

David Pescod's
Stocktalk
 Late Edition

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UEX CORPORATION (T-UEX)
 URANIUM

\$2.75 -0.49
 \$29.50 US +0.50

We've written many times over the last six months about the "Funk" the junior mining exploration market has been in, despite extremely high and generous commodity prices.

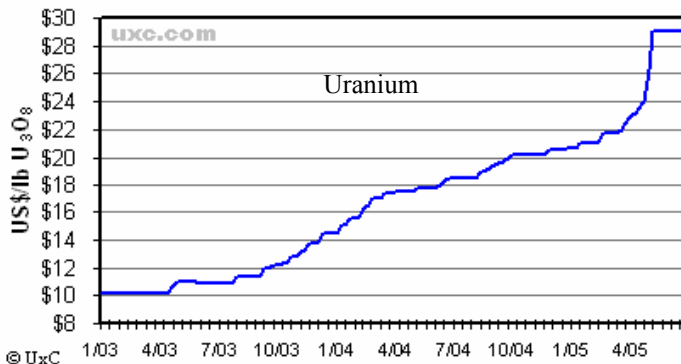
One of the big problems, of course, has been a drift in the price of gold, as well, the Investment Bankers printing so many shares that there is little leverage left to most explorers, should they ever even find anything.

Then of course, the "big bug a boo" is that there has been so few discoveries or so little excitement that no one has had a chance to make a buck and bleed some good old fashion greed. Maybe that's ending.....

Good news out of *Bear Creek* made a bunch of money for some people the other day, *Knight Resources* starts drilling and its stock almost doubles, all be it from a low level, but on millions of shares, and now *UEX*, a Uranium explorer, reports that their SHE-114-5 hole intersected 8.8 metres of incredibly rich 27% U308.

It's a "hum dinger" of a hole and the market reacts, moving the stock up significantly (almost to where it was back when people cared about Uranium explorers).

Today, *UEX* suffers some profit taking and undoubtedly a few people discover that is company now has suffered like so many other junior miners from "printing press-itis"—they have more than 150 million shares outstanding, but it is nice to see that some folks are discovering stuff, some money is being made and maybe some greed can return to the sector.



GASTAR EXPLORATION (T-YGA) \$3.40 -0.05

Former newsletter writer, *Bill Powers* of *Powers Asset Management*, is now a money manager out of Chicago. When asked the question, "If you could only own one oil and gas stock, what would it be?" He still answers with *TransGlobe Energy*. (We talked with *TransGlobe's* President *Ross Clarkson* yesterday.) Meanwhile, one of *Power's* favorite four stocks picks, previously, is currently off that list.

Gastar Exploration, he suggests, has weakened its capital structure. He says, "Poorly structured deals in the past several weeks, has made the capital structure no longer attractive, despite some very attractive properties." *Gastar* now has a lot of stock outstanding and not a lot of cash flow to show for it, despite enormous land holdings in Texas, West Virginia, and particularly in Australia where they have interest in more than 3million acres of potential coal bed methane land holdings. Either way, for him to take one of his favorites off that list hurts!



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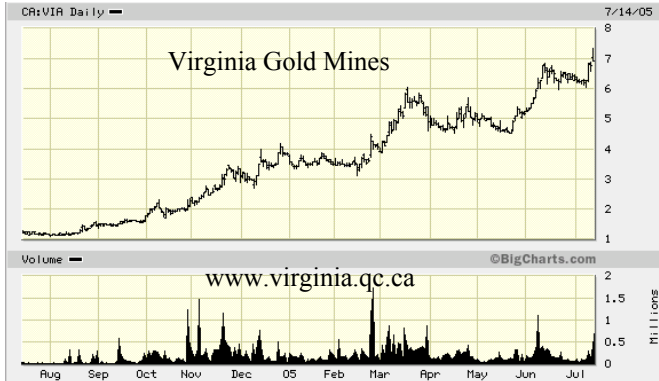


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*VIRGINIA GOLD MINES (T-VIA) \$6.85 +0.08
 PRIMARY METALS (V-PMI) \$1.11 +0.29
 TITAN URANIUM (V-TUE) \$0.75 -0.08

It has been a tough slog, down right impossible, trying to make a buck in the junior mining sector over the last six months, despite high commodity prices. We have written many times about the problems facing the sector, but one analyst who has been able to come with some winners has been *Eric Coffin* of "The Hard Rock Analyst"...., which is probably why we have quoted him so much of late. We suggest that a subscription to "The Hard Rock Analyst" is probably money well spent. (You can go to www.hardrockanalyst.com to get your subscription today.)

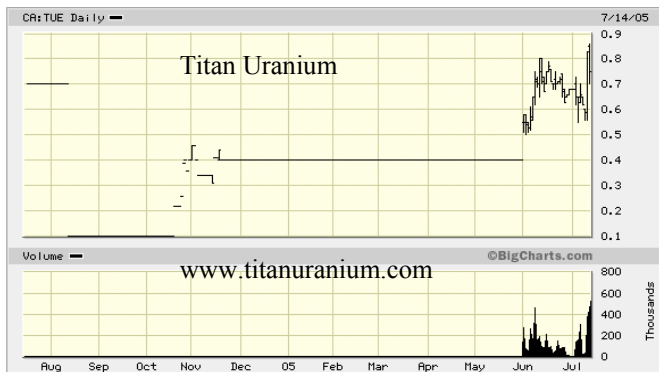
His main claim to fame has been being a big backer of *Virginia Gold Mines* way back when it was under \$1.00 and it just keeps coming up with the goods.

Today, there is more drilling results out of *Virginia* on their Eleonore property in Quebec and it is more of the same good stuff. *Eric*, today tells us that the numbers are great and more importantly they are down to the 600 meters depth level, suggesting, that they are well on their way to hitting the 5 million ounce deposit size. His target remains the same at \$10.00 by the end of the year, but we are getting ever closer to that number already.

There are more than a few analysts that suggest that this project could see 10 million ounces or higher, but so far *Eric* has been calling this play almost perfectly.

Now that the news is out and the stock hits new highs and will probably settle back before more results come out in a few weeks, where does a person go to make a buck right now we ask? Or in other words, if you could only buy one stock today what would it be? Well, actually he comes up with two.

His first pick is *Primary Metals*, which is a tungsten play that is in production. He suggests that when people see their quarterly numbers coming out, they will understand that this is a significant project that is actually making money and will probably make more down the road. As a second pick he points to the amazing discovery hole of *UEX* in the Athabasca Uranium area and suggests that one junior that could benefit from closeosity to that play with massive land holdings is *Titan Uranium (TUE)*. He is very convincing and we pick up some PMI.



Disclosure: * *Virginia Gold Mines*—Canaccord Capital covers this stock and has a Speculative Buy rating on it. (Speculative buy: Stocks bear

DEB'S DITTY:

What's the difference between an intelligent man and a UFO?
 I don't know, I've never seen either one.

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