keep your open orders in at \$49.90.

**Jaguar Mining** (JAG-NYSE-\$7.13) has stalled out at the \$7.00 to \$8.00 range, which is not technically positive considering the strong behavior of other stocks in this sector. Jaguar is comparatively weak, and you should continue to maintain the sell stop at \$6.10 if you own this issue. If stopped out, the money will be better positioned in the likes of Goldcorp, Central Gold Trust, or Central Fund of Canada.

We have several issues on our list that are rated as holds. All of the juniors are currently on hold, and they will be addressed once we see gold correct. Among the major producers, **Silver Standard** (SSRI-OTC-\$28.22) and **Silver Wheaton** (SLW-NYSE-\$39.04) should be held with no new money going into them. I am also going to put a hold rating on **Yamana** (AUY-NYSE-\$12.80) this month. Yamana is doing fine, and I like the company. It even started paying a small dividend last year. Yamana is a good investment to hold, but there are stronger issues to focus on for new money.

**Altius Minerals** (ALS-TSX-C\$14.44) has been slow to recover from the 2007-08 crash; and although it has been doing quite well, I don't encourage adding to positions here. Hold what you have. Another Canadian on our list is **Silvercorp Metals** (SVM-TSX-C\$12.74). It has been performing well, but it will remain as a hold on our list.



Again, new money is better directed to those issues on our list with published downside buy prices, including **Royal Gold** (RGLD-OTC-\$54.63). This is an excellent precious metals royalty company with a focus on gold. Since the company manages a royalty portfolio, investors have a unique exposure to precious metals without having to assume the risks of operating a mine. RGLD has had a first rate run since August, but it's running into overhead resistance at \$55.00. In reviewing our buy prices, \$49.00 for Royal Gold is an ideal buy point.

Energy and precious metals hold the best promise for 2011. I believe that this year will also see a final parting of the ways

between financial/paper assets and physical/tangible assets. All markets fluctuate along their major trend lines; but at the end of 2011, tangible asset-advantaged investments will again end up being the big winners.

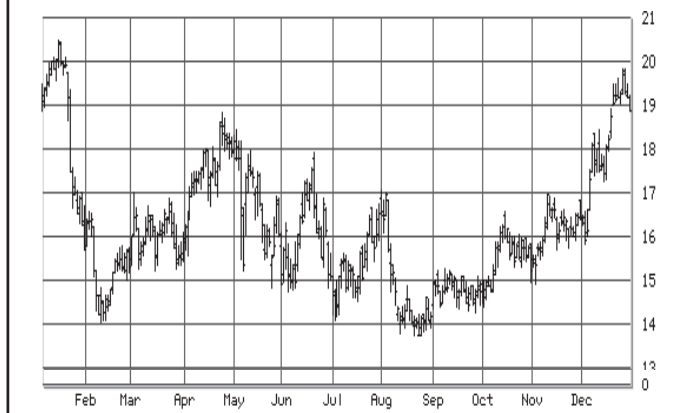
Energy has been doing very well for us along with the metals, although here again, we haven't seen the opportunities to make sound purchases that I expected. A little patience is warranted. Crude oil has broken over \$90.00 of late, and my expectation is to see crude prices probe \$120.00 late this year. However, the next upside technical objective is only \$95.00 where there should be considerable overhead resistance.

Crude has had a very nice run since last May after it bottomed at about \$72.00 following a 22% drop within the span of 17 trading days. It is in need of a rest; but as the chart above evidences, crude can be very volatile on the down side. You can see that crude is still locked within a \$95.00 to \$75.00 trading range; and although I look for a breakout of the trading range later this year, crude should back off one more time first. It is interesting that crude typically sells off from January highs into late February/early March lows. Such an event this year would set up a grand buying opportunity in the energy sector and would set the stage for a breakout to our next objective of \$100.00. The critical price point for crude is \$88.05 basis March (CL H1 at [www.insidestocks.com](http://www.insidestocks.com)). If prices break that level, I look for a return to the lower end of the trading range.

