

THE DRILL BIT



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All values in C\$ unless otherwise noted.



Market Overview

Commodities	Current	1 Week Chg.
Gold	US\$363.75	-1.44%
Silver	US\$4.53	-0.44%
Copper	US\$0.78	-1.65%
Nickel	US\$4.30	6.46%
Zinc	US\$0.37	4.29%
Platinum	US\$658	2.65%
Palladium	US\$178	-2.73%

Indexes

S&P/TSX Composite	7046.88	2.73%
S&P/TSX Golds	166.72	1.02%
S&P/TSX Metals	128.99	3.64%
TSX-Venture Exchg.	1100.40	0.92%
XAU-Philadelphia	US\$77.10	4.96%
XGD-Toronto	\$41.80	1.41%

Best Performers

IMA Exploration -IMR	\$1.29	20.56%
Altius Minerals -ALS	\$2.02	18.82%
Fronteer -FRG	\$0.75	15.38%
Shear Minerals -SRM	\$0.68	13.33%
TeckCominco -TEK.B	\$11.45	8.53%
Shore Gold -SGF	\$0.98	7.69%
Navigator Expl. -NVR	\$0.40	6.67%
Wheaton River -WRM	\$1.53	5.52%
Wolfden Res. -YWO	\$1.85	3.35%
Breakwater -BWR	\$0.17	3.03%

Junior Mining Sector Developments

In late April we commented on Bear Creek Mining Corp. (BCM, V) and Mag Silver Corp. (MAG, V). These companies completed transactions with capital pool companies and is currently drill testing several of their key properties.

Lumina Copper Corp. (LUM, V) is another new name that has quietly come to market in working through a qualifying transaction with First Trimark Ventures Corp. Lumina's mandate is to establish the company as the most leveraged copper investment available. To accomplish this, the company plans to purchase out-of-the-money copper prospects and, to date, has purchase agreements in place for the Redstone Deposit (NWT), the Hushamu Deposit (BC) and the Casino Project (Yukon). These projects contain resources of 7.7 billion pounds of copper and 7.9 million ounces of gold. Lumina is managed by Tony Floyd and counts amongst its key shareholders, Ross Beaty and Rick Rule. Lumina calculates that it has acquired the in-ground resources of copper and gold for \$0.027 per pound Cu and \$0.25 per ounce of gold, respectively. The company has \$3.3 million in working capital and 9.45 million shares issued and outstanding.

- Altius Minerals Corporation (ALS, V, \$2.02, Speculative Buy)**
 Altius Minerals announced that it plans to purchase a portion of the net smelter return (nsr) royalty for the Voisey's Bay deposit in Labrador. The purchase agreement has been struck with private interests and represents an initial 0.225% nsr royalty over the deposit that is being prepared for production by Inco Limited. The \$9.75 million purchase price for the Voisey's Bay nsr royalty will be financed through a \$10 million equity offering. According to Altius, the royalty should cash flow \$1 million per year for 25 years once production commences in early 2006. We view this transaction as a good business move that adds another dimension to a high quality exploration group.
- Northern Empire Minerals Ltd. (NEM, V, \$1.57, Speculative Buy)**
Stornoway Ventures Ltd. (SWV, V, \$1.37, Speculative Buy)
Shear Minerals Ltd. (SRM, V, \$0.68, Speculative Buy)
 All three companies waived their respective rights of first refusal with regard to Hunter Exploration Group's minority interest in two diamond projects (Aviat and Churchill) in Nunavut. With this transaction now nearing completion, BHP Billiton Diamond Inc. will purchase a 20% participating interest in the Aviat Project for \$7.125 million which has Northern Empire and Stornoway as partners and a 14% interest in the Churchill Project for \$3.0 million, the partners are Shear Minerals and Northern Empire. Work on these separate projects is well underway. On the Churchill Project, project operator Shear Minerals, reports that its first drill hole (vertical & drilling) has cut 252 metres of kimberlite.

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Industry Rating	Definition
Overweight	Analyst expects performance of their industry coverage universe to beat the TSX benchmark** over the next 12 to 18 months.
Equal Weight	Analyst expects performance of their industry coverage universe to be in line with TSX benchmark over the next 12 to 18 months.
Underweight	Analyst expects performance of their industry coverage universe to lag the TSX benchmark over the next 12 to 18 months.
Stock Rating	
Overweight	The stock's total return is expected to exceed the average total return of the analyst's (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12 to 18 months.
Equal Weight	The stock's total return is expected to be in line with the average total return of the analyst's (or industry team's) coverage universe on a risk-adjusted basis, over the next 12 to 18 months.
Underweight	The stock's total return is expected to be below the average total return of the analyst's (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12 to 18 months.
Volatility Rating	Stocks will also be marked with a volatility rating (Volatile versus Not Volatile) if the price has moved up or down by more than 20% in at least 12 of the past 24 months. IPOs will carry a Volatile rating within the first 12 months.
Note: All ratings assume equal-weighted stocks in a portfolio. TSX benchmark total return is assumed at annualized rate of 8% to 10%.	