CAPITAL MARKETS
HAYWOOD
SECURITIES INC.

Radar Screen

December 14, 2006

Published Today

Altius Minerals Corporation (ALS–V, C$9.90)

SECTOR OUTPERFORM; Target $15.00 (from $10.00), Risk: SPECULATIVE

Greg Smith (416-507-2339, gsmith@haywood.com)
David Beasley (416-507-2710, dbeasley@haywood.com)

Adding NLRC Equity to Our Target Price

- Feasibility study complete
- Permitting: the good and the bad
- Strategic partners

Manitoba Telecom Services Inc. (MBT-T, $34.70)

SECTOR PERFORM; Target $47.00, Risk: MODERATE

Rob Goff, CFA (416-507-2740, rgoff@haywood.com)
Dean McPherson (416-507-2433, dmcpherson@haywood.com **)**

Maintaining Sector Perform rating - still modest takeout upside and tough environment.

- EBITDA
- EPS
- FCF

GBS Gold International Inc. (GBS-T, $3.70)

SECTOR OUTPERFORM, Target $5.35 Risk: MODERATE

Andrew Kaip, P.Geo. (416-507-2417, akaip@haywood.com)
Nicholas Coutoulakis (416-507-2435, ncoutoulakis@haywood.com)

GBS Gold Doubles Fountain Head Resource – A Precursor for 2007 Forecasts

- Fountain Head resource climbs 104%
- Operational update
- Resource updates to come…

OPEC – December Update (November Production)

Alan Knowles, CFA, CMA (403-509-1931, aknowles@haywood.com)

November Production Down 0.6 mmbbls/day – 1.9%

- OPEC November production averaged 28.8 mmbbls/day—down 1.9% or 535,000 bbls/day from the previous month.

Published Yesterday

Sierra Wireless Inc. (SW-T C$13.91, SWIR-Q US$12.10)
SECTOR OUTPERFORM; Target US$20.00, Risk: MODERATE
Dev Bhangui (416.507.2790, dbhangui@haywood.com)
Terry J. Thib, PEng (416.507.2419, tthib@haywood.com)

Verizon / Sierra Rev A. Launch Imminent

- There are fairly credible rumours circulating that Verizon will launch its Rev. A network as early as Friday, staring in ten cities including Sacramento and Salt Lake City. We have discerned that the carrier will initially be launching the network with Sierra's AirCard 595. In the past, while it was known that Sierra had won a slot at Verizon, the market may be surprised to see that it appears it has won the key channel slot at the carrier where it has been non-existent since losing to Novatel and Kyocera in late 2004. Further, we believe that Sierra has already been shipping to the carrier in Q4 to support its launch and expect to see a modest incremental impact.

Click here for yesterday's report

GEOCAN Energy Inc. (GCA-T, $1.57)
SECTOR OUTPERFORM, Target: $3.00, Risk: SPECULATIVE
J. Frederick Kozak, P.Eng. (403-509-1938, fkozak@haywood.com)
David Warkentin, P.Eng. (403-509-1926, dwarkentin@haywood.com)

2007 Capital Expenditure Budget Announced

- GEOCAN announced a capital expenditure budget for 2007 of $31.5 million.
- Out of the total budget, approximately $24.5 million will be spent to drill 34 gross wells. The drilling plans include 19 development wells and 15 exploration wells and will be split approximately 53% to oil and 47% to natural gas.
- A large portion of the drilling expenditures will be focussed in Q1/07 with the Company planning to drill 14 wells (7 oil and 7 gas).

Click here for yesterday's report

Crescent Point Energy Trust (CPG.UN–T, $17.14)
SECTOR OUTPERFORM; Target $19.25, Risk: MODERATE
Alan Knowles, CFA, CMA (403-509-1931, aknowles@haywood.com)

Mission Oil & Gas Inc. (MSO-T, $12.17)
TENDER, Target: $12.00, Risk: MODERATE
Alan Knowles, CFA, CMA (403-509-1931, aknowles@haywood.com)

Mission Shareholders' Meeting Moved to December 18

- Mission plans to move its special shareholders meeting, held to vote on the Crescent Point offer, to December 18 from November 30. The change was necessitated by the fact the federal government has yet to clarify the details of the new trust taxation and other rules, particularly the amount of annual dilution allowed for trusts (unofficially pegged at 15% since the October 31 announcement).

Click here for yesterday's Crescent Point Energy's report

Click here for yesterday's Mission Oil & Gas's report

GBS Gold International Inc. (GBS-T, $3.62)
SECTOR OUTPERFORM, Target $5.35 Risk: MODERATE
Andrew Kaip, P.Geo. (416-507-2417, akaip@haywood.com)
Nicholas Coutoulakis (416-507-2435, ncoutoulakis@haywood.com)

Fountain Head – Indicated resource up 120% to 106,100 ounces of gold

- **Fountain Head** – Drilling at the Fountain Head deposit has increased the zone's indicated resource by 120% from 47,600 ounces to 106,000 ounces of gold. Indicated grades have declined 10% from 1.87 g/t gold to 1.67 g/t gold. With the increase in resources, the Fountain Head deposit is now estimated at 1.985 million tonnes at 1.7 g/t gold for 106,000 ounces of gold in the indicated category with an additional 0.661 million tonnes grading 1.6 g/t gold for 34,000 ounces of gold in the inferred category.