You should keep in mind that the move to higher crude oil prices will not be due as much to demand in the West as demand in the East. Further weakness in the dollar will also be a factor, along with depleting output in the major producing countries. There is no doubt that \$100.00 to \$120.00 crude oil is going to be a hefty burden for the American economy. It is an interesting mind exercise to ask oneself how far can crude prices actually go before it is unaffordable, at least for the public. At some theoretical "nth" point, it would require 100% of GDP to pay our energy bill. Obviously, things will come to a head before that, but there is a limit. My feeling is that we will, in fact, find a substitute for some of crude oil's uses in natural gas. Theoretical thinking aside, \$100.00 crude prices are going to have a negative effect on our already weak economy.

At this point, I see no reason to alter the downside buy prices for the energy stocks on our list. They may seem too far away; but again, crude is very volatile and I would rather adjust them later in a special update if necessary once we see some selling set in. I would hold your energy stocks and enjoy the dividends, but this is not the best time to be throwing money into the energy sector.

### National Gas Service Group - NGS



I am getting more interested in natural gas. We all realize that crude oil production is peaking and that new discoveries are deep, dangerous to exploit, and bottom line expensive. There is no real substitute for crude oil in that we manufacture so many items that are essential to our society from crude oil. Crude is so useful outside fueling transportation that it would be a shame to burn the last barrel.

There are all sorts of energy alternatives offered from ethanol (a decidedly bad idea), to oil shale (not really oil and too much waste), to wind power (a good and profitable idea, but limited in scope), to hydroelectric (another profitable idea, but with limited capacity), to nuclear (isn't going to

happen in our back yard). Some ideas like tar sands are also profitable, but they come with a lot of baggage. For example, tar sand needs a good deal of energy to extract, requires the use of dilution chemicals, and is the dirtiest of sour crude to refine.

It is not that one should necessarily shun areas like hydroelectric power or wind power. Indeed, one of my favorites on our list is **Brookfield Renewable Power Fund** (BCRUN-TSX-C\$20.63). It is a buy at C\$20.50 or better. If you are of a mind to do some accumulation, you might buy some at our price at C\$20.50 and then more if it drops to C\$19.50. The indicated yield is 6.3%, and it pays monthly. Note this is a Canadian company which gives you an advantage against a depreciating U.S. dollar.

Technology is improving in wind generation and in hydroelectric generation, but perhaps the greatest technical strides are being seen in natural gas production. The problem is that a lot of natural gas in the U.S. is trapped in sedimentary rock and has been difficult if not impossible to extract economically. Horizontal drilling and hydraulic fracturing solves this problem, but the down side is that hydraulic fracturing uses water, and environmentalists are sensitive (as they should be) to water quality. Nevertheless, you should look for significant growth in the use of natural gas from plentiful reserves within the U.S.

I firmly believe that natural gas offers the best solution to our domestic energy shortages. This will require improvements in transmission infrastructure, including expansion of delivery pipelines and a process of conversion to using natural gas in lieu of crude oil products; i.e., gasoline and diesel. The transportation industry is pushing for electric cars, but electricity has to come from somewhere. Coal will remain an electrical fuel source, and demands on hydroelectric and wind-generated electricity will continue to grow. However, America has natural gas, and it is prevalent. Some suggest that the United States has domestic gas reserves sufficient to supply our energy needs for the next 100 years.

Natural gas prices have been dismal, but they are improving. There seems to be a technical floor at \$4.00, and a rally in crude this year should bring natural gas up at least 50% to about \$6.00 ... but I am not interested in buying *natural gas production*. We already have positions with **Enerplus** (ERF-NYSE-\$30.84) and **Baytex** (BTE-NYSE-\$46.82), each of which produce natural gas.

Natural gas wells normally play out relatively quickly, and gas production requires a lot more drilling than crude oil. I once read a piece about a fellow who got rich on tennis balls. He did not get rich making tennis balls, but in providing the special wool that comprises the tennis ball fuzz. The big money in natural gas is "in the fuzz." I'm searching for service companies and suppliers of natural gas field equipment. As prices and demand for gas improves, activity will increase and ancillary companies will make a killing without the direct price risk inherent in the natural gas market.

**Schlumberger** (SLB-NYSE-\$83.50) is finally profitable for us, and it has some fit for our natural gas ancillary industry strategy. In this light, I am raising the buy price to \$70.00.

Although Schlumberger provides for natural gas producers as well as for the crude oil industry, consider some **Natural Gas Service Group** (NGS-NYSE-\$18.91), which I am adding to our recommended list. NGS hits more to the heart of the natural gas matter being a major supplier of compression equipment and services to the natural gas industry. Sales (actually leases) are strong, and profit margins are quite generous. NGS does not pay a dividend, but the growth prospects are excellent. We need to see some weakness in order to pick this up decently and shave off some market risk; but when crude sells off and the energy sector at large sees some profit-taking, I think NGS will come down to \$17.50 where it is an excellent buy.

Crude and gold will benefit this year from political instability in the Middle East. Iran is going to get the bomb, regardless of our efforts to thwart their efforts. Then they will have eyes on reinstating the Persian Empire and expanding their influence in the region. The bomb will also give them global credibility much like that garnered by North Korea (who have little going for them except the bomb). Iran, on the other hand, has crude oil. All of this will likely lead to a Shia/Sunni civil war. Bottom line is that crude oil prices have solid bullish underpinnings that have nothing to do with the American domestic economy.

The stock market has had a wild ride, as the charts on Pages 1 and 2 illustrate. The retail investor - or "crowd" as they are often called - got slammed in real estate and in the stock market during the 2007-08 crash. Real estate will not be viable as a market for another 10 years. The crowd will be reluctant to buy real estate again, likely for their remaining lifetimes. They will become renters once they can shed the properties they are stuck with now.

The second financial blow came from the stock market. Although there has been a recovery in the averages since 2008, the crowd bailed out at the lows and bought bonds. Once again, they found a financial haven in perceived government safety. Although the yields are paltry, the bond market has rewarded them with appreciation since the 2008 lows.

Our Rydex bond program has done a decent job timing the bond market, and the only way you should participate in bonds is as a trader - not as a long term investor like the crowd. The Rydex program is currently short bonds; and although it will play the short term moves, our other work looks exceptionally bearish on bonds long term. In a nutshell, it looks like the bond market is entering into what will be a secular bear market. That means bond prices will fall and interest rates will rise.

More important, the crowd will once again suffer financial loss and jump ship. Where will they go next? To the asset class that has done the best. The asset class that in hindsight they "should have" been in. The crowd will discover precious metals, and then the bubble will begin to inflate in gold and silver. The gold and silver markets are very small compared to the NYSE or Nasdaq, or certainly bonds.

As money comes rushing in and higher prices attract more money as is the case in markets, the velocity stage will begin in gold and silver. Velocity/bubble markets typically overshoot to silly price levels. Remember the 500 times PE ratios in the dotcom bubble and the ability to manufacture new dotcom companies and IPOs out of thin air? There will be none of that in gold and silver. The supply of gold is finite, but the public's ability to do stupid things is not.

I am looking forward to a great year in 2011. The secret will be to continue to concentrate your money in tangible asset-advantaged investments. The commodity bull has at least 5 or 6 years yet to run in my opinion. In any event, the commodity sector will continue to outperform paper assets until the Dow/gold ratio falls to 2.0. You can count on that.

## Recommended Stocks For Buy And Hold

**Note: You can get quotes on Canadian stocks in Canadian dollars by using the symbols we have listed at [www.bigcharts.com](http://www.bigcharts.com). Thus, if you want a quote for Peyto Energy, go to [www.bigcharts.com](http://www.bigcharts.com) and type in CA:PEYUN. You can approximate the price in U.S. dollars by multiplying the Canadian dollar quote by .98. You should buy at or below the posted downside buy price. The downside buy price does not imply that this level will necessarily be reached, but that this is the maximum price we recommend that you pay for the issue. Changes since our last letter are in bold letters.**

Company	Symbol	Exchange	Initial Recom. Date and	Price	Price 12/31/10	Downside Buy Price	Div 12/31/10	Target-T Stop-S	Web Site
<b>U.S. \$</b>									
Apache Corp	APA	NYSE	3/5/2007	68.00	119.23	95.00	0.50%		<a href="http://apachecorp.com">apachecorp.com</a>
Baytex Energy	BTE	NYSE	5/18/2004	9.00	46.82	36.00	5.13%		<a href="http://www.baytex.ab.ca">www.baytex.ab.ca</a>
Blackrock	BGR	NYSE	8/3/2005	25.99	28.74	23.00	5.64%		<a href="http://blackrock.com">blackrock.com</a>
Enerplus Res.	ERF	NYSE	11/20/2008	19.00	30.84	24.00	7.00%		<a href="http://enerplus.com">enerplus.com</a>
<b>Gabelli Glb. Gld.</b>	<b>GGN</b>	<b>NYSE</b>	1/3/2006	22.10	19.27	<b>17.75</b>	8.72%		<a href="http://gabelli.com">gabelli.com</a>
Central Gold Trust	GTU	NYSE	7/27/2010	45.50	54.35	49.90	n/a		<a href="http://gold-trust.com">gold-trust.com</a>
Central Fund of Can	CEF	AMEX	Buy at \$17.00		20.73	17.00	0.05%		<a href="http://centralfund.com">centralfund.com</a>
Goldcorp	GG	NYSE	7/24/2008	40.00	45.98	42.50	0.78%		<a href="http://goldcorp.com">goldcorp.com</a>
Jaguar Mining	JAG	NYSE	3/30/2010	9.50	7.13	HOLD	n/a	<b>S=6.10</b>	<a href="http://jaguarmining.com">jaguarmining.com</a>
Legacy Reserves	LGCY	OTC	8/6/2010	24.00*	28.72	22.00*	7.24%		<a href="http://legacylp.com">legacylp.com</a>
Linn Energy LLC	LINE	OTC	11/18/2009	24.72	37.49	HOLD	7.04%		<a href="http://linnenergy.com">linnenergy.com</a>
<b>NG Service Grp.</b>	<b>NGS</b>	<b>NYSE</b>	<b>Buy at \$17.50</b>		18.91	<b>17.50</b>	n/a		<a href="http://ngsgi.com">ngsgi.com</a>
Pimco Com. Fund	PCRA		3/2/2005	11.89	9.16	7.35	9.20%		<a href="http://pimcofunds.com">pimcofunds.com</a>
Prospect Capital	PSEC	OTC	1/5/2009	12.00	10.80	8.00	11.24%		<a href="http://prospectstreet.com">prospectstreet.com</a>
Prospect Capital	PSEC	OTC	2/1/2010	11.00	10.80	8.00	11.24%		<a href="http://prospectstreet.com">prospectstreet.com</a>
Royal Gold	RGLD	OTC	7/8/2009	38.00	54.63	49.00	0.81%		<a href="http://royalgold.com">royalgold.com</a>
<b>Schlumberger</b>	<b>SLB</b>	<b>NYSE</b>	1/18/2008	75.00	83.50	<b>70.00</b>	1.01%		<a href="http://slb.com">slb.com</a>
Silver Standard	SSRI	OTC	1/4/2007	30.00	28.22	HOLD	n/a		<a href="http://silverstandard.com">silverstandard.com</a>
Sprott Phys Gld Tr.	PHYS	NYSE	Buy at \$11.50		12.35	11.50	n/a		<a href="http://sprottphysicalgoldtrust.com">sprottphysicalgoldtrust.com</a>
Silver Wheaton	SLW	NYSE	3/10/2006	8.40	39.04	HOLD	n/a		<a href="http://silverwheaton.com">silverwheaton.com</a>
<b>Yamana</b>	<b>AUY</b>	<b>NYSE</b>	4/14/2005	2.90	12.80	<b>HOLD</b>	0.94%		<a href="http://yamana.com">yamana.com</a>
<b>Canadian Dollars</b>									
Altius Minerals	CA:ALS	TSX	8/9/2007	17.88	14.44	HOLD	n/a		<a href="http://altiusminerals.com">altiusminerals.com</a>
ARC Energy	CA:AET.UN	TSX	9/8/2008	25.85	25.41	20.00	4.72%		<a href="http://arcresources.com">arcresources.com</a>
Crescent Point En.	CA:CPG	TSX	9/16/2008	30.20	44.19	37.00	6.25%		<a href="http://crescentpointenergy.com">crescentpointenergy.com</a>
Brookfld Ren Pw	CA:BRC.UN	TSX	12/17/2008	15.99	20.63	20.40	6.30%		<a href="http://brookfieldpower.com">brookfieldpower.com</a>
Peyto Energy	CA:PEY.UN	TSX	7/18/2003	8.75	18.49	HOLD	7.79%		<a href="http://peyto.com">peyto.com</a>
Silvercorp Metals	CA:SVM	TSX	1/21/2008	8.00	12.74	HOLD	0.63%		<a href="http://silvercorp.ca">silvercorp.ca</a>

\*Legacy - Scale in 1/3 at \$24.00, 1/3 at \$22.00, and 1/3 at \$20.50

### Buy And Hold Junior Gold & Silver Stocks - The Option Alternative

Company	Symbol	Exchange	Initial Recom. Date and	Price	Price 12/31/10	Downside Buy Price	Div	Target-T/ Stop-S	Web Site
<b>U.S. \$</b>									
Coeur d'Alene	CDE	NYSE	9/2/2003	31.90	27.32	HOLD	n/a		<a href="http://coeur.com">coeur.com</a>
Endeavor Silver	EXK	NYSE	7/26/2007	4.60	7.34	HOLD	n/a		<a href="http://edrsilver.com">edrsilver.com</a>
Great Basin Gold	GBG	NYSE	12/21/2007	2.45	2.96	HOLD	n/a		<a href="http://greatbasingold.com">greatbasingold.com</a>
Nova Gold	NG	NYSE	2/29/2008	11.50	14.27	HOLD	n/a		<a href="http://novagold.com">novagold.com</a>
Rubicon Min.	RBY	AMEX	2/1/2010	4.00	5.71	HOLD	n/a		<a href="http://rubiconminerals.com">rubiconminerals.com</a>
US Gold Corp	UXG	NYSE	9/9/2005	1.70	8.07	HOLD	n/a		<a href="http://usgold.com">usgold.com</a>
<b>Canadian Dollars</b>									
Everton Res.	CA:EVR	TSX	1/4/2007	1.30	0.35	HOLD	n/a		<a href="http://evertonresources.com">evertonresources.com</a>
Golden Valley	CA:GZZ	TSX	2/20/2007	0.50	0.51	HOLD	n/a		<a href="http://goldenvalleymines.com">goldenvalleymines.com</a>
Laramide Res.	CA:LAM	TSX	3/16/2006	5.20	1.97	HOLD	n/a		<a href="http://laramide.com">laramide.com</a>
Mega Uranium	CA:MGA	TSX	5/1/2007	6.75	1.09	HOLD	n/a		<a href="http://mega uranium.com">mega uranium.com</a>
Minera Andes	CA:MAI	TSX	9/11/2006	1.20	2.90	HOLD	n/a		<a href="http://minandes.com">minandes.com</a>

CS Denotes Canadian dollar. Quotes for Canadian stocks can be obtained on the U.S. OTC Bulletin Board (pink sheets) with the following symbols. I want to caution you, however, that OTCBB quotes are not always current. They can be a day or more old at times. You should take the quote in Canadian dollars (as described above) times .98 to see if the OTC quote looks correct. You can access these OTCBB quotes by using [www.barchart.com](http://www.barchart.com).  
Peyto Energy-PEYUF Laramide-LMRXF UTS Energy-UEYCF Minera Andes - MNEAF

**Target-T** A price in this column preceded by "T" represents the price at which you should liquidate the position and take profits. **Stop-S** A price in this column preceded by "S" represents the price at which you should place a sell/stop. Do not short on the target price or the stop price. There will not always be a target or stop price listed. For a further definition of a sell/stop, see the Welcome Letter.