Click here for yesterday's report

MARKET INDEX

Market Index	Close	Change	% Change
NASDAQ	2,432.41	0.81	0.03%
DJIA	12,317.50	1.92	0.02%
AMEX	2,076.84	(4.17)	(0.20%)
S&P 600 SC	401.69	(0.08)	(0.02%)
S&P 500	1,413.21	1.65	0.12%
S&P TSX	643.96	2.02	0.32%
FTSE-100 (London)	12,202.87	37.55	0.31%
CAC 40 (Paris)	7,253.26	21.85	0.30%
DAX (Frankfurt)	8,627.88	16.55	0.19%
Nikkei (Tokyo)	16,829.20	136.27	0.82%
Hang Seng (H.K.)	18,919.40	201.21	1.07%

Source: Bloomberg

CURRENCIES

Currencies	Last	Change	% Change
C$/US$	1.1566	(0.0003)	(0.03%)
US$/C$	0.8646	(0.0003)	(0.03%)
Euro/US$	0.7573	(0.0009)	(0.07%)
Yen/US$	117.56	(0.02)	(0.02%)

COMMODITIES

Commodity	Last	Change	% Change
Gold, US$/oz	$628.45	($0.30)	(0.05%)
Silver, US$/oz	$13.80	($0.01)	(0.07%)
Platinum, US$/oz	$1,104.00	($5.00)	(0.45%)
Aluminum US$/lb	$1.28	($0.00)	(0.27%)
Copper, US$/lb	$3.03	($0.06)	(1.98%)
Nickel, US$/lb	$15.47	$0.22	1.43%
Zinc, US$/lb	$1.97	($0.05)	(2.36%)
Oil - Nymex, US$/bbl	$61.74	$0.35	0.57%
Oil - Brent, US$/bbl	$61.56	$0.23	0.38%
Natural Gas, US$/mmbtu	$7.68	$0.24	3.27%
*Uranium (lb)	US$65.50		as of 12/11/06

LOOKING AHEAD

Company Name	Ticker	Fiscal Y/E	Rating	Target	This Quarter EE	2007 EE	Release Date	Conference Call Time	Conference Call #
COM DEV International	CDV-T	Oct.	Sector Outperform	$7.25	$0.09	$0.41	14-Dec-06	4:30 PM ET	416-644-3416 or 1-800-731-5319
Extreme CCTV	EXC-T	Sept.	Sector Outperform	$4.25	$0.02	$0.21	14-Dec-06	2 PM ET	416-695-5259, or 1-877-888-3490

HAYWOOD SECURITIES INC.
CAPITAL MARKETS

Altius Minerals Corporation (ALS–V, C$9.90)

Greg Smith (416-507-2339, gsmith@haywood.com)
David Beasley (416-507-2710, dbeasley@haywood.com)

Investment Brief – Altius provides investors with exposure to the resource-rich but underdeveloped Newfoundland and Labrador region. The key driver for the stock over the near term is its high-impact refinery opportunity with Newfoundland and Labrador Refining Corporation (NLRC).

Rating	**SECTOR OUTPERFORM**
Revised Target Price	**C$15.00**
Risk Profile	**SPECULATIVE**

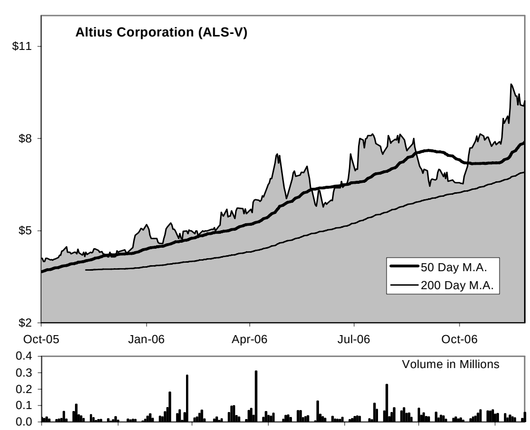
Forecast Risk	**High**
Financial Risk	**Moderate - High**
Valuation Risk	**High**

Current Price	C$9.90
Return	51.5%
52-Week High / Low	$4.15 / $9.85
Shares O/S	28.8M (basic) / 29.4M (F/D)
Market Capitalization	285.1 million
Daily Volume	50,902
Management Holdings	13.2%

April Year-end	2005	2006E	2007E	2008E
Revenue (000)	$183.7	$327.0	$2,092.4	$2,284.6
EBIT (000)	-$1,067.2	-$1,002.4	$795.4	$793.1
EPS (F/D)	$0.13	$1.08	$0.03	$0.03

(000)	2005	2006	2007E	2008E
Cash	$39,125	$35,332	$77,762	$79,263
Working Capital	$38,509	$33,903	$78,288	$79,788
Debt	$0	$0	$0	$0
Shareholders' Equity	$22,737	$61,073	$62,242	$63,693

Price Performance



Source: Bloomberg

Click here for today's report

Adding NLRC Equity to Our Target Price

- **Feasibility study complete**

  Altius (ALS–V) released news on Tuesday that the 37% owned subsidiary Newfoundland and Labrador Refining Corporation (NLRC) feasibility study was completed with the help of SNC-Lavalin. Costs and configuration figures were in line with expectations of a throughput capacity of 300,000 barrels per day at a cost of $4.6 billion (slightly above the $4.5 billion we had expected). Based on earlier indications from NLRC, an internal rate of return (IRR) at 15% (all equity) implies $7 refining margins (corresponding to approximately $40/bbl WTI). Using 50% debt, returns could approach the mid-20% range.

- **Permitting: the good and the bad**

  The Province's decision to grant an environmental impact statement rather than a panel review indicates the likelihood that permitting will take approximately 6 months rather than the 1-year alternative. The federal government's time frame is likely longer than the provincial body's, and a full permit will likely be granted in September or October of 2007, within the Company's time frame.

- **Strategic partners**

  With the NLRC feasibility study complete, the Company can secure strategic partners, which will add value and reduce the cost of both equity and debt for construction. We believe that with a minimal $20 million to $50 million of capital required next year for engineering work, we might see a small strategic private round of financing ahead of permitting. We would also expect an initial public offering of NLRC with strategic partners in hand in early 2008, which we believe would reduce Altius' potential dilution in NLRC.

Valuation – We have valued Altius Minerals at its tax-adjusted value of cash and marketable holdings in addition to an estimated value for its stake in NLRC. The Company's major holdings include a 10% position in Aurora Energy (AXU–T), a 10% stake in the Voisey's Bay 3% Nickel Royalty, and a 37% ownership in NLRC.

Catalysts – NLRC strategic partnerships, full permitting on NLRC in fall 2007, TSX-listing of Rambler Minerals, Exploration results at Aurora Energy (AXU–T), and revised National Instrument 43-101.

Manitoba Telecom Services Inc. (MBT-T, $34.70)

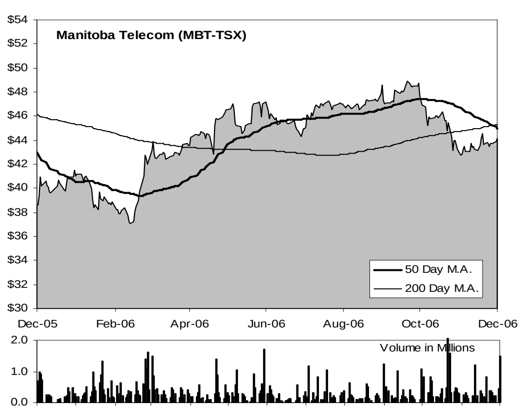
Rob Goff, CFA (416-507-2740, rgoff@haywood.com)
Dean McPherson (416-507-2433, dmcpherson@haywood.com **)**

***Investment Brief** – We are maintaining our Sector Perform rating and our target to $47. Our DCF valuation suggests upside to our target. Further, we believe takeover potential is an added positive. However, we see limited upside in a takeover scenario.*

Rating	**SECTOR PERFORM**
Target Price	**$47.00**
Risk	**MODERATE**
Forecast Risk	**Moderate**
Financial Risk	**Low**
Valuation Risk	**Moderate**
Current Price	$43.70
Return (incl. dividend)	13.5%
52-Week High / Low	$50.24 / $36.61
Dividend / Yield	$2.60 / 6%
Shares O/S	68.0M (basic) / 68.1M (F/D)
Market Capitalization	$2,972 million
Daily Volume (3 mnth avg.)	367,989
2005E Debt / EBITDA	1.6

Fiscal year end Dec 31	2004A	2005A	2006E	2007E
Revenues ($mm's)	2,011	2,017	1,920	1,884
EBITDA ($mm's)	1,090	691	640	650
EPS ($)	2.47	2.74	2.40	2.46
CFPS ($)	5.20	6.08	6.29	7.65
FCF ($mm's)	100	165	227	251
Current EV/EBITDA	3.8	6.0	5.3	5.3
Target EV/EBITDA	3.9	6.2	5.5	5.4
DCF Value		52.14	53.84	53.40
Share Price - Current, Target		43.70	47.00	48.00
Current, Target DCF Discount		15%	15%	11%

Price Performance



Source: Bloomberg

Click here for today's report

Maintaining Sector Perform rating - still modest takeout upside and tough environment.

- **MTS's '07 guidance - modestly** aggressive at the top (revenues), in line at the middle (EBITDA) and conservative at the bottom line EPS.
- **Revenue Growth -** Guidance of $1.875B to $1.925B exceeded our forecast of $1.871B and consensus of $1.866B. We attribute the gap to higher pricing with guidance for growth service subscribers in line. Like BCE, guidance for wireline NAS losses is below our forecast (we believe optimistic, particularly if business losses start). MTS much like its peers is looking to optimize unit revenues. MTS presented the same view of the enterprise market improving that we heard from Bell. **We remain cautious, marginal economics, the competitive structure and CISCO may have something to say about pricing discipline.**
- **EBITDA –** Guidance of $625M to $655M was generally in line with our forecast of $643M and consensus $639M. MTS' '07 guidance reflects a flat to -0.5% decline in revenues (using '06 guidance). We recognize improved margins from the restructuring program, expected to be largely complete in '07 – MTS is estimating another $40 to $50M in saving in '07 ($120M in '06). We believe cost cutting measures could support a positive bias towards our forecasts.
- **EPS** – Guidance of $2.30-$2.50 (growth of 4.1% to 9.5% based on '06 guidance) is in line with our '07 forecast at $2.46 and pre-guidance consensus at $2.50. The company also announced plans (NCIB) to buyback ~10% of outstanding shares by Dec. 2007. **We raised our '07 EPS by $0.06 to $2.46 based on improved margins from the restructuring program.**
- **FCF** – Guidance for '07 is $240M to $270M, with capex intensity expected at 14% to 15%. We were estimating free cash flow of $234M and capex intensity of roughly 15%. MTS is targeting dividend payout of 70% to 80% of distributable cashflow. We put the dividend payout at 68% against 2007 FCF or 89% after allowing for restructuring charges. **Arguably, restructuring costs are a fact of life and a necessary component of meeting expectations. Therefore, measuring dividend payouts after restructuring is valid.** Fortunately, the low leverage allows MTS to debt finance its integrated dividend/NCIB plans.

Valuation – MTS currently trades at 5.7/5.7x 2006/07 EV/EBITDA. BCE is valued at 5.2/5.1x 2006/07 EV/EBITDA against TELUS at 5.9/5.2x and the RBOCs at 7.3/5.9x 2006/07. MTS currently yields 6% BCE's dividend yield is 4.4% versus Verizon and AT&T at 4.5%/3.7%. Our target DCF value for MTS is $53.84, reflecting upside to our target.

GBS Gold International Inc. (GBS-T, $3.70)

Andrew Kaip, P.Geo. (416-507-2417, akaip@haywood.com)
Nicholas Coutoulakis (416-507-2435, ncoutoulakis@haywood.com)

Investment Brief – GBS Gold is a new gold producer with mining operations in Australia's Northern Territory, where it recently re-commissioned a 2.5 million-tonne-per-annum gold mill and holds a dominant land position with a resource base of 3.5 million ounces of gold. We estimate 2007 gold production of approximately 138,000 ounces at a total cash cost of US$340 per ounce.

Rating	**SECTOR OUTPERFORM**
Target Price	**$5.35**
Risk Profile	**MODERATE**

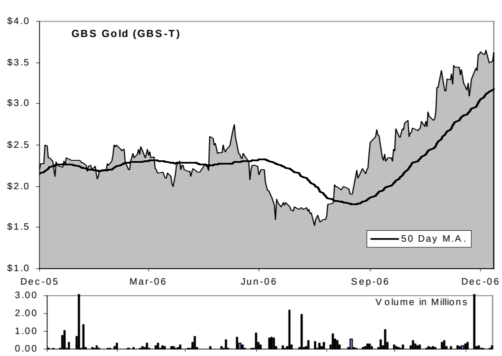
Forecast Risk	**Moderate**
Financial Risk	**Moderate**
Valuation Risk	**Low**
Political Risk	**Low**

Current Price	$3.70
Return (incl. dividend)	45%
52-Week High / Low	$3.75 / $1.52
Dividend / Yield	N/A
Shares O/S	101.4M (basic) / 121.3M (F/D)
Market Capitalization	$375.2 million
Daily Volume	340,500

Financial Summary					
Dec 31 Estimate	2006E	2007E	2008E	2009E	2010E
Ave. Shares Outstanding, M	86.5	101.3	105.4	115.3	115.3
EPS	(0.07)	0.26	0.36	0.26	0.27
P/E	-	13x	9x	13x	12x
Target Price/EPS	-	18x	13x	18x	18x
CFFOPS	(0.03)	0.30	0.48	0.42	0.44
P/CFFOPS	-	11x	7x	8x	7x
Target Price/CFFOPS	-	16x	10x	11x	11x

Production Estimates					
Dec 31 Estimate	2006E	2007E	2008E	2009E	2010E
Brocks Creek Underground	4	47	51	51	51
Brocks Creek Open Pits	12	86	106	87	78
Cosmo Deeps Underground	-	-	52	65	65
Maud Creek	-	5	76	66	88
Total Production	17	138	286	269	282

Price Performance



Source: Bloomberg

Click here for today's report

GBS Gold Doubles Fountain Head Resource – A Precursor for 2007 Forecasts

- **Fountain Head resource climbs 104%**
  Fountain Head indicated resources have increased 120% relative to the previous estimate to 2 million tonnes at 1.7 g/t gold for 106,000 ounces of gold. Inferred resources have increased 60% to 1.6 g/t gold for 34,000 ounces of gold in the inferred category.

- **Operational update**
  Operational ramp-up continues as planned, with increased output from the Brocks Creek and Rising Tide deposits. Site clearing has been completed at Fountain Head. These three deposits host measured and indicated resources of 4.3 million tonnes at 2.6 g/t gold for 362,900 ounces of gold and provide sufficient feed to achieve forecasted production of 150,000 ounces in 2007.

- **Resource updates to come…**
  With a significant increase in the Fountain Head resource, GBS Gold has solidified a trend that should see comparable resource upgrades for the Princess Louise North Point, Chinese South Extension, and Mottrams deposits in Q1/07. We anticipate future resource growth as drilling continues on the Cosmos Deeps and Chinese area and from plans to test the downplunge extent of the Fountain Head deposit. Exploration will also focus on evaluating the gold potential of Territory Iron Limited's tenements adjacent to the Union Reefs operations centre through a reciprocal exploration agreement.

Valuation – Our 12-month target price of C$5.35 per share is based on a 1.4x multiple of our after-tax project $NAV_{3\%}$ of US$342.3 million or US$3.38 per share. GBS Gold is currently trading at a project NAV of 1.0x, while peers in our coverage universe are trading at 1.4x. GBS Gold is currently trading at 11x/7x our 2007/2008 CFFOPS estimates of US$0.30/US$0.50.

Catalysts – We expect resource updates for Princess Louise North Point, Chinese South Extension, and Mottrams in Q1/07. We anticipate results from the first full quarter of production to serve as a subsequent catalyst.

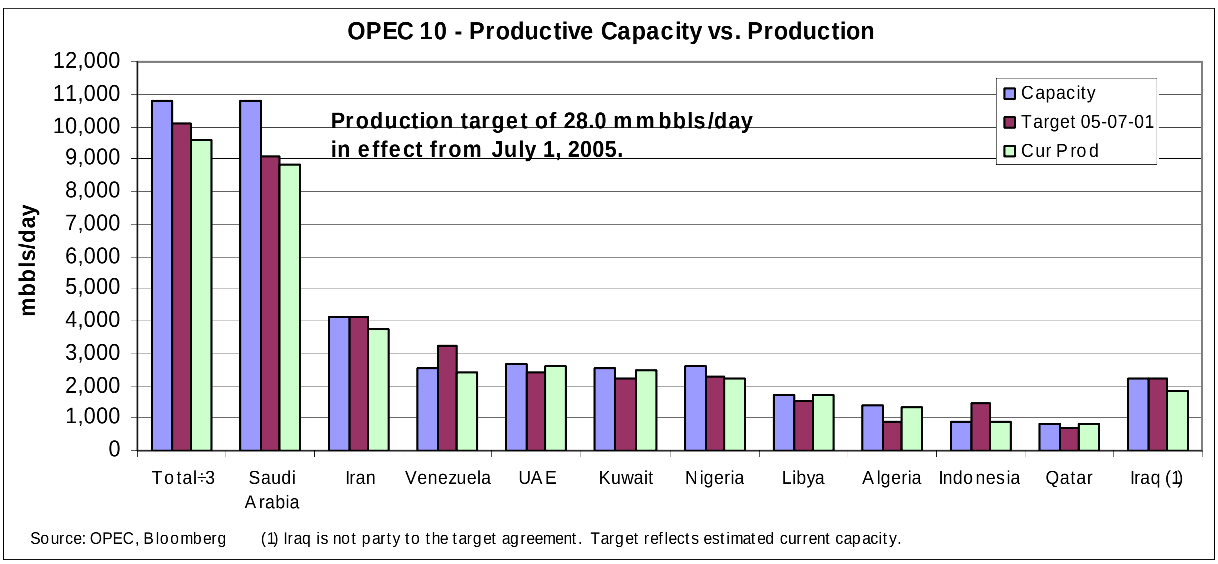
OPEC – December Update (November Production)

Alan Knowles, CFA, CMA (403-509-1931, aknowles@haywood.com)

November Production Down 0.6 mmbbls/day – 1.9%

Highlights

- **OPEC November production averaged 28.8 mmbbls/day—down 1.9% or 535,000 bbls/day from the previous month**.
- OPEC is holding a meeting today to consider whether or not to cut production. While oil prices, currently in the low-US$60 range are within the acceptable target area of the cartel, the threat of weaker prices after the winter, possibly into the mid-US$50 range per bbl, may motivate the group to announce another production cut. We believe the outcome of today's meeting will be key in setting the tone for expected oil prices for the next 6 months.



Catalysts

- Whether OPEC cuts its production or not at today's meeting (December 14, 2006) will affect prices accordingly. The next meeting after that is not until March 15, 2007.

Click here for today's report

Distribution

This report may only be distributed to non-institutional US clients in the following states: Delaware, Louisiana, Maryland, New York and Pennsylvania.

Analyst Certification

We, Andrew Kaip, Frederick Kozak and Alan Knowles, hereby certify that the views expressed in this report (which includes the rating assigned to the issuer's shares as well as the analytical substance and tone of the report) accurately reflect my/our personal views about the subject securities and the issuer. No part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations.

Important Disclosures

This report is prepared by Haywood Securities Inc. for use by Haywood Securities Inc., Haywood Securities (USA) Inc. and Haywood Securities (UK) Limited and their clients. Haywood Securities Inc. is a Canadian broker-dealer and a member of the Toronto Stock Exchange and the Canadian Venture Exchange. Haywood Securities (USA) Inc. is a wholly owned subsidiary of Haywood Securities Inc., registered with the U.S. Securities and Exchange Commission, and is a member of the National Association of Securities Dealers (NASD) and the Securities Investor Protection Corporation (SIPC).

Haywood Securities, Inc., and Haywood Securities (USA) Inc. do have officers in common however, none of those common officers affect or control the ratings given a specific issuer or which issuer will be the subject of Research coverage. In addition, the firm does maintain and enforce written policies and procedures reasonably designed to prevent influence on the activities of affiliated analysts.

Haywood analysts are salaried employees who may receive a performance bonus that may be derived, in part, from corporate finance income.

Of the companies included in the report the following Important Disclosures apply:

- The Analyst(s) preparing this report (or a member of the Analysts' households) have a financial interest in Altius Minerals Corporation (ALS-V), Sierra Wireless Inc. (SW-T, SWIR-Q), Mission Oil and Gas (MSO–T). and Crescent Point Energy Trust (CPG.UN-T).
- As of the end of the month immediately preceding this publication either Haywood Securities, Inc., its officers or directors beneficially owned 1% or more of GBS Gold International Inc. (GBS-T).
- Haywood Securities, Inc. or an Affiliate has managed or co-managed a public offering of securities for GBS Gold International Inc. (GBS-T), GEOCAN Energy Inc. (GCA–T) and Mission Oil and Gas (MSO–T) in the last 12 months.
- Haywood Securities, Inc. or an Affiliate has received compensation for investment banking services from GBS Gold International Inc. (GBS-T) in the past 12 months

Other material conflict of interest of the research analyst of which the research analyst or member knows or has reason to know at the time of publication or at the time of public appearance:

- n/a

Rating Structure

Each company within analyst's universe, or group of companies covered, is assigned a rating to represent how the analyst feels the stock will perform in comparison with the other companies, in that specific sector, over the upcoming 12 month period.

SECTOR OUTPERFORM – Haywood's top rating category. The analyst believes that the security will outperform its sector. Furthermore, the shares are forecast to provide attractive returns measured against alternative investments when considering risk profiles. The rating carries a minimum total return threshold of 15% for equities and 12% for trusts. The rating applies to companies that have tangible underlying assets that give a measure of support to the market valuation. The rating category considers both the absolute and relative values in assigning the highest rating on the security.

SECTOR PERFORM – The analyst believes that the security will trade with tight correlation to its underlying sector. Furthermore, the target price (together with any anticipated distributions) is at or above the market price, and forecast risk-adjusted returns are attractive relative to alternative investments.

SECTOR UNDERPERFORM – Investors are advised to sell the security or hold alternative securities within the sector. Stocks in this category are expected to underperform relative to their sector. The category also represents stocks with unattractive forecast returns relative to alternative investments.

The above ratings are determined by the analyst at the time of publication. On occasion, total returns may fall outside of the ranges due to market price movements and/or short term volatility. At the discretion of Haywood's Management, these deviations may be permitted after careful consideration

Other Ratings

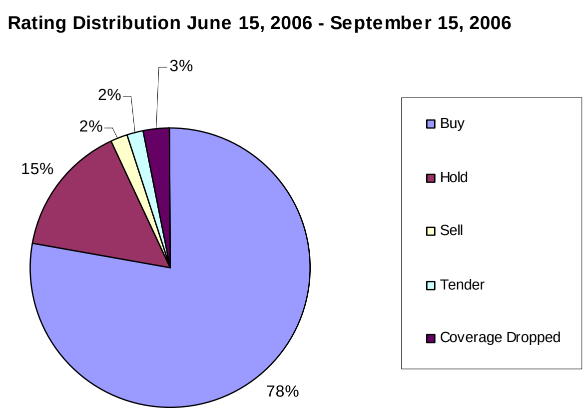
TENDER – The analyst is recommending that investors tender to a specific offering for the company's stock.

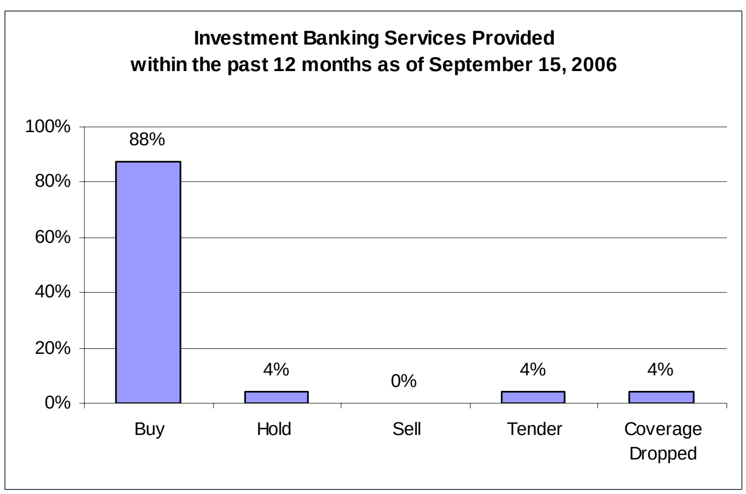
RESEARCH COMMENT – An analyst comment about an issuer event that does not include a rating or recommendation.

UNDER REVIEW – Placing a stock Under Review does not revise the current rating or recommendation of the analyst. A stock will be placed Under Review when the relevant company has a significant material event with further information pending or to be announced. An analyst will place a stock Under Review while he/she awaits sufficient information to re-evaluation the company's financial situation.

COVERAGE DROPPED – Haywood Securities will no longer cover the issuer. Haywood will provide notice to clients whenever coverage of an issuer is discontinued.

** Haywood's current rating structure (outlined above) does not correlate to the 3-tiered BUY, HOLD, SELL structure required by the NASD and NYSE. Our ratings of Sector Outperform, Sector Perform and Sector Underperform most closely correspond to Buy, Hold/Neutral and Sell respectively however, as described above, our assigned ratings take into account the relevant sector.*





Haywood's focus is to search for undervalued companies which analysts believe may achieve attractive risk-adjusted returns. This research coverage on potentially undervalued companies may result in an outweighed percentage of *companies rated as Sector Outperform. Management regularly reviews rating and targets in all sectors to ensure fairness and accuracy.*

For further information on Haywood Securities' research dissemination policies, please visit:
http://www.haywood.com/research_dissemination.asp

Risk Profile Parameters

SPECULATIVE: – Investment for risk accounts only. Companies within this category carry greater financial and/or execution risk. All junior/venture companies that carry great financial and/or liquidity risk will be tagged "SPECULATIVE". A stock indicating a SPECULATIVE risk is determined from sector specific criteria outlined below listed below.

Risk Profile Parameters – Telecom Service Providers

Forecast Risk: *High* – Haywood forecasts are below guidance. The Company has a history of missing targets. *Moderate* – Haywood forecasts are generally in line with guidance. The Company has a history of meeting or exceeding guidance. *Low* – Haywood forecasts exceed guidance. The Company has a history of meeting or exceeding guidance.

Financial Risk: *High* – The business plan is not fully funded but requires debt and/or equity financing. This categorization does not necessarily predict whether the additional funds will be raised. *Moderate* – The business plan is fully funded. The Company's debt is rated below investment grade. *Low* – The Company is fully funded with investment grade debt.

Valuation Risk: *High* – The current valuation is at the high end of historic levels and/or at a premium to peers. Where applicable, the DCF valuation is not more than 10% above the current equity valuation. *Moderate* – The current valuation is within historic ranges and generally consistent with peers. Where applicable, the DCF valuation exceeds the current capitalization by more than 10%. *Low* – The current valuation is at the low end of historic ranges and at a discount to peer valuations. Where applicable, the DCF valuation exceeds the current capitalization by more than 20%.

Risk Profile Parameters – Oil and Gas Sector

Forecast Risk: *High* – Haywood forecasts are below guidance. The Company has a history of missing targets and/or Haywood expects guidance to be lowered. Limited hedging increases commodity risk beyond peers. To raise expectations requires higher commodity prices or production that is ahead of guidance. *Moderate* – Haywood forecasts are generally in line with guidance. The Company has a history of meeting or exceeding guidance. Forecasts are consistent with current commodity pricing and production guidance. Hedging practices are in line with peers. *Low* – Haywood forecasts exceed guidance. The Company has a history of meeting or exceeding guidance. Forecasts allow for modestly lower commodity pricing or production levels. Commodity hedging lowers volatility relative to peers.

Financial Risk: *High* – The capital expenditure program in the current year or the next year of the forecast is not fully funded but requires additional debt and/or equity financing. This categorization does not necessarily predict whether the additional funds will be raised. *Moderate* – The capital expenditure program in the current year or the next year is fully funded with cash flow and limited debt. *Low* – The capital expenditure program in the current year or the next year is fully funded with cash flow and no new debt.

Political Risk: *High* – Properties are located in an area with limited petroleum industry activity or infrastructure. An environment unfriendly to the industry makes obtaining permits to drill or produce hydrocarbons challenging. Significant government or local opposition exists. *Moderate* – Properties are located in an area with minimal petroleum industry activity or infrastructure. An environment friendly to the industry makes obtaining permits relatively straightforward. All levels of government are considered indifferent to hydrocarbon activity. *Low* – Properties are located in an area with established petroleum exploration and development activity. Oil and gas Production Sharing Agreements or Exploration Permits are in hand. Government at all levels supports the sector.

Valuation Risk: *High* – The current valuation is at the high end of historic levels and/or at a premium to peers. The valuation reflects continued production growth and/or continuing strong commodity prices or further appreciation. Where applicable, the market capitalization exceeds the NAV by more than 30%. *Moderate* – The current valuation is within historic ranges and generally consistent with peers. The valuation reflects reasonable production growth and/or commodity price appreciation. Where applicable, the market capitalization exceeds the NAV by 15% to 30%. *Low* – The current valuation is at the low end of historic ranges and/or at a discount to peer valuations. The valuation reflects limited production growth and/or no commodity price appreciation. Where applicable, the market capitalization exceeds the NAV by less than 15% or falls below the capitalization.

Risk Profile Parameters – Mining and Minerals Sector

Forecast Risk: *High* – Haywood forecasts are below guidance. The Company has a history of missing targets and/or Haywood expects guidance to be lowered. Limited hedging increases commodity leverage. Forecasts reflect higher commodity prices or production relative to guidance. *Moderate* – Haywood forecasts are generally in line with guidance. The Company has a history of meeting or exceeding guidance. Forecasts are consistent with current commodity pricing and production guidance. Hedging is in line with peers. *Low* – Haywood forecasts exceed guidance. The Company has a history of meeting or exceeding guidance. Forecasts allow for modestly lower commodity pricing or production levels. Commodity hedging lowers volatility relative to peers.

Financial Risk: *High* – The business plan is not fully funded, but requires debt and/or equity financing. The exploration program is funded for two years or less. This categorization does not predict whether the additional funds will be raised. *Moderate* – The development plan is fully funded, with the exploration program funded for three years or more. The Company's debt is rated below investment grade. *Low* – The Company is fully funded. Its debt is rated investment grade and/or the Company has a history of profitability or dividend payments in each of the last three years.

Valuation Risk: *High* – The current valuation is at the high end of historic levels and/or at a premium to peers. The valuation reflects considerable exploration success and/or commodity appreciation. Where applicable, the current capitalization exceeds the DCF evaluation by more than 50%. *Moderate* – The current valuation is within historic ranges and generally consistent with peers. The valuation reflects reasonable exploration success and/or commodity appreciation. Where applicable, the current capitalization exceeds the DCF valuation by 15% to 50%. *Low* – The current valuation is at the low end of historic ranges and at a discount to peer valuations. The valuation reflects limited new exploration success and no commodity appreciation. Where applicable, the current capitalization exceeds the DCF valuation by less than 15% or falls below the current market value.

Political Risk: *High* – Currently no industry activity or infrastructure exists. Government opposition is significant. Obtaining permits is challenging. *Moderate* – Industry activity or infrastructure is minimal. Government at national, regional, and local levels is indifferent. Obtaining permits is relatively straightforward. *Low* – Industry activity and infrastructure exist. Government is supportive. Obtaining permits is facilitated.

Risk Profile Parameters – Technology/Special Situations

Forecast Risk: *High* – Haywood forecasts are below guidance. The Company has a history of missing targets and/or Haywood expects guidance to be lowered. Sales are minimally visible. *Moderate* – Haywood forecasts are generally in line with guidance and sales are moderately visible. The Company has a history of meeting or exceeding guidance. *Low* – Haywood forecasts exceed guidance. The Company has a history of meeting or exceeding guidance and its sales are highly visible.

Financial Risk: *High* – The business plan is not fully funded but requires debt and/or equity financing. This categorization does not necessarily predict whether the additional funds will be raised. Inventory turnover is low, cash flow is weak, and assets are below par. *Moderate* – The business plan is fully funded. Inventory turnover and cash flow are moderate, and assets are reasonably liquid. The Company's debt is rated below investment grade. *Low* – The Company is fully funded with investment grade debt, high inventory turnover, high cash flow, and superior assets.

Valuation Risk: *High* – The current valuation is at the high end of historic levels and/or at a premium to peers. Where applicable, the DCF valuation is not more than 10% above the current equity valuation. *Moderate* – The current valuation is within historic ranges and generally consistent with peers. Where applicable, the DCF valuation exceeds the current capitalization by more than 10%. *Low* – The current valuation is at the low end of historic ranges and at a discount to peer valuations. Where applicable, the DCF valuation exceeds the current capitalization by more than 20%.

Disclaimers

Estimates and projections contained herein, whether or not our own, are based on assumptions that we believe to be reasonable. The information presented, while obtained from sources we believe reliable, is checked but not guaranteed against errors or omissions.

Haywood Securities Inc., its subsidiaries and their respective officers, directors, and employees may hold positions in the securities mentioned and may purchase and/or sell them from time to time.

This report is neither a solicitation for the purchase of securities nor an offer of securities. Our ratings are intended only for clients of Haywood Securities Inc. Haywood Securities (USA) Inc., and those of Haywood Securities (UK) Limited and such clients are cautioned to consult the respective firm prior to purchasing or selling any security recommended or views contained in this report. Haywood Securities (UK) Limited ("HSUK") is a wholly owned subsidiary of Haywood Securities Inc. authorized and regulated in the UK by the Financial Services Authority as a stock broker and investment adviser and is a member of the London Stock Exchange.

This report has been approved by HSUK for the purposes of section 21 of the UK's Financial Services and Markets Act 2000.If you wish to contact HSUK please email D. Kim Gorius at kgorius@haywood.com.

Haywood Securities, or certain of its affiliated companies, may from time to time receive a portion of commissions or other fees derived from the trading or financings conducted by other affiliated companies in the covered security

If you are a UK resident private customer your attention is drawn to the risk warnings set out below:

Haywood Securities Inc or its subsidiaries or respective officers, directors or employees have or may have a material interest in the securities to which this report relates.

Past performance should not be seen as an indication of future performance. The investments to which this report relates can fluctuate in value and accordingly you are not certain to make a profit on any investment: you could make a loss.

Changes in the rates of exchange between currencies may cause the value of your investment to fluctuate.

If you are a UK resident private customer and you propose to do business with Haywood Securities Inc, please take note of the following:

Any investment services undertaken on your behalf by Haywood Securities Inc are not covered by the rules and regulations made for the protection of private investors in the UK. This means that you will not have the benefit of rights designed to protect investors under the Financial Services and Markets Act 2000 and under the rules of the Financial Services Authority ("FSA").In particular, you will not benefit from the following UK protections:

(a) the right to claim through the UK's Financial Services Compensation Scheme for losses resulting in the unlikely event of our default;

(b) in the event of a dispute, access to the UK's Financial Ombudsman Service;

(c) protection of money held on your behalf under the FSA's Client Money Rules